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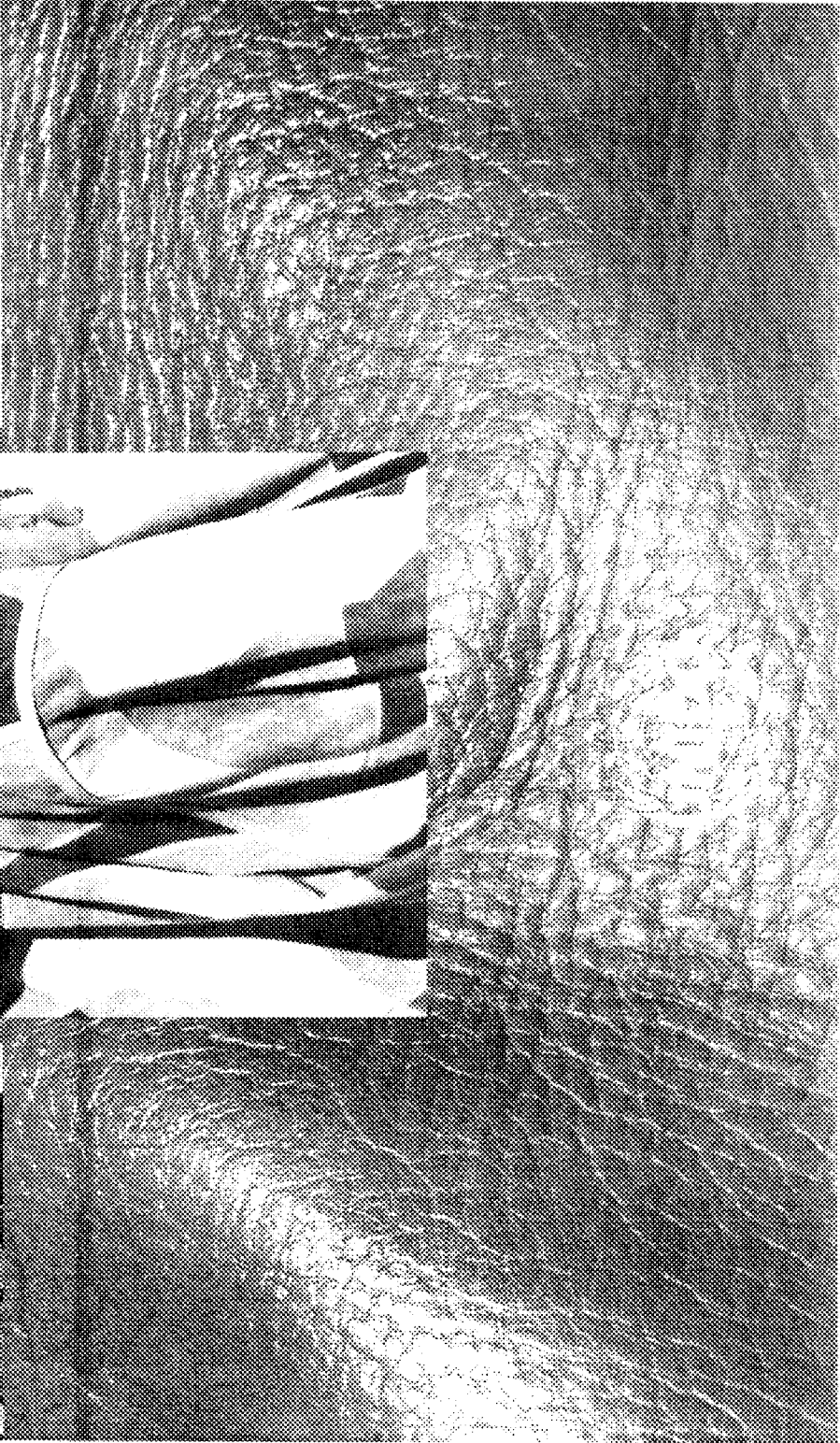
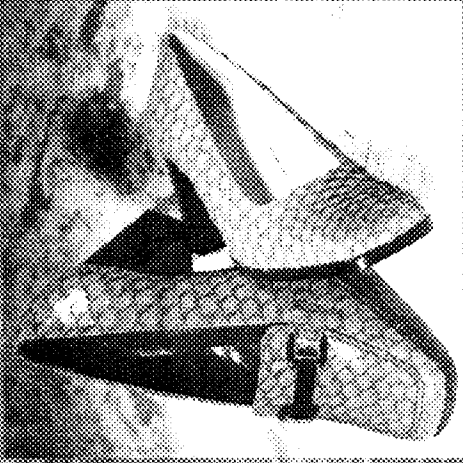
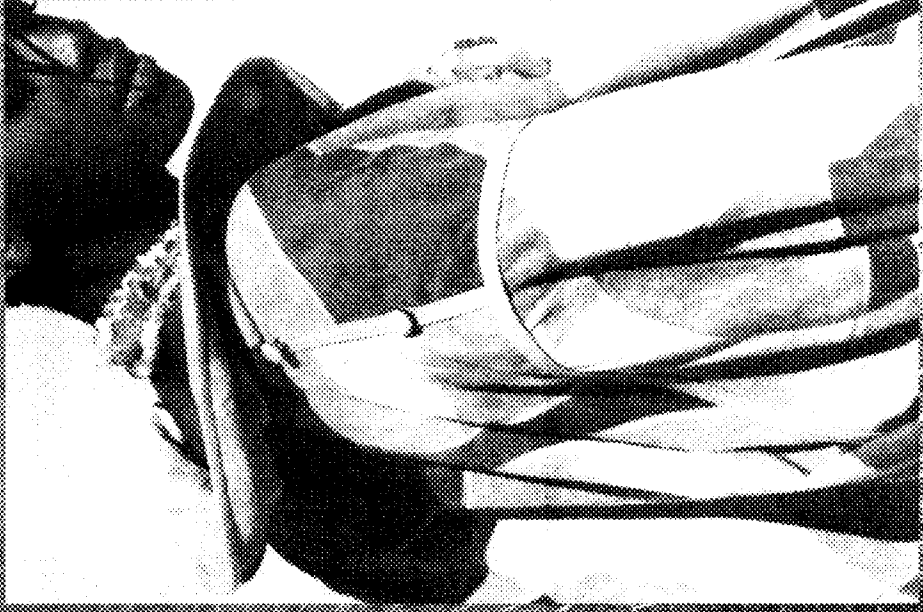
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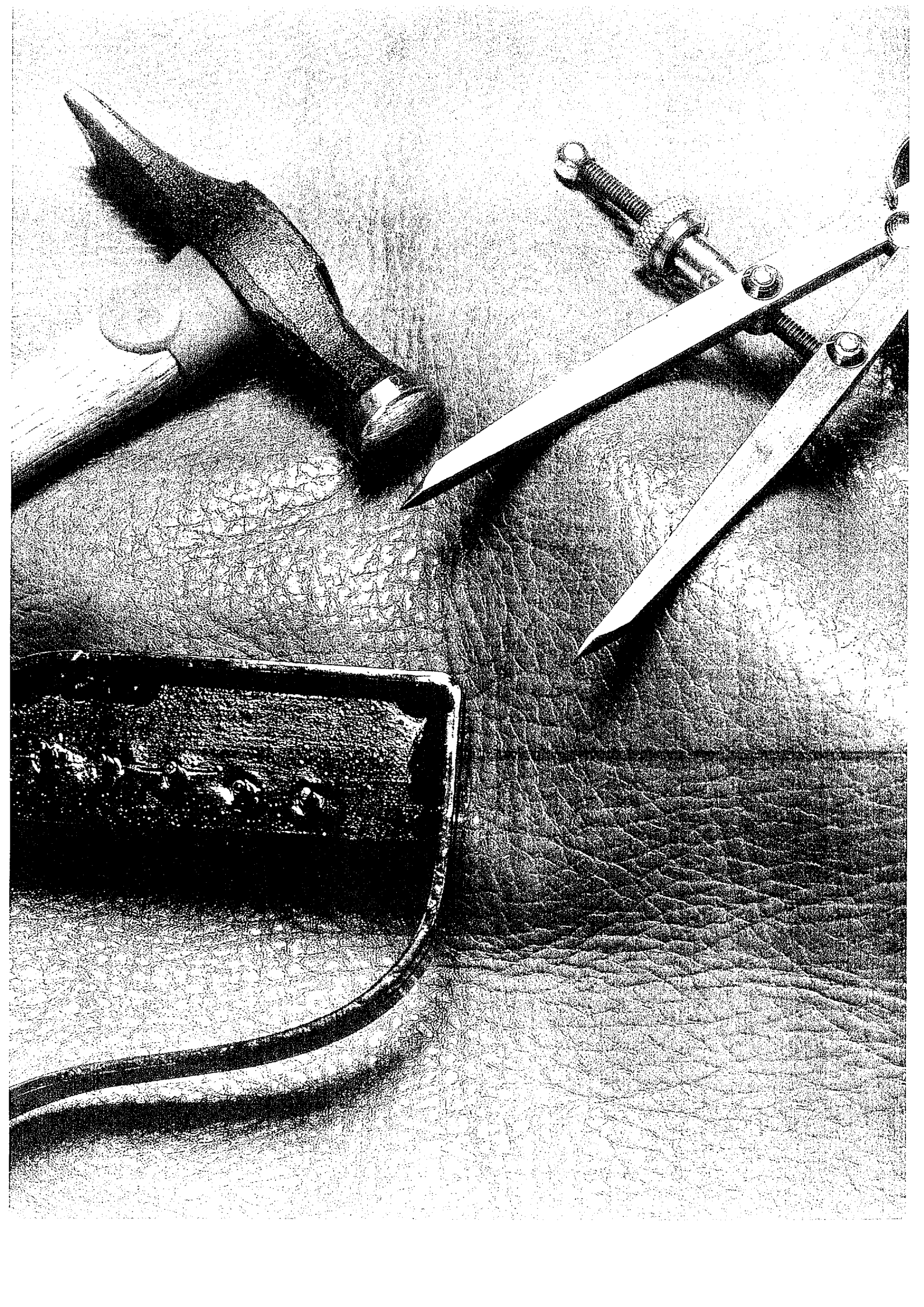
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# AFRICAN LEATHER

Development Partnerships Give Lustre to Products In Nine Countries

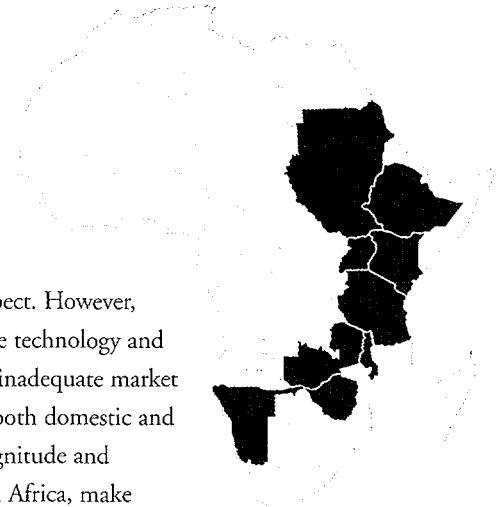




# Developing the Leather Industries in Sub-Saharan Africa

*Leather making and the manufacture of leather products have considerable potential in most African countries.* Alone the fact that a

continent which rears 18 per cent of the world's livestock accounts for barely more than 3 per cent of the world leather footwear production (and for an even smaller proportion of the global trade in hides, skins, leather and leather products) is a telling disparity in this respect. However, the many causes of this wide gap – from obsolete technology and poor product quality and quality consistency to inadequate market appraisal in conditions of fierce competition in both domestic and foreign markets – are equally striking. Their magnitude and widespread occurrence, especially in sub-Saharan Africa, make meeting this development challenge a daunting task.



Over the last two decades, Africa's leather industries have been receiving development assistance, most of it coming from the United Nations Industrial Development Organization (UNIDO). The Organization's Leather Programme in Eastern and Southern Africa is one of its largest and most complex undertakings, with a multitude of development partners and direct beneficiaries in nine countries: Ethiopia, Kenya, Malawi, Namibia, Sudan, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.



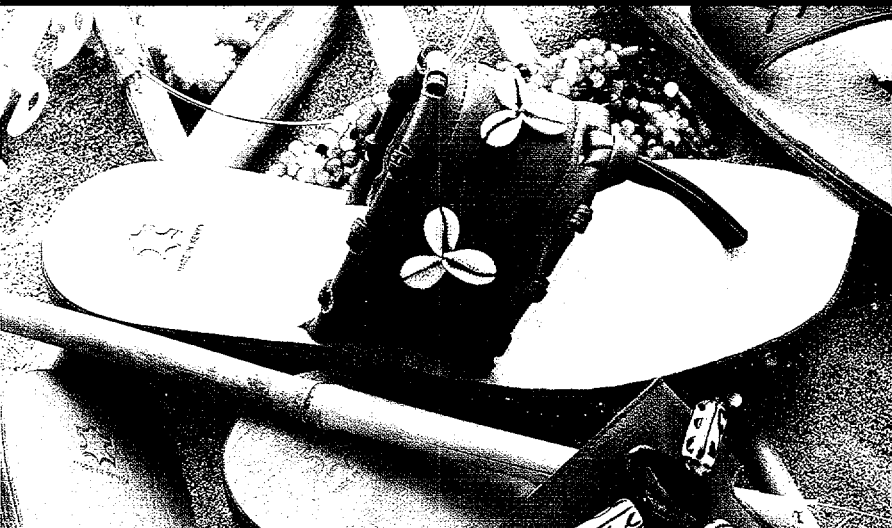
Long-horn (ankole) cattle in Uganda.



**Fund Raising Feat** With implementation expenditures totalling to date over US\$27 million, the Leather Programme is a remarkable case of funds mobilization. Approximately 80 per cent of overall financing has come from donor countries whose support readiness has been elicited to a great extent by the large and unique body of industry-specific information and experience accumulated by the sponsoring organization. An initial four-year pilot scheme dealing with upstream operations and the current system-wide second phase of the Programme, which started in 1993, have been financed mostly through special-purpose contributions from the governments of Italy, Germany, Switzerland, Austria, Finland, Japan, Netherlands, France, Denmark and the Czech Republic, with additional funds provided by the United Nations Development Programme and UNIDO.

Also appealing to potential donors have been the defining features of the Programme: its wide scope as a coherent set of projects covering a very complex system – the entire leather cycle ranging from the recovery of raw hides and skins to the design and manufacture of leather products – and its complementary focus on environmental concerns and social equity issues.

**Development Partnerships** The centrepiece of the Programme's strategy is the establishment and consolidation of institutional development partners in the region. National leather industry associations are now operating in all nine countries and some have already assumed considerable responsibilities in programme management and the actual delivery of assistance. They also provide a key complement to UNIDO's advisory services to policy makers by lobbying their governments for tariff, taxation and



Artisan touch: Cowry shells used as ornaments for African Look sandals made in Kenya.  
*Opposite page:* Worker stamping soles at the Thika Centre.

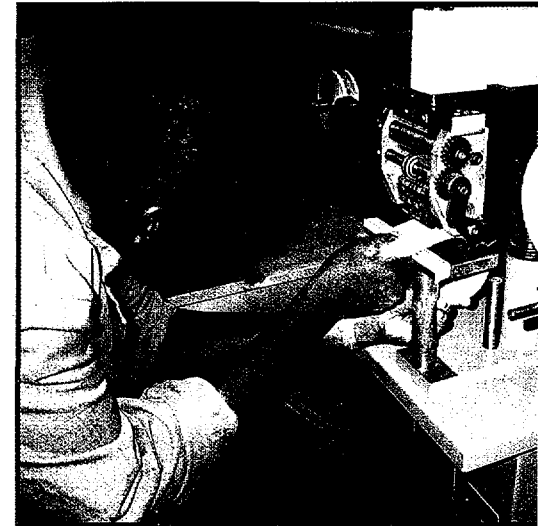
infrastructure measures conducive to a supportive environment for a sustainable development of their industries.

All national associations are full members of the Eastern and Southern Africa Leather Industries Association (ESALIA), a non-governmental organization established in 1995 and expected to carry on UNIDO's role beyond the end of the Programme. The Association's increasing involvement in UNIDO's endeavours to serve the region's leather industries is proving to be a valuable asset, most notably in ensuring adequate information flows, coordinating training and promoting trade and sound business practices. ESALIA is also cooperating with such reputable counterparts as the Confederation of National Associations of Tanners and Dressers of the European Community and Italy's Unione Nazionale Industria Conciaria and has recently secured a US\$1.4 million contract with the Common Fund for Commodities to establish a single leather grading system in the region.

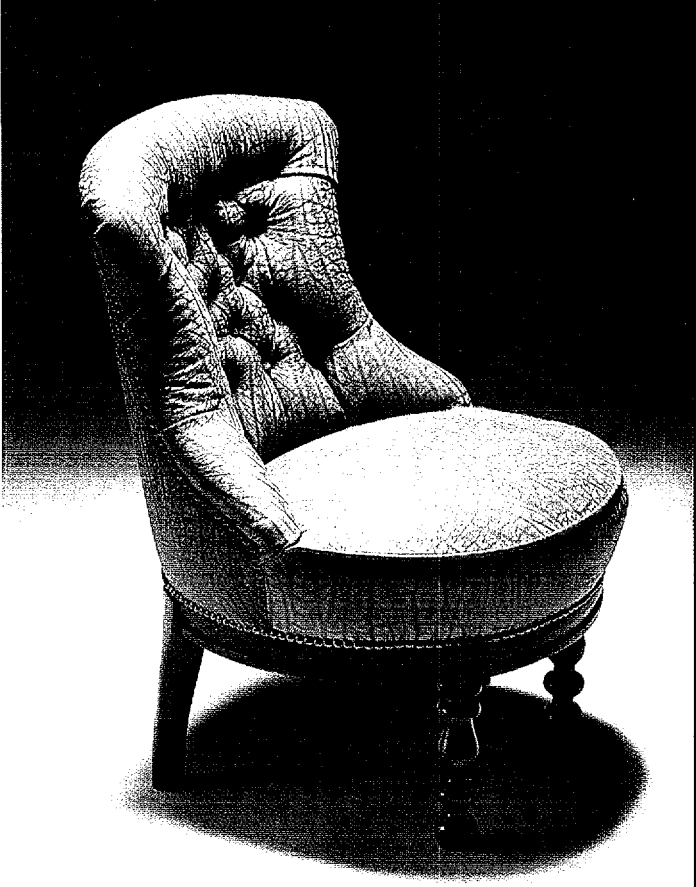
**Adding Value to Human Resources** Skill development across the entire range of operations in the leather cycle and in conjunction with equipment and technology upgrading has been and remains a major necessity. From flayers and leather finishers to shop-floor supervisors and shoe designers, well over 2,000 people have been trained first-hand since the beginning of the Programme. Most of these services have been rendered through the Training and Production Centre for the Shoe Industry in Thika, Kenya, which started on its award-winning journey in 1994 [see page 8], and the Leather Institute of Zimbabwe in Bulawayo, an R&D institution closely associated with such established exporters as Imponente Tanning and Superior Footwear.

Largely due to their effective relationship with leading manufacturers, the Thika and Bulawayo centres are key players in a concerted effort to create employment and advancement opportunities for women in an industry where both tradition and contemporary appeal (by its close association with the textile industry) augur well for a wider and more rewarding integration. Over 250 women have received formal training to date, of whom about 100 have become business owners or have been promoted by their employers.

Also, in Kenya, some 200 Jua Kali women have secured a source of regular income by supplying the ornaments for a new product line – African Look sandals – exported successfully by three small manufacturers. Trimmings such as natural beads, cowry shells, sisal weaves (called *kiondos*) and ceramic jewel-like artefacts (*kazuris*) make these casually elegant sandals retain the attraction of exotic traditions while appealing to contemporary tastes and a widespread preference for handcrafted goods and natural materials.



**Business Beneficiaries** Direct support under the Programme has been extended to 115 companies, many of them small and medium-size enterprises. The distribution of assistance reflects a strong emphasis on tanners and dressers with a potential to ensure an adequate local supply of quality leathers as well as on



manufacturers of leather products, especially footwear, with good prospects to capitalize on a growing domestic demand and penetrate affluent export markets.

Tanneries in Ethiopia (Awash, Wallia), Kenya (Sagana, Nakuru), Namibia (Nakara, Swakopmund), Tanzania (Moshi, Morogoro, Mwanza), Uganda (Gomba) and Zimbabwe (Imponente) have been among approximately 25 leather suppliers receiving support and now showing significant gains in product quality and range as well as in profitability and environmental record. Awash Tannery increased its domestic sales income by 68 per cent and its export revenues by 45 per cent between 1994 and 1996. Kenya's Sagana Tanneries, whose very survival was threatened in the early 1990s, has almost tripled its production, which now includes speciality leathers, and is a key supplier to Sana Shoes, the first Kenyan footwear manufacturer to secure export outlets.

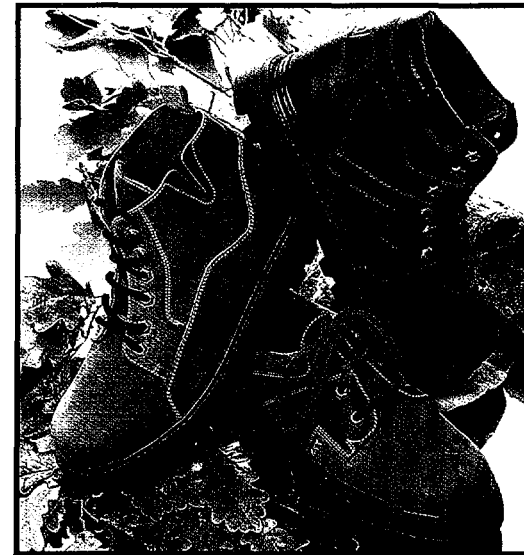
Sana is one of several success stories among emerging exporters of leather products receiving direct support. Ethiopia's Ras Dashen and Kangaroo (shoes) and GTK Group (garments), Namibia's Nakara (garments, bags, accessories) and Zimbabwe's Imponente (upholstery) and Superior Footwear have become role models for African leather companies at various levels of export readiness. Alone the value of footwear and shoe components exported as a result of direct assistance is estimated at US\$3 million through 1998. The largest orders have come so far from several European countries, Japan, South Africa and the Middle East.

While support in product development, management and marketing has been crucial, equipment is a major factor in the improved performance of both leather

makers and manufacturers of footwear and other leather goods. Expenditures on equipment ranging from simple tools like flaying knives and shoemakers' hammers to state-of-the-art CAD systems, lasting machines and effluent treatment plants add up to 34 per cent of total Programme outlays.

All equipment-related assistance is channelled through an innovative mechanism which provides a powerful incentive to both direct beneficiaries and industry associations and also ensures transparency as well as higher returns on investment in development. In each country, a "repayment fund" administered by the national industry association acting as UNIDO's partner is credited with the value (in local currency) of all equipment received by direct beneficiaries.

The companies make these payments according to an instalment schedule and the association uses the money to make further investments as dictated by development priorities. The repayment fund accounts are placed with reputable banks and are scrutinized annually by external auditors.

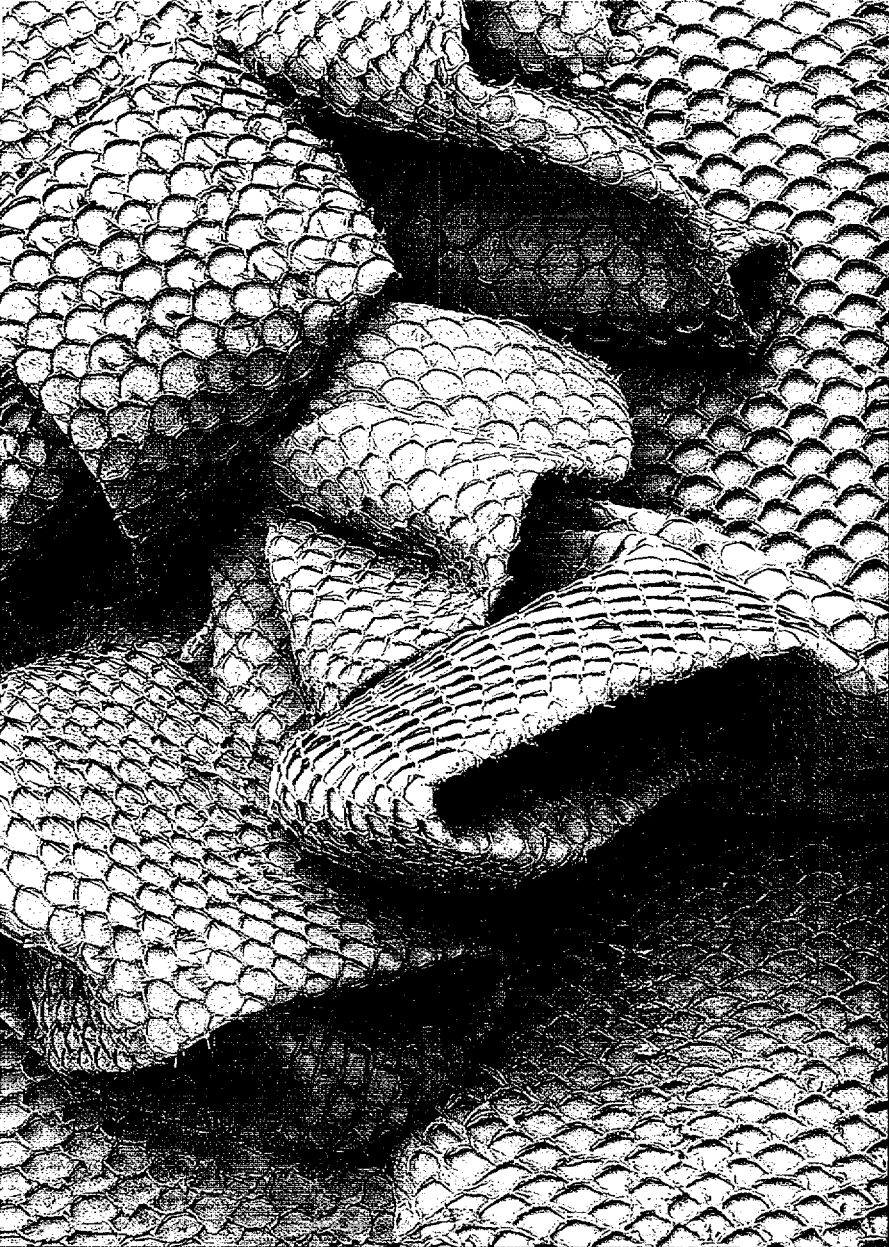


**Downstream Drive** The viability of this development effort as a whole depends on creating and expanding capabilities to produce goods with a higher value added. A reflection of the Programme's fundamental objective, this drive to facilitate the development of downstream industries is most effective where

Zebu (chair) and other cow leathers for upholstery tanned by Imponente (Zimbabwe), and patchwork jacket in kudu leather by Nakara (Namibia).

*Right:* Casual lace-ups by Ethiopia's Kangaroo.

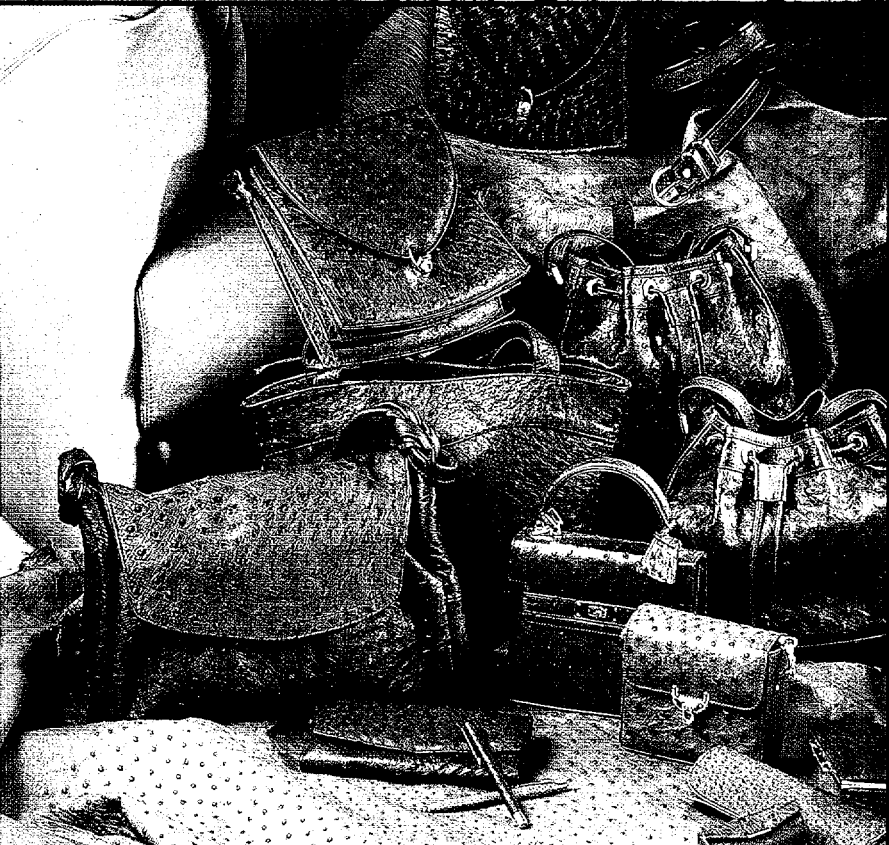




support beneficiaries have had sufficient access to know-how covering all factors which determine business success. Technical, managerial and marketing training, often conducted by international experts, is largely being provided by the Thika and Bulawayo centres, but also by other Programme-supported institutions in the region, most notably the Leather and Leather Products Institute in Addis Ababa, Ethiopia, as well as through extension services.

Product quality features prominently, with due emphasis on design quality as a major factor of competitive performance in an industry largely defined by rapid response to fashion trends. A fast-track approach to upgrade the design capability of ten footwear manufacturers in Ethiopia, Kenya, Tanzania, Zambia and Zimbabwe has already paid off handsomely. Assisted by Italian and other European industry experts, these African companies have crafted export collections that have been well received at international fairs in Germany (GDS, Düsseldorf) and Italy (Expo Riva Schuh, Riva del Garda, and MICAM, Milan) and have generated a steady stream of orders over the last several years.

In Uganda, a strong blend of leather-making expertise and technology has spawned an exotic new product line: fishskin leather goods [see page 14]. After extensive R&D work at Gomba Fishing Industries in Jinja on Lake Victoria, fishskin leather in a wide range of hues and finishes has recently started being fashioned into shoes, bags, belts and other products by African as well as Italian and Japanese manufacturers.



Exotic products: fishskin leather from Uganda, and bags and accessories in ostrich leather by Nakara (Namibia).

*Opposite page:* Sensitive environment: Kenya's Lake Nakuru.

*Of Cleaner Effluents and Returning Flamingoes*

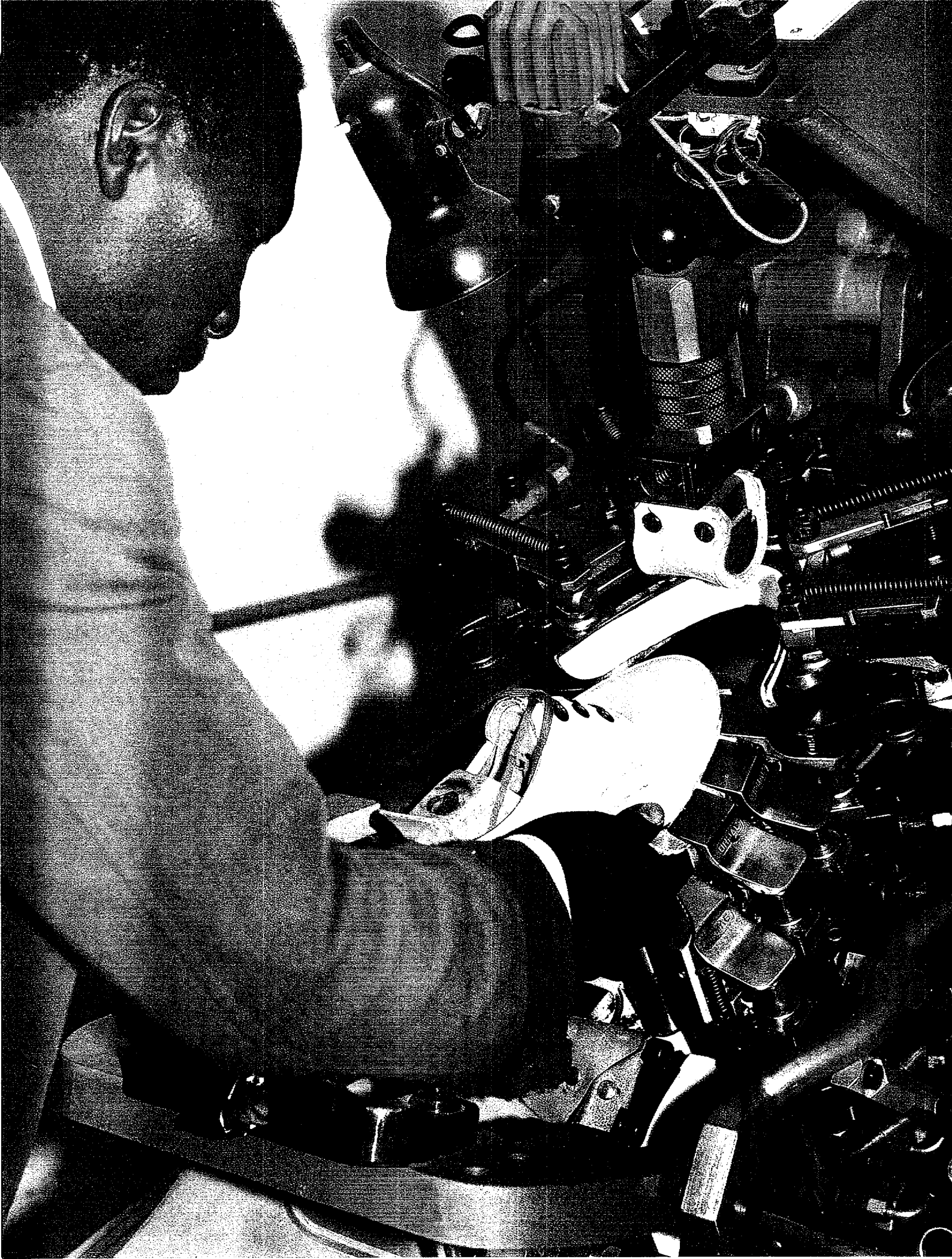
Tanneries rank highly among industrial pollution culprits. In step with the Programme's endeavour to increase utilization of tanning capacity, a significant part of total expenditures on equipment has helped 17 tanneries install or improve facilities for effluent treatment. Subsequent monitoring at seven locations in Ethiopia, Kenya and Tanzania has revealed evidence of remarkable cost effectiveness: an aggregate investment of US\$670,000 led to a reduction in key pollution indicators comparable to that generated by a US\$3 million municipal facility in France. In addition to end-of-pipe pollution control, a number of in-plant interventions hold great promise in terms of environmental benefits. Most notable among them is a recent campaign to introduce wet-white processing in all ESALIA countries.

A showcase achievement is displayed by Nakuru Tanners in Kenya. A major exporter of wet-blue products, the company operates in the immediate vicinity of Lake Nakuru National Park. Always considered a flamingo lake *par excellence*, Lake Nakuru used to have literally millions of lesser and greater flamingoes feeding in its warm alkaline waters. Over the last two decades, sharp declines in the flamingo population and their detrimental effect on the tourist trade have been fuelling a raging debate about what caused the disappearance of the surreal

pink swarms that had become an icon of pristine wildlife. Eager to join the extensive pollution control efforts in the area, Nakuru Tanners capitalized on a special UNIDO project financed by the Government of Japan. Cleaner production (largely achieved through the introduction of a hair-removal system) and effluent treatment led to substantial reductions in pollution indicators. Then, in 1998, the flamingoes returned in numbers not seen for decades. Scientists and environmental activists are sharply divided in their views about what caused the bird population to sink dramatically in some of the previous years – or about its massive comeback for that matter. Most of them would agree, however, that some of the credit may be due to the tannery which seems to have



secured its future in an environment grown sensitive in every sense of the word.



# Thika Centre Helps Shoe Manufacturers Gain Foothold in Foreign Markets

*Since 1995, export collections of African Look sandals handcrafted by the Training and Production Centre for the Shoe Industry in Thika* and three of its Kenyan client companies have been among the highlights of UNIDO stands at major shoe fairs in Germany and Italy. The business payoff through the end of 1998 was US\$110,000 worth of orders placed by European, Japanese and South African importers.

While this may be the Centre's single most striking achievement to date, it is by no means the only one. The quality and diversity of training and pilot-production services rendered by the Thika facility bode well for the export prospects of other shoe manufacturers in Kenya and elsewhere in the region. Its regular courses alone – with subjects ranging from footwear design and basic shoe-making technology to management of shop-floor operations – have benefited some 300 participants from ten countries. Among its manufacturing services, die making and upper stitching attract customers of all calibres, including industry giant Bata.



Toe lasting at Sana Shoes (Kenya).  
Right: UNIDO stand at the  
Düsseldorf shoe fair (GDS) in  
Germany.



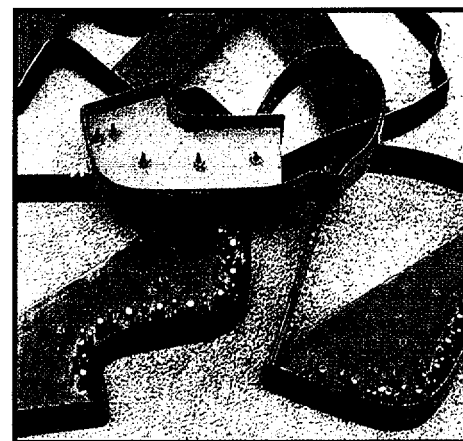
Founded under the Leather Programme, the Centre caters to the industry by bringing expertise and technology to bear on manufacturing and managerial skills and ultimately on product quality and market viability. It won the UNIDO Sustainable Industrial Development Award in 1995 and has become, in the words of its manager, Pauline Mbayah, “an obligatory reference point for the region’s leather industry.” As such, the Centre is coaching a good number of small and medium-size enterprises using the same mixture of product development and marketing assistance which delivered the sandal success story.

“The foothold gained by the Kenyan sandals in affluent foreign markets,” says Programme Manager Aurelia Calabrò, “has given new momentum to the Centre’s work and to the response it receives from its clients. It has also sharpened the focus of our close cooperation with the Kenya Footwear Manufacturers Association and other partners in the region.”

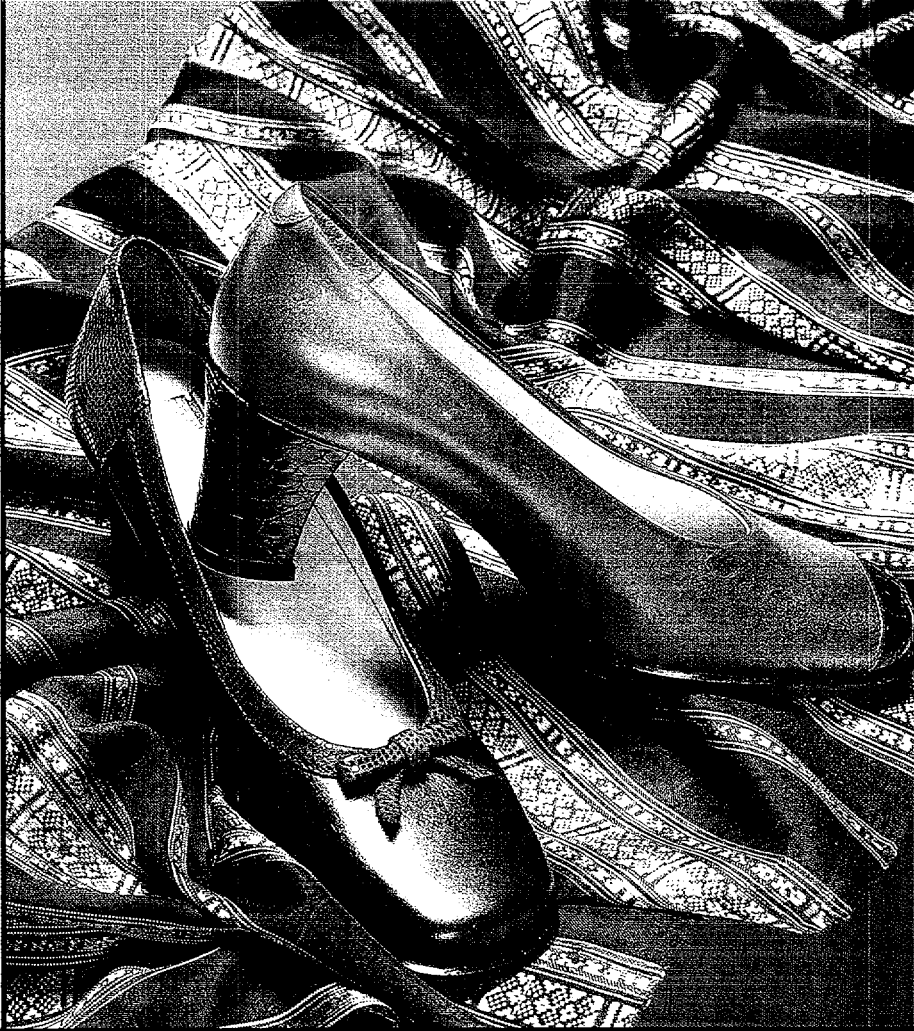
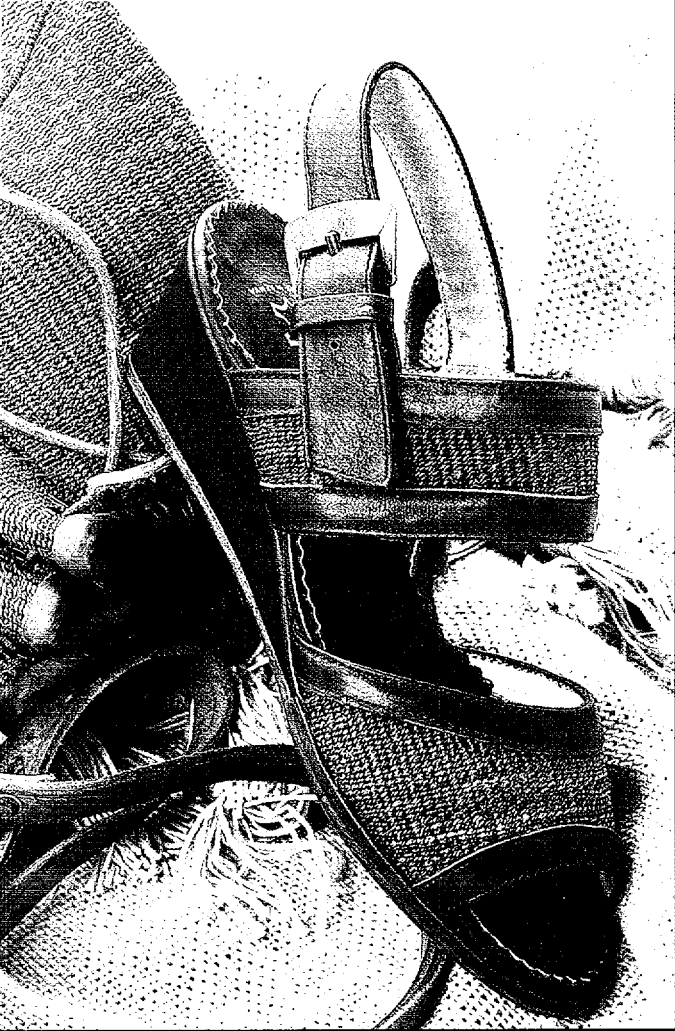
Consummate craftsmanship and modern equipment allow the Thika Centre to handle most of the over 100 operations which go into the making of shoes. “However,” explains Ms. Mbayah, “all that may run short of what it takes to meet the challenge we face. It is a big industry with a lot of different players.

You have to link up with upstream producers to make sure you get leather and components of the desired quality. At the other end there is a tough market, particularly the export market, a reality which I witnessed again recently at the 1999 Expo Riva Schuh in Italy, where – I am glad I can say it now – our products were again very well received.”

Effective links to suppliers and retailers are the backbone of the extensive development network built around the Thika facility. “The substantial support we have had under UNIDO’s Programme,” says Ms. Mbayah, “has given us the channels and means to talk to everybody in the business, both in our region and elsewhere, and to have them listen to us because they like what we have to offer.” Evidence of that appreciation is the fact that, after only four years of existence, the Centre already covers its operating costs by selling most of its services at special rates.



On-last quality control by Manager Pauline Mbayah, and samples from Thika Centre’s 1999 sandal collection.  
*Right: Assorted leather-cutting dies.*



## Shoes for All Walks of Life

*The ancestors of today's ubiquitous sandals were the forerunners of all crafted footwear, and their story began in Egypt as early as 3500 B.C.*

A more recent African contribution to the sandal hall of fame – the traditional Masai sandal – has undergone revolutionary changes in the last few years and is making steady strides in foreign markets from Italy to Japan. A staple of the Tuesday outdoor Masai Market in downtown Nairobi, the thoroughly utilitarian tyre-soled contemporary descendants of the time-honoured Kenyan footwear inspired an ambitious product development endeavour. Using German lasts, Italian equipment, assistance from a dedicated British expert, and distinctive ethnic ornaments and locally produced quality leather, Sana Shoes started manufacturing the new African Look sandals in 1995. Two other small companies, Kays and Joapet, soon followed in Sana's footsteps by joining the export-oriented undertaking centred on the training and production facility in Thika.

From loafers to lace-ups, a trendy parade of casual footwear is the main strength of two major Ethiopian manufacturers riding the wave of a rising vogue among urban youth. Ras Dashen's hand-stitched moccasins in suede and oiled leather are currently turned out at a rate of 1,500 pairs a day. Kangaroo's best-sellers are sturdy lace-ups in mostly tan colours and with corrugated PVC or thermorubber soles [see page 5]. Both companies are very successful exporters with loyal clients in Europe and the Middle East.

Zimbabwe's Superior Footwear stands out with its lineup of children's moccasins. These no-nonsense protective

shoes for all-terrain play action come in two-tone combinations of blue, green, tan and dark brown. With a turnover which has tripled since 1995, Superior is also a leading African producer and exporter of men's and women's shoes. Its elegant pumps are mostly comfortable block-heeled and broad-toed simple designs, with classier variations featuring buckled saddles or trimmings in exotic leathers.

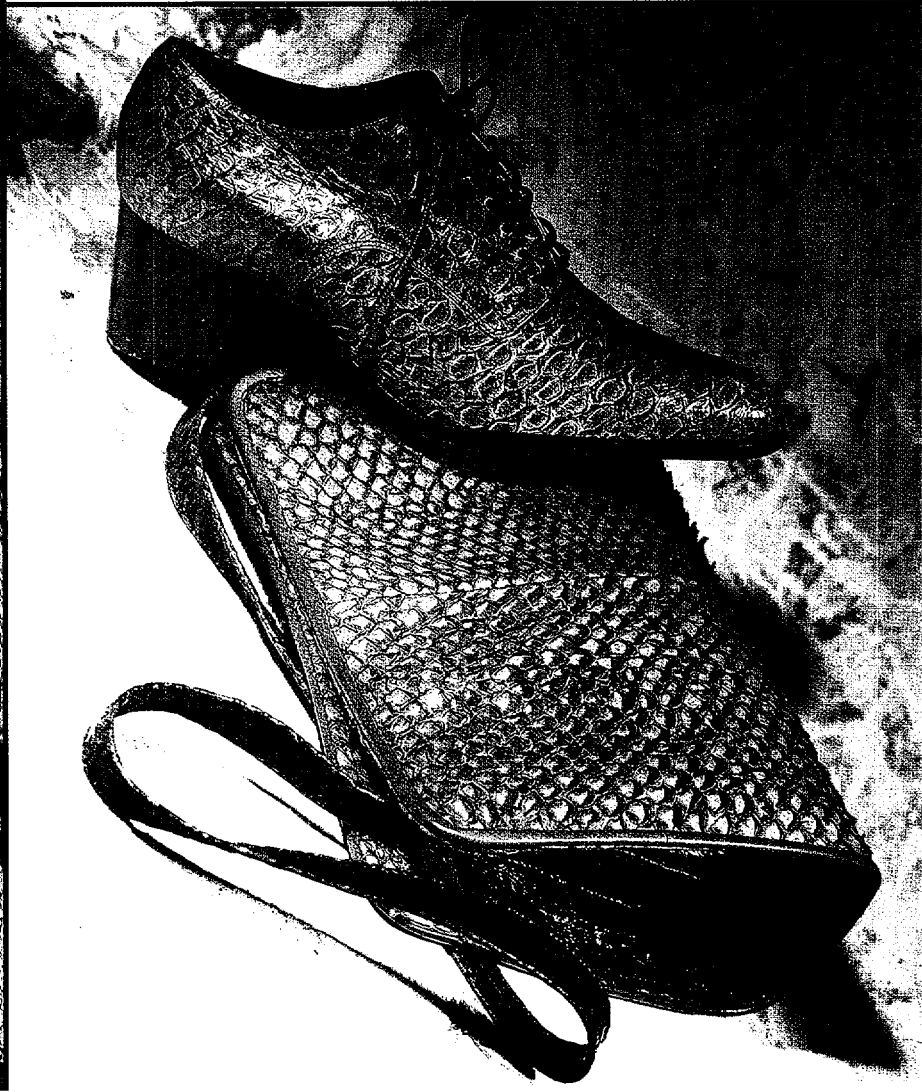
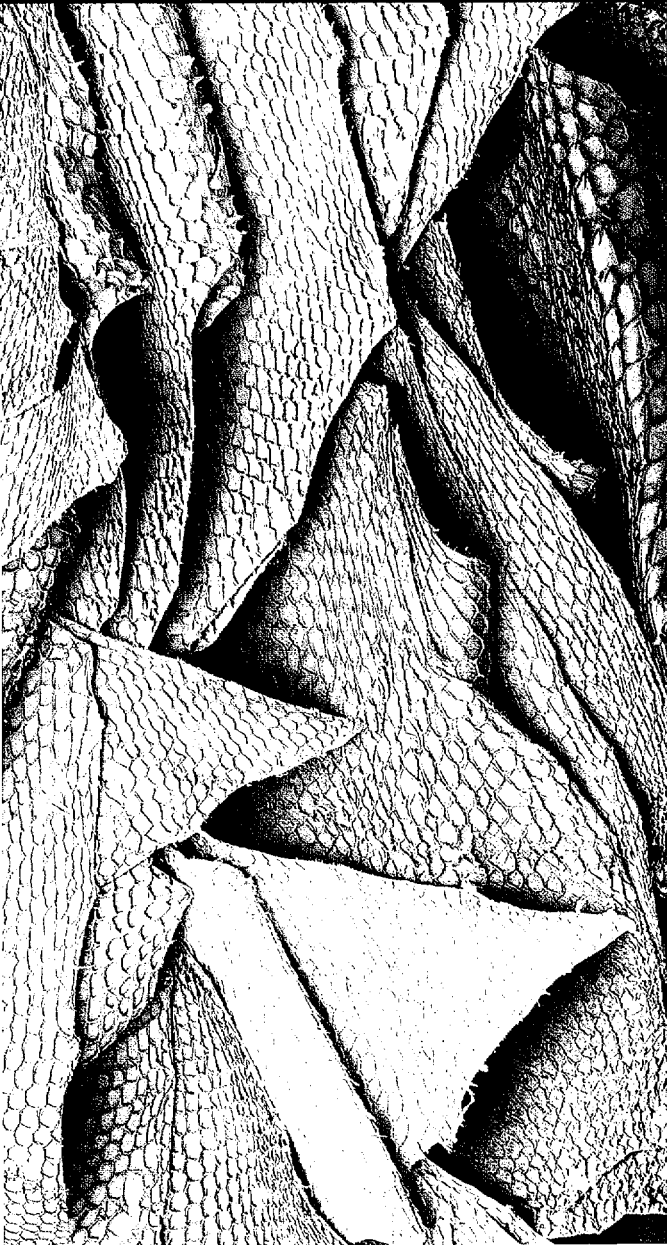
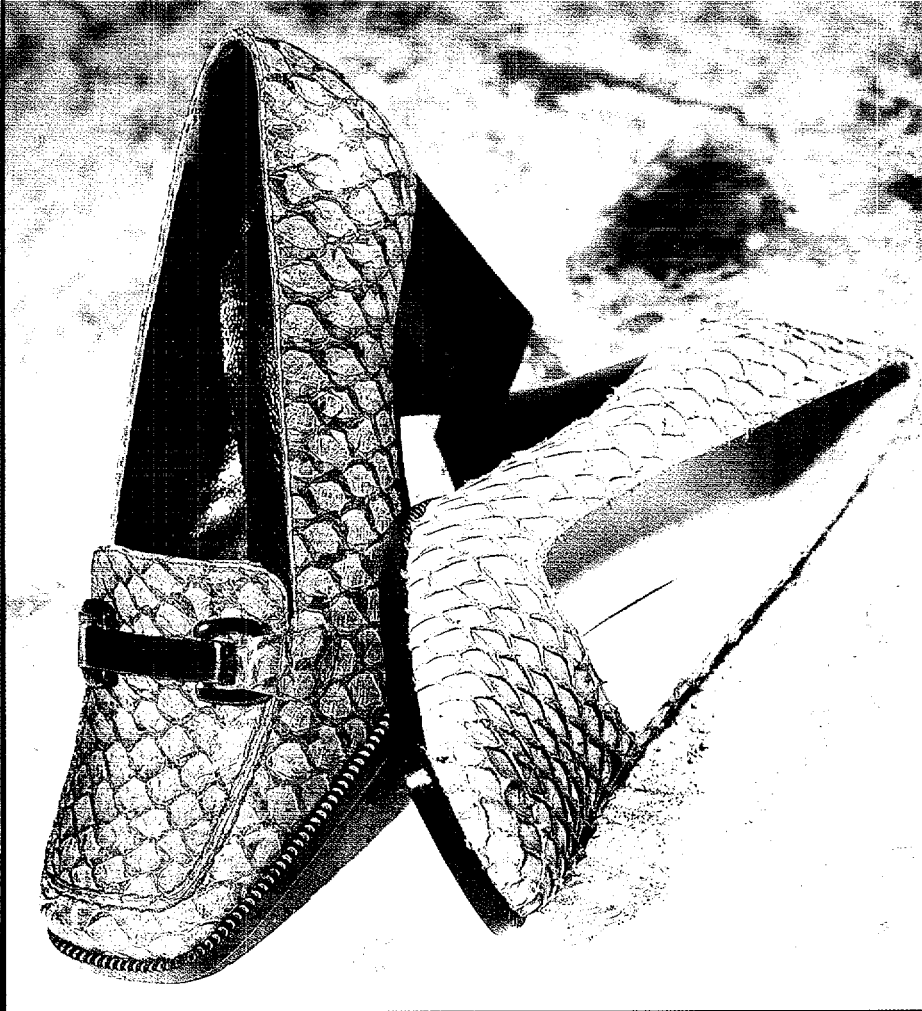
Specialized in kudu and other exotic leathers, Namibia's Swakopmund Tannery is emerging as a reputable manufacturer of genuine gameskin safari boots. Its handmade unisex ankle boots in sand-coloured kudu leather with rubber soles feature a style which already belongs to mainstream fashion.

These shoe manufacturers are among the first in Eastern and Southern Africa which are poised to make an imprint in a highly globalized industry that can easily threaten the very survival of companies. The selection is intended to be a fair – if not complete – reflection of the current export readiness in the region. It also reflects, by the diversity of leading products, the scope of the development effort which helped make these achievements possible.



*Kiondo* sandal by Kays Enterprises (Kenya), and elegant pumps and all-terrain children's moccasins by Zimbabwe's Superior Footwear.  
*Right:* Handmade safari boots by Swakopmund (Namibia).





## Fishskin Fashion: Top-Scale Products Gained from Waste

*A native of many African lakes and rivers, the giant Nile perch (Lates niloticus) has a long and well-recorded history.* As early as the days of Ramses II, it ranked among the most prestigious big-game trophies and it was embalmed and placed in the tombs of pharaohs to provide delectable sustenance in afterlives.

While well over 3,000 years of popularity as a sport fish and table delight have made it increasingly difficult for this freshwater Goliath (it can reach 6 1/2 feet and over 400 pounds) to save its skin, the latest chapter in its venerable history is doing – in a way – exactly that. Previously discarded as inedible because of its high oil content, the skin of the Nile perch is now turned into leather and ends up shining in designer shoes and other luxury products.

The raw skin is a by-product of commercial fishing in Lake Victoria, where the fish was introduced in the late 1950s and soon became a mixed blessing. The newcomer proliferated rapidly thriving on a unique and initially abundant flock of over 300 closely related species (cichlids) of tropical fishes. But the voracious *mbuta*, as it is known locally, also improved the fortunes of tribal fishermen and led to a flourishing fishing industry catering to a large local market – in a region in dire need of high-protein food – as well as to a growing demand in its European outlets.

In 1993, Gomba Fishing Industries in Jinja, Uganda, embarked upon an ambitious project based on the encouraging results of experiments carried out by UNIDO leather experts in the 1980s. Three years later,

with technical assistance and equipment provided by the Organization, Gomba's new tanning facility set out to process perchskin into finished crust and glazed leather for high-quality footwear, bags and other goods for personal use.

A chain of complex tanning and dressing operations yielded ample evidence of the new material's potential, with various finishes and a broad array of colours pointing to its versatility.

Dolphin Leather in South Africa was the first manufacturer to use Gomba products in shoes, bags and apparel accessories. It was followed by a Japanese company which placed a trial order for 500 skins. But what may well have been the turning point in the effort to promote the new type of leather came from Italy.

An astute marketing campaign – which included participation in the Lineapelle leather fair in Bologna – elicited a growing interest among Italian stylists of leather goods. Perchskin pumps, sneakers, boots and bags by Angelo Brambilla, Armando Alberti and other reputable designers soon graced the pages of leading trade publications – and market reaction has been encouraging.

Manufacturers in East Africa are obviously well positioned to capitalize on the emerging fashion trend. In 1997, Kenya's Sana Shoes added a fishskin variation to its sandal lineup and secured a promising export-market debut with a substantial trial order from Italy's department-store chain Coin. And in Uganda, Gomba itself is currently setting up a manufacturing facility which will ultimately specialize in fishskin products.

Improving fortunes: Young tribal fishermen with big catch, and Nile perch skin turned into leather by Gomba tannery in Uganda and styled into fashionable products by Italian designer Angelo Brambilla.



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