



Nakara holds its head high in the face of unfair criticism

A tannery in Namibia has reached agreement with its workforce following a short-lived labour dispute that became international news in July.

The tannery concerned, Windhoek-based Nakara, received a letter from Geneva-based trade union organisation IndustriALL on July 4 taking it to task for failing to give special transport allowances to its workers, resulting in industrial action. In its complaint, IndustriALL noted that Nakara was the winner of the Tannery of the Year award for Africa in 2011, not least for its commitment to its workers, information that Nakara has on prominent display on its website.

By the time the content of IndustriALL's letter had begun to appear in news reports in different parts of the world, the strike was over. Nakara has told *World Leather* that the dispute was resolved on July 10, with workers who had been on strike returning to the tannery on July 11. The company pointed out that, in any case, 40 members of its workforce had chosen not to take part in the industrial action.

The tannery's management team pointed out that it had been asked by union representatives to cancel a planned salary rise for workers this year and to offer a transport allowance instead. It said it had chosen not to do this because it believed it was fairer to the workers to pay them more wages; a higher base wage means better overtime, pension, holiday and sick pay entitlements. It said it was disappointed that IndustriALL had gone public with its statement having listened to only one side of the story.

While the most important thing is for Nakara to have reached a settlement with its workers and their trade union, this episode has several sub-plots. IndustriALL's team in Geneva maintains links with trade union groups representing manufacturing workers all around the world. Its contacts in Africa passed news of what was happening in Namibia and IndustriALL went public with it without asking Nakara for its version of events; its letter of July 4, which *World Leather* has seen, berates the tannery's management rather than ask it to clarify what was going on. Not just the content of this communication, but also its tone, were picked up and repeated by



many different kinds of media, including some that claim to support the global leather industry. None of these asked Nakara to comment.

Ironically, IndustriALL's European Union division is currently partnering the leather industry's representative body there, COTANCE, in an initiative called 'Leather Is My Job', which aims to present the leather sector as a good industry to work in. Its representatives in Brussels have been quick to say that IndustriALL European Union and IndustriALL Global are two separate and independent organisations and that commitment to the leather industry remains strong, which augurs well for the future of 'Leather Is My Job'.

At the same time, it insisted that references to Tannery of the Year in the IndustriALL letter to Nakara and in the reports in various media that followed were "neutral". *World Leather* did not interpret

this as neutral and neither did Nakara. Instead, it seemed to us to be another stick to beat Nakara with and, by extension, the Tannery of the Year programme, which is unfair.

No one from IndustriALL asked *World Leather* for any extra information on Nakara's success in the competition or on its inclusion in the Tannery of the Year Hall of Fame. Our report into the tannery is based on first-hand observations and conversations that took place on site. It is 5,000 words long. It has been in the public domain for three years. Even a quick glance at the report reveals a raft of examples that show care and commitment on the part of the Nakara management team for the workforce and present counter-arguments to the claims from the trade union representatives.

For example, the Nakara tannery is in Windhoek's industrial area with a brewery,



a power station, the national broadcaster and an abattoir for neighbours. Therefore, Nakara is not solely responsible for improving transport links for workers.

Of its 130 employees, most come from the nearby township of Katatura, the centre of which is close enough to the site for large numbers of workers to be able to walk or cycle to work.

In addition, the tannery has offered extensive support to the children of its employees to help them in their education, taking each case on its merits. There is a pension fund for all, and people can use that as a home-building project if they want to.

In the case of some of the more senior members of the workforce, the company has bought houses for them, purchasing the properties in the company's name and allowing employees to pay the money back through their monthly salary. If they went to the bank with this request, they'd never get a loan. The company wants them to have their own houses.

Employees at all levels are entitled to ask for smaller loans, with requests, typically motivated by the immediate need to cover

things like funeral expenses, or perhaps school clothes for children. A programme is also in place to make sure all members of the workforce see a doctor when required. This can be through paying half the premiums of a medical insurance package.

For staff who do not have medical aid, which is most of the people at Nakara, the company pays for a consultation and medication from a private doctor, although, if they require further treatment such as an operation and do not have medical aid, they go to the state hospital.

As in many parts of Africa, HIV and AIDS have been a concern in Namibia. Nakara's position has been to respect its employees' right to privacy, but also to try to encourage support of a ministry of health and social services initiative to expand antiretroviral treatment to all parts of the country, especially rural areas. Other community projects that receive regular support are help with funding for school trips, Christmas parties and sports tours for schools and kindergartens.

Nakara won Tannery of the Year for Africa in 2011 and has its place in the Hall of Fame entirely on merit. ☺

Rwanda: We need tanneries, says government

Rwanda's Minister of Trade and Industry has said he is keen to establish a full service tannery to service the country's nascent leathergoods industry.

"The only challenge we still face is that investors in the hides and skins industry only want to do the initial processing here, to make it easy to transport to their countries for final processing," said Francois Kanimba. "We shall, however, continue discussing with them until we have a factory for skins and hides in our country. This is when we shall be able to maximise profits from exports."

He made the comments at the inauguration of Star Leather Products Company, a manufacturer of shoes, belts, jackets and leathergoods and the first of its kind in the country. ☺



Kenya: Tannery bosses appointed to task force to steer sectors recovery

The Kenyan government has set up a task force to boost the leather industry in the country. The director of Sagana Tanneries, Yassin Awale, and Alpharama director Sambasiva Rao join Bata Shoe CEO Alberto Errico, Samuel Kiruthu, a director at Leather Technologies and Fashions, and John Muriuki, head of the Kenya Leather Development Council. Alongside director of industries Erastus Kimuri, leather trader Robert Njoka and leathergoods representatives Nalina Rupani and Mumtaz Mughal, they will serve for a year and oversee the industry's "development strategy".

"This task force has been appointed with a clear brief to share their wealth of experience on how the leather sector can be developed to create jobs," said cabinet secretary Adan Mohamed.

The announcement comes after news that hides and skins are being left to rot or are being damaged in abattoirs because their value is so low in the domestic market.

The government has supplied dehiders to abattoirs and is embarking on a programme to promote the value of the skins at farm level. It says this should improve the welfare of animals, lead to higher-quality leather, and allow it to better compete with neighbouring Ethiopia in terms of leather exports. ☺

Kenya's minister for industrialisation has petitioned for the country's military boots to be made domestically in a bid to boost the country's leather sector. Adan Mohamed said his ministry will analyse the specifications from the Kenya Defence Forces and the National Police Service and give them to local manufacturers, adding that the country was missing out on valuable income. The military imports 30,000 pairs of leather boots every year. ☺

A financial institution has set up a new fund to help livestock farmers in arid and semi-arid regions increase meat and dairy production. Kenya Commercial Bank (KCB) has put more than \$10 million into the fund, which farmers will be able to access interest free. ☺

After downgrading the leather on its 737-700 aircraft to a synthetic alternative, US carrier Southwest Airlines is upcycling the 43 acres of leather into bags, balls and shoes. In Nairobi, the project's pilot location, SOS Children's Villages Kenya along with Alive & Kicking, Masai Treads and Life Beads Kenya, will use the leather to produce goods for local community groups. ☺



FAO launches animal health project

The Food and Agriculture Organization (FAO) of the United Nations has included a project aimed at strengthening controls on animal pests and diseases to boost agricultural productivity and trade in Southern Africa in a programme of four new Africa Solidarity Trust Fund projects.

Launched last year, the Africa Solidarity Trust Fund is an Africa-led initiative to improve agriculture and food security across the continent.

For the new animal health project, the FAO will work with local partners to distribute funding in Angola, Botswana, Madagascar, Mozambique, Namibia, South Africa, Zambia and Zimbabwe. ☉

West Africa potential for American beef

With its large population and rapid economic growth, the US Meat Export Federation (USMEF) has identified West Africa as a region with strong export potential for US beef. The region includes countries such as Angola, Benin, Republic of the Congo, Democratic Republic of Congo, Gabon, Ghana, Nigeria and Togo.

Dan Halstrom, USMEF's senior vice-president for marketing and communications, paid a visit to the region and said that most imported beef and pork is currently sold in traditional wet markets. But he sees potential for rapid growth in modern retail, as well as in the hotel and restaurant sectors.

Brazil sees potential too. The president of the Brazilian Meat exporters' association, Antônio Jorge Camardelli, said countries in North Africa, particularly Egypt, Libya and Algeria, are beginning to import important volumes of Brazilian beef. He also said Angola was becoming "an interesting market", with shipments to that part of Africa doubling year on year. ☉

Small farmers are key to Africa's future

The International Fund for Agricultural Development (IFAD) and the government of Zambia hosted a regional workshop on farming in Livingstone. This year has been designated the Year of Family Farming by the United Nations, while the African Union has declared 2014 as the Year of Agriculture of Food Security; both themes provided inspiration for the event.

IFAD regional director, Périn Saint Ange, said: "Africa's leaders are placing a greater priority on agriculture today because they recognise that the sector has not met the continent's needs and expectations. Small farmers are central to this process, because they produce most of Africa's food."

She said there was a clear need to take advantage of high economic growth in the region to provide small farmers with the support they need to provide food for the region.

IFAD has 44 programmes and projects in 18 countries in east and southern Africa, which together have almost \$1.2 billion in funding. Another five projects were approved for Ethiopia, Rwanda, Seychelles, Uganda, and Zambia, for which IFAD has made an extra \$159 million available. ☉

Zimbabwe: Government insists companies make improvements in wastewater management

The government in Zimbabwe has said tanneries and other businesses in the manufacturing sector must take immediate action to improve wastewater treatment.

It has set up task-force teams in 10 provinces to work with companies to make improvements.

Breweries, chemical manufacturers, food processors and soft drinks companies are all among the sectors implicated. ☉



Ethiopia: Hide shortage causes problems

Ethiopia earned \$100 million from exports of leather and leather products in the first nine months of fiscal 2013/14, 13% higher than during the same period last year.

However, the Ethiopian Leather Industry Development Institute had targeted \$347 million for the full year.

The institute blamed a raw material shortage and warned it is unlikely to hit the \$500 million per year target that the government is aiming for by the end of 2015.

Dagnachew Demelash, finance director of Ethiopia Leather & Tannery Share Company (pictured), said the plant is working at 80% capacity due to a skin shortage.

"Our company has been importing hides and skins for the past four years," he said. "Four years ago, during a shortage, our company imported five containers of sheep skin from Yemen. And two years ago, we imported four containers of cattle skin from Malawi."

He added that the company is testing some sheep skins imported from Somaliland. ☉

After visiting India to gain experience of footwear courses, Ethiopia's Leather Industries Development Institute (LIDI) has developed a footwear engineering degree in Addis Ababa, with students able to enrol in September. Developed in partnership with India's Central Leather Research institute and the Footwear Design & Development Institute, the course will be made up of two years of theoretical study and three years of practical training. ☉



Tanzania: Leather industry association and UNIDO run successful course

UNIDO (the United Nations Industrial Development Organization) and the Leather Association of Tanzania ran its first online training course for footwear pattern engineering at the Dar es Salaam Institute of Technology in the city of Mwanza.

In conjunction with practical training, much of the information came from the new web portal UNIDO set up in April to provide widespread access to reports, research and other work carried out by its leather panel over the last 40 years.

Ivan Kral, from UNIDO's Agro-Industries Technology Unit, said this method would provide opportunities to students from remote regions who do not always have access to training in conventional institutions. He said: "With the help of new technology such as digital imaging, we are able to improve and increase learning efficiency and help achieve technology transfer, which is one of our priorities."

Additional courses, including on cleaner technologies in leather processing and effluent treatment for tanneries, are under preparation for technicians and workers in leather based industries. ☺

Companies in Tanzania are attempting to curb the smuggling of hides and skins by investing in a skin tracking system. Smuggling has led to a 75% decline in export values, and government met with industry leaders to cement a plan to tan hides past the salted stage, or keep the material in the country to supply the growing footwear sector. The government has also announced plans to build or upgrade tanneries in 75 municipalities and is setting up a training scheme to educate farmers about protecting skins. ☺

South Africa: Jump for leather wages

The Southern African Clothing & Textile Workers' Union has settled its 2014 annual round of wage negotiations for the leathergoods manufacturing sector. The settlement was reached during wage negotiations conducted under the auspices of the National Bargaining Council of the Leather Industry of South Africa and involves a 7.5% increase in minimum wages, plus an increase in the holiday bonus of one extra day's pay.

This agreement will benefit 2,000 workers in 84 general goods and handbags factories, and came into effect on July 1. ☺

UK supermarket group Tesco has added ostrich to its product range this summer, with its supplier, DB Foods, sourcing the meat from Mosstrich in Mossel Bay in the Western Cape Province of South Africa. If successful, the venture should lead to a boost for Mosstrich's specialist ostrich leather partner, South Cape Ostrich Tanning (SCOT). SCOT, which ships finished ostrich leather to luxury brands all round the world, is co-located with Mosstrich's abattoir and deboning plant. ☺

Uganda: Government bans movement of cattle to contain FMD

The Ugandan government has banned the movement of cattle across the east and north east of the country to contain an outbreak of foot and mouth disease.

"Transporting animals from one area to another for sale, for example from Uganda to South Sudan and the Democratic Republic of Congo, has laid an open ground for the epidemic to spread," said the state minister for Animal Industry, Bright Rwamirama.

Regional governments have appealed to the Ministry of Agriculture for additional support to help pay for costly vaccines. ☺

Algeria: Plans for tannery to make vegetable tanned leather

A proposed new tannery in the province of Tamanrasset in southern Algeria will promote the country's leather industry and help fill a gap in the market there for local leathergoods, according to CAM (Chambre d'artisanat et des métiers), an Algerian organisation that supports national artisan businesses.

Cost and a lack of raw materials are the main obstacles CAM has identified. Director Mourad Saïdani told Algerian media that 1,800 camel skins and 12,000 goat skins are produced every month in abattoirs in Tamanrasset.

However, there are concerns about the raw material being smuggled out of the country for tanning in places such as Niger.

Processing the skins in a new, local tannery will allow communities in this part of Algeria to add more value to their natural resources, and will raise employment. ☺