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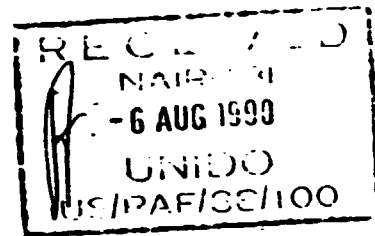
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MISSION REPORT

US/MLW/88/100 AND US/RAF/88/100

LEATHERGOODS WORKSHOP  
LIWONDE, MALAWI 2 - 4 July 1990

PRODUCED BY DAVID TRACY 11-07 LEATHERGOODS EXPERT

INTRODUCTION

A brief visit was made to Liwonde on 2nd - 4th July 1990 to assess the situation in relation to the proposed site of the leathergoods workshop and the details of the proposed managing body.

I had been led to believe that I would be supplied with the relevant information on my arrival at Liwonde Tannery, but found that Mr Patrick Msosa (Tannery Manager) and Mr Rowan Bell, CTA (DP/MLW/88/029) were expecting me to supply them with this information.

There has been a degree of confusion in Liwonde on the concept of the leathergoods workshop and nobody was clear on what the workshop was expecting to achieve, how it was to operate and who was to be responsible for the administration and management.

It transpired that presumptions had been made about the site of the workshop without consulting the Directors of Liwonde Tannery. The Directors had not agreed to be the responsible body for future management. The proposed workshop site is currently being used for chemical and hides storage and there are no plans to change this use.

WORKSHOP MANAGEMENT

The information I was given was that the Directors of Liwonde Tannery did not have sufficient information on the concept of the workshop and were not eager to undertake another commitment while they were still deeply involved with the installation of the tannery project. It may develop that they will take responsibility for the leathergoods workshop when they are fully informed about its operation, what commitment they must make initially and in the future. Following enquiries there would apparently be no other management option in Liwonde.

### WORKSHOP SITE

The old generator building adjacent to the tannery has now been purchased by Liwonde Tannery Ltd and although this was initially a possible site for the leathersgoods workshop this cannot now be guaranteed. There are plans to build a new building for the storage of chemicals and hides but for financial reasons this building has been shelved for the time being and the generator building is now being used for this purpose, although it would appear to be far too small for this use.

A second possible site for the leathersgoods workshop has been viewed at a nearby location and would be a suitable option apart from the temporary nature of the lease. The building is owned by the Malawi Development Corporation (MDC) and is currently empty awaiting a buyer. The total site area is very large and has an asking price of K2.5 million approximately, and the section suitable for a leathersgoods workshop with its own separate entrance and security is the old office complex. The approximate workshop size would be 24 x 7 metres.

The site has only been viewed and at the present moment there have been no enquiries made on the length of the lease or indeed if there would be approval for the proposed use.

### PROPOSALS

a) It would be logical logistically and economically to use the old generator building for the leathersgoods workshop. The costs involved in preparing the leased building for a short period and moving the workshop to a new location at a later date would have to be seriously considered. Compare this to the costs involved by using the MDC building for temporary storage of chemicals and hides where there is minimal preparation and costs involved are small. The old generator building will soon be too small for its present use and a second storage area will need to be found, which would be a costly and inconvenient arrangement.

If it develops that Liwonde Tannery Ltd accept the management responsibilities for the leathersgoods workshop the final site for the leathersgoods workshop must be within the tannery complex to simplify the administration and transportation of materials and finished goods. Establishing this site at the outset would not only reduce costs and time lost during moving but would enable the project to start operations at an earlier date.

b) The concept of the leathersgoods workshop needs to be clarified, and it is proposed that it operates with the dual purpose of training and production.

Commercially there needs to be an incentive for Liwonde Tannery Ltd to take management responsibility. If the workshop is to be solely for training purposes there is no guarantee of a viable income or supply of trainees. The machinery input constitutes all the necessary requirements of a small production unit and it is extremely unlikely that the majority of this machinery will be of any value to trainees coming from rural communities, and would therefore not be used during training courses. If this situation is allowed to happen the long term benefits for the development of leathersgoods production in Malawi will not materialise.

A suitable solution to meet all the criteria would be to use the workshop as a production Pilot Plant whereby production can be continuous with training given as a parallel service. It is suggested that production could be viable with a maximum of 12 production workers and 2 full time instructors/supervisors, which would allow for a maximum of 13 trainees at any one time. Training could encompass all practical aspects of simple leathersgoods production, much of which could be in the form of "on the job" training. There would be times when they would receive individual instruction, and there would not be the need to stipulate a starting and finishing date for the training as trainees could receive any chosen modules of the training programme thus giving flexibility to individual circumstances.

To satisfy the commercial aspect a small number of production items could be designed to make full use of all the machinery which could then be sold domestically or to tourists. Repetition on production will quickly build the skills and confidence of the instructors and permanent workers to enable them to give a better service to the trainees.

An additional boost could be given to the development of Malawi leathersgoods production and income generated by the pilot plant through the services offered. Once trainees have completed their training and have experienced the facilities of the workshop they could continue to make use of the facilities by requesting any of a number of services. The types of services offered could be in the form of; machine cutting, skiving, machine sewing or part assembly processes, and charges made accordingly.

c) Trainees may receive a "training allowance" for food and lodging during the training period and this is something that should be discussed by the management of the workshop, UNIDO/UNDP, and the Ministry of Trade, Industry and Tourism, and the conditions attached to an allowance clearly specified.

On completion of training there may be a possibility of a Small Enterprise Development of Malawi (SEDOM) grant to give the necessary financial aid to start a small workshop and this should be investigated.

## FINDINGS

As a pilot plant the leathergoods workshop has great potential for the long term development of the Malawi leathergoods industry and can immediately offer employment locally. Commercially, the prospects of manufacturing for a consumer starved of locally made products using a supply of leather on site, must be considered to have considerable potential for development.

There still remains the fact that Liwonde Tannery Ltd have not agreed as yet to any of the proposals and the project does not have a site or management body. A large proportion of the machinery has been requisitioned and would need to be installed at a permanent site as soon as possible, but before this can be done there needs to be building, electrical and carpentry preparation.

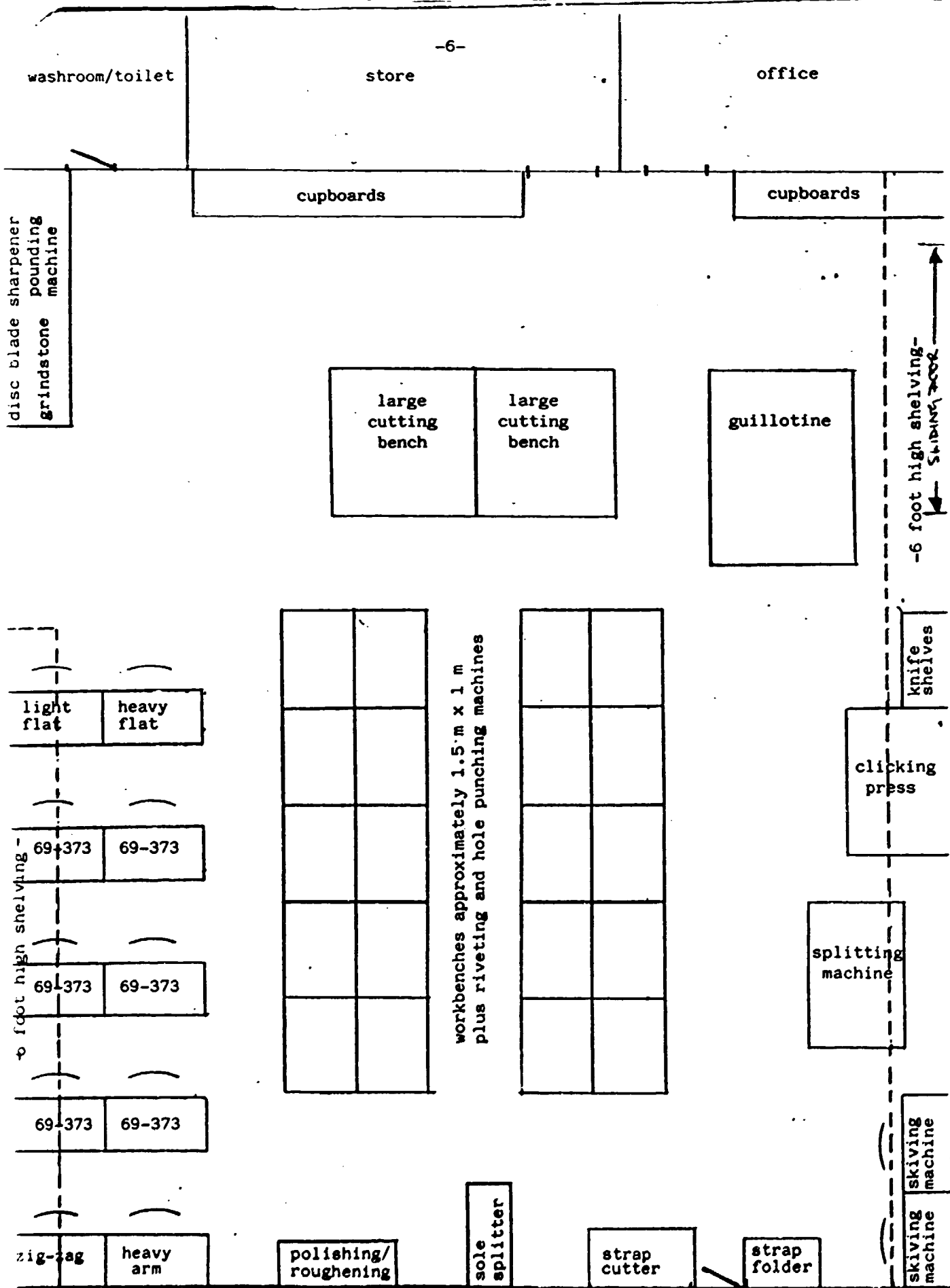
The annexed floor plan and equipment layout for the generator building is to be considered as a guideline only and more specific detail can be supplied on a follow up visit once the proposals have been accepted or amended.

## RECOMMENDATIONS

1. The leathergoods workshop/training centre adopts the proposal that it should be a pilot plant and production unit with training facilities.
2. On the assumption that Liwonde Tannery Ltd will manage the leathergoods pilot plant, two instructors/supervisors should be recruited prior to the expert's arrival using the criteria of the job specification that has been left with Mr Patrick Msosa.
3. If there are sufficient funds in the project these same two instructors/supervisors should receive training through attachment to a leathergoods manufacturer. Again prior to the arrival of the expert.
4. The old generator building is the most suitable premises for the leathergoods pilot plant, and the MDC building more than adequate for storage of chemicals and hides.
5. The phasing and output of the machine motors to be supplied cannot be assumed and should be confirmed to allow for electrical preparations. It is presumed that this would best be checked from Vienna.
6. The representative from Malawi should purchase trade magazines during Semaine de Cuir, in particular Asian Fashion Accessories (Sources).
7. The time period for US/MLW/88/100/11-07 must allow for the considerable input of expert's time.

8. All machinery, equipment and building preparation must be on site before the arrival of the expert, and the mission should be timed to start as soon as possible after this.

9. A follow up visit by the expert and the CTA has been suggested by the CTA and it is agreed that this would be beneficial to the project but should only take place once Liwonde Tannery Ltd have made their decisions.



SCALE: 2 cm = 1 m (approx)

POSSIBLE ESTIMATED LAYOUT