



Old Cairo, no place for tanneries.

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The Cluster Challenge

It seems that one of the most difficult things in the leather industry is moving from one place to the next, creating sustainable clusters, particularly in countries that have unsustainable or obsolete industrial parks or a lack of organisation.

The move of the Egyptian leather industry from Old Cairo to the new Robbiki industrial area was decided 20 years ago when the late Thabet Mekky was heading the Egyptian tanners' association, and it is only now that some tanneries are taking the first steps.

Robbiki is in the middle of the desert, some 100km from Cairo. With the help of ASSOMAC, the Italian tanning machinery manufacturers' association, a plan was developed for a standard tannery design made in units of three sizes: small, medium and large. The buildings were constructed together with a central effluent treatment plant, but then the work stopped due to disagreements and the unwillingness of the tanners to move.

The project was hampered by personal interests interfering with the industry's interest. The plan went on the backburner and the tanners were happy, that is, until Abdel Fattah el-Sisi came into power in 2014. His government decided to revive old projects, including the plan for the leather industry. The tanners were simply told that they had to toe the line.

The government appears to have been frustrated by all the delays and has now engaged the army to construct roads and infrastructure and the tanneries have been told to move as fast as possible. This could also be because they are sitting on prime property in Old Cairo, which could be worth a serious amount of money.

However, although there is a provision for the building of apartment buildings for the workers, these are still in the construction phase and far from being ready. Without workers, nothing will start and you cannot shuttle them from Cairo to Robbiki. Traffic in Cairo is terrible and it is easy to waste two hours in a traffic jam on a daily basis.

With all this urgency there are of course a number of delaying factors. The tannery association has not been able to coordinate with the government on one of the most crucial matters, namely finance. The tanners are without proper contracts for the property rights of their new premises and there is, as yet, no provision for the financing of the move.

The objective is that an agreement is hammered out between the government and the Egyptian commercial banks that will provide for low-cost financing for the purchase of machines and then the banks will pass this on to the tanners. Right now, the interest rate stands at 22%, which is obviously not sustainable as tanneries aren't making that kind of money, particularly in Egypt where sales are mostly in crust, where competition is fierce and profits low.

The move consists of several steps. There is a group of the first 10 tanneries that are supposed to be ready for the official opening by the President of Egypt, scheduled for the beginning of August. This official opening has been postponed a number of times because the tanneries are not ready, and neither is the new site. Construction of infrastructure such as drum columns, drains, wiring and piping is under way... but that's it. All 10 tanneries have negotiated with machinery



suppliers in Europe and China but very few of these contracts have been transformed into deliveries – the result of which is a stack of signed papers with great intentions but without the realistic possibility of deliveries in the near future.

So, with an opening deadline hanging over their heads, the tanners are now bringing in their old machines and their old drums from Old Cairo and I am curious as to how this is going to work, because some very old machines will probably not survive the move. Disassembled drums may not return to their pre-move water tightness. Then there is the common effluent treatment plant, which was conceived some 20 years ago. It needed to be cheap but by now it is probably not responding to today's norms and benchmarks. Last but not least, what will the quality of the leather be in this new environment with the old machines?

The fact is that tanneries are moving from the environmentally and industrially poor situation in Old Cairo and that is a positive thing. How fast this will happen remains a mystery and nobody is in a position to even suggest an answer.

Comparing the situation in Egypt with the situation in Bangladesh, the Egyptians are doing a far cleaner job. The tanneries are far less impressive, certainly, but the area of Robbiki presents itself as open and clean, with broad roads and none of the multi-storey constructions that in Savar give the impression of being overcrowded, exactly like where the tanners came from. Savar gives the impression of being old even before it is completed, whereas Robbiki inspires a

measure of confidence.

Savar and Robbiki are not the only projects on the table. There is Kanpur in India, Sialkot in Pakistan, and others including in Kenya and Botswana. All these projects are still at the talking stage, though Kanpur and Sialkot are likely to happen at some point, while others might not.

The situation in Botswana and Kenya is still at the embryonic level where wishful thinking prevails over reality. When you ask the Kenyans, they answer that everything is as it was three years ago, in spite of study missions to Chennai and collaborations with Indian institutes. There are a lot of proclamations of what will be done, how many thousands of jobs are being created but in reality, in the short and medium term, nothing can be expected.

Nothing can be expected in Sudan, either, where there has been talk about a leather city since Meet In Africa was held there in 2009, but nothing is moving at all. There are the usual UN and other aid agencies hiring consultants, writing reports and making suggestions, but in the end there is nobody putting money on the table to get things moving. The various governments promise large amounts of money but even if the money really exists, which I dare to question, nothing will be moving in the right direction for a long time. I hope to be proved wrong, but I fear I am right.

The challenge is there but how to deal with that challenge remains, for many involved, an unanswerable question. 🌐



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