

To do business or not to do business; That is the question

It is not a secret that UBM Asia, organiser of the APLF and ACLE fairs, favours the leather industry in countries that have fewer opportunities, less exposure and less money. UBM Asia makes it possible for companies representing the leather industry in those countries to have sponsored stands, although participants are required to pay for their own airfare and hotel accommodation, hence no all-in freebies.

APLF and ACLE provide press and media exposure before, during and after the fair, with background stories, press and TV interviews, all aimed at getting participants from these countries on the map and creating for them opportunities to meet buyers from all over the world. The condition is that only industry stakeholders participate: no government or associations, hence no baggage; and only business-to-business trade, with no sales to the public.

The first beneficiaries were members of the ZLDC, Zimbabwe Leather Development Council, who were represented at APLF 2016 by three companies selling raw hides and skins, wet blue and crust, as well as small leathergoods. All three participants were enthusiastic about the visibility they enjoyed and most of all about the business opportunities they encountered. One company signed up immediately for ACLE 2016 because they had done their first direct international business at APLF. In 2017 the same company, Global Tanners, took a stand at both APLF and ACLE, paying, just like any other exhibitor the rent of the stand. They did excellent business and after ACLE they travelled in China visiting several promising buyers, doing \$1million in business.

It was no surprise that Global Tanners was back for APLF 2018, paying for its stand, and again doing good business. Global Tanners made the most of the opportunity, avoiding the swamp in which most other tanneries in Zimbabwe still find themselves: judiciary management. Judiciary management, the great result of all the training sessions by those brilliant minds in the United Nations, non-government organisations as well as the COMESA-Leather and Leather Products Institute (LLPI), something they don't write in their after-project reports, but use as an excuse to start a new project.

Until a very short time ago, other Zimbabwean stakeholders were not following Global's example. However, another Zimbabwean company, Tambudze Tanning, managed



"If it's free, I'll buy it!"

by a very enterprising woman, Tendai Tambudze, joined Global Tanners for APLF 2018 and, I am happy to report, declared great benefits from the fair, meeting lots of prospective buyers and, yes, Tambudze is planning to exhibit at ACLE 2018.

There are others who don't see these opportunities in the same light. In 2017, the organisers invited the Uganda Leather and Allied Industries Association (ULAIA) as the favoured nation at APLF. Five industry stakeholders participated and after the fair they were enthusiastic about the results of the fair and signed up for ACLE 2017 for a nominal stand fee. Again they said they were happy with the results. So all expected ULAIA to return for APLF 2018 and to accept the need to pay for the stand. Well, they wanted to haggle about the price or to have the stand free of charge again. When that did not work out ULAIA said that there was "no response" from its members and that the rent of the stand for one stakeholder was too expensive, so they backed out. It is sad to note that if Uganda's medium-sized tanners get a stand free of charge, they will jump at the opportunity, but if they have to pay, they withdraw. Even if just for national pride they should feel morally obliged to attend such an important international event, for themselves, their association, their companies and their country. But no, the



freebie culture surfaces again.

Sudan, this year's beneficiary of an opportunity to exhibit free of charge at APLF, has already declared that participants were very happy. Sudan is going through very tough times and just getting organised to come to Hong Kong was quite an enterprise, both for the participants themselves and for the fair organisers. Getting an entry visa for Hong Kong was more difficult than winning the short-track skating final at the Pyeongchang Winter Olympics. However, they took part and went back home with contracts, and will probably sign up for ACLE in August.

Next year there is already a favoured nation for APLF and we are looking for candidates for the 2020 events. Don't write to the organisers, but to me (samsetter2009@gmail.com) as I have the honour to assist the organisers in this project. I'd like to see some West African nations showing interest.

There is a new NGO on the leather horizon that has set its mind on developing the leather sector in Ethiopia in a project for which UKAid has pledged millions in taxpayers' money which, like in all these cases, is going to be wasted in the usual repeat project. At the beginning I thought this NGO really wanted to make a difference but when you go to its website you just see a rehash of everything that has been done before: making a sector strategy (already done by the UN twice and COMESA-LLPI, who 'kickstarted' their strategy for Ethiopia early last year), and a market strategy (already done, over and again).

They have made a SWOT analysis and concluded that Ethiopia has "an abundance of quality raw materials for leather manufacturing". True Ethiopian sheepskins are good quality material but the demand for sheep nappa is down and hence these leathers have difficulty in finding outlets. Ethiopian cattle hides are of very bad overall quality, not just because of poor flaying, up to the point that tanners seek to import hides from other African countries to improve the

average quality of their domestic production. So after the International Trade Centre (UN) and LLPI each wrote a strategy and a roadmap for the Ethiopian leather industry, both of which dramatically failed, this NGO, Enterprise Partners, held a consultative stakeholders' workshop with the (indestructible and omnipresent) Leather Industry Development Institute (LIDI) and the Ethiopian Investment Commission (EIC) to brainstorm ideas for resolving challenges faced by the leather industry.

The workshop, held at the Intercontinental Hotel, was the first step in gathering insight from experts, stakeholders and industry leaders within the sector in order to develop a national leather roadmap. Ha. The first step in gathering insight? This is at least the third or fourth attempt to do this. There were an estimated 70 people in attendance but most were officials from various institutions. Only four tanners were represented, including Bale, a small crocodile tanner that has been closed for quite some time, and Mersa, which was closed but is apparently now being resuscitated by the government.

Dear Enterprise Partners, sorry, but you have understood nothing. The Ethiopian tanners are capable, have sold their products in many countries and know how to approach markets and clients. They have always done so. They don't need your workshops where the usual officials preside. You are only helping these officials to justify their jobs. What the industry is missing is affordable finance. What is missing is access to foreign exchange, which the industry has generated but has only minimal access to. It is needed to invest in, upgrade and run their factories, buy chemicals, spare parts, accessories and so on.

Stop with the workshops, the strategies, the market access nonsense, Enterprise Partners. All of that is in place already. The tanners and shoe manufacturers know their business, they know their markets. They are experts. You are not. ☹

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