



NATIONAL COMPETITIVENESS COMMISSION

"Enhancing Zimbabwe's Global Competitiveness"

LEATHER VALUE CHAIN

COMPETITIVENESS REPORT

2023





NATIONAL COMPETITIVENESS COMMISSION

Enhancing Zimbabwe's Global Competitiveness

LEATHER VALUE CHAIN COMPETITIVENESS REPORT

2023

i



National Competitiveness Commission
“Enhancing Zimbabwe’s Global Competitiveness”

TABLE OF CONTENTS

LIST OF FIGURES	iii
LIST OF TABLES	iv
ACRONONYMS	v
FOREWORD	vii
PREFFACE	ix
EXECUTIVE SUMMARY	x
1. INTRODUCTION	13
2. GLOBAL LEATHER INDUSTRY OVERVIEW	17
Regional Comparator Countries Analysis on Leather	22
3. SYNOPSIS OF THE ZIMBABWE LEATHER VALUE CHAIN	28
4. COMPETITIVE ANALYSIS OF THE ZIMBABWE LEATHER VALUE CHAIN	33
Cost Drivers in the Local Leather Value Chain	33
Good Livestock Production Practices	48
Competitiveness Gaps in Livestock Production	49
ABATTOIRS	53
HIDE AND SKIN MERCHANTS	56
TANNING	57
MANUFACTURERS	59
RETAILERS	63
5. OVERALL FINDINGS – BENCHMARKING AND COMPETITIVENESS GAP ANALYSIS	66
6. CONCLUSION AND RECOMMENDATIONS	76
Farmers	78
Abattoirs	80
Manufacturers	80
Tanners	81
Government	81
7. CONCLUSION	85

LIST OF FIGURES

FIGURE 1: TOP TEN LEATHER PRODUCING COUNTRIES IN 2020	18
FIGURE 2: SHARE OF LEATHER RAW MATERIAL BY TYPE, 2020	22
FIGURE 3: MAJOR LEATHER AND LEATHER PRODUCTS EXPORTERS IN SADC AND COMESA IN 2021	24
FIGURE 4: MAJOR IMPORTERS OF LEATHER AND LEATHER PRODUCTS IN COMESA AND SADC IN 2021	25
FIGURE 5: LEATHER VALUE CHAIN MAP	29
FIGURE 6: EXPORTS OF RAW HIDES AND SEMI-PROCESSED, TANNED AND CRUST LEATHER FOR ZIMBABWE, 2016 - 2021	30
FIGURE 7: CROCODILE SKINS EXPORTS FOR ZIMBABWE FOR 2003 – 2021	32
FIGURE 8: EXPORTS OF RAW HIDES AND SKINS FOR ZIMBABWE, 2016 - TO 2021	36
FIGURE 9: ZIMBABWE’S CATTLE LIVESTOCK HERD COUNT FOR THE PERIOD, 1990 - 2020	45
FIGURE 10: GRAPH SHOWING ZIMBABWE’S PERFORMANCE UNDER THE LPI AGAINST COMPARATOR COUNTRIES	48
FIGURE 11: ADOPTION OF IMPROVED LIVESTOCK PRACTICES, 2022	49
FIGURE 12: LIVESTOCK MORTALITY RATES VS COMPARATOR COUNTRIES, 2021	50
FIGURE 13: TYPES OF MARKETS FOR LIVESTOCK, 2022	53
FIGURE 14: THE TANNING PROCESS	57
FIGURE 15: DISTRIBUTION OF LOCAL LEATHER BY SUBSECTOR	59
FIGURE 16: DISTRIBUTION OF SME CLUSTERS BY PROVINCE	61
FIGURE 17: ZIMBABWE'S FOOTWEAR TRADE BALANCE FOR THE PERIOD 2016 TO 2021	63
FIGURE 18: SOURCES OF FOOTWEAR IMPORTS IN 2021	64
FIGURE 19: LEATHER TRADE FOR ZIMBABWE AGAINST COMPARATOR COUNTRIES	65

LIST OF TABLES

TABLE 1: LARGEST EXPORTERS OF RAW HIDES & SKINS AND LEATHER IN 2020	20
TABLE 2: LARGEST IMPORTERS OF RAW HIDES AND SKINS IN 2020.....	21
TABLE 3: OVERVIEW ON LEVEL OF INTEGRATION IN THE LEATHER VALUE CHAIN PER SADC MEMBER STATES.....	26
TABLE 4: NUMBER OF FULL-TIME EMPLOYEES PER VALUE CHAIN NODE.....	27
TABLE 5: KENYA EXPORTS IN TONNES, 2017 – 2021	31
TABLE 6: PRICES OF HIDES VERSUS COMPARATOR COUNTRIES, 2022.....	37
TABLE 7: COST OF LOCAL HIDES AGAINST IMPORTS.....	37
TABLE 8: DUTY STRUCTURE ON FOOTWEAR FOR ZIMBABWE VERSUS COMPARATOR COUNTRIES.....	38
TABLE 9: REGULATIONS AFFECTING LEATHER VALUE CHAIN PLAYERS	40
TABLE 10: TENDER CONDITIONS FOR BIDDING GOVERNMENT TENDERS	43
TABLE 11: AVERAGE PRICES FOR LIVESTOCK IN SELECTED COUNTRIES	46
TABLE 12: AVERAGE LIVESTOCK MEAT PRICES IN SELECTED COUNTRIES.....	46
TABLE 13: OVERVIEW ON THE APPROXIMATE NUMBERS OF CATTLE, GOATS AND SHEEP BY COUNTRY.....	47
TABLE 14: OVERVIEW ON THE SLAUGHTERHOUSE INFRASTRUCTURE IN SADC MEMBER STATES.....	54
TABLE 15: EXPORT TARIFFS FOR UNPROCESSED HIDES AND SKINS FOR SELECTED COUNTRIES	56
TABLE 16: NUMBER OF TANNERS BY COUNTRY, 2022	58
TABLE 17: COSTS FOR THE MAIN RAW MATERIALS TO MAKE SHOES	60
TABLE 18: SUMMARY OF FINDINGS FROM BENCHMARKING VISITS.....	66
TABLE 19: COMPARATIVE ANALYSIS OF STOCK FEED COSTS	74

ACRONYMS

AfDB	African Development Bank
ALLPI	Africa Leather and Leather Products Institute
AMA	Agricultural Marketing Authority
CIDA	Canadian International Development Agency
COMESA	Common Market for Eastern and Southern Africa
CSC	Cold Storage Company
EU	European Union
FAO	Food and Agricultural Organisation
GDP	Gross Domestic Product
GVC	Global Value Chains
ITC	International Trade Centre
LIZ	Leather Institute of Zimbabwe
LLPs	Leather and Leather Products
LPI	Livestock Production Index
NDS1	National Development Strategy 1
PACT II	Programme for Building African Capacity for Trade
PRAZ	Procurement Regulatory Authority of Zimbabwe
RVC	Regional Value Chains
SADC	Southern African Development Community
SDRs	Special Drawing Rights
SME	Small and Medium Enterprises

UNIDO	United Nations Industrial Development Organisation
VAT	Value Added Tax
ZLDC	Zimbabwe Leather Development Council
ZNIDP	Zimbabwe National Industrialization Development Policy

FOREWORD

According to the United Nations Development Organization (UNIDO), leather is one of the widely traded commodities with growing world trade, currently estimated at more than US\$100 billion a year. Despite owning a fifth of the global livestock population, African countries, however, account for only 4% and 3.3% of world leather production and value addition, respectively.

In 2020, Zimbabwe was ranked 167 and 73, out of 195 countries, in terms of exports and imports of raw hides and skins, valued at about US\$2.7 million and US\$31 million, respectively. This indicates that the country is a net importer of hides and skins, hence the need to eliminate this trade deficit.

The National Competitiveness Commission (NCC) is mandated to create an enabling competitive environment for business, and one approach for achieving this, is through the value chain analysis model. To this end, the NCC conducted desktop research, stakeholder consultations and site visits to players in the leather value chain, with a view to improve the competitiveness of the subsector.

Competitiveness of the leather sector is critical in stimulating inclusive and sustainable economic growth through job creation, hence it is one of the crucial manufacturing sub-sectors prioritized under the Zimbabwe National Industrialization Development Policy (ZNIDP 2019 – 2023) and the National Development Strategy 1 (NDS1 2021 – 2025). Furthermore, the Government also developed the Zimbabwe Leather Sector Strategy (2021 – 2030) with a view to promote the development of the sector.

The country is among the top ten leather products exporters in SADC and COMESA, despite a myriad of challenges, such as weak coordination within the sector, high cost of production and antiquated machinery, among others. There is, therefore, huge scope for improvement once the challenges are addressed. International best practice shows that coordination among leather players is critical and that countries with well-established leather councils and institutes are competitive, hence the sector can take a cue from this.



The Leather Value Chain Competitiveness Report is an evidence-based study, which outlines the challenges and proffers recommendations to enhance the sector’s productivity and competitiveness. It is the Commission’s hope that there will be a collaborative approach between the private sector and the Government in implementing the identified recommendations, thus strategically positioning the country to tap from the benefits of the African Continental Free Trade Area (AfCFTA).



P. Phiri

Executive Director

National Competitiveness Commission

PREFACE

The National Competitiveness Commission is mandated to facilitate the creation of a competitive environment for Zimbabwean business through coordination of key policy improvements required for domestic, regional and global competitiveness. To this end, the Commission conducted a leather value chain analysis to identify challenges and proffer evidence-based recommendations to enhance competitiveness.

The NDS1 prioritizes leather as one of the key value chains, which needs to be revitalized. The sector used to be competitive, producing 17 million pairs of shoes per annum at its peak, of which 6 million, worth US\$30 million were exported per annum. Currently, less than 1 million pairs are being produced, whilst the demand for shoes stands at 14 –15 million pairs per annum. Challenges affecting the sector include high cost of funding, antiquated machinery, multiple regulatory charges, and lack of coordination & collaboration across the value chain, among others.

I have confidence that implementation of recommendations, proffered in this Report, will go a long way in enhancing the leather value chain productivity and competitiveness. In this regard, the Commission will not end by the production of this Report but has already engaged some players who will be the focal persons in the implementation of the recommendations and identification of emerging competitiveness issues in the sector.

It is my hope that the stakeholders involved, both the Government and private sector will continue to collaborate on the drive to enhance competitiveness of the sector.



B. Shayanewako

Director Competitiveness

National Competitiveness Commission



EXECUTIVE SUMMARY

The Leather sector is one of the prioritized value chains under the National Development Strategy 1 (NDS1) (2021 – 2025), which has potential to improve the manufacture of value-added products as well as exports. Furthermore, the Government developed the Zimbabwe Leather Sector Strategy (2021 – 2030) to guide the operations of the sector. To this end, this report complements the existing efforts, by identifying competitiveness challenges and proffering evidence-based recommendations to address them. The report benefitted from desktop research, value chain stakeholder engagements, and benchmarking visits to top leather producing countries in Africa, which are Ethiopia and Kenya.

Competitiveness of the sector is affected by lack of coordination amongst the value chain players, due to non-operationalisation of the Zimbabwe Leather Development Council (ZLDC). Operationalisation of ZLDC will strengthen coordination in the sector and ensure periodical dissemination of statistics related to the sector, as opposed to the prevailing silo approach.

The quality of local Leather and Leather Products (LLPs) is affected by poor livestock management, quality of hides & skins, infrastructure for slaughter and handling of hides & skins, as well as non-payment of the fifth quarter to farmers by abattoirs, resulting in farmers not having an incentive for good animal husbandry. Research on use of local leather waste material is required. Best practice from Ethiopia shows that waste can be used in the production of products such as proteins, fertilizer, gelatin and bricks.

On the regional front, no African country is in the world’s top ten leather producing or exporting countries, indicating low competitiveness of the sector. However, according to Trademap, Zimbabwe was ranked number three in terms of leather and leather products exports in 2021, among COMESA and SADC member countries, indicating that there is scope for improvement, qif the identified competitiveness impediments are addressed. Zimbabwe is, however, competitive in crocodile skins and is ranked first and second largest exporter in Africa and the world, respectively.

The Leather Value Chain Competitiveness Report provides the following key recommendations:

- Operationalization of the Zimbabwe Leather Development Council by having a dedicated Secretariat funded by the leather players;

- Modernization of Livestock Identification and Traceability through the use of electronic technology;
- Establishment of a training institution that specifically focuses on animal husbandry in Bulawayo Province or the surrounding areas;
- Leather sector collaboration with Buy Zimbabwe and Zimtrade to develop and market an internationally recognized leather brand;
- Development of more dip tanks, especially in newly resettled farming communities and enforce stiff penalties on farmers who do not dip cattle; and
- Government to prioritize local procurement of leather products.

The implementation of the identified recommendations will go a long way in improving the competitiveness of the leather value chain.



The National Competitiveness Commission (NCC) is a statutory body established by an Act of Parliament called the National Competitiveness Commission Act Chapter 14:36, and it falls under the purview of the Ministry of Industry and Commerce.



The National Competitiveness Commission is mandated to facilitate the creation of a competitive environment for Zimbabwean business through coordination of key policy improvements required for domestic, regional and global competitiveness.

The following are some of the key functions of the Commission:

Continuous monitoring of the cost drivers in the business and economic environment and advertise on measures to be taken to enhance productivity and address current and emerging costs challenges,

Provide a platform for dialogue between the private and public sector, labour, academia, and non-state actors on issues related to competitiveness..

1. INTRODUCTION

- 1.1 The leather industry is a global manufacturing sector dominated by the Small and Medium Enterprises (SMEs), which produce raw, processed, and finished materials used in the production of leather products, such as footwear, handbags, belts, furniture, automotive seating, soft gloves, and contemporary clothing, among others. The leather and leather products (LLP) have traditionally been gateways to export diversification and export-oriented industrialization for most developing countries, due to low entry barriers (low fixed costs and relatively simple technology), low absorption by local markets and its labor-intensive nature.
- 1.2 The industry is one of the global value chains that has evolved, resulting in significant contributions to economic development. According to the United Nations Development Organization (UNIDO), leather is one of the widely traded commodities with growing world trade, currently estimated at more than US\$100 billion a year. It is also projected that the demand for hides and skins¹ and finished leather products may exceed supply in the next decade, making this sector to have massive potential for growth and development, hence the need to be highly competitive.
- 1.3 The leather industry heavily relies on livestock production and ends with the manufacture of leather products. Globally, livestock contributes about 40% of agricultural Gross Domestic Product (GDP) and provides livelihoods for at least 1.3 billion people. According to the Food and Agricultural Organization (FAO), livestock and related products contribute significantly to the Zimbabwe economy, with cattle accounting for 35% - 38% of the agricultural sector's contribution to GDP.
- 1.4 Cognizant of this, the *“Comprehensive Agricultural Policy Framework (2012 – 2032), National Agriculture Policy Framework (2018 – 2030);* and the Zimbabwe Livestock Sector Policy, allude to the need to develop and strengthen livestock production, as it is critical to the leather value chain. Currently, it is estimated that up to 60% of rural households own cattle, 70% to 90% have goats and there are about 18 crocodile producers in the country.

¹ Hides are generally animal covering removed from a bovine animal, whilst skin is from small animals, such as sheep, goats, crocodiles, among others, and sometimes from game animals.

- 1.5 Furthermore, the leather value chain is one of the crucial manufacturing sub-sectors being prioritized under the *Zimbabwe National Industrialization Development Policy (ZNIDP 2019 – 2023) and the National Development Strategy 1 (NDS1 2021 – 2025)*. The *Zimbabwe Leather Sector Strategy (2021 – 2030)*, also sets targets for the period as follows:
- Increase capacity utilization of value-added products from 30% to 75% by the end of 2030;
 - Enhance the application of sustainable technologies from the current 10% to 60% of the manufacturing companies by 2030;
 - Increase the export of leather products from 10% to 40% of production by 2030; and
 - Lobby for the development and reform of 70% of identified policies and legal frameworks for transformation of the leather sector by 2030.
- 1.6 On the other hand, the NDS1 envisages to strengthen horizontal and vertical collaboration of value chain players in order to increase capacity utilisation in the manufacture of value-added products from 30% in 2020 to 50% by 2025, and export of leather products from 10% of total production in 2020 to 25% by 2025.
- 1.7 The above leather sector policies and targets prioritize the creation of highly competitive economic linkages in the value chain, given that it is presently characterized by low uptake of raw hides by tanneries, which are operating at less than 35% capacity utilization.

Methodology

- 1.8 In coming up with the Leather Value Chain Competitiveness Report, the National Competitiveness Commission (NCC) conducted desktop research and stakeholder consultations through virtual meetings and site visits to players in the leather value chain. The local visits to leather producing areas, such as Bulawayo, Gweru and Harare, where local Farmers, Manufacturers, Hide Merchants, Abattoirs, Tanners, National University of

Science and Technology (NUST) and Leather Institute of Zimbabwe (LIZ), provided useful insights on the competitiveness of the sector.

- 1.9 The process was complemented by benchmarking visits to top African leather-producing countries, namely, Ethiopia and Kenya in order to compare Zimbabwe's competitiveness gaps and learn international best practices in terms of policy and regulatory framework for the value chain, in line with NDS1 objectives.
- 1.10 To this end, the visits explored the value chain nodes, production processes, goods produced, state of industry equipment & machinery from slaughtering to manufacture of finished products. Focus was also on Government policies, regulations, incentives, cost effective industry specific strategies that enhance competitiveness of the countries' leather value chain.

GLOBAL TANNERS P/L

Leather Experts

PRODUCTS & SERVICES



GENUINE LEATHER



TANNING CHEMICALS



RESTORATION



WETBLUE LEATHER

@muda.concept 0772 992 914

WE HAVE GENUINE LEATHER IN STOCK

SD Claret, Ivory, Black, Grey, White, Mocca **Cosmo** Cobblestone, Latte **AG** Fox

 36 Canada Drive, Braeside, Harare  0786 887 107 / 0772 472 361

2. GLOBAL LEATHER INDUSTRY OVERVIEW



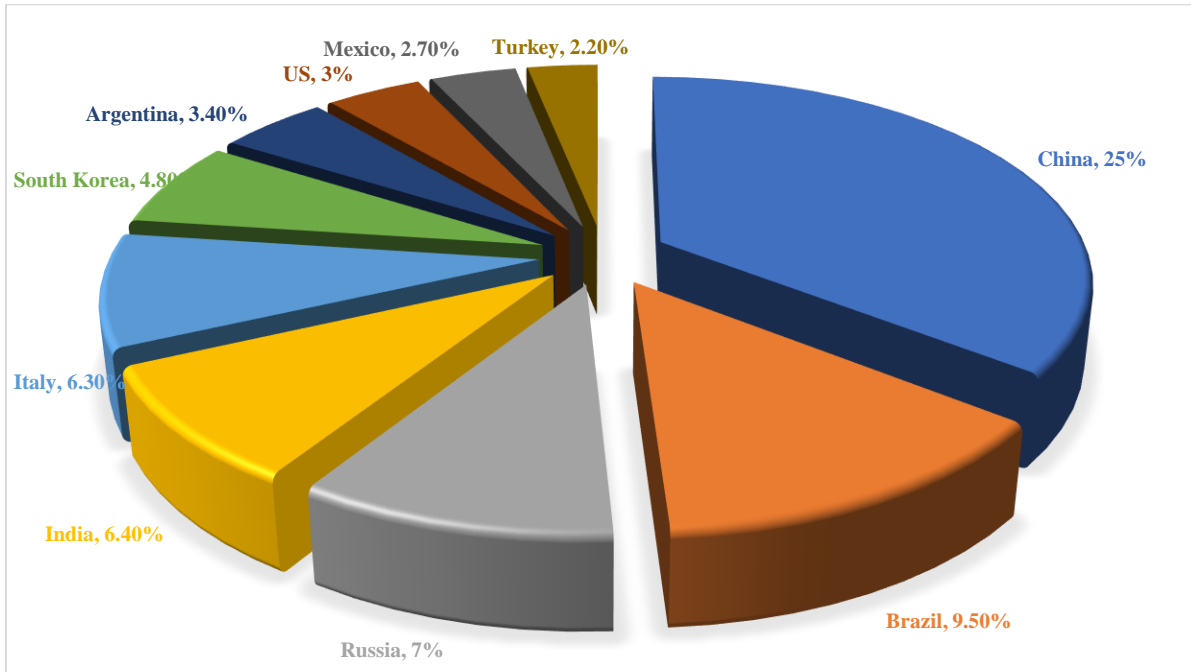
- 2.1. Leather is produced from hides and skins, which are by-products of the livestock industries, hence developments in the global meat economy have a considerable bearing on the price and supply of leather. The world's livestock industries, especially beef, have been characterized by a high degree of instability over the past 10 years, and this has negatively affected competitiveness of the sector.

Major Leather Producing Countries

- 2.2. The world's leading countries for leather manufacturing include China, Brazil, Russia, India and Italy, which account for about 54.2% of global leather production. Figure 1 below shows top ten leather producing countries in the world, and the rankings are based on the combined production of two types of leather namely heavy and light leather² as well as two main categories of raw materials, bovine hides and sheep & goat skins.

² Heavy leather comprises of sole belting, strap and mechanical leathers made from unsplit hides whereas light leather is used in most other applications such as bags, coats and shoes.

Figure 1: Top Ten Leather Producing Countries in 2020



Source: ComTrade

China

- 2.3. As depicted in Figure 1 above, 25% of global annual leather production, which translates to about 6.17 billion square feet, is from China. The country is also the third largest exporter, with exports of about US\$909.1 million. It is renowned for producing heavy skin used for manufacturing belts, straps and soles, while light leather is used in shoes, bags and jackets. Most of China’s leather output is derived from light bovine skin, which accounts for nearly 40% of the total livestock production per year, making China the biggest producer in the world. The light leather of sheep and goats is the second largest leather source in China’s industry.

Brazil

- 2.4. Brazil is the second largest producer of leather after China, as it produces over 2.4 billion square foot of leather per annum. Leather production in Brazil, is majorly light skin produced from bovine animals. There are over 110 tanneries in Brazil of which about 80%

of Brazilian made leather is exported, mainly to China, Italy and the USA. In 2021, about 172.3 million square meters of leather worth US\$1.14 billion was exported.

Russia

- 2.5. Russia is one of the top 3 largest leather producing countries and produces 1.4 billion square feet of leather annually. Most of the leather output in Russia is light leather from bovine animals. About 8% of the leather comes from sheep and goats. Less than 3% of the total leather produced is heavy hide.

Italy

- 2.6. Italy is one of the leading countries in terms of production of LLPs, with exports mainly constituting footwear. According to the International Leather Organisation, Italy's tanning industry is huge, with more than 1,100 companies, employing more than 17,000 workers and an annual turnover in the region of €3.5 billion. On the global scale, it accounts for more than 60% of production in the European Union (EU) and contributes 23% of the world's supply of leather products. It is also the top largest importer of leather products in the world.
- 2.7. In recent years, the industry has made great investments in innovation and technology to create better products, and also reduce the environmental impact of the tanning process. About 80% of the industry's tanning machinery is produced in Italy, and this explains the adoption of the latest technology by their local tanning industry.

Major Importers and Exporters of Leather and Leather Products

- 2.8. It is noteworthy that most of the top 10 producers are also major importers and exporters of raw hides and skins, indicating the competitiveness advantage inherent with integration within the value chain. However, of late, there has been a major shift from LLP exports being dominated by developed countries in Europe and North America to emerging and developing countries such as China, South Korea and Mexico, amongst others.
- 2.9. Table 1 below shows the rankings of the world's largest exporters of raw hides and skins, including Zimbabwe and the top 5 in Africa, as well as Ethiopia and Kenya.

Table 1: Largest Exporters of Raw Hides & Skins and Leather in 2020

Global Ranking	Country	Export of Raw Hides & Skins (US\$000)
1	United States	13 778 298,48
2	China	9 148 295,28
3	Switzerland	7 171 001,32
4	Hong Kong, China	6 603 111,12
5	Japan	5 914 440,19
6	Korea, Rep.	4 942 140,15
7	United Kingdom	4 927 967,17
8	Germany	4 927 304,82
9	Italy	4 524 037,06
10	France	3 998 155,95
11	Russian Federation	3 278 492,62
12	Singapore	3 200 377,56
13	Netherlands	2 168 784,52
14	Vietnam	2 087 015,04
15	Spain	1 847 257,33
<i>Africa's Top Five</i>		
42	South Africa	387 990,11
45	Tunisia	335 392,40
46	Morocco	323 306,33
56	Nigeria	205 135,15
61	Ghana	140 154,01
<i>Zimbabwe and Benchmarked Countries</i>		
75	Kenya	91 037,29
132	Ethiopia	10 086,83
167	Zimbabwe	2 679,69

Source: World Integrated Trade Solution

2.10. As depicted in Table 1 above, in terms of exports of raw hides and skins, Zimbabwe is not competitive, as it was ranked number 167 out of 195 countries in the world.

2.11. Table 2 below shows world's largest importers of raw hides and skins.

Table 2: Largest Importers of Raw Hides and Skins in 2020

Global Ranking	Country	Import of Raw Hides & Skins (US\$000)
1	China	20 608 877,27
2	Italy	15 151 073,79
3	France	9 493 081,36
4	Vietnam	4 350 166,86
5	India	2 689 480,22
6	Spain	2 635 314,60
7	Germany	2 397 226,25
8	United States	2 053 835,19
9	Cambodia	1 737 359,66
10	Switzerland	1 609 629,19
11	Netherlands	1 427 296,75
12	Thailand	1 184 134,36
13	Brazil	1 162 650,41
14	Indonesia	993 858,40
15	Korea, Rep.	889 568,58
<i>Africa's Top Five</i>		
38	South Africa	219 720,03
48	Tunisia	134 837,13
50	Nigeria	115 374,16
55	Morocco	87 264,23
60	Egypt, Arab Rep.	55 666,96
<i>Zimbabwe and Benchmarked Countries</i>		
68	Ethiopia	39 412,41
73	Zimbabwe	30 714,98
77	Kenya	22 249,93

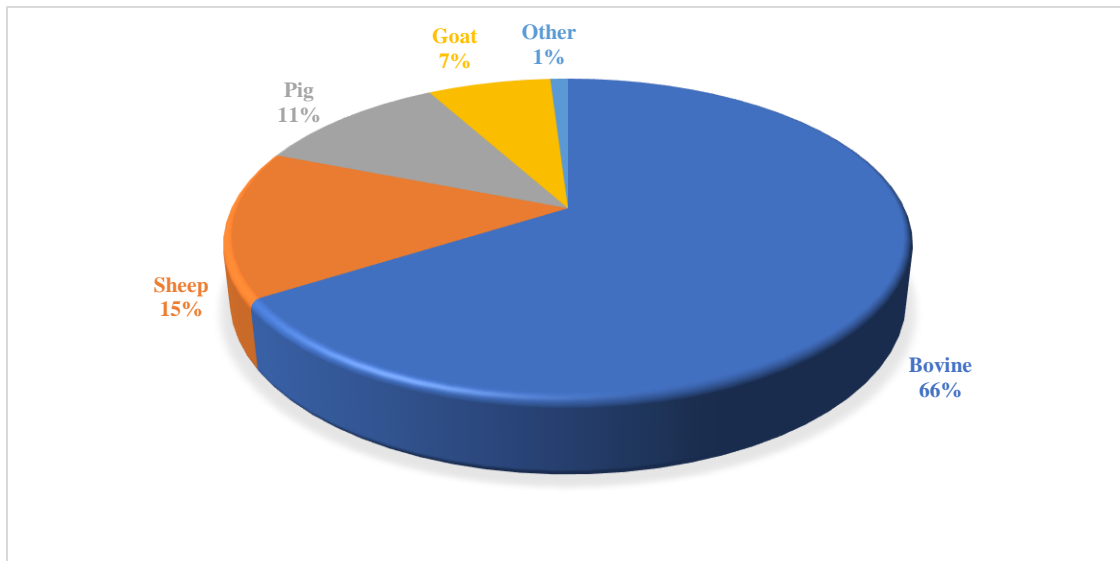
Source: World Integrated Trade Solution

- 2.12. Despite the low ranking, in 2020, Zimbabwe imported a significant number of raw hides and skins worth about US\$31 million. This may be attributed to the low duty structure, price and quality competitiveness in foreign countries, hence the need to improve competitiveness of the local leather value chain.

Leather Raw Material by Type

- 2.13. According to FAO, leather hides are mainly from bovine animals that include cattle and buffalo, accounting for about 66%. The second largest contributor is sheep (15%) followed by pig (11%) as shown in the pie chart below:

Figure 2: Share of Leather Raw Material by Type, 2020



Source: FAO

Leather Market

- 2.14. The global leather goods market was valued at US\$407.92 billion in 2021 and is expected to expand at a Compound Annual Growth Rate (CAGR) of 6.9% from 2022 to 2030.
- 2.15. The market is mainly driven by rising consumer disposable income, improved living standards, changing fashion trends, and growing domestic and international tourism. The luxury leather products are popular among consumers, who are demanding premium range goods as a fashion statement. Europe-based companies, such as Gucci, Gianni, Versace, Louis Vuitton, Adidas, Nike, Puma, among others, are the key players involved in the manufacturing of leather-based luxury goods.

Regional Comparator Countries Analysis on Leather

2.16. Despite owning a fifth of the global livestock population, African countries account for about 4% and 3.3% of world leather production and value addition, respectively. Value addition in the leather sector has been minimal, and most of Africa's exports have been in the form of unprocessed raw hides and skins.



2.17. According to UNIDO, leather raw materials have increasingly become available in the developing world, while in the developed countries, a declining per capita consumption of red meat has reduced the supply of hides and skins. This development presents developing countries, including Zimbabwe, with opportunities for penetrating new export markets.

2.18. More than half of the world supply of leather raw materials come from the developing world and, increasingly, those countries with large supplies are seeking to process them into finished leather articles. Favourable climate and good animal husbandry are contributing to the best bovine raw material generally coming from developed countries. Sub Saharan Africa is a major supplier of basic raw material (hides and skins) to the global leather industry.

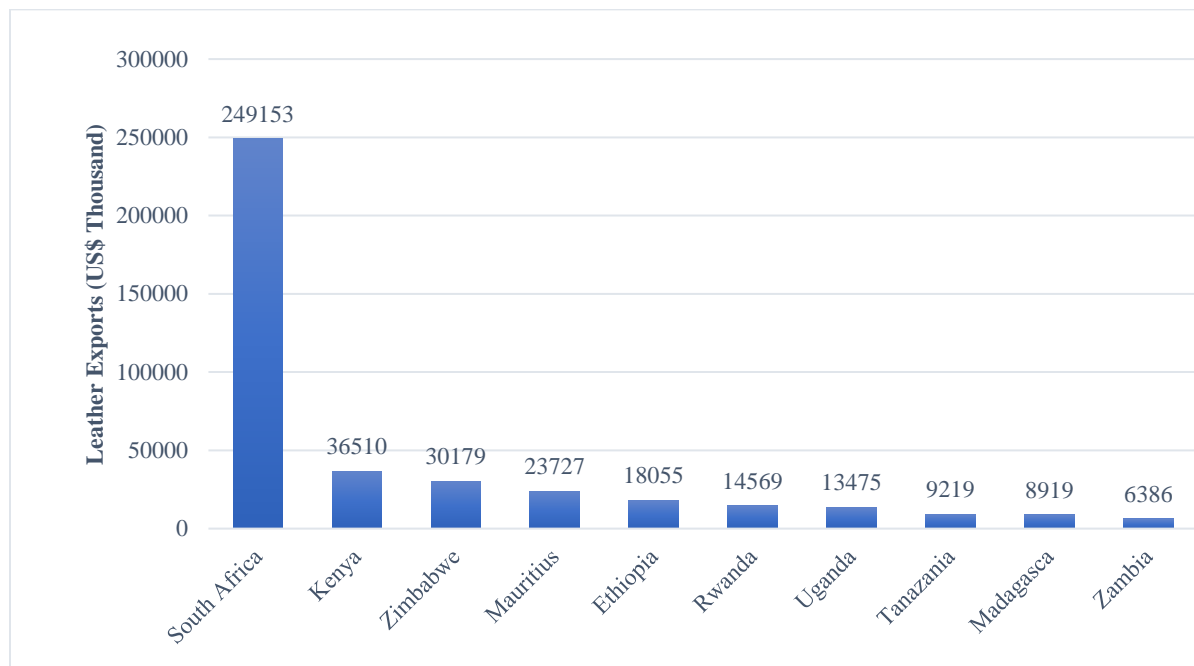
2.19. The leather sector is also of major significance at regional level, having been identified under the Common Market for Eastern and Southern Africa (COMESA) as a critical sector, leading to the formation of the Africa Leather and Leather Products Institute (ALLPI)³. The organisation's main mandate is to support the development of the leather sector in the Region as well as periodically disseminate information related to LLPs production, investment and markets. Notwithstanding these efforts, no African country is in the world's top ten leather producing or exporting countries, indicating low competitiveness of the sector in the region.

³ ALLPI, previously known as COMESA/LLPI, was chartered in 1990, with the endorsement of 17 COMESA Heads of States. ALLPI membership currently encompasses ten countries, namely, Zimbabwe, Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Sudan and Zambia.

Major Leather Exporters and Importers in SADC, COMESA or Africa

- 2.20. According to Trademap, the leading exporter, in 2021, in terms of value of leather and its products in SADC and COMESA countries is South Africa. The top ten LLPs exporters in SADC and COMESA are shown in Figure 3 below.

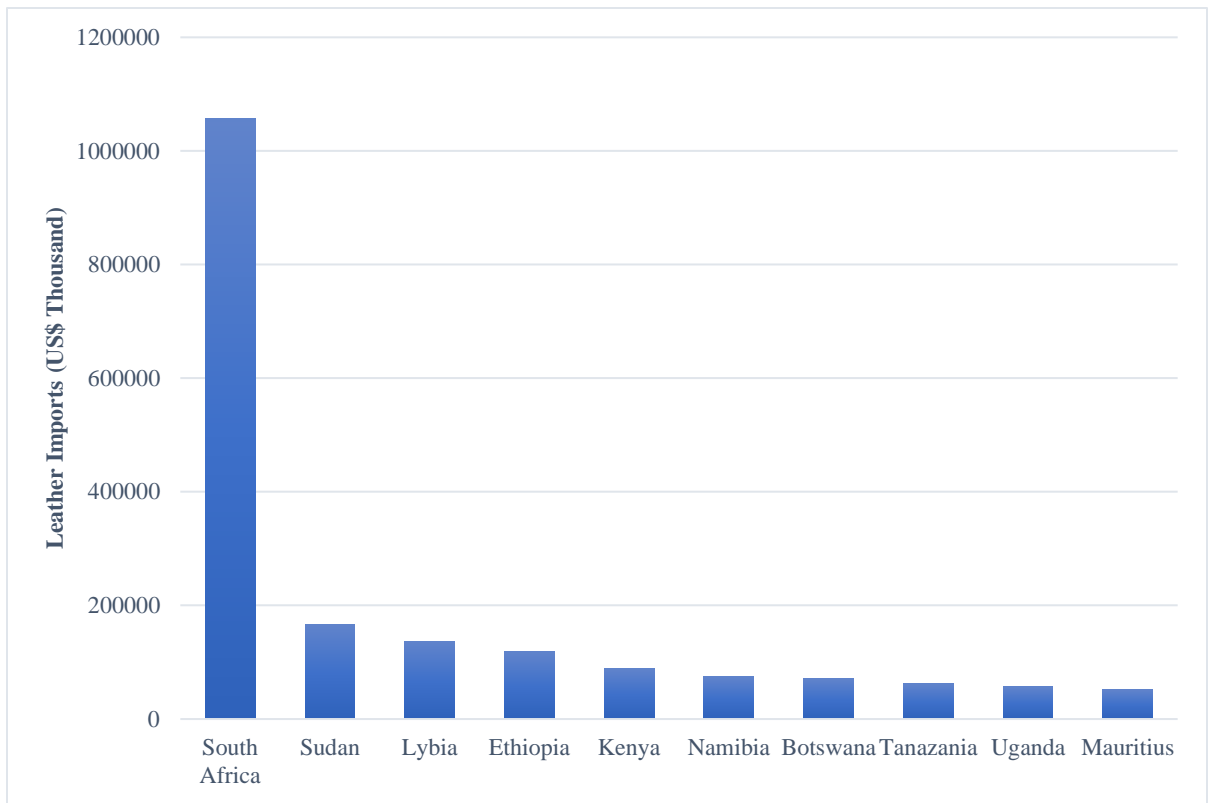
Figure 3: Major Leather and Leather Products Exporters in SADC and COMESA in 2021



Source: Trademap

- 2.21. Zimbabwe is ranked number three among the countries and therefore there is scope to further enhance competitiveness in terms of value of leather and its products.
- 2.22. Figure 4 below shows top ten importers of leather and leather products in COMESA and SADC in 2021.

Figure 4: Major Importers of Leather and Leather Products in COMESA and SADC in 2021



Source: Trademap

- 2.23. South Africa is the top importer of the LLPs, while Zimbabwe is not even among the top ten. This may be attributed to low population and income levels, hence the demand for LLPs is not as much as other countries.

Leather Value Chain Integration in SADC

- 2.24. Table 3 below shows the level of integration in the value chain for Zimbabwe against comparator countries.

Table 3: Overview on Level of Integration in the Leather Value Chain per SADC Member States

Country	Livestock breeding/slaughtering	Tanning	Manufacturing
South Africa	Green	Green	Green
Tanzania	Green	Green	Green
Zambia	Green	Yellow	Green
Zimbabwe	Green	Green	Green
Madagascar	Green	Yellow	Green
Namibia	Green	Yellow	Yellow
Botswana	Green	Red	Yellow
Angola	Green	Red	Red
Eswatini	Yellow	Red	Red
Malawi	Green	Red	Yellow
Lesotho	Yellow	Yellow	Green
DRC	Green	Red	Yellow
Comoros	Red	Red	Yellow
Seychelles	Red	Red	Red
Mauritius	Red	Yellow	Green
Mozambique	Green	Yellow	Green

Source: GIZ

Key: Green = large cattle stocks with at least 1 million heads, 3 or more operational and registered companies for tanning or manufacturing

Orange = only minor activities (cattle: below 1 million heads, 1 or 2 operational and registered tanneries, 1 or 2 operational and registered manufacturing companies)

Red = non-existent or insignificant.

- 2.25. Zimbabwe’s leather value chain is well integrated, when compared to other countries such as Seychelles and Comoros, Eswatini and, Botswana. This implies a competitive edge in livestock production, tanning and manufacturing of leather products.
- 2.26. Despite the high level of integration, the local leather value chain absorption of the labour force has not been pleasing, showing some inherent challenges weighing on productivity and competitiveness of the sector. Zimbabwe is ranked number 4 in SADC in terms of absorption of labour per node as shown in Table 4 below:

Table 4: Number of Full-Time Employees Per Value Chain Node

Country	Slaughterhouses, Trading of Hides and Skins	Tanneries	Manufacturing registered companies only	Total number of employees
South Africa	24,000	4,800	12,000	40,800
Tanzania	5,000	500	3,400	8,900
Zambia	1,700	1,000	3,000	5,700
Zimbabwe	1,800	400	1,600	3,800
Madagascar	1,200	150	200	1,550
Namibia	2,000	180	-	2,180
Botswana	500	-	-	500
Angola	Not available	-	-	Not available
Eswatini	200	-	-	200
Malawi	Not available	-	-	Not available
Lesotho	400	100	900	1,400
Congo, DRC	500	-	ND	500
Comoros	-	-	-	-
Seychelles	-	-	-	0
Mauritius	200	30	400	630
Mozambique	600	200	1,000	1,800
Total SADC	38,100	7,360	22,500	67,960

Source: GIZ

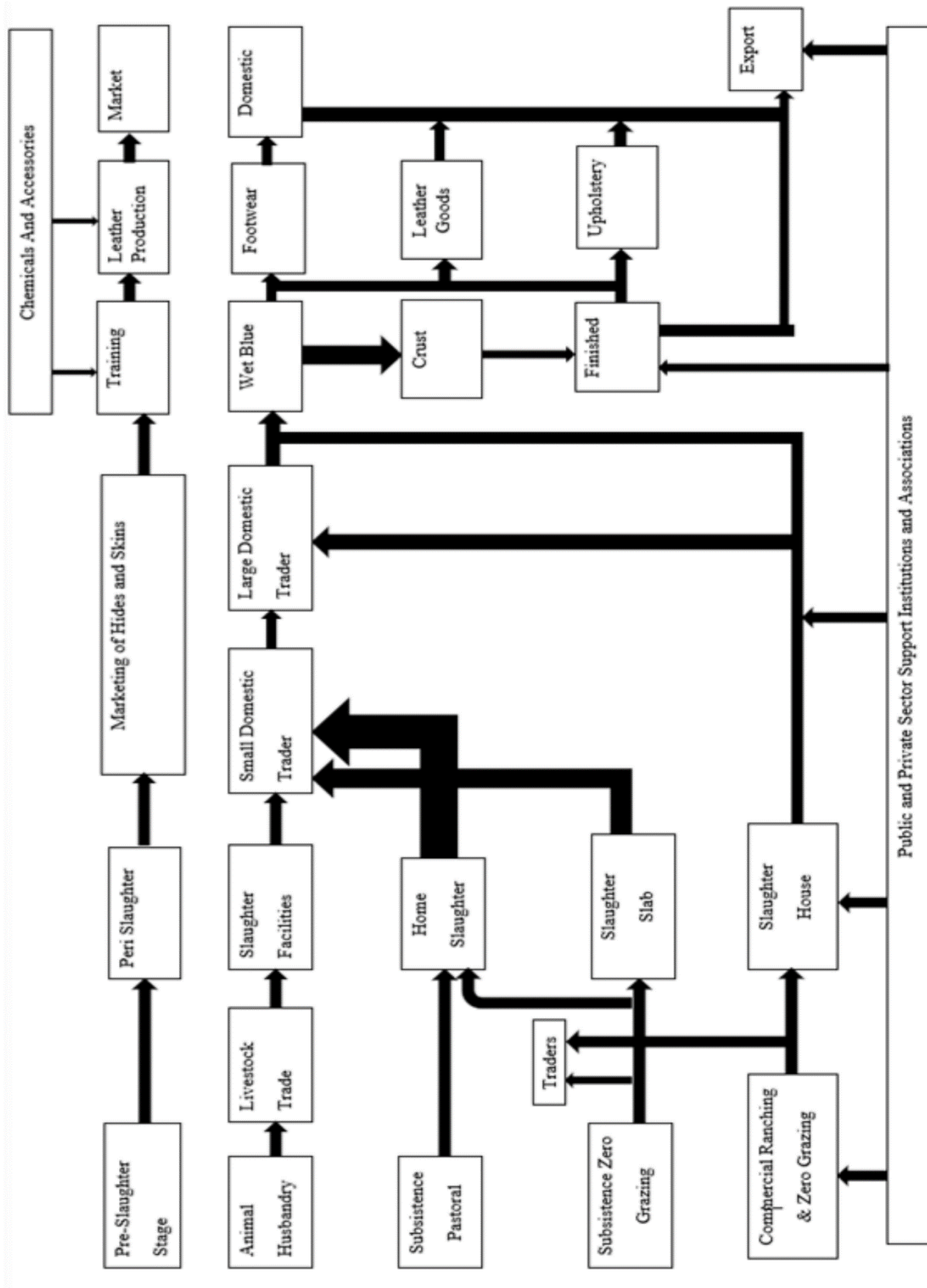
- 2.27. The competitiveness of the leather value chain depends on the absorption of hides and skins of the farming stock and wild animals. Availability of raw materials directly depends on the size of the animal population, the take-off ratio and the weight/size of the hide or skin recovered.

3. SYNOPSIS OF THE ZIMBABWE LEATHER VALUE CHAIN



- 3.1. Leather in Zimbabwe is primarily produced from cattle hides and goat skin. The country also produces exotic leather from elephant, warthogs and crocodiles, among others.
- 3.2. Zimbabwe's leather products mainly consist of raw hides & skins, finished leather, footwear, handbags, travel ware and other leather products, semi-processed tanned "wet blue" and some crust leather.
- 3.3. The local leather value chain consists of various nodes, namely livestock producers, abattoirs, hides and skins merchants & traders, tanneries, manufacturers and retailers. The value chain is integrated such that performance in one node has a bearing on the competitiveness of the entire value chain.
- 3.4. The leather value chain consists of formal and informal SMEs, who contribute significantly to the sector, although it is difficult to account for their production statistics.
- 3.5. Figure 5 below shows the structure of the Leather Value Chain in Zimbabwe.

Figure 5: Leather Value Chain Map



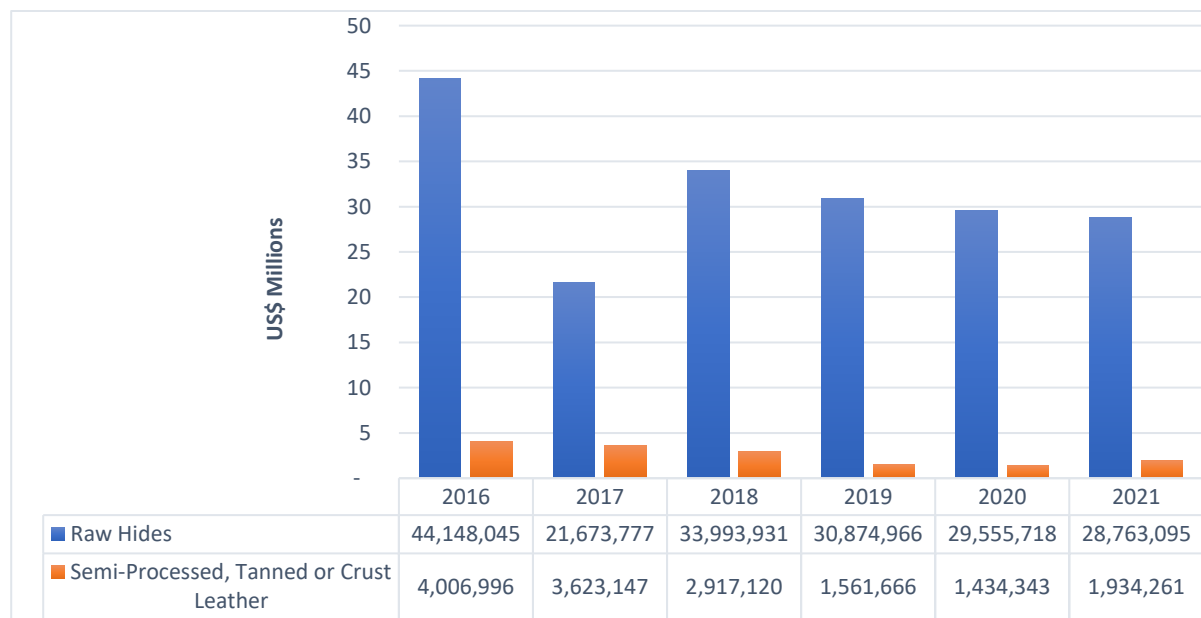
3.6. The local leather value chain, as graphically depicted in Figure 5 above, begins with animal husbandry, which is the source of its raw materials. It then has four primary stages - three processing stages and the final stage of marketing as follows:

- Stage 1: Slaughter of animals to get hides and skins;
- Stage 2: Conversion of hides and skins into leather tanning;
- Stage 3: Manufacture of leather products; and
- Stage 4: Marketing, both domestic and export, of intermediate and end products at different stages of the supply chain.

3.7. Notwithstanding the existence of backward and forward linkages in the leather value chain as shown by the above stages, the level of value addition in the sector is very low. This is evidenced by the export of more raw hides and skins compared to semi-processed, tanned or crust hides and leather.

3.8. Figure 6 below shows exports comparison of raw hides & skins and semi-processed, tanned or crust hides for Zimbabwe over the period 2016 to 2021.

Figure 6: Exports of Raw Hides and Semi-processed, Tanned and Crust Leather for Zimbabwe, 2016 - 2021



Source: ZimStat

- 3.9. As shown in Figure 6 above, raw hides and semi-processed, tanned or crust leather worth about US\$189 million and US\$15 million, respectively, were exported over the period 2016 to 2021, indicating very little value addition. The major export destinations are Singapore, France, Italy, Germany and Spain.
- 3.10. Although Government introduced an export tax of US\$0.75/Kg on export of raw hides and skins in 2013, in order to promote value addition, this has not yielded the intended results as competitiveness of the leather value chain is still low.
- 3.11. The above statistics are in contrast with countries like Kenya, which show strong value addition in the leather sector, as indicated by more exports of finished leather.
- 3.12. Table 5 below shows Kenya’s exports of raw hides and finished leather over the period 2017 to 2021.

Table 5: Kenya Exports in tonnes, 2017 – 2021

	2017	2018	2019	2020	2021
Hides & Skins	1,105.2	1,221.4	1,662.4	1,083.3	2,496.3
Leather	24,270.6	23,141.6	15,775.4	8,626.3	8,634.3

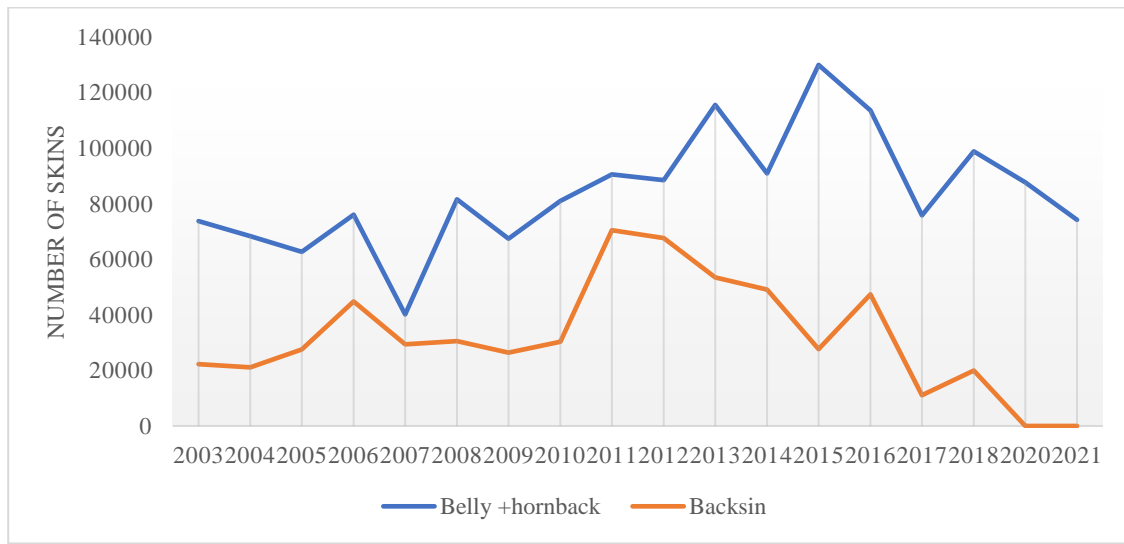
Source: Kenya State Department for Investment Promotion and Industry

- 3.13. Although Kenya’s exports of finished leather declined from 24 270.6 in 2017 to 8 634.3 tonnes in 2021, indicating potential increased absorption by the local manufacturers, the country still exports more processed leather.

Crocodile Skins Production and Exports

- 3.14. The Zimbabwe leather value chain also comprises of exotic skins production, mainly from crocodiles in the local rural economies of Binga, Kariba and Chirundu.
- 3.15. Figure 7 shows exports of total belly as well as hornback (wet salted and tanned) crocodile skins exports for Zimbabwe for 2003 to 2021.

Figure 7: Crocodile Skins exports for Zimbabwe for 2003 – 2021



Source: Crocodile Farmers Association of Zimbabwe

3.16. The country’s crocodile sub sector is very competitive as it is currently ranked first and second largest crocodile exporter in Africa and the world, respectively. This contrasts to the bovine leather sub sector, which is saddled with numerous challenges that undermine its competitiveness.

4. COMPETITIVE ANALYSIS OF THE ZIMBABWE LEATHER VALUE CHAIN

4.1. The leather sector in Zimbabwe used to be a vibrant industry in the last two decades. However, it is now characterized by poor performance due to technical, financial and ecological challenges, which are negatively affecting production,



Cost drivers are multi-faceted and can be classified as cross-cutting and node specific.

productivity and competitiveness. Some of these challenges adversely impacting on the sector's development include, inter alia:

- Lack of coordination and collaboration, across the value chain;
- High transport costs, as the majority of the livestock are sold outside their farming areas;
- Poor livestock management, handling of hides & skins, and infrastructure for slaughter;
- Lack of skills and technology;
- Stiff competition from imported LLPs;
- Low absorption of hides & skins in the local industry;
- Limited access to finance, including foreign currency to import production inputs; and
- Poor environmental sustainability due to tannery waste and high production costs.

Cost Drivers in the Local Leather Value Chain

4.2. The cost drivers in the leather industry are multi-faceted and can be classified as cross-cutting and node specific.

Cross-Cutting Cost Drivers

Shortage of Foreign Currency

- 4.3. Limited access to foreign currency for retooling, importation of spares, chemicals and other critical inputs in the production process, has negatively impacted on the competitiveness of the leather sector.
- 4.4. The sector's predicament is worsened by the 25% foreign currency retention, as industry players opt not to export, as there is very little, or no incentive to do so.
- 4.5. Furthermore, the 25% liquidation requirement on all export receipts results in loss of value for exporters due to exchange rate variations, thereby further affecting competitiveness of the value chain.

Taxation

- 4.6. The 2% Intermediated Money Transfer Tax (IMTT) meant to target informal enterprises, has also become a cost multiplier in formal business operations that is negatively affecting competitiveness of the sector.
- 4.7. Late payment of Value Added Tax (VAT) refunds by ZIMRA, taking an average of 21 days, is also financially constraining the sector, as the funds are locked up for that period instead of being used to generate more income.

Cost of Borrowing

- 4.8. The prevailing interest rate of 150%, and the short tenure of loans, hinders the players in the sector from borrowing to finance critical expenditures, thereby undermining competitiveness of the sector.

Antiquated Plant Equipment

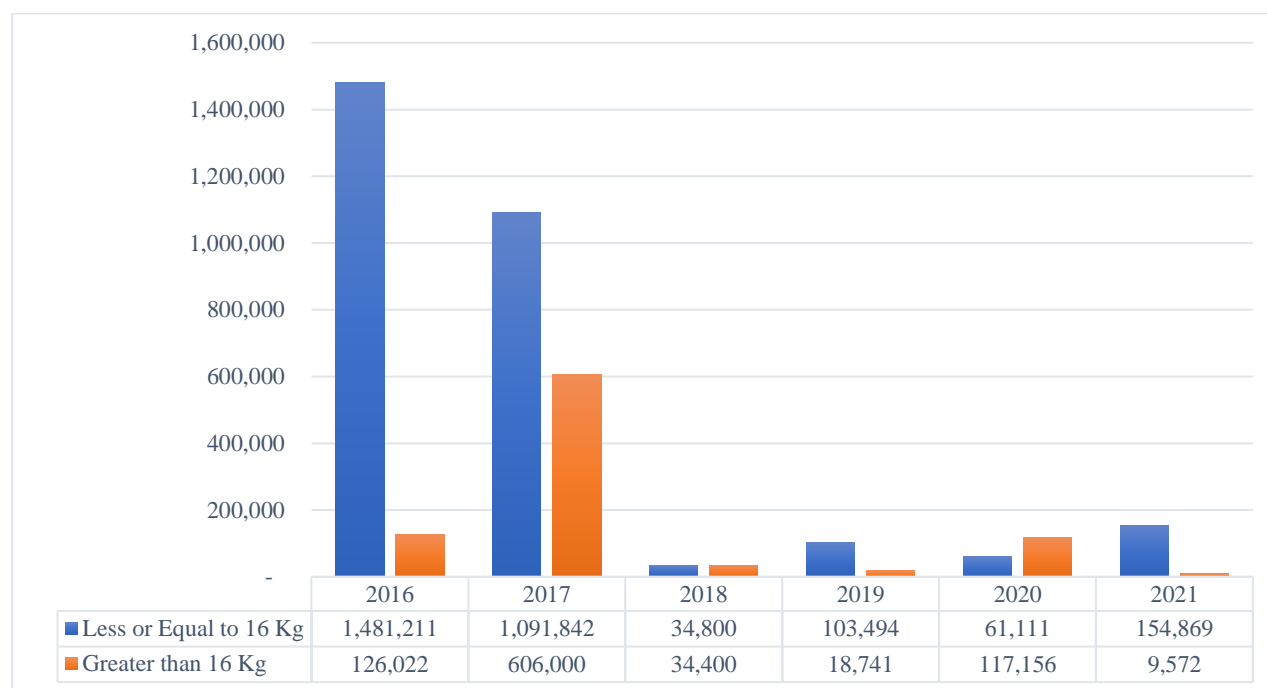
- 4.9. Most of the plant equipment that is used locally is very old with frequent breakdowns and spares are difficult to source due to foreign currency challenges. Although some of the spares are locally available, these would have been imported and the suppliers put a premium of over 50%, thereby making them very expensive. Furthermore, where the local suppliers are

amenable to payment for the spares in local currency, the prices are indexed to the alternative foreign exchange rates. These factors and the maintenance & downtime costs are passed on to consumers, translating to high prices of locally manufactured LLPs, thus rendering the final products less competitive compared to imports. .

Poor Quality of Raw Hides and Skins

- 4.10. Raw hides and skins, on average, constitute 50% - 60% of the total cost of leather production, hence the quality of the hides and skins has a strong bearing on the competitiveness of the entire value chain.
- 4.11. With about 90% of the local livestock owners being from communal farmers, where the animals are reared on low nutritional diets, the prevalence of parasites (mites, lice and ticks), traditional livestock branding and poor fraying methods (manual skinning techniques), the hides and skins thereof, tend to be smaller and of inferior quality. This contrasts with South Africa, the country's major competitor, where 75% of the cattle are from feedlots, while the remainder is from small scale or informal players.
- 4.12. A good quality hide to some extent depends on the live mass of the cattle and the weight of the hide is estimated to be, on average, 7% of the live mass. Due to the afore-mentioned factors, in Zimbabwe, the average weight of the hides obtained from the abattoirs are averaging 19 to 20kg per hide, against international best average of between 23 to 24kgs. This indicates that the local hides are inferior in terms of size and points to reduced competitiveness in the global markets.
- 4.13. It is, therefore, not surprising that most of the country's raw hides and skins' exports do not exceed 8kg when simply dried, 10kg when dry-salted, or 16kg when fresh, wet-salted or otherwise preserved. This is diametrically opposed to other comparator countries that export raw hides and skins' exceeding 16kg, as can be shown by the figure 8 below:

Figure 8: Exports of Raw Hides and Skins for Zimbabwe, 2016 - to 2021



Source: ZimStat

- 4.14. Hides can be classified into 4 categories, namely grades A to D, grade A being the best quality, whereas grade D is unusable in the leather industry, which, however, is sometimes exported for consumption as pommo food in Nigeria.
- 4.15. Most of the grade A hides are not being sold to the local manufacturers as hide merchants prefer the export market, where prices are high, and payments are made in foreign currency. The slump in local prices of hides from US\$25 to an average of between US\$5 and US\$10 per unit has further spurred exportation, thereby starving the local industry of this critical raw material and undermining competitiveness of the entire value chain. Table 6 below shows the prices of hides against comparator countries.

Table 6: Prices of Hides Versus Comparator Countries, 2022

Country	Hide Prices (US\$)
Zimbabwe	5 – 10 (<i>per Unit</i>)
Ethiopia	5.72 – 6.73 per Kg
Kenya	2.43 – 2.65 per Kg
South Africa	6.83 per Kg

Source: NCC Compilation

- 4.16. Cattle reared in the rural areas are usually used as draught power and traditional branding methods result in the hide being damaged and classified in grades B, C and D, which are of little value, due to scratch marks.
- 4.17. Grades B and C, are therefore, dominant on the local market, although some companies are even facing challenges in securing them.
- 4.18. However, the 25% breakage rate, poor branding as well as the tick marks make only 40% of the hide useable, and indexation of prices to the parallel market rate, render the leather products uncompetitive in both domestic and international markets.
- 4.19. Resultantly, the price of grades B and C hides are much higher than on the international market, hence manufacturers prefer to import better quality hides, which are 430% cheaper, as shown in Table 7 below.

Table 7: Cost of Local Hides Against Imports

Hide	Cost per sq. foot
Import	US\$0.50
Local	US\$2.65

Source: Shoepack

- 4.20. The above situation is further crippling the local value chain, as some of the hides cannot be absorbed locally and internationally.

Influx of Cheap Finished Leather Products

- 4.21. The leather sector's competitive position is being worsened by the prevalence of price competitive synthetic substitutes, though of inferior quality, especially in low to middle income countries like Zimbabwe.
- 4.22. Furthermore, competitiveness of the leather sector also continues to be hamstrung by the influx of cheap imports of new and worn leather footwear, plastic shoes, bags, belts and other leather accessories. This is despite the duty structure being amongst the highest in the region and prohibitive for importation of footwear as indicated in Table 8:

Table 8: Duty Structure on Footwear for Zimbabwe Versus Comparator Countries

Country	MFN (%)	COMESA
Zimbabwe	40% + US\$1 per pair	90% of (40% + US\$1 per pair)
Kenya	25	2.5
Uganda	25	22.5
Zambia	25	22.5
Nigeria	20	-
South Africa	30	-

Source: NCC Compilation

Lack of Markets

- 4.23. The local footwear manufacturers can produce safety and security shoes, among others, and the Government should ideally be the biggest buyer of such leather products. However, there have been allegations of the Government preferring to import, of which payments are made in advance in foreign currency as opposed to local procurement of the same, thereby promoting competitors of the local industry. The financial resources channeled to the external markets, if redirected to the local manufacturers, will go a long way in boosting local production, productivity and efficiency, thereby improving the competitiveness of the local value chain.
- 4.24. The situation is further exacerbated by the fact that some local retailers demand US\$2 000 for manufacturers to initially get shelf space on the market.
- 4.25. Furthermore, the 60 days credit terms required by retailers is also a challenge, given the inflationary developments in the country. This is despite the fact that retailers are prepared to buy imported products on a cash basis.

- 4.26. Whereas the Government and local retailers have a role to play in promoting Buy Zimbabwe, on their part, local LLPs industry is also expected to guarantee price competitive and better quality goods compared to imports, in order to incentivize local procurement by both the Government and individual consumers.
- 4.27. Of major concern, there is a strong advocacy against the use of exotic leather from countries such as China and Germany, who are promoting the use of synthetic leather and plastics. The automobile industry is also moving away from leather, thus, the future of leather sector may be bleak.

Regulatory Burden

- 4.28. The leather sector is overregulated by several Ministries, Departments and Agencies (MDAs), guided by about 40 Statutory Instruments. The primary regulators are the Ministries of Industry & Commerce, and Lands, Agriculture, Fisheries, Water & Rural Development. The Department of Livestock and Veterinary Services (DLVS) is directly responsible for animal production and health regulatory oversight, and provides technical, extension and advisory services. There are other several regulatory bodies within the value chain, namely City Councils, Islamic Society, National Social Security Authority (NSSA), Veterinary, Health and Procurement Regulatory Authority of Zimbabwe (PRAZ), among others, which have different impact on the cost build up for doing business, and competitiveness of the value chain.
- 4.29. The fragmentation of regulatory and oversight bodies, as shown in Table 9 below, undermines the ease of doing business and also result in increased costs of doing business, thereby adversely impacting on competitiveness of the leather value chain.

Table 9: Regulations Affecting Leather Value Chain Players

Regulatory Authority	Regulations
<p>Department of Veterinary Service</p>	<ul style="list-style-type: none"> • Animal Health Act (Chapter 19:01) that requires cattle sellers to have a Cattle Movement Permit from DVS, which cost US\$10 per consignment. • The farmer is also charged US\$10 for meat inspection at the Abattoir • Livestock grading fee of US\$3 • Statutory Instrument 50 of 1995 also referred as the Public Health (Abattoir, Animal and Bird Slaughter Meat Hygiene)
<p>AMA</p>	<ul style="list-style-type: none"> • US\$500 for registration fee at the Agricultural Marketing Authority (AMA). • Furthermore, livestock fattening mainly requires use of raw feed material, and the farmer need to register under the Farm Feeds and Remedies Act (Acts 21/1952, 8/1960 (Federal), 40/1965 (s. 27), 26/1972, 28/1976, 37/1977 (s. 9), 20/1978 (s. 19), 3/1986, 22/2001; Page 16 of 40 R.G.Ns.660/1963, 214/1964, 217/1970), and pay annual fees of US\$200. • AMA (Livestock Development Levy) Regulations, 2017, SI 129

	of 2017-US\$10 of the value of a fifth quarter per animal slaughtered.
Plant and Quarantine	<ul style="list-style-type: none"> • Import permit for livestock raw materials and costs US\$18
Ministry of Finance and Economic Development	<ul style="list-style-type: none"> • Surtax of US\$0.75 per kilogram
Environmental Management Agency	<ul style="list-style-type: none"> • Statutory Instrument 6 of 2007, which levies charges on effluent and waste disposal. The registration fee is US\$32 and charges vary, depending on the category and ability to minimize waste and can range from US\$80 to over US\$1 200 per annum. • Processors who use forklifts and generators are also subject to EMA air pollution regulations as prescribed under SI 72 of 2009, which requires them to pay an annual registration fee of US\$32; an annual monitoring fee, which ranges from US\$100 to US\$555 depending on the level of pollution and a quarterly discharge fee, which ranges from US\$100 to US\$9 000. • Generators have become a necessity to maintain the cold chain for most livestock processing plants given erratic power supply. • SI 268 of 2018 levies charges for hazardous substances and this ranges from US\$10 to US\$1000.

Parks and Wildlife Management Authority	Convention on International Trade in Endangered Species (CITES) export permit at 2% of crocodile meat and skin revenue.
National Biotechnology Authority	<ul style="list-style-type: none"> The National Biotechnology Authority (NBA) charges an annual registration fee of US\$500 for importers of commodities that require Genetically Modified Organism (GMO)-free certification.
Rural District Councils	<ul style="list-style-type: none"> Land Development Levy of US\$3 per hectare per year and cattle levy of 10.5% of the price for cattle sold at the Rural District Council auction floors.

Source: NCC Compilation based on Various Government Departments and Statutory Instruments

- 4.30. In addition, it also takes a lengthy time period to secure the licenses and permits required in the value chain. For instance, veterinary certificates may take up to 21 days. Furthermore, the office is in Harare hence players in other areas at times have to hire agents, at a cost, to process the certificate, which weighs on competitiveness.

Tender Requirements

- 4.31. Tender procedures and requirements are also an albatross on the competitiveness of the value chain. The conditions of supplying LLPs under tender favors foreigners at the expense of locals as highlighted below.

4.32. Table 10 below shows the tender conditions for both locals and foreigners.

Table 10: Tender Conditions for Bidding Government Tenders

Condition	Local Bidder	Foreign Bidder
Bank Guarantee	US\$3 300	Not required
Payment Terms	Credit – 90 days	In advance
Currency of payment	Local currency	United States Dollars

Source: ZLDC

4.33. Considering the above, the Government’s tender requirements favor foreigners at the expense of locals. Locals are required to provide bank guarantees, meaning that the manufacturer will have funds tied up until the adjudication process is over, thus further constraining businesses, which are already struggling to meet working capital. The payment of a US\$500 non-refundable fee to PRAZ, as well as the US\$3 300 bank guarantee, are considered punitive and compromising on the ease of doing business for local suppliers. The US\$3 800 that is paid out, unnecessarily ties up essential working capital.

4.34. The situation is further compounded by late payments, which are done 3 months after local players’ supply of the products, whilst foreigners are paid in advance. These conditions have prompted some local players in the leather industry to open offshore companies in South Africa and Zambia to benefit from the favorable tender conditions.

4.35. Notwithstanding the fact that SMES have been offered 25% preference in tender bidding, some are registered as cooperatives, hence are not recognized by PRAZ in the tender procedures. Apart from the 25% preference on SMEs, they are not able to bid for tenders as they are subjected to the same conditions as corporates, of which many cannot afford them due to size. The leather value chain, like the world over, is dominated by SMEs, and the failure by PRAZ to recognize them in tenders is undermining competitiveness of the value chain.

4.36. In addition, the players alleges that most of the local tenders are being awarded to middlemen in the supply chain, who inflate prices. Challenges also emanate from illicit practices and tendering processes, where samples are requested and one’s sample is given to a competitor to produce and supply at even a lower standard and price, thereby affecting the original brand.

Erratic Power Supply

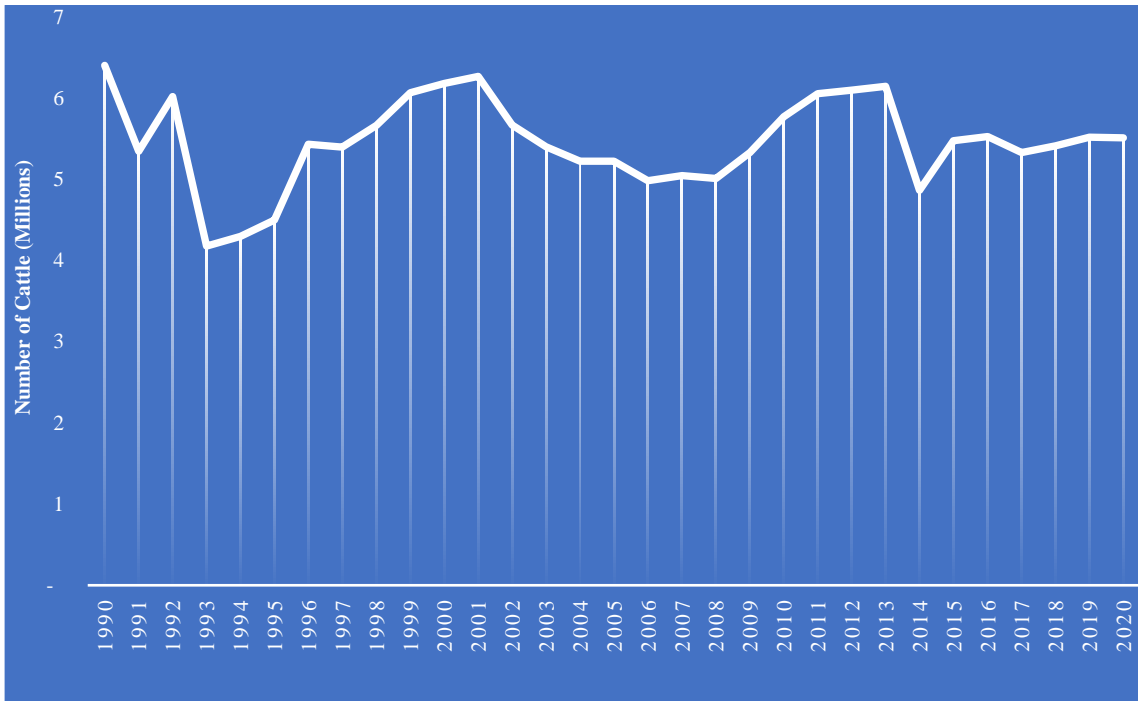
- 4.37. Power is one of the major cost drivers in the leather sector. Electricity tariffs were increased to the 2019 approved tariff rate of US\$10.63/KwH effective 15 May 2022 and is being indexed to the interbank rate. The increase is impacting on the cost of production of LLPs, as the costs are being spread over a low production base due to low-capacity utilization. Despite the steep tariff increase, the supply of power has remained erratic, hence the industry is subjected to more than twelve hours of loadshedding during the day and electricity is only restored during the night.
- 4.38. This sharply contrasts with the tariff of US\$0.041 to US\$0.061 obtaining in Kenya, and US\$0.05 in Ethiopia, which are major competitors in the leather industry.

Leather Value Chain Nodes and Competitive Analysis

Livestock Production

- 4.39. The supply of leather is a function of the slaughter rate and the total number of animals. Livestock population, particularly cattle, is thus a critical factor in determining the competitiveness of the leather value chain. Figure 9 below, shows the trend of Zimbabwe's cattle livestock herd count for the period 1990 to 2020.

Figure 9: Zimbabwe's Cattle Livestock Herd Count for the Period, 1990 - 2020



Source: FAO

- 4.40. The country's number of cattle currently stands at an estimated 5.5 million. The production level is sub-optimal and remains below 1990 levels of about 6.4 million, indicating a 14% decline. Livestock production was dominated and driven by large scale commercial farmers, with thousands of hectares per farm, which produced beef and hides mainly for the high quality and export markets.
- 4.41. However, the country's land reform program drastically altered livestock production, and is now dominated by small scale farmers in new resettlement areas and communal farms, mainly producing for the domestic market.
- 4.42. Furthermore, the modest prices for livestock and beef in the country vis-à-vis the high cost of production is also undermining livestock production, which has a negative impact on forward linkages in the value chain and competitiveness. Tables 11 and 12, show the average livestock and meat prices in comparison with other countries.

Table 11: Average Prices for Livestock in Selected Countries

Country	Cattle Average Price (US\$)	Goat Average Prices (US\$)	Sheep Average Prices (US\$)
Zimbabwe	350	25	50
Ethiopia	384 – 576	22 – 55	22 – 55
Kenya	209 – 532	36	35
South Africa	235-588	32 – 76	32 – 46

Source: NCC Compilation

Table 12: Average Livestock Meat Prices in Selected Countries

Country	Beef Average Price/kg (US\$)
Zimbabwe	7.00
Ethiopia	5.54
Kenya	6.41
South Africa	11.01

Source: NCC Compilation

- 4.43. Resultantly, the cattle population has declined from 6.4 million in 1990 to the current 5.5 million and the total annual slaughter has deteriorated from about 700 000 to 200 000 cattle.
- 4.44. According to FAO (2021), about 90% of the national herd is held by the small holder communal sector. These traditional farmers have no feedlots and rely on wild vegetation, which compromises size of cattle and hide quality, and ultimately competitiveness of the leather value chain.
- 4.45. Although goats and sheep are also a source of leather in Zimbabwe, these, however, constitute less than 1% of the leather produced in Zimbabwe.

Zimbabwe Livestock Production Against Comparator Countries

- 4.46. In SADC, the estimated number of cattle is about 77 million, of which Zimbabwe is fourth after South Africa, Tanzania and Madagascar. Table 13 below shows that Zimbabwe is competitive against comparator SADC countries in terms of livestock production.

Table 13: Overview on the Approximate Numbers of Cattle, Goats and Sheep by Country

Country	Cattle in 000	Goats in 000	Sheep in 000
South Africa	12,000	Not defined	26,000
Tanzania	33,400	21,300	7,800
Zambia	3,700	2,900	270
Zimbabwe	5,500	4,360	523
Madagascar	9,000	1,300	650
Namibia	1,200	1,500	1,500
Botswana	1,000	1,220	240
Angola	5,100	4,720	1,100
Eswatini	600	240	40
Malawi	1,900	8,375	200
Lesotho	360	750	1,530
Congo, DRC	1,210	4,100	1,000
Comoros	Not significant	Not significant	Not significant
Seychelles	Not significant	Not significant	Not significant
Mauritius	Not significant	Not significant	Not significant
Mozambique	2,180	5,055	886
Total	77,050	55,820	41,739

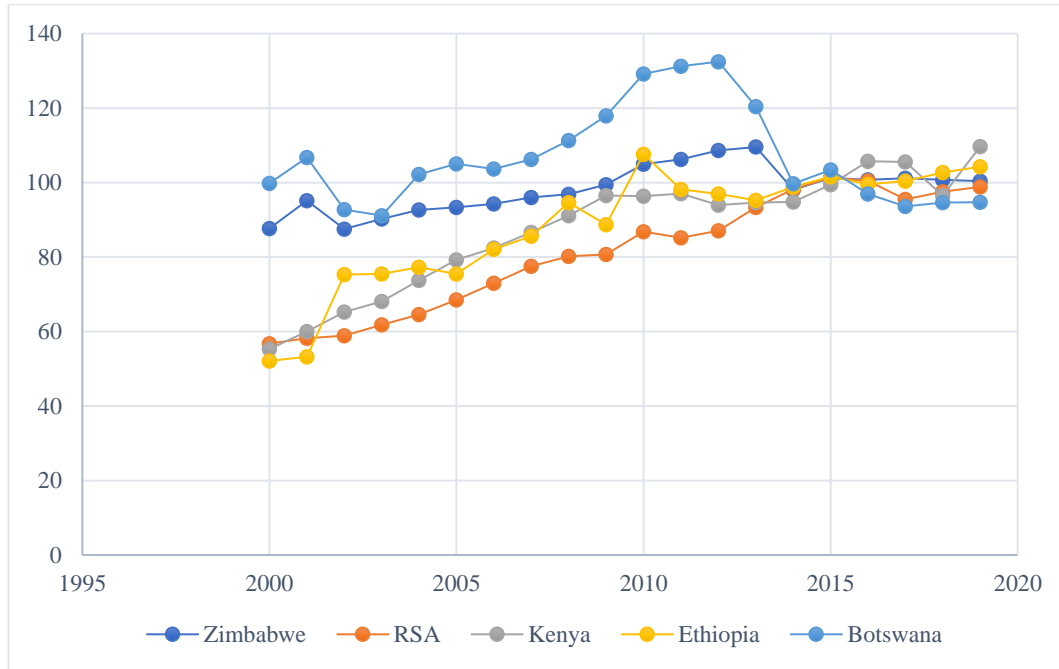
Source: GIZ

Livestock Production Index

- 4.47. There is positive correlation between livestock production, animal husbandry skills and competitiveness of the leather sector.
- 4.48. In view of the foregoing, it is important to gauge the country's competitiveness in the leather sector, using the Livestock Production Index (LPI)⁴ Figure 10 below shows the country's LPI performance and ranking against comparator countries.

⁴ LPI includes meat and milk from all sources, dairy products such as cheese, and eggs, honey, raw silk, wool, and hides and skins

Figure 10: Graph showing Zimbabwe's Performance under the LPI Against Comparator Countries



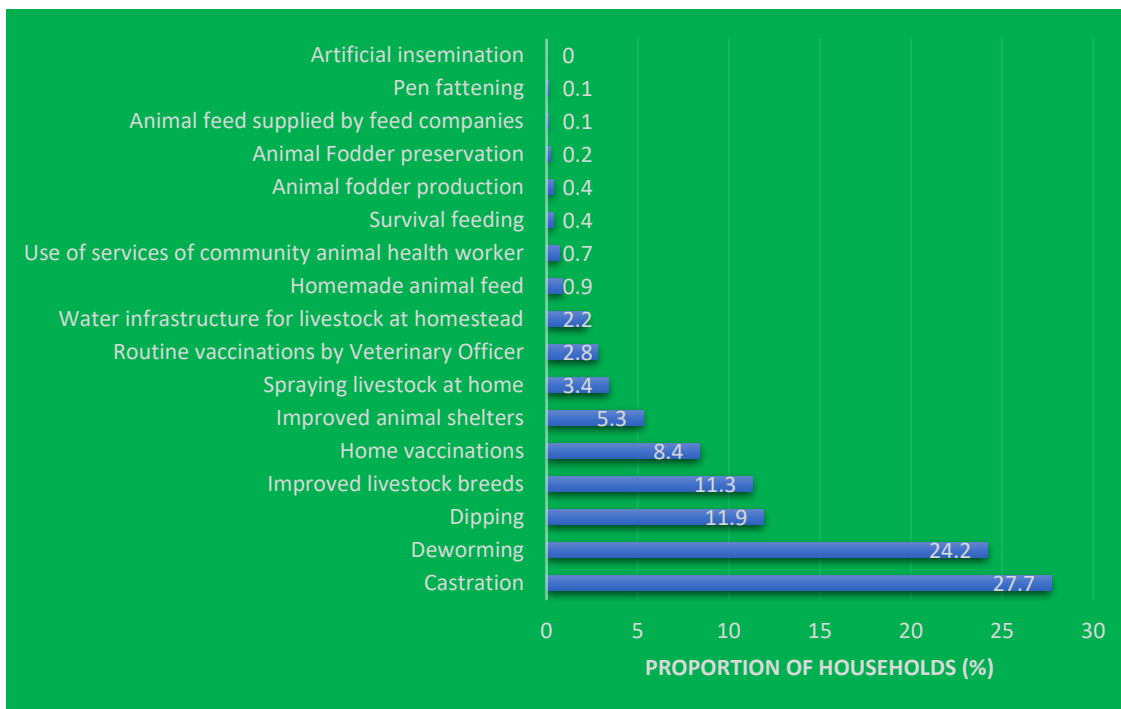
Source: World Bank

4.49. Whilst Zimbabwe dominated the comparator countries in LPI in 2000, its performance has been declining, with other countries peaking, indicating declining competitiveness of the leather value chain.

Good Livestock Production Practices

4.50. Adoption of improved livestock practices by farmers is critical in ensuring that competitive meat, hides and leather are produced. In terms of these improved livestock practices, Zimbabwe is lagging as indicated by the number of households practicing the same. Fig 11 below shows the status of adoption of improved livestock practices by farmers in Zimbabwe.

Figure 11: Adoption of Improved Livestock Practices, 2022



Source: ZimVac

- 4.51. The most practiced livestock improvement strategies include castration (27.7%) and deworming (24.2%). However, hides are of poor quality due to predominantly traditional farming practices, as can be seen in Figure 11 above, that the proportion of households practising artificial insemination, pen fattening, animal fodder production, and preservation & zero feeding is negligible.

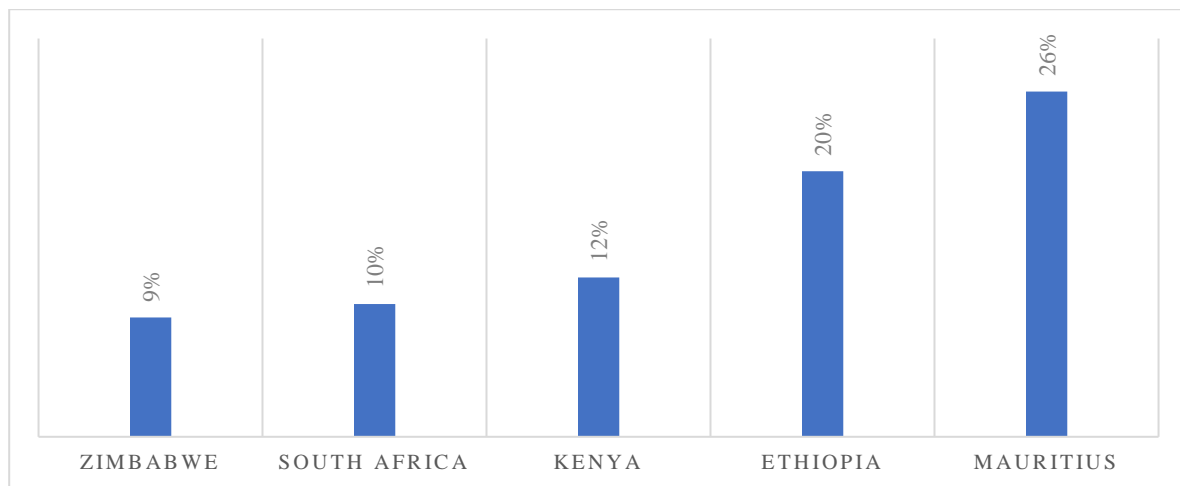
Competitiveness Gaps in Livestock Production

- 4.52. Although Zimbabwe is fairly ranked in terms of livestock production within the region, the competitiveness of the subsector is being hamstrung by a myriad of factors that are elaborated hereunder.

Livestock Mortality Rates

- 4.53. Zimbabwe cattle mortality rate decreased from 11% in 2020 to 9% in 2021. Tick borne diseases were the major cause of mortalities, contributing 55% of overall mortality from the sampled households (Ministry of Agriculture Survey).
- 4.54. Notwithstanding the fact that Zimbabwe has the lowest livestock mortality rate, as shown in figure 12 below, there is scope for further reduction, thereby improving competitiveness. Furthermore, the country is failing to leverage on this and be competitive in the leather industry compared to the comparator countries.

Figure 12: Livestock Mortality Rates Vs Comparator Countries, 2021



Source: Ministry of Agriculture Survey

Land Size

- 4.55. One animal requires an average of 10 to 15ha of grazing land, which ideally should provide approximately 500kg of pastures per year. Newly resettled farmers, were however, allocated an average of 150ha of land, which can only accommodate 10 to 15 animals. The gap implies overstocking, thereby putting pressure on grazing land, quality of livestock and hides.

Government Support

- 4.56. Livestock farmers do not usually receive any other support, contrary to farmers of crops who benefit annually from Presidential Input Scheme and Pfumvudza/Intwasa. Cattle farmers used to benefit from vaccinations, dip chemicals, heifers, bulls and animal medication, among others, hence the large stock head and competitiveness of local hides and meat in the export market.
- 4.57. Pre- land reform, Veterinary Departments were stocked, and farmers would buy vaccines and dip chemicals at reasonable prices. Of major concern, chemicals ran out of stock and were never replenished. Farmers are now left with no option but to buy chemicals from animal chemical dealers at high costs. The situation is further exacerbated by the fact that most chemicals used by farmers are not locally available and have to be imported from India, Netherlands, South Africa and China.

Funding and Security

- 4.58. Farmers have challenges in accessing funding for capital expenditure, working capital, chemicals and stock feed as financial institutions require collateral, of which most farmers only have Offer Letters, which are not bankable. Furthermore, this is exacerbated by the high cost of borrowing averaging 150% per annum and have very short tenure of 1 – 2 years, which is not sustainable to most livestock farmers.

Shortage of Water on Farms

- 4.59. Farmers are facing a huge water challenge for cattle. On average, cattle between 3 – 5 years require 200 litres of water per day, thus constant water supply is a necessity. Drilling of boreholes in the arid Matabeleland region to access underground water reservoirs is very expensive, and beyond the reach of many communal farmers. .

Legislation

- 4.60. The preferential treatment that is given to miners over land for agricultural use is a cause for concern to livestock farmers. Section 26 of the Minerals Act postulates that licensed prospectors can search for minerals and peg claims on agricultural land. Farmers whose land

is taken for mining purposes are not compensated, unless prospecting or mining takes place on the cultivated land or in the close vicinity of buildings. As a result, the Act has caused conflict between farmers and miners, thereby negatively impacting on livestock production.

Technical Support

- 4.61. Matabeleland farmers are facing challenges in accessing technical support, as there is no veterinary school in the province. The nearest school, which specializes in animal husbandry is University of Zimbabwe and Mazoe Veterinary College, while institutions in Esigodini do both crop and animal husbandry. There is one research centre situated in Matopos, where all animal samples are taken to before they are dispatched to Harare. It takes an average of 2 weeks to get results and diagnosis from the veterinary. There are many times where farmers have lost their livestock due to such delays.

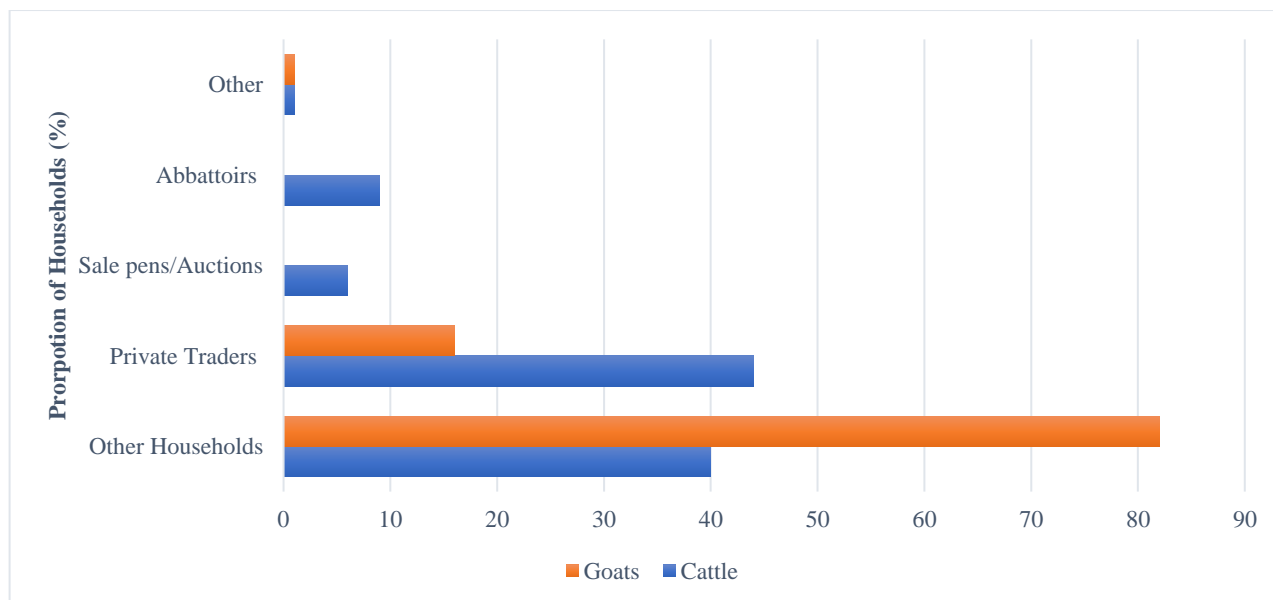
Markets

- 4.62. Cattle farmers are price takers, when disposing off their animals to abattoirs. Currently, an average of US\$0.90/kg of the cattle live mass is being paid, which the farmers view as low, since the global average price is US\$1.68/kg. Notwithstanding this low price, abattoirs are also taking the ‘*fifth quarter*⁵’ without compensation to farmers. The fifth quarter products are at times more valuable than the beast itself, as in the case of gallstones, though rarely found, which can fetch more than 10 times the value of the beast itself when exported.
- 4.63. Non-compensation of all the fifth quarter components has led to poor animal husbandry, as farmers have no incentive to care properly for the animal hide. This has impacted negatively on the supply of LLPs.
- 4.64. Figure 13 below shows types of markets to which farmers sell their livestock. The main markets for livestock were within the same ward.
- 4.65. Most households (40% for cattle and 82% for goats) sell or buy livestock from other households in the same area, whilst only 9% of households sell their cattle at abattoirs. Since a negligible proportion of households sell their livestock to abattoirs, which have better fraying

⁵ Parts of a slaughtered animal other than offal that supplement the four quarters (the head, tail, hide, horns, hoofs, fat, tallow, tongue, heart, and liver among others)

methods and hides handling & preservation facilities, the quality of most of the hides are seriously compromised.

Figure 13: Types of Markets for Livestock, 2022



Source: ZimVac

Price Distortions in the Market

4.66. Other than the abattoirs, farmers are disposing their livestock through auctioning and although prices are pegged in US\$, payments are made in local currency at the prevailing interbank rate. The farmers’ dilemma is further compounded by the fact that prices for equipment and vaccines are indexed to the parallel market rates, hence farmers incur exchange rate losses, which is a cost that constrains the sector’s competitiveness.

ABATTOIRS

4.67. Abattoirs specialize in the slaughtering of sheep, cattle and goats, and about 85 – 95% of the livestock is from communal farmers, with the remainder from Commercial farmers. Since the bulk of hides are from communal farmers, where livestock is used for draught power and also branded using hot and cold iron, this affects hide quality and ultimately competitiveness of the leather sector.

- 4.68. Consequently, about 90% of the hides slaughtered are of poor quality due to poor farming methods. Prior to 2000, commercial farmers and communal farmers contributed 50/50 and the national herd had much bigger animals producing Grade A hides and approximately 550 000 animals were slaughtered in abattoirs. Changes in the supply chain structure from 50/50 to 90/10 between communal and commercial farmers have had a bearing on the quality of hides, adversely impacting on competitiveness of the sector as a whole.
- 4.69. The owners of abattoirs who accept livestock from individuals for slaughtering, charge slaughter fees and some give part of the fifth quarter (such as offals and head) to the farmer except hides and gallstones. The abattoirs, however, believe that the farmer is paid for the hide even though it is not clearly laid out on paper.

Negative Competitive Forces for Abattoirs

- 4.70. Poor slaughter facilities have a bearing on competitiveness of the value chain. Table 14 below gives an overview of slaughterhouse infrastructure in Zimbabwe, which is partially modernized, against comparator countries.

Table 14: Overview on the Slaughterhouse Infrastructure in SADC Member States

Country	Performance level for slaughtering process	Comments
South Africa		High number of modern facilities, good coverage and specialized infrastructure
Tanzania		Poor infrastructure and lack of modern abattoirs
Zambia		High number of professional abattoirs and slaughterhouses, strong policies
Zimbabwe		Good coverage and partially modern facilities, but operating below capacity
Madagascar		Few modern slaughterhouses available, large majority slaughtered traditionally
Namibia		Good infrastructure available and strong policies
Botswana		Good coverage of slaughter facilities
Angola		Governmental owned, outdated, limited number, no commercial activities

Country	Performance level for slaughtering process	Comments
Eswatini	Green	Small but efficient slaughterhouses, compliance partially achieved for EU export
Malawi	Orange	Few professional abattoirs but good coverage
Lesotho	Red	Only one operational slaughterhouse, large majority homebased slaughtered
Congo, DRC	Red	Limited number, no professional abattoirs
Comoros	Red	No slaughter facilities available
Seychelles	Information not available.	Probably slaughterhouses are non-existent
Mauritius	Orange	Facilities exist, but slaughtering is realized only for meat, hides are not important
Mozambique	Red	Few professional abattoirs, but strong policies, good coverage

Source: GIZ

Green = large modern infrastructure existing

Orange = general infrastructure existing, but only few modern facilities

Red = not existent or very poor infrastructure

4.71. Below are some of the factors affecting competitiveness of the abattoirs.

- Post slaughter defects, for example, poor flaying⁶ techniques and hide preservation facilities;
- Internationally, hide prices have decreased and currently, the market is mainly to Nigeria, which uses hides to make a special meal called ponmo; and
- Export tax on raw hides of US\$0.75/kg is making them uncompetitive.

⁶ The process of removing the hide or skin from an animal carcass

4.72. Table 15 below shows a comparison of export taxes for Zimbabwe against Kenya and Ethiopia.

Table 15: Export Tariffs for Unprocessed Hides and Skins for Selected Countries

Country	Export Tax
Zimbabwe	US\$0.75c
Kenya	* 80%
Ethiopia	150%

Source: Respective Countries Associations

4.73. The Government imposed an export tax of US\$0.75/kg on raw hides and skins as a way of increasing local production and encouraging value addition. This is meant to enhance the competitiveness of the sector through commercialization of high-quality products. Some leather competitive countries such as Kenya and Ethiopia, also introduced even higher export taxes as indicated in the Table 17 above.

4.74. However, of note is that the export tax on leather should not be an isolated policy, but part of broad Government strategies to develop leather processing and improve competitiveness.

HIDE AND SKIN MERCHANTS

4.75. Hide merchants are an intermediary between the abattoir and the manufacturers in the collection and disposal of hides and skins. When the sector was doing well, hides and skins merchants used to export wet blue leather to China, India and South Africa.

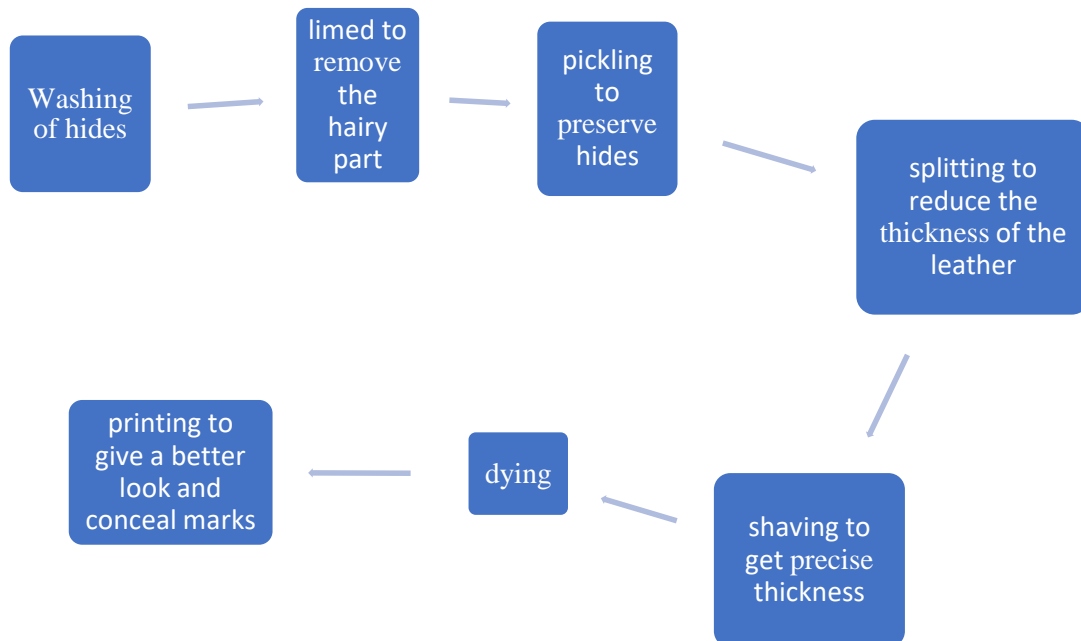
4.76. In recent years, the subsector has been negatively affected by a myriad of factors that include:

- Limited modern managerial capacities in functional aspects of management (procurement, production, marketing, financial);
- Poor cash flow due to delayed payments by tanners; and
- Hides and skins collection statistics gap, whereas tanners claim that there is a shortage, the Hides and Skins Association claim to be holding hides and skins in stock.

TANNING

- 4.77. Tanning⁷ may be carried out using animal, plant, or mineral products. The tanning agents used include the plant product known as tannin (from which “tanning” gets its name), fish or animal oil, and salts of chromium. Once tanned, leather becomes useful for a variety of products, including jackets, gloves, shoes, handbags, wallets, briefcases, and upholstery. The place where the tanning process usually happens is at the leather tannery.
- 4.78. The tanning process is shown in figure 14 below:

Figure 14: The Tanning Process



⁷ Tanning is the process of converting raw animal hides and skins into semi-processed material called wet blue and converting wet blue into crust (finished leather).

- 4.79. Zimbabwe currently has ten (10) tanneries, representing small, medium and large-scale players that produce wet blue and finished leather. Table 16 below shows number of tanneries against comparator countries.

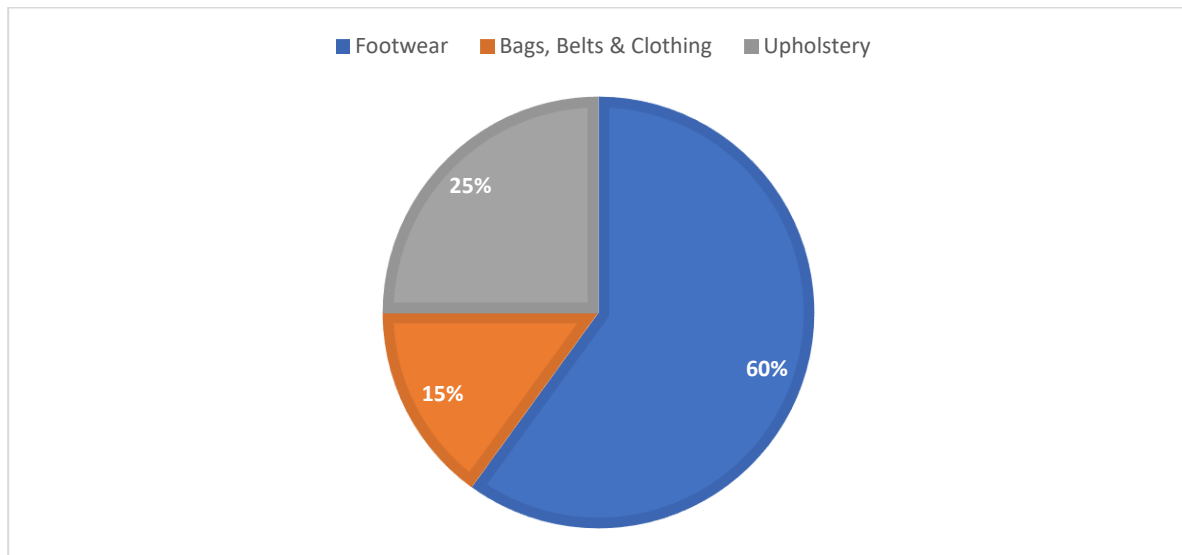
Table 16: Number of Tanners by Country, 2022

Country	Number of Tanners	Absorptive Capacity
Zimbabwe	10	Information not available
Ethiopia	32	2 million hides per year
Kenya	16	1.75 million hides per year
South Africa	20	2 million

Source: NCC Compilation

- 4.80. The major tanners in Zimbabwe are Bata, Prestige Leather, Zambezi Tanners, Imponent, Eagle Italian, Paramount, Imponent, Belmont and Tambudze. Bata has a fully integrated plant, which has a tannery up to manufacturing.
- 4.81. The companies' buy leather locally and complement with imports from Cote d'Ivoire, Tanzania, China, Ethiopia and India. Locally, the prices of hides have gone down from around US\$25 to between US\$5 and US\$10 per unit.
- 4.82. Tanners buy their hides from merchants and abattoirs, of which prices depend on the thickness of the hide.
- 4.83. Hides and chemicals constitute an average of 70% of the cost and 25% are overheads.
- 4.84. Tanners supply the local market such as footwear, bag manufacturers and upholsterers, whilst exotic leather is exported to America, China, Japan and South Korea. The absorption of the locally tanned leather is estimated as follows:

Figure 15: Distribution of Local Leather by Subsector



Source: ZLDC

- 4.85. As depicted in figure 15 above, footwear consumes the bulk of the locally tanned leather, hence it is a critical subsector in determining value addition and the competitiveness of the local leather value chain.

MANUFACTURERS

- 4.86. The manufacturers of leather and leather products such as shoes, handbags, belts, upholstery, among others, use leather from exotic, cow and goat hides.

Major Cost Drivers for Footwear Manufacturers

- 4.87. The cost component of the main raw materials for producing a pair of shoes locally is illustrated in Table 17 below:

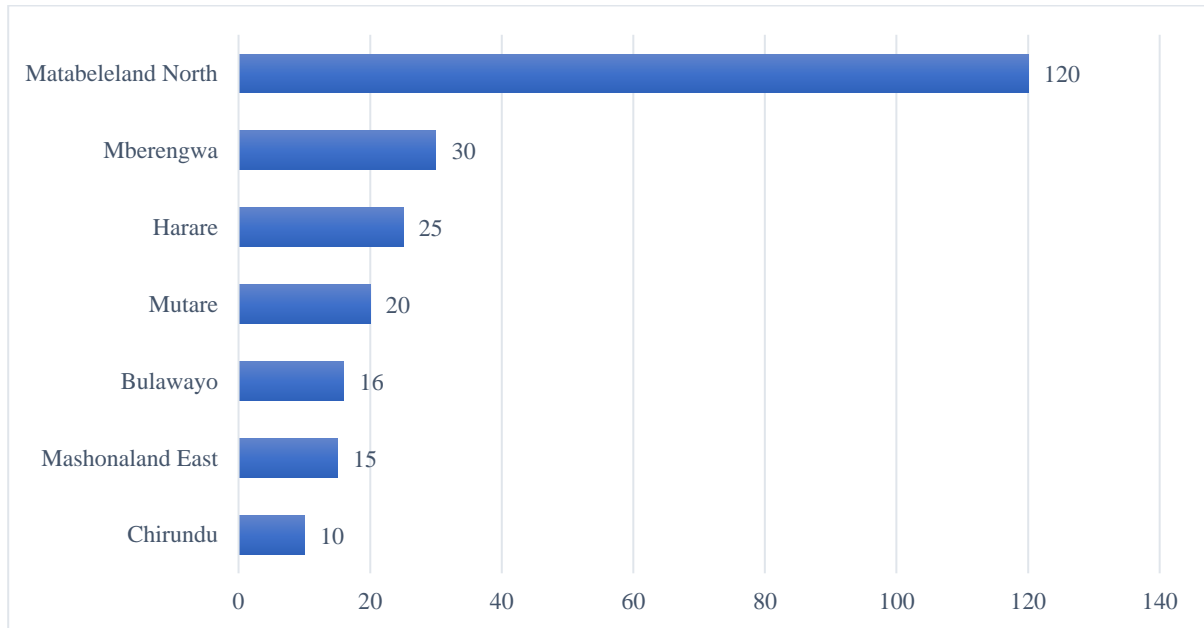
Table 17: Costs for the Main Raw Materials to Make Shoes

Raw Material	Quantity	Unit Cost (US\$)	Total Cost (US\$)
Hide	3 sq. foot	2.65	7.95
Sole	2	2.00	4.00

Source: Shoepack, 2022

- 4.88. The hide and sole cost US\$11.95. The other overheads and the markup determine the final price for the shoes. In Zimbabwe, the cost of production is very high compared to other countries, thereby rendering the local value chain uncompetitive. For instance, a square foot of hides costs US\$2.65 against US\$0.50 import parity price.
- 4.89. The sector is dominated mainly by SMEs and Bata, which is the biggest player in the country. The other players include but not limited to Millennium Footwear, Shoepack, Goodhope, Superior, Tika, Triple Tee Footwear, Courtney, and Samuneti Leathers.
- 4.90. The SMEs Cluster has equipment, which was purchased by COMESA and the clusters are distributed as shown in figure 16 below:

Figure 16: Distribution of SME Clusters by Province



Source: ZLDC

- 4.91. The machines are situated centrally in the respective provinces, where the SMEs can use them for more efficient and improved production processes, as compared to manual operations.
- 4.92. The country at its peak used to produce 17 million pairs of shoes per annum, of which 6 million pairs, worth US\$30 million were exported per annum. Currently, less than 1 million pairs are being produced whilst the demand for shoes stands at 14 –15 million pairs per annum. Resultantly, the country is now a net importer of LLPs mainly from China and South Africa.

Production Model

- 4.93. Most of the manufacturers are currently undertaking production based on customer orders of shoes or leather products due to limited funding. This entails that there is no mass production, hence the manufacturers cannot enjoy economies of scale. This method is inefficient, slow and tends to increase production time as well as unit costs due to high overhead costs.
- 4.94. Manufacturers from other countries, for instance China enjoy economies of scale and mass production of shoes for marketing. In addition, China and Ethiopia have the financial muscle to produce shoes for the next decade and will start to sell ex-stock products.



Millenium footwear was founded in the year 2000 and specializes in manufacturing high quality, fashionable, safari, casual shoes, boots, and belts in exotic leathers such as elephant, crocodile, ostrich, hippo, giraffe, warthog and buffalo made for VVIP, high- and middle-income markets for export and local markets.

CONTACT DETAILS

6 WALLASEY ROAD
BELMONT BULAWAYO
ZIMBABWE

EMAIL: milleniumftw@wayafrica.co.zw

Tel: +263 292474223/+263772287271

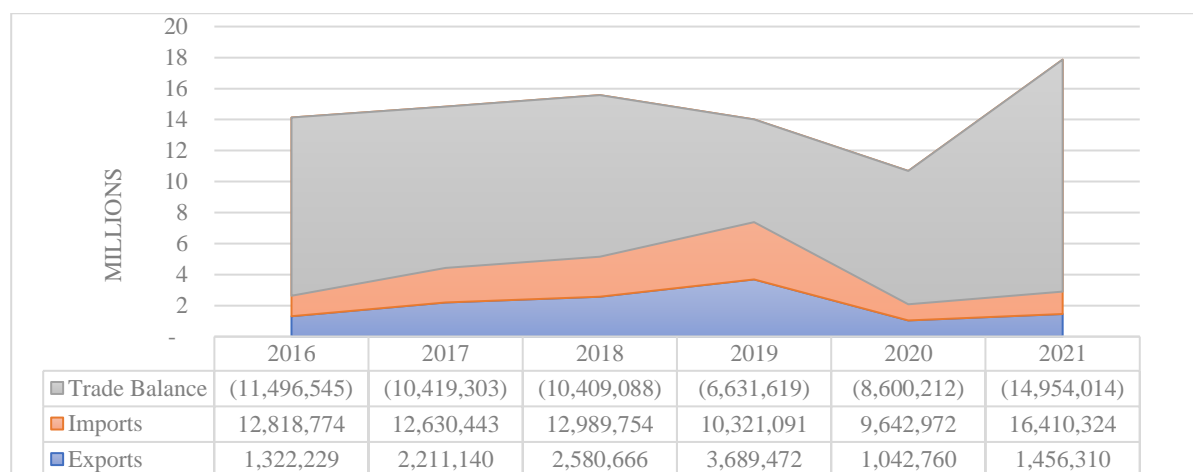
RETAILERS

- 4.95. The manufacturers sell leather products both locally and internationally. Any retailer can procure from the local manufacturers. Furthermore, individuals can also buy directly from the manufacturers.

Footwear Trade for Zimbabwe

- 4.96. The graph below shows exports, imports and trade balance for footwear over the period 2016 to 2021.

Figure 17: Zimbabwe's Footwear Trade Balance for the Period 2016 to 2021



Source: Zimstat

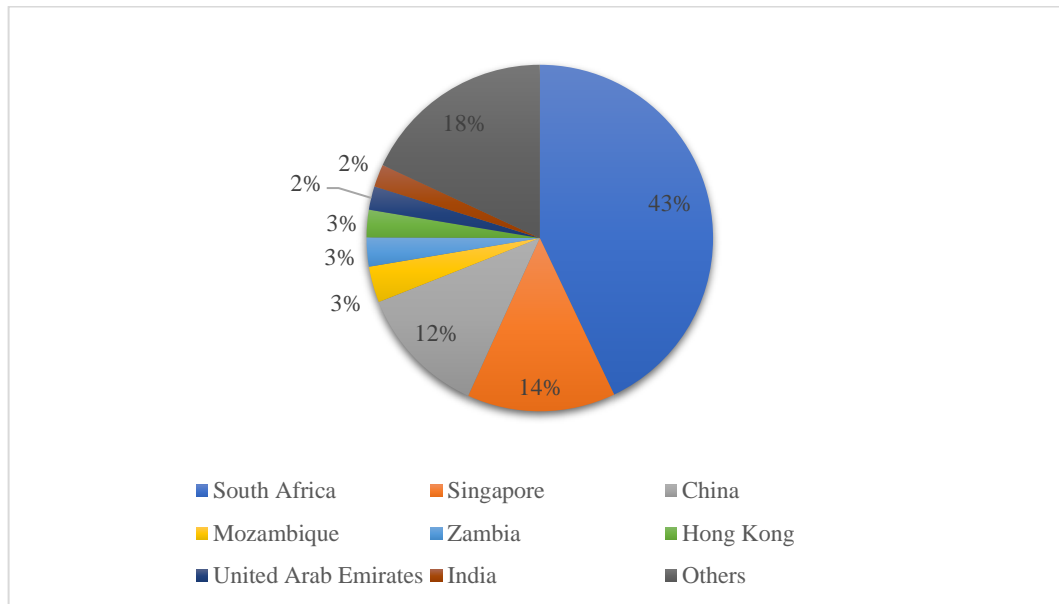
- 4.97. As shown in figure 17 above, the country has been experiencing a trade deficit in footwear, which is of major concern. The trade deficit has been widening, showing that if the country can competitively produce, as well as prioritize local production, there is huge opportunity for the local manufacturers.

Sources of Imported Footwear

4.98. The sector asserts that it is facing the abuse of SADC Certificate of Origin when the actual products are being manufactured in China. These products are being sold at prices way below the local production costs, hence exposing local manufacturers to unfair competition.

Figure 18 below shows the countries where footwear is mainly imported from.

Figure 18: Sources of Footwear Imports in 2021

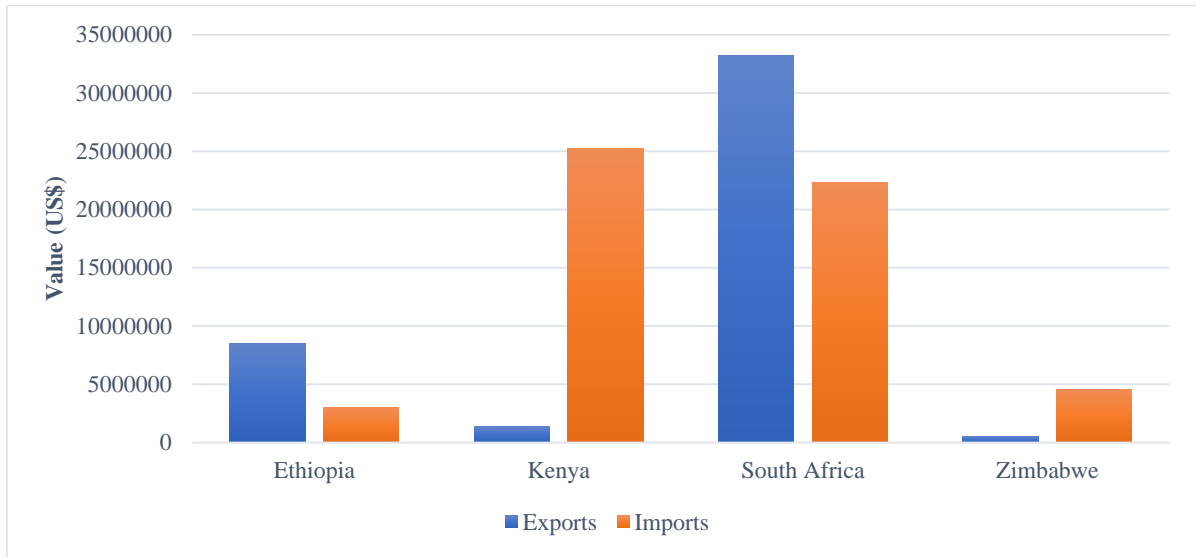


Source: Trademap

Leather Footwear Trade for Zimbabwe Against Comparator Countries

4.99. Footwear is one of the main products produced and exported within the region. Figure 19 below shows trade for Zimbabwe and comparator countries.

Figure 19: Leather Trade for Zimbabwe Against Comparator Countries



Source: OEC. World

- 4.100. Among the four countries, Ethiopia is importing the least footwear yet it has the largest population. This shows that within the region, there is a lot to emulate from Ethiopia. Zimbabwe has relatively low exports, hence there is need to improve the country’s competitiveness and look beyond the borders.
- 4.101. The fastest growing export markets, for South Africa Leather Footwear, between 2019 and 2020 were Lesotho (US\$652k), Vietnam (US\$585k), and Zimbabwe (US\$580k). On the other hand, Zimbabwe exported to Zambia (US\$144 000), Malawi (US\$93 800), Mozambique (US\$86 000) and South Africa (US\$84 900).

5. OVERALL FINDINGS – BENCHMARKING AND COMPETITIVENESS GAP ANALYSIS

- 5.1. In modern times, leather has competition from rubbers and plastics. The industry is however, ever-advancing along with the latest technologies in processing and producing some of the finest materials in the world. The relationships within the industry have evolved as well.
- 5.2. Furthermore, environmental issues accompanying the leather production processes are becoming a major concern, hence the need for local players to embrace modern technology for sustainability and competitiveness.
- 5.3. The quality of the local raw hides has deteriorated, and this affects the competitiveness of the final products. The little available hides are being prioritized for exports and this calls for the need to incentivize local absorption of hides, thereby strengthening the value chain.
- 5.4. Comparatives within the COMESA region reflect the existence of national-leather-apex bodies. For instance, the Kenya Leather Development Council, Sudan Leather Development Council and Uganda Leather Development Council, among others.
- 5.5. In line with regional developments, the leather industry players formed an apex body known as ZLDC, which however is still to be fully operationalised. The body is to progressively transform the Zimbabwe leather value chain from export of raw materials and partly processed products to value added products such as finished LLP, through strengthening networking among players and coordination of the implementation of the Zimbabwe Leather Sector Strategy.
- 5.6. Zimbabwe is not competitive when compared to some of the leading leather producing countries. Table 18 below shows a summary of findings from the leather value chain competitiveness benchmarking visits to Ethiopia and Kenya.

Table 18: Summary of Findings from Benchmarking Visits

ISSUE	ZIMBABWE	ETHIOPIA	KENYA
Overview	<ul style="list-style-type: none"> Currently, the preferred market for hides is the export market such as China and Nigeria. This has resulted in some 	<ul style="list-style-type: none"> Ranks first in Africa and number five in the world on production of livestock. According to Ethiopia’s Ministry of Agriculture, the 	<ul style="list-style-type: none"> Kenya is the third largest livestock holder in Africa, which offers an opportunity to develop a

ISSUE	ZIMBABWE	ETHIOPIA	KENYA
	<p>leather manufacturers importing leather from countries such as Tanzania, South Africa and Ethiopia, among others, which are of low cost and good quality compared to local hides.</p> <ul style="list-style-type: none"> Leather clusters are being established, though still at infancy stage. 	<p>country has about 72 million cattle; 42,9 million sheep and 52,5 million goats</p> <ul style="list-style-type: none"> About 8 million of cattle hides, 12 million and 8 million of sheep and goat skins, respectively, are collected annually. The sector is one of the leading manufacturing sectors for Ethiopia, wherein the country is currently exporting mainly finished leather, followed by growing shoe exports. The sectors main product is footwear, producing 24 million pairs per year, of which only 4 million pairs are exported. Other leather items including gloves, bags and small leather articles have experienced exponential growth over the years. In 2011, restriction of exports of raw hides and skins was put in place with a punitive 150% export tax. This has seen a decline in exports of raw hides and skins. To promote entrepreneurial skills and knowledge 	<p>strong and vibrant leather industry.</p> <ul style="list-style-type: none"> The subsector contributes 4% and 1.5% of the agricultural and overall GDP, respectively. Although Kenya served as a leather footwear hub for East Africa two decades ago, it is currently a very minor exporter of LLPs (only US\$140 million, 0.14% of world export in 2013). The subsector is estimated to employ 22,000 people. It is expected that further processing to finished leather and manufacture of LLPs will create an additional 50,000 jobs and US\$ 1.2 billion in GDP and contribute US\$240 million in footwear import substitution within a period of 5 years.

ISSUE	ZIMBABWE	ETHIOPIA	KENYA
		<p>sharing, the Government of Ethiopia is encouraging joint ventures between locals and foreigners.</p> <ul style="list-style-type: none"> • Tanners are being organised into clusters, which shall see specialisation of production procedures to enhance efficiency and quality of output. 	
<p>Quality of the Skins and Hides</p>	<ul style="list-style-type: none"> • The farmer is not paid directly for their hides and skins • There seems to be a mismatch of information between the abattoirs, merchants, and some tanneries on the availability of raw hides. • The suppliers of hides (abattoirs) are preferring foreign currency payment or export to get foreign currency as opposed to the local currency. • The quality of the hides and skins is very poor, due to poor animal husbandry and slaughtering methods, among others. • It is rare to find first grade hides and the rejection 	<ul style="list-style-type: none"> • Farmers are paid directly for their hides and skins. • There is a proclamation that better quality is better paid and therefore individuals have an incentive for best possible animal husbandry practices as trained. • Factories can get first class raw materials for use in production 	<ul style="list-style-type: none"> • Poor animal husbandry practices, handling, and skinning skills among farmers and abattoirs' workers lead to poor quality of hides and skins.

ISSUE	ZIMBABWE	ETHIOPIA	KENYA
	rate of the procured hides ranges from 8-12%.		
Research Institute	<ul style="list-style-type: none"> Leather Institute of Zimbabwe, still at infancy stage 	<ul style="list-style-type: none"> Developed Research Institute across the whole value chain, from tannery to the final product, the Leather and Leather Industry Research and Development Centre (LLPIRDC) under the Ministry of Industry and Commerce. It also boasts of an international certified laboratory and engineering Department. 	<ul style="list-style-type: none"> Existence of the Institute of Animal Health and Industry Training Institute (AHITI) KABETE Main goal of the institution is to increase technical and vocational training on animal production and leather processing activities Subsidized Courses at the Institute The Government has also heavily invested in modern infrastructure and machinery to enhance learning.
Use of Waste Products from Leather	<ul style="list-style-type: none"> Use of the waste material yet to be developed. 	<ul style="list-style-type: none"> There is intense use of waste material into products such as proteins, fertilizer, gelatin and bricks. 	<ul style="list-style-type: none"> Waste material, especially offcuts from leather are used to produce products such as keyholders and watch straps. However, tanning is exploring ways of shredding leather pieces into different products.
Interest Rate (Cost of Borrowing)	<ul style="list-style-type: none"> The private banks interest rate is 150%, with a payback tenure of 1- 2 years. 	<ul style="list-style-type: none"> Interest rate from Development Bank of Ethiopia is 7% per annum, with a tenure of more than 15 years and the private 	<ul style="list-style-type: none"> Cost of borrowing averages 10% per annum.

ISSUE	ZIMBABWE	ETHIOPIA	KENYA
	<ul style="list-style-type: none"> The high interest rate and short tenure makes it difficult for livestock farmers to borrow. 	<p>banks charge 70% with an average tenure of 5 years.</p>	
Market of the Product	<ul style="list-style-type: none"> Low procurement by Government 	<ul style="list-style-type: none"> Government procures through their agency with high support for local products through local procurement. This a big incentive for the industry given the high population of more than 110 million people. 	<ul style="list-style-type: none"> Government Ministries, Departments and Agencies including the disciplined forces buy textiles (uniforms) and Leather (boots).
Foreign Currency	<ul style="list-style-type: none"> Takes more than six weeks to secure the foreign currency. 	<ul style="list-style-type: none"> It takes about 2 – 3 weeks to secure foreign currency from the banks. Although foreign currency is a bit of a challenge, it is accessed formally from the banks. 	<ul style="list-style-type: none"> Foreign currency is easily accessible from the banks.
Retention Ratio	<ul style="list-style-type: none"> The industry retains 75% of its foreign earnings 	<ul style="list-style-type: none"> Retain 20% and are lobbying for an increase to 50%. 	-
Electricity charges per kwh	<ul style="list-style-type: none"> US\$0.10 	<ul style="list-style-type: none"> US\$0.05 	<ul style="list-style-type: none"> US\$0.041 to 0.061
Importation of Raw Material	<ul style="list-style-type: none"> Rebate of duty on raw materials, including chemicals, imported by shoe manufacturers (Statutory Instrument 61 of 2017) 	<ul style="list-style-type: none"> The chemicals are imported duty free. 	<ul style="list-style-type: none"> The chemicals are imported duty free.

ISSUE	ZIMBABWE	ETHIOPIA	KENYA
Veterinary Vaccines	<ul style="list-style-type: none"> • Most veterinary drugs are imported. 	<ul style="list-style-type: none"> • Most of the vaccinations are produced in Ethiopia (23 drugs and vaccines). • Ethiopia usually imports when there is an outbreak while giving the National Veterinary Institute time to conduct research and get requisite time for the approval of the drug. 	<ul style="list-style-type: none"> • Some of the drugs are imported while some are produced in Kenya.
Funding	<ul style="list-style-type: none"> • Financial institutions require collateral, of which most farmers only have Offer Letters, which are not bankable. 	<ul style="list-style-type: none"> • There is a Livestock Sector Fund, where livestock are accepted as collateral. • Furthermore, the Government of Ethiopia has established the Ethiopian Competitiveness Fund, which is co-funded by the World Bank. The fund is used to improve competitiveness in areas of marketing, and purchase of machinery for value addition purposes. 	<ul style="list-style-type: none"> • Many institutes and associations exist to support the industry—most of which are government owned or controlled—, but few play a significant role due to lack coordination, funding, and authority.

Lack of Coordination in the Leather Value Chain

- 5.7. Lack or inadequate horizontal and vertical collaboration among value chain players and external stakeholders such as academia, quality and standards development organizations, financial institutions and development partners, among others, is undermining growth of the sector and the optimization of the available resources. Locally, although there is an apex body, the ZLDC, which is supported by various sub-sector associations, it is not yet fully operational

and there is lack of coordination amongst the players, as it lacks the powers to execute its mandate.

- 5.8. Resultantly, data on hides & skins, leather and livestock prices, among others, is not readily available, although this is not only peculiar to Zimbabwe. However, this needs to be addressed as a matter of urgency by ZLDC.
- 5.9. The academia, chemical and machinery suppliers are also key institutions in the sector, Collaboration is, thus, essential in enabling optimization in resource use and dealing with emerging challenges systematically and coherently, thereby building competitiveness.

Partnerships in the Local Leather Value Chain

- 5.10. The local leather sector also took advantage of the migration of tertiary institutions from education 3.0 to 5.0, which added innovation and industrialization. To enhance competitiveness of the sector, tertiary institutions carry out and develop prototypes, which are then passed on to business development, in line with the sectors' needs.
- 5.11. Furthermore, the LIZ, which is still at its infancy stage, is also expected to play a critical role in skills development and buttressing competitiveness of the leather sector.
- 5.12. Zimbabwe has done a lot of work in the leather sector with support from Development Partners such as Canadian International Development Agency (CIDA), African Development Bank (AfDB), European Union (EU) through the COMESA, with the support of the International Trade Centre (ITC) under the "Programme for building African Capacity for Trade" (PACT II).
- 5.13. The AfDB support to the Zimbabwe Leather and Beef Technical Value Chain Project capacity building focused on:
 - Training modules on animal husbandry, abattoirs, hides and skins collection and preservation, tanning and leather manufacturing. Thirty-five (35) Business Development Service providers were trained;
 - Market access – a training module was developed;
 - Nine (9) Business Development Service providers were trained as trainers for market facilitation;

- A total of fifty-nine (59) farmers, butcheries and leather manufacturing SMEs were trained;
- SME cluster development that resulted in the training of 140 SMEs and clusters;
- Ten (10) cluster groups were created, and each was capacitated with four (4) machines; and
- Twenty (20) SMEs participated at local and regional trade fairs (Zimbabwe International Trade Fair Bulawayo, Zimbabwe and Ndola, Zambia).

5.14. Notwithstanding the competitive benefits realized from the above partnerships, continuous capacity building is paramount, given the dynamism associated with the tenets of the value chain.

Government Incentives

5.15. Despite the existence of some incentives to support the local leather value chain, these are being underutilized, thereby undermining competitiveness. For instance, some of the footwear manufacturers are not utilizing the existing Customs and Excise (Shoe Manufacturer) (Rebate) Regulations, promulgated in Statutory Instrument 61 of 2017. This facility provides for customs duty and VAT exemption on imported raw materials used by shoe manufacturers in the production process.

5.16. Furthermore, the Government has been allocating financial resources for strengthening the leather value chain. The 2022 National Budget allocated US\$10 million from Special Drawing Rights (SDRs) to the leather sector.

5.17. In 2023, the Government also set aside US\$5 million from the country's SDRs, for the leather value chain, for retooling under the Value Chain Revolving Fund (REVCRF).

5.18. Although guidelines on how to access the funds are in place, to date, no company has benefited from the facility, due to stringent conditions that do not differ much from the normal loans.

Leather Processing and the Environment

5.19. The leather processing industry produces large amounts of solid organic waste in the form of un-tanned (trimmings, fleshings, splits) and tanned (trimmings, splits and shavings) waste

from raw hides and skins, semi-processed leather, as well as sludge as a result of waste water treatment. If these solid wastes are not properly treated and disposed of, they can cause environmental damage to soil and groundwater as well as emissions of odor and poisonous greenhouse gases into the atmosphere, which can cause climate change risks.

Quality of the Hides

- 5.20. Animal husbandry management practices manifest on the size and quality of hide produced from slaughtered animals. Cattle reared in traditional ways are used as draught power coupled with poor branding, and this results in the hide being classified in grades B, C and D, which are of little value, since about 40% is useable, with 60% being damaged due to scratch marks on the hide.

Feed Costs

- 5.21. Feed costs can also play an important role in determining the length and size of the upswing in cattle numbers. Generally, the cost of feed is very high compared with other countries as indicated in the table below:

Table 19: Comparative Analysis of Stock Feed Costs

Country	Stock Feed Cost for an Average of a 300kg Cow (US\$)
South Africa	53
Kenya	60
Zambia	51
Zimbabwe	130
Botswana	55
Ethiopia	54

Source: Quotes from various countries farmers

- 5.22. Zimbabwe is the least competitive in terms of feed costs and hence may need to consider locally grown solutions to reduce prices.

Capacity Utilization by Tanneries

- 5.23. Creation of artificial shortages by hide merchants negatively impacted on the capacity utilization of tanners. In addition, some tanners have antiquated machinery, with lots of inefficiencies, hence are not able to process small hides coming out of the local market.

- 5.24. The sector bemoans duplicity of fees and levies being charged by both EMA and local authorities for effluent disposal. The industry highlighted that waste disposal fees are worse than those being charged in Europe. Levies and fees are negatively affecting competitiveness as penalties are severe and act as a deterrent for investment.

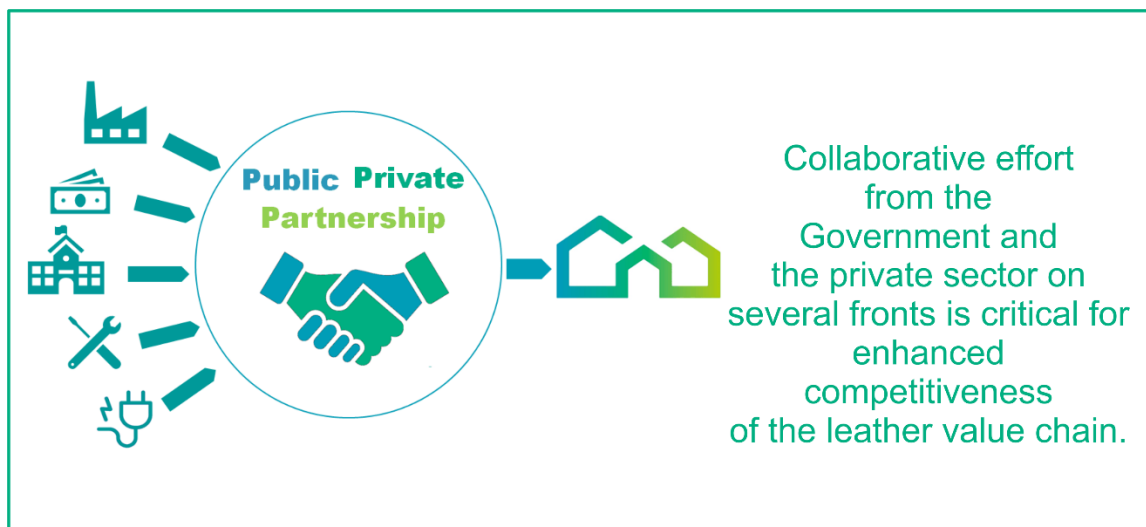
Two Tier Pricing System

- 5.25. The pricing system, which involves the official market and the alternative rates, result in losses for big companies, which sell LLPs in local currency, as compared to the informal sector, which mainly uses foreign currency in business transactions.

Cold Storage Company

- 5.26. The Cold Storage Company (CSC) used to be a major player in the value chain, with a huge impact on pricing. During its peak operation, prices were fair, and farmers also used to benefit from the fifth quarter, and related slaughter fees and charges by the company was done in a transparent manner.
- 5.27. Furthermore, CSC used to avail short-term loans to farmers and use their animals as security. Most of the players believe that the resuscitation of CSC will sanitize the sector as it used to support the value chain

6. CONCLUSION AND RECOMMENDATIONS



- 6.1. The findings and observations in the leather value chain culminate in a myriad of recommendations for strengthening the opportunities and negating the challenges identified in the competitiveness analysis. To take full advantage of the leather industry’s potential for enhanced competitiveness, growth & development, as well as contribute to the export earnings through expansion and moving up the value chain, collaborative effort from the Government and the private sector on several fronts is critical.

Operationalization of Zimbabwe Leather Development Council

- 6.2. There is need for the full operationalization of ZLDC to support the development of the leather sector in the country, as well as periodically disseminate information related to LLPs production, investment and markets. This entails having a dedicated Secretariat, funded by the leather players themselves, whose role will be to serve interests of the leather value chain players and coordination of the implementation of the Zimbabwe Leather Sector Strategy. The creation of a leather apex body is also in line with NDS1 strategies for the revitalisation of the sector.

- 6.3. The operationalization of ZLDC will assist in Research & Development, collection and dissemination of statistics and other information relating to such trade, commerce and manufactures in the leather industry. The ZLDC can play a catalyst role in information sharing with respect to ongoing projects, policies, incentives and concerns in the region, which are all competitiveness pillars. Currently, there are lot of unaccounted statistics, especially in the informal sector. This makes it difficult to come up with informed policy interventions to enhance productivity and competitiveness of the sector.

Partnerships

- 6.4. ZLDC and NUST to consider partnering small tanneries, to develop skills, upgrade technical facilities, refine quality control, improve technology and product innovation. More leather technology institutions equipped with knowledge of cutting-edge technologies need to be strengthened or set up to support the sector as evidenced in countries such as Ethiopia. Capacities of good initiatives, such as the Leather Institute of Zimbabwe, will need to be supported and expanded to create a large skilled workforce to meet the needs of different stages of the leather value chain.
- 6.5. Preparation of publications and maintaining databases of leather-related marketing and trade, design and product development, technology, pollution control, information sources and quality requirements, as well as training opportunities, are paramount for enhancing competitiveness in the leather value chain. ZLDC is urged to lead in this process with support from the industry players.

Leather Clusters

- 6.6. Strengthen leather clusters, particularly in Matabeleland, by developing an integrated production chain from raw materials to finished products, including common facilities and supply and support services.
- 6.7. Leather clusters have been instrumental in promoting competitiveness of the leather industry in countries like India.
- 6.8. The clusters can ensure that SMEs overcome the disadvantages of economies of scale, have access to skilled labour, enhance negotiating power, better cost effectiveness due to sharing

of common costs, quicker dissemination of information, leading to better responsiveness to market dynamics, thereby increasing competitiveness of the leather value chain.

Import Substitution

- 6.9. Most of the consumables such as rubber pellets, glue, and chemicals, among others, used in the manufacture of leather products are being imported, yet previously they used to be produced locally. There is need for industry players to re-look and invest into the production of these products to enhance production and ultimately improve competitiveness. Local manufacturing of vaccines and chemicals as opposed to importation is expected to save foreign currency and reduce the cost of livestock breeding and mortality.

Participation in Regional and Global Value Chains

- 6.10. Given that the sector is dominated by small players, there is a need to perfect the finishing of LLPs to improve the quality, which in turn enhances competitiveness of the final product.
- 6.11. The industry should take advantage of the country's membership to ALPPI, which is mandated to support the development of the leather sector in the region in order to benefit from the existing regional and multilateral trade agreements to access cheap raw materials through participation in Regional Value Chains (RVC) under COMESA.
- 6.12. Furthermore, the industry should also leverage on the country's membership to SADC and AfCFTA, as well as participate in Global Value Chains (GVC). A country like Vietnam emerged as a major footwear exporter to the EU and the US on account of participating in GVCs, establishing relationships among local and international footwear manufacturers.

Farmers

Quality of Livestock

- 6.13. Farmers should purchase suitable pedigree cattle that will be readily marketable for the export beef market and produce good quality hide. This requires financial support to farmers for purchase of high-quality livestock.

Livestock Identification and Traceability System

- 6.14. Modernize Livestock Identification and Traceability using electronic technology in order to track animal movements and mitigate theft, without compromising the quality of hides.
- 6.15. Accelerating traceability in the leather value chain is critical to appreciate where and how LLPs are made, from farm to retail nodes and work to address competitiveness gaps related to animal theft, animal & public health, environmental and social impacts of production, simplifying trade in livestock, food safety and also help to reduce compliance costs. This is also expected to reduce the response time to disease outbreaks, thereby limiting economic, environmental, and social impacts in emergency situations.
- 6.16. This system should be rolled out to communal farmers as it will go a long way in improving animal husbandry by communal farmers, thereby improving hides and skins quality and competitiveness of the leather sector.
- 6.17. Collaboration between the communal farmers and the Livestock Identification Trust should also be strengthened.

Training and Research Institute

- 6.18. Establish a training institution in Bulawayo Province or the surrounding areas that specifically focusses on animal husbandry. The institution will impart knowledge on good animal husbandry practices, which is critical for production of high quality hides & skins, thereby enhancing competitiveness of the sector.
- 6.19. Furthermore, the Matabeleland region requires a research centre that will assist in the diagnosis of diseases and reduce the time lag taken as samples are taken to Harare.
- 6.20. In addition, expedite the full operationalization of the Leather Institute of Zimbabwe. The institution should provide technical and vocational training on livestock production to farmers and leather processing activities to SMEs. This also calls for the need for LIZ to heavily invest in modern infrastructure and machinery to enhance learning, which should culminate in the setting up of an international certified laboratory.

Abattoirs

Fifth Quarter

- 6.21. Abattoirs to provide farmers with a breakdown of costs such as slaughter fees and include the hide price, thereby fostering transparency, which in turn leads to productivity.

Adoption of New Technology

- 6.22. Upgrade technology and innovation in the management and processing of hides and skins. This calls for investment in the use of modernized skinning knives, modern abattoirs, slaughterhouses and slabs, which minimise damage to hides.

Manufacturers

National Leather Brand

- 6.23. The leather sector should collaborate with Buy Zimbabwe and Zimtrade to develop and market an internationally recognized leather brand or at least get licensed under international franchises to position the country in the global market through branding and product differentiation. Labels have proved to be highly beneficial for developing brands and enhancing competitiveness of Turkish and Brazilian made LLPs, through creation of niche export markets. Labels such as Ecotox, which indicate the quality and eco friendliness of the product, have promoted their products in new markets.

Utilisation of Duty-Free Schemes

- 6.24. Local footwear manufacturers should utilize the existing Customs and Excise (Shoe Manufacturer) (Rebate) Regulations, promulgated in Statutory Instrument 61 of 2017.
- 6.25. Furthermore, the facility should also be extended to all shoe manufacturers and tanners in order to reduce leather production costs, thereby enhancing the competitiveness of the value chain.

Tanners

Environmental Protection

- 6.26. According to UNIDO (2022), every year the leather industry converts around 7.3 million tons of hides that otherwise would go to landfill. Tanners should, therefore, in tandem with global developments, invest heavily in advanced leather processing technologies and implement cleaner tanning methods and minimize waste through design, construction, and operation of tannery Effluent Treatment Plants (ETPs) for SMEs and conversion of solid wastes into saleable by-products as is the case in other countries.
- 6.27. Furthermore, there is need to adopt cleaner leather production technologies that include green hide and skin processing (supply of raw material from slaughterhouses without preservation, e.g., salting), water management (use minimum volume of process water), recycling (e.g., in liming) and chromium recovery (after tanning), hair saving (to reduce dissolved solids in effluent) and application of environmentally friendly chemicals (e.g., enzymes).
- 6.28. The tanners to also invest in Research & Development for potential production of biofuel from solid waste, in line with global trends, thereby minimizing pollution.

Government

Resuscitation of Cold Storage Company

- 6.29. Resuscitate the CSC, in order to increase competition to the private abattoirs, since it used to be a major player in the value chain, with a huge impact on improving the terms and conditions of sale of livestock, as well as provision of concessionary funding to farmers.

Dipping of Livestock

- 6.30. The Ministry of Lands, Agriculture, Fisheries, Water and Rural Development to develop more dip tanks, especially in newly resettled farming communities and impose stiff penalties on farmers who do not dip cattle. This will reduce tick borne disease morbidity, damage on the outer hide surface, which negatively affects the quality of hides, as well as the cost for tick and tick-borne disease control and prevention, thereby promoting competitiveness of the leather value chain.

Training of Farmers

- 6.31. Continuous training of farmers on the best animal husbandry practices to benefit the value chain as they are the entry point. Further, there is need to build and renovate breeding facilities.
- 6.32. Implementation of training programmes on rearing of high productive cattle, animal husbandry and veterinary awareness is critical for enhancing the sector's competitiveness.

Influx of Cheap Imports

- 6.33. The country's ports of entry are porous, smuggling of new and worn leather products are rampant, and there is need to tighten border controls to mitigate such activities.
- 6.34. Furthermore, ZIMRA should regularly undertake Post Clearance Audits to ascertain if the imported footwear is paying the required duty.

Ban Export of Raw Hides

- 6.35. Value addition in the leather value chain promotes linkages and synergies, which is critical for diversification of exports, thereby enhancing competitiveness. In this regard, hides should be exported at wet blue stage or setting a local quota that must be satisfied before exporting. Currently, good quality hides are being exported, thereby depriving the local market and negatively affecting competitiveness of locally made finished leather products in regional and international markets.
- 6.36. Some countries in the region and beyond have instituted export bans on raw hides and these include, Egypt, Nigeria, Rwanda, Kazakhstan, Indonesia, Belarus and Bangladesh, among others. This measure has tremendously assisted in ensuring that the local industry is not starved of quality hides, thereby enhancing the competitiveness of the sector.

Priority for Agricultural Activities

- 6.37. Whereas the landowner of a mining location retains the right to graze stock or cultivate on such land, as long as the processes does not interfere with mining activities, this is not the case if mineral deposits are discovered on agricultural land. Miners can peg mining locations and commence mining activities without due regard to the ongoing agricultural activities. The

Government, should thus, amend the legislation to also give priority to agricultural activities that are being done by farmers, in order not to disrupt the equally important value chain.

- 6.38. Furthermore, there is need to consult farmers once their land has been allocated for mining purposes and should also be compensated.

Funding

- 6.39. Avail adequate long-term financing at affordable rates for retooling and restocking. It takes 3 - 5 years of intensive, specialized farming to breed cattle for the meat market, so this will require substantial long-term funding.
- 6.40. Furthermore, in the absence of adequate access to finance, the tanneries are unable to invest in upgrading technology and machinery and developing skills for reducing cost and improving leather quality, and thus lose competitiveness.
- 6.41. As an alternative, the Government can create a revolving fund from the export retention funds, with more lenient conditions to assist the industry to re-tool.
- 6.42. The funding should be targeted at SMEs to assist them improve on production methods and product quality, enhancing productivity, and developing labour and managerial skills, which are critical for competitiveness.

Export Retention Ratio

- 6.43. Remove the export retention ratio in line with other countries like South Africa, if local manufacturers are to be able to compete and unlock funds for other uses in the sector.

Government Support

- 6.44. Whereas the Government has put in place support initiatives towards livestock production through distribution of animal stocks to rural farmers as seed capital, there is need to establish and operationalise the Livestock Revolving Fund. This will assist farmers to restock and build the national herd as well as train on good animal husbandry practices. The fund will also assist in the mechanization of cattle ranching, particularly, tractors, mowers, and rakes, used for cutting grass for making hay bales used as supplementary feed during the dry period.

- 6.45. The Government's Command Water Harvesting Programme and the Presidential Borehole Drilling Scheme should also target cattle ranches, thereby ensuring that farmers in the Matabeleland region have consistent supply of clean water for livestock.
- 6.46. The world over, Governments are the biggest buyers of leather products in the form of footwear. Consequently, the Zimbabwean Government should prioritise local procurement of footwear, for use by its personnel, rather than importing. This will effectively create demand for local leather industry, thereby enhancing competitiveness.
- 6.47. In addition, Government to prioritize payment of local companies in advance or on delivery, thereby improving working capital requirements for local companies.

Review of Regulations

Tenders

- 6.48. The leather value chain in Zimbabwe is largely dominated by SMEs, and the failure by PRAZ to recognize those registered as cooperatives in tenders is undermining competitiveness of the sector. There is, thus, need for PRAZ to review procurement regulations to allow SMEs registered as cooperatives to bid for tenders.
- 6.49. Furthermore, whereas local bidders are required to submit bank guarantees that confirm the ability of a participant to meet the set sale conditions, this however, means working capital is tied up during the entire tender process, which is lengthy, thus crowding out capital for value chain players. To this end, PRAZ should review the bank guarantee requirement for local bidders and align with foreign bidders that are not subjected to such requirements.
- 6.50. Fees requirements to bid for tenders also add to the cost of doing business, which ultimately have a negative impact on price competitiveness of LLPs. It is, therefore, recommended that PRAZ review the fees to cost recovery levels, in line with international best practice.

Waste Disposal and Hazardous Substances

- 6.51. Overregulation and duplicity of multiple regulations by various institutions on disposal of waste and hazardous substances, consumes time and is costly. There is, thus, need to rationalise and harmonise the regulations.

7. CONCLUSION

- 7.1. The country has potential to surpass its peak of producing 17 million pairs of leather footwear per annum, if the recommendations for addressing the competitiveness gaps are implemented. This would need a collaborative approach between all the stakeholders involved. The leather value chain has already shown that it has potential to attract adequate funding to increase production, productivity and competitiveness, once coordination within the sector is strengthened.
- 7.2. There is need to develop the necessary support for livestock production, and expanding to more lucrative technology, capital-intensive and high-value-adding stages of the leather value chain. It is, therefore, pertinent to focus on infrastructure, research & development, and technology to be competitive. This also calls for the need to implement policy reforms and improve the business operating environment in line with NDS1.

NATIONAL COMPETITIVENESS COMMISSION

“Enhancing Zimbabwe’s Global Competitiveness”



NATIONAL COMPETITIVENESS COMMISSION

"Enhancing Zimbabwe's Global Competitiveness"

Published By:

National Competitiveness Commission
1 Adylinn Road, Agriculture House,
Corner Malborough Drive & Adylinn Road,
Malborough, Harare.

Tel: (+263) 242 313 230

Email: info@ncc.co.zw

Website: ncc-zim.co.zw