

# THE ZIMBABWE LEATHER SECTOR

Paper presented at a Leather Sector Round  
Table

27-30 July 2007

Addis Ababa, Ethiopia

By

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# Introduction



- The presentation is going to cover the following aspects:
- The Trends in the Zimbabwe Leather Industry
- Past Interventions
- Future Interventions

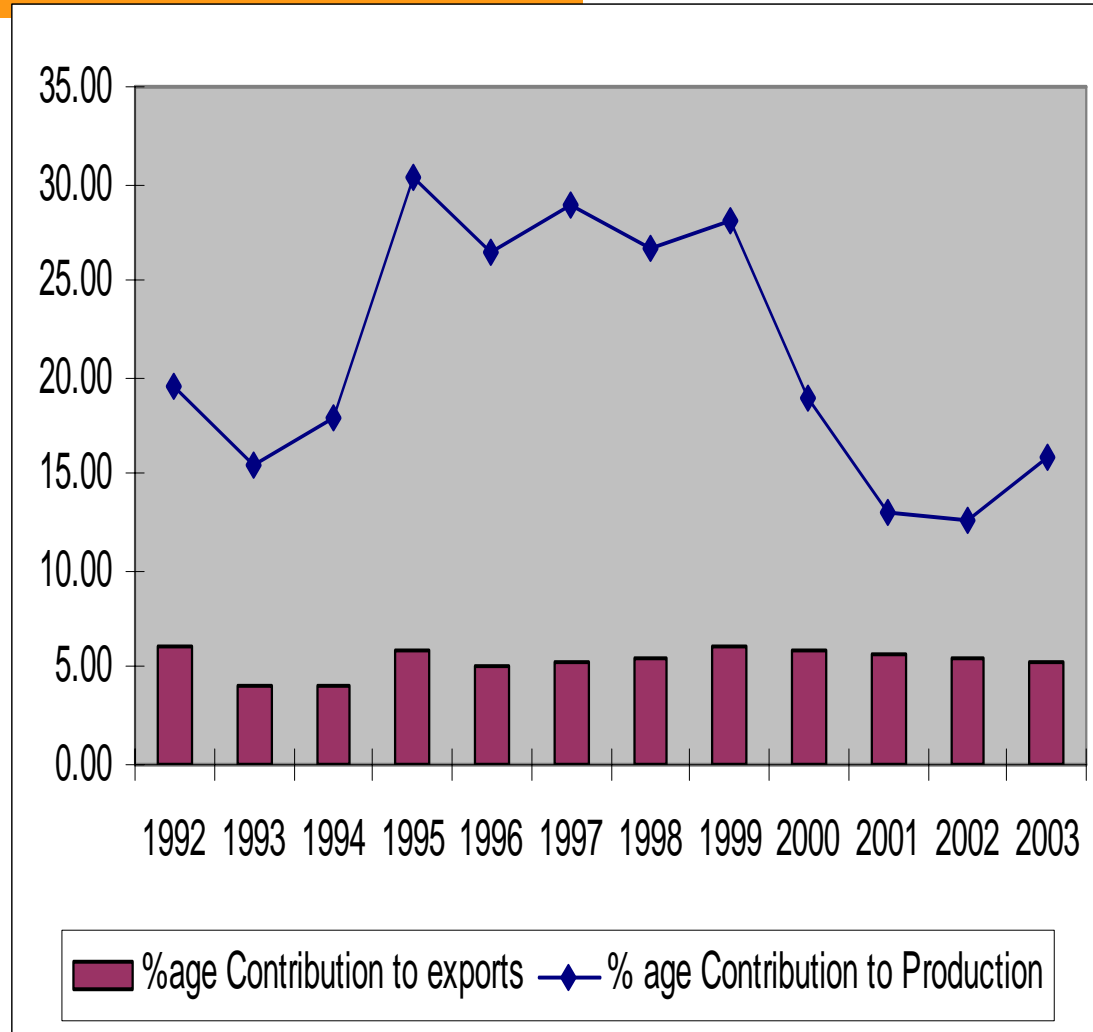
# Industry Structure

<b>Levels in the Value Chain</b>	<b>Number of Establishment Per Level</b>	<b>Percentage Contribution</b>
Abattoirs	6 (note there several slaughter slabs/small houses)	8.6
Hides and Skins Merchants	6 (several small time collectors)	8.6
Tanneries	13	18.6
Footwear manufacturers	25 (several small scale shoemakers)	38.6
Other Leather products makers	15 ( Several small scale manufacturers)	21.4
Leather Clothing	3	4.3
Total	70	100

# Zimbabwe's Position in Africa: Production Vs Exports of Light Leather from Bovine Leather

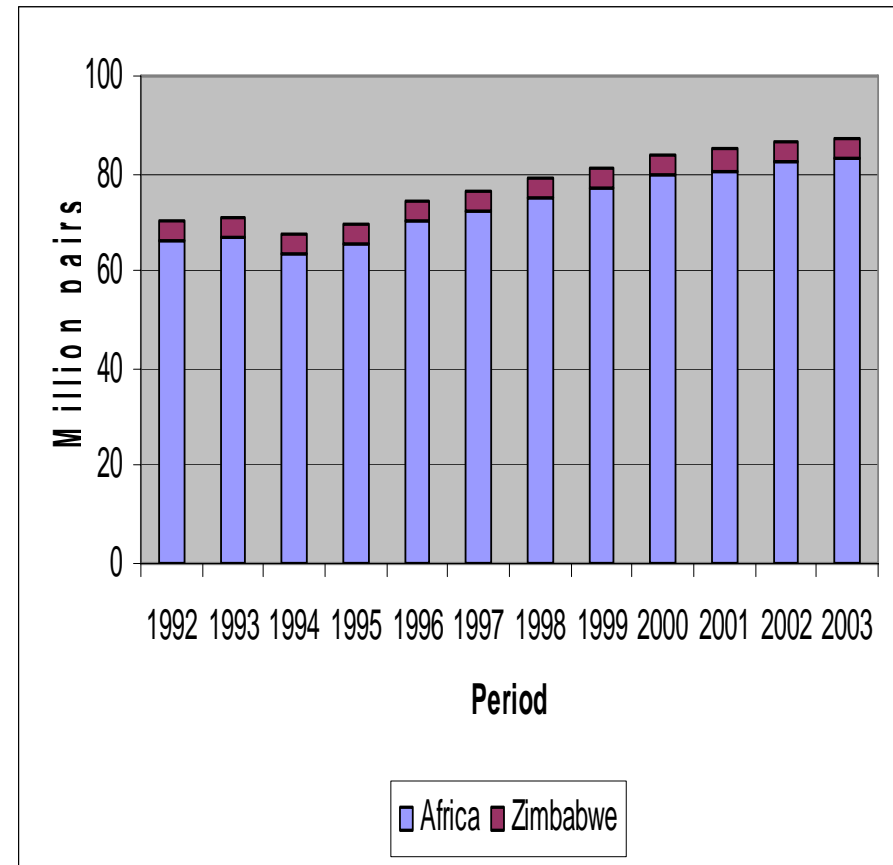


- Contribution to production averaged 5.37%
- Contribution to exports averaged 21.18
- This reflects that Zimbabwe's tanning industry is very competitive by African Standards in the period under review



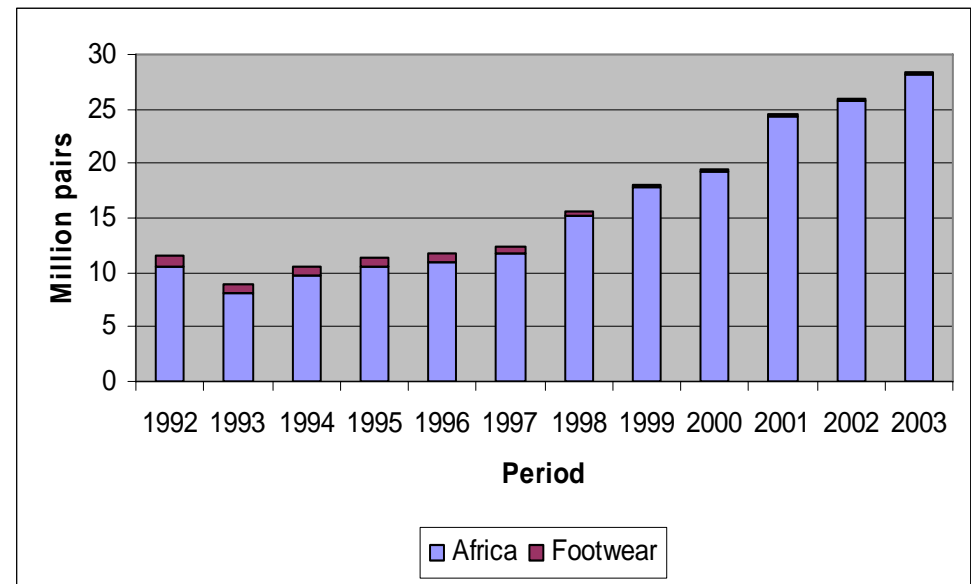
# Zimbabwe's position in the Production of footwear in Africa

- Contributed about 5.6% to Africa's total
- Zimbabwe's production grew by 5%
- Africa's total output grew by 24.8%
- This reflects that Zimbabwe's footwear sub-sector has been stagnant in the African context.



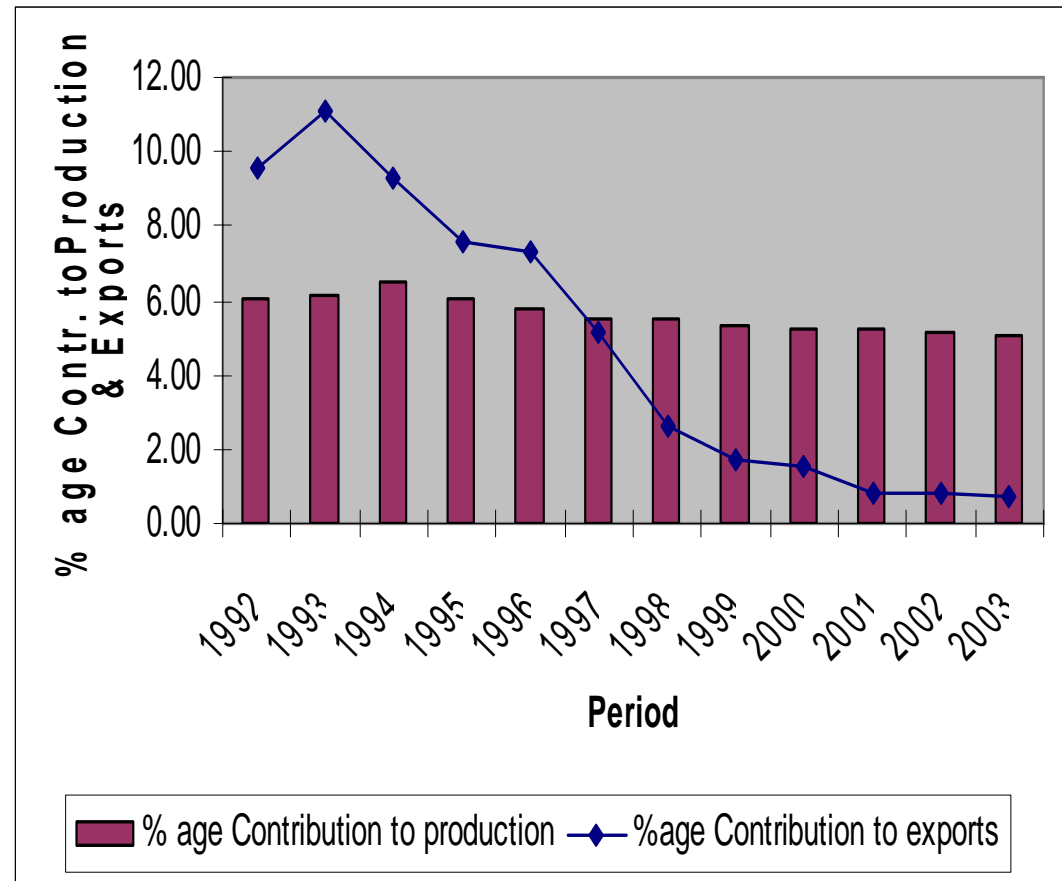
# Exports of Footwear: Africa vs Zimbabwe

- Africa exports grew by 168%
- Zim's exports shrunk by 80%
- Reflection that the Zim footwear industry has become uncompetitive over years.



# Zimbabwe's Contribution to Production and Exports

- Contribution to exports has shrunk by 92%
- Contribution to Production has declined by 15%
- 1997 was the turning point, when the industry became more inward looking



# Past Interventions



- Commercialization of Hides and Skins from Small holder farming System
  - Funded by CFC and Supervised by FAO subgroup on hides and skins
  - Executed by ESALIA
- Activities of the project
  - Training on flaying, preservation and grading techniques
  - Awareness raising
  - Infrastructure development
  - The project made notable inroads in awareness raising ,infrastructure development and flaying techniques.

# Infrastructure



Tongogara (Zimbabwe) Slaughter Slab before and after renovations



- Demonstrations at Murewa (Zimbabwe) Slaughter house on proper flaying skills



- Demonstrations in Shurgwi (Zimbabwe) on proper salting techniques

# Weaknesses of the Intervention



- It targeted a narrow segment of the value chain (from point of slaughter to collection of hides and skins)
- This set up had the potential of raised open and hidden conflicts among the actors in the chain
- The question is what was the source of conflict, how did the intervention created conflict in the chain?
  - The project empowered a certain section of the chain e.g. butchers, farmers and small slaughter houses in terms of understanding the value of hides.
  - Whereas in the past commercial buyers of hides and skins would pay the same price for all regardless of grades, butchers, farmers and small scale slaughter houses started to demand prices based on grades.
  - This new demand threatened the profit margins of the collectors;
  - As a result they were not keen to share with the project data pertaining to pricing of hides and skins at various levels or even the number of hides they were collecting initially.
  - It was at the tail end of the project, when the commercial buyers of hides and skins started to appreciate the value the project was attempting to add to them, when they started to see quality hides flowing from some of the areas they had totally condemned.
- The intervention was also very prescriptive, as such it gave limited room to project beneficiaries to analyze their problems and come up with their own solutions.

# Future interventions



- Future interventions should be based on participatory approaches.
- Practical Action experience in Southern Africa has clearly demonstrated that approaches, which are holistic in terms of involving all key players of the value chain has greater potential of building sustainability.
- Chivi Water Harvesting Project- Use of Participatory Extension Model in the 90s, had the following impacts which are still visible:
  - Transforming the livelihoods of poor rural farmers from recipients of food aid to surplus producers of grain.
  - The strength of the project is that it puts the project beneficiaries at the driver's seat and promotes collaboration and building of trust among chain actors

# Future Interventions



- Currently we are working on a proposal, which we have dubbed "Transforming the Leather Value Chain in Southern Africa: **Participatory Market System (PMSD) Approach in Action.**
- PMSD is what most people call the Participatory Market Chain Approach
- Our desire is to come up with a project framework, which is not prescriptive but stakeholders driven.
- We will be approaching donors towards end of September 2007 with this proposal.

# Why PMSD?



- Markets in Developing countries are not totally efficient, equitable or inclusive and this is mainly due to the following factors:
  - Blockages in the flow of information
  - Weaknesses of public institutions, such as leather associations
  - Excessive concentration of power and influence in the hands of
- few actors in the value chain
- This approach will help us to promote dialogue, reflection, awareness and systematic thinking amongst a wide range of Actors and policy markets.
- Additionally this will help to boost chain actors buy in and to take the lead role in the implementation of the project with Practical Action playing the role of a facilitator.
- Benefits of this approach is that it promotes:
  - Collaboration among all chain Actors
  - Builds trust and sustainability
  - Greater potential of impacting policy
- The key strength of this process is participatory rather than prescriptive.

# Conclusion



- The leather sector has great potential in Africa, if we adopt approaches that enables all chain actors to work together to identify problems, suggest solutions, come with action plans and finally drive the project, with external agents facilitating the process OR playing the role of the catalyst.

# Acknowledgements



- Common Fund for Commodities.
- FAO – Intergovernmental Sub-group on Hides and Skins.
- ESALIA- Eastern and Southern Africa Leather Industries Association.