





Power vacuum in Nigeria

Hope remains for the livestock and tanning sectors in the Nigerian state of Kano in spite of serious set-backs in the form of energy and water shortages.

On the face of it, the cultivation of livestock in the northern Nigerian state of Kano should be flourishing and, along with it, the production of leather. Across the country as a whole, there have been high hopes in recent years for agriculture in general. In oil-rich Nigeria, as much as 36% of gross domestic product came from agriculture in 2007, with the country's central bank reporting annual growth in crop production of around 6.5% year on year in the middle part of the decade. Agriculture is also the principal activity of two-thirds of the working population.

The state has played an important role, by providing, on the one hand, up to 25% subsidies for fertiliser, animal feed and other costs, and by restricting imports of meat, fruit juice, dairy products, vegetable oil and various consumer items on the other hand. It

harboured hopes that more of the country's estimated 61 million hectares of potential farmland might come into use (two-thirds of Nigeria's land mass); the amount under cultivation at the moment is around 35 million hectares. The motivation here of the federal government in Abuja is to make the country more self-sufficient with regard to food; it launched a national food supply project in 2002, in conjunction with the Food and Agricultural Organisation of the United Nations.

Livestock, clearly, plays an important part in this, with beef, goat, lamb and chicken the favourite types of meat in the Nigerian diet. Livestock farmers face frequent challenges in the shape of animal disease epidemics, the high cost of foodstuffs and so on.

In 2007, the commercial section of the Spanish embassy in Nigeria (which is in

Lagos, although the embassy itself is in Abuja), published an in-depth report on the agricultural sector in Nigeria in which it said there was considerable scope for growth in the quality and quantity of livestock farmers there can produce, with inevitable positive consequences for sub-sectors including leather. The report said the Nigerian government had shown great interest in increasing export revenues through shipping more hides, skins and leather overseas.

It said that the World Bank has estimated that Nigeria could increase its livestock population by 7.5% a year by applying a series of measures to improve animal health, to make it easier to import

The city of Kano in northern Nigeria. Spanish leather-sector companies may be interested in setting up joint ventures there.

CREDIT: SHIRAZ CHAKERA/WIKIPEDIA





necessary raw materials and to install better infrastructure across the country. This applies especially in the north, where two-thirds of Nigeria's agricultural land lies.

But in the two years since the Spanish embassy compiled this report, infrastructure in the state of Kano, the most developed part of the north, seems to have improved very little. In June 2009, national newspaper *This Day* published a detailed account of the effect on the local economy of issues such as "a serious shortage of power supply", with allegations that the state energy company may have held back supply on purpose to marginalise Kano.

The newspaper said that grants to help the state improve its export performance have been slow to reach companies that earn important levels of export revenues. One company to have benefited from the scheme so far is a highly regarded tanning company called Unique Leather Tannery, but it is one of the lucky few, according to *This Day*.

Nevertheless, there are signs that the report from the embassy may have encouraged Spanish companies to look seriously at expanding into Nigeria, and into Kano in particular.

Spain's ambassador to Nigeria, Ángel Losada, has told the authorities there that companies in the Spanish leather sector

Bata's boot boost in Kenya

A re-working of an old design is working wonders for footwear brand Bata in Africa. In June, the company's retail outlets in Kenya received 300 trial pairs of Hair On, a variant of the Safari Boot, into the market to test customer reaction. The original version of the loose-fitting indigenous shoe with a rough finish came out in 1966 and still sells well in a number of countries, both in and out of Africa.

Bata feels that, in Kenya especially, the boot has become something of an icon. The company's merchandising manager there, Agnes Murila, has told local media: "This is one of the products that have kept Bata Kenya afloat through the years. Anyone walking into any Bata Kenya outlet will easily notice the shoe."

At a factory in Limuru, in the centre of the country, Bata is now producing 18,000 pairs of Safari Boots for the local and international market every week and the company is aiming for total sales of 800,000 pairs of Safari Boots for the year. It is confident that the Hair On version, made, as the name suggests, from hair-on cowhide and featuring the natural colours of a cowhide, but otherwise the same as the original (including hand-stitching), will help it meet this target. 🌐

have expressed interest in setting up joint-ventures and other business links with the state of Kano.

According to local media, the ambassador has told Kano's governor, Ibrahim Shekaru, that the Spanish government is interested in becoming involved in energy initiatives in the state, including the proposed Trans-Saharan gas pipeline, a 4,000-kilometre network of pipes that will transport gas from Nigeria to Algeria to make it available to countries

in Europe when it comes into use in, possibly, 2015.

But, according to the Nigerian media, Mr Losada then said that business figures in his country were attracted by the potential Kano has as a leather-producing region. A call from *World Leather* to the Spanish embassy in Abuja confirmed that "at least one (unnamed) Spanish leather company" was already active in Kano. There are hopeful signs that more may follow. 🌐

Cluster strategy offers hope to the leather sector in eastern and southern Africa

African countries, despite the abundance of livestock (about 15% of the world's cattle population and about 25% of the global sheep and goat population), still play too modest a role in the leather industry (with, for example, only 7% of world tanning capacity). This is the main finding of a recent report by Italy's International Polytechnic for the Industrial and Economical Development (PISIE), an organisation that, in 2007, launched an initiative called A Leather Bridge with Africa as one of its international projects.

Carlo Milone, general secretary of PISIE, says virtually all the leathers and footwear factories that once operated in many countries in eastern and southern Africa closed down in the 1980s or 1990s and that, so far, only a partial restoration of these industries has taken place. As part of that restoration, a multitude of small



At the moment, Africa has 15% of the world's cattle population and 25% of the global sheep and goat population, but only 7% of world tanning capacity.

CREDIT: WTP



Regional Commentary: Africa

and medium enterprises (SMEs) has grown up in Africa, but they are companies that often face important “operating constraints”, such as lower levels of technical and entrepreneurial skills, poor equipment and a lack of market awareness. This combination is making it hard for local players to compete against imports from Asia.

Mr Milone goes on to say that the assistance national leather industry bodies in Africa have been able to give these SMEs has been limited, mainly because they lack the means, and it was this that prompted his organisation to set up the Leather Bridge project.

He explains: “The core of the strategy is the establishment and operation of common training and production facilities (CTPFs) that will operate as one-stop shops and hubs of services. In order to foster the competitiveness of the leather industry, support will be given to three different target groups: the SMEs producing finished goods; their suppliers, especially tanneries, and national leather sector business associations.”

The numbers of companies involved in Botswana, Eritrea, Ethiopia, Kenya, Malawi, Mozambique, Namibia, South Africa, Rwanda, Sudan, Tanzania, Uganda, Zambia and Zimbabwe made the PISIE team optimistic from the outset that a number of regional clusters was possible.

Rwanda has provided one of the early success stories. The government there believes that leather has a strong potential to contribute to the country’s “export diversification” and industrialisation. According to MINICOM (the Rwandan ministry of trade and industry), if the country is to realise its leather-sector potential, the domestic hide-and-skin supply chain must develop quickly. Hides



A project is under way to help operators in Rwanda to improve methods for slaughtering and preserving hides and skins.

CREDIT: WTP

and skins alone have the potential to contribute \$13 million a year to the Rwandan economy, Mr Milone says, which has led MINICOM to sign a partnership agreement with the National Association of Italian Manufacturers of Footwear, Leathergoods, Tannery Machines and Accessories (Assomac) and with PISIE. He explains that PISIE will produce an overall assessment of the leather and shoe sector in Rwanda, with a view to identifying the needs of the industry there for training in improved methods for slaughtering livestock and preserving hides and skins.

One of the immediate outcomes is that a new company is being set up to establish a new tannery in Rwanda, in partnership with a private European investor. A second company will set up a footwear training facility to help a variety of local footwear initiatives get off the ground.

Another project took the PISIE team

deep in the Medina district of Dakar, the capital of Senegal. In this case, the aim of Mr Milone’s organisation was to set up a cluster for the many craftspeople who run small artisan footwear and leathergoods manufacturing operations there. The Italian team’s task was to look at ways in which these traders could work together to develop common services and gain economies of scale.

Making shoes and leathergoods in this part of Dakar is still very much a cottage industry. Forming a cluster should help the artisans involved to increase commercial opportunities, create jobs, and improve their technical and business skills. In addition, it will give them access to new machinery, installed in a common training and production facility, and to design ideas and information from qualified people working there. Work is under way now to identify potential cluster members and stakeholders. 🌐

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