

EXTRACT ON THE LEATHER INDUSTRY IN UGANDA

Livestock and Hides/Skins Base

Uganda has a relatively large livestock population of 12.1 million cattle and 3.6 million sheep and 13.2million goats (UBOS Statistics Abstract 2011), providing a healthy base for the meat industry and the other sub sectors. Favorable climatic conditions with two main rainy seasons, endows the country with a high livestock carrying capacity

According to a study done in Ethiopia, for every US\$ 1 of raw hides, there is an equivalent of US\$ 3 for finished leather and US\$12 for finished product. Uganda is estimated to have produced 1.6 million hides and 4.7 million skins in 2008 equivalent to 25600 metric tonnes and 9400 metric tones, respectively with an off-take rate of 14%. Over 70% of the exported hides and skins from Uganda are usually in their raw form, which is dry or wet-salted. It is estimated that in the financial year 2008/9, Uganda lost revenue equivalent to US\$ 249.7 million by exporting of raw hides. Despite this potential, most of the finished leather products are imported into the country from Asia, European Union and North America.

On average, a Ugandan salted hide weighs 15 kg and has 29 ft², making Uganda a country in East Africa with large quantities of hump-less hides. Uganda hides are naturally of high quality, texture and heavy substance and this makes them suitable for the production of excellent shoe uppers and upholstery.

Tanning Sector

Tanneries

Name of Tannery	Installed capacity P.A	Current production	Location
Leather Industries of Uganda (LIU)	150,000 hides and 500,000 skins	90,000 hides and 300,000 skins	Jinja
Sky Fat Tannery	600,000 hides and 1,200,000 skins	300,000 hides and 600,000 skins	Jinja

Jumbo Tannery	90,000 hides and 300,000 skins	60,000 hides and 200,000 skins	Busia
Novelty Tannery	150,000 hides and 400,000 skins	60,000 hides and 300,000 skins	Masaka
Uganda Fish skin Tannery	Mechanised-Fish skins	1,000 Nile Perch skins per day	Jinja

Also, there are several small tanneries for vegetable tanning , which are not equipped with industrial facilities like tanning drums, but only three of them are of industrial type operative tanneries, where one is specialized in fish skins and the others still not operating properly.

Leather products

Safety boots, casual shoes, sandals, belts, wallets, briefcases, handbags, pouches, gun holsters, upholstery and key holders

Local Shoe Brands

Bobbie, Tembo, Crane and TJ,

Training & Common Facility Centre (TCFC) For Shoe Producers & Leather Goods Manufacturers

The TCFC is a result of a UNIDO-MTIC initiative in 1997 and its located on plot 87 6th street Industrial area-Kampala.

The TCFC as is the Country focal point for COMESA LLPI and administers the brand “CRANE SHOES and CRANE CRAFT” as registered by ULAIA in 1998, to support local shoemakers in their struggle at the domestic market. The center has trained over 300 people in leather products making and offers the following specified activities, provide facilities, machines and information to: Producer/Manufacturer, Wholesaler, Retailer, and Importers

It employs: 1 Manager, 2 Production Supervisors and 20 local entrepreneurs on stand by for the production. However, up until now, both equipment and activities of the TCFC have focused on the footwear sub-sector rather than on the leather goods like bags, wallets, belts and holsters despite the latter’s great potential for domestic market supply and exports to regional and overseas markets.

Since inception the center has trained over 300 people in leather technology and product development. It still acts as a common facilities center for the industry especially MSMEs that don’t have machinery

PRODUCTION CAPACITY OF TCFC AND OTHER MEMBER ENTERPRISES

TCFC's production capacity is 50 pairs per day

Bobbie Shoe Company and Shoe Warehouse, and Loyal Small Scale can produce 100 pairs per day.

Uganda Shoe Company, Flema Shoe Company, Perfect Shoes, St Clement, also produce 50 pairs per day.

20 other Small and Micro producers can averagely produce 15 pairs.

This brings the total production capacity of *850 pairs* a day for TCFC and the entrepreneurs

Opportunities

1. Availability of raw materials(hides and Skins)
2. Availability of local and external markets
3. High quality of hides and skins due to good quality breed of animals
4. The hide is thick and can be slit to form upper and suede
5. Other by products like fertilizer, ginning wheels, leather board,
6. Modern abattoir
7. A good countrywide network of District Veterinary Officers

Challenges

1. Taxes on spares and machines and chemicals
2. High cost of waste treatment
3. Lack of awareness countrywide on the importance of the subsector
4. Poor flaying leading to damaged hides and skins
5. Poor preservation and handling
6. Old technology at existing tanneries
7. Lack of Research and development
8. Lack of a center of excellence in leather and leather products
9. Imported poor quality and second hand leather products

Proposed Solutions

The National Hides, Skins and Leather Policy seeks to address the challenges being faced by the industry along the entire value chain including.

1. Encourage proper animal husbandry, flaying and preservation of hides and skins
2. Encourage tanneries to use cleaner production techniques
3. Support leather training institutions including Bukalasa and TCFC
4. Create awareness on the total quality management along the value chain
5. Human resource development along the value chain and taking advantage of the COMESA-Leather and Leather Products institute in Addis Ababa
6. Marketing of leather and leather products
7. Diversification of leather products





MTIC and Mr Semakula at familiarization tour of Bobbie Leathers

