

Event: Validation workshop on the National Strategy for the leather sector in Mauritius

Wednesday 15th May at Voila Bagatelle Hotel, 09.00 hours

**Speech of the Minister of Business, Enterprise and Cooperatives,
Hon. Soomilduth Bholah**

The Senior Chief Executive of my Ministry, Mr *Oozeer*

The CEO of SME Mauritius, Mr *Ravin Rampersad*

The Executive Director and consultants from Africa

Leather and Leather Products Institute (ALLPI)

Representatives from different Ministries and Parastatal

Bodies

Stakeholders from the private sector

Members of the press

Distinguished guests

Ladies and gentlemen

Good morning!

I am delighted to be here today for the validation workshop in the context of the development of a national strategy for the leather sector in Mauritius. I wish consultants from the Africa Leather and Leather Products Institute (ALLPI) a warm welcome. On behalf of the Government of Mauritius, allow me to extend my appreciation and thanks to you for all the support which is being provided to revamp our leather sector.

Ladies and Gentlemen,

Leather is one of the world's most widely traded commodities, with an estimated global trade value of approximately **130 billion U.S Dollars annually**. This industry is predicted to grow. The African leather sector is bursting with potential, but there is a **wide gap between resources and production**.

According to the United Nations Industrial Development Organization (UNIDO), **African countries have 20% of the world's cattle, sheep and goats, but produce only 14.9% of world output of hides and skins**. Reducing the gap is critical as the leather industry is strategic for economic and industrial development. By boosting exports, the entire continent stands to benefit.

Leather is also a labour-intensive industry and is an important source of employment all along its supply chain. Africa can be both a source of raw materials and an exporter of finished goods. Therefore, I am convinced that institutions such as ALLPI can be of great assistance in identifying challenges and formulating appropriate support mechanisms to allow African countries to seize global market opportunities.

Over the years, **the leather sector in Mauritius has shown signs of contractions** with a decrease in the number of enterprises and employment. However the leather industry

being a lucrative one which can bring considerable gains for the country, we should join forces to revive it. To better guide the country in achieving its full potential in establishing a strong leather sector, ALLPI consultants have assisted us in the commissioning of the national strategy paper.

You would recall in April 2018, my Ministry organized a two-day participatory workshop with a view to formulate the National Strategy for Leather Value Chain which is being officially launched today. The first draft of strategy was circulated to relevant stakeholders for their views and comments following which the report was finalized. The national strategy will serve as a guide for designing policy instruments and activities to support different players in the leather supply chain.

Some of the main findings of the National Strategy Paper are as follows: Approximately **14,000 bovine hides and 35,000 sheep, goats and deer skins are produced annually** in Mauritius. 70% of hides are exported as raw. 15% are locally tanned and the remaining which is composed of 15% of hides and 100% of skins is not accounted for. ALLPI has come to the conclusion that through the export of raw hides and skins, **Mauritius is losing economic opportunities amounting to 1100% of the total value of raw hides and skins exported.**

Our objective is to revamp and revitalize the Mauritian leather sector to undertake the quantum leap to enter targeted 'niche' markets and to explore potentials to establish high-end finished line leather products through the application of modern and cleaner technologies.

Ladies and Gentlemen,

According to Statistics Mauritius, for year 2016 and 2017, Mauritius imported a total value of **377 million** and **407 million of leather products**.

Being given that there is an increasing trend with high record of massive leather products importation, **there is the need to support and strengthen leather sector enterprises to reverse the negative trade balance as well as satisfy local demands**.

In Mauritius there is a good base to develop the SME sector involved in the production of footwear, leather goods and other items. There are **some 173 registered SMEs in the leather sector in Mauritius**, which are serving small local markets.

Some constraints which are currently being faced by these SMEs are as follows:

- Almost all the SMEs acquired skills for footwear and leather goods making from friends, on job training or

from family members. None of the respondents acquired their skills through formal training.

- The youth is not interested due to lack of finance, and lack of raw materials.
- There are inadequate machinery and inputs; and
- Poor working facilities.

Based on the above, ALLPI consultants are of view that there is a need to:

- develop a conducive environment for the leather sector;
- capacitate training institutions towards leather sector development;
- support the only tannery in the country to make it capable of producing quality finished leather products and to operate to its optimum level.
- adopt sophisticated technologies to move from the conventional technique of producing leather products to a modern and cleaner one.

Therefore, the revised Strategy Report outlines 7 main strategic objectives namely:

- i. to improve the quality and collection of raw hides and skins;
- ii. improving the production of quality finished leather products in an environmentally friendly manner;

- iii. Enhancing value addition and SMEs competitiveness in domestic, regional and international markets;
- iv. To enhance youth interest in this sector through ICT application in footwear industries;
- v. To facilitate coordination between chain players and key stakeholders in the leather sector;
- vi. To facilitate resource mobilization and policy support for the development of the leather sector and
- vii. to promote export of footwear and leather goods to regional and international markets.

Today with the collaboration and contribution of all stakeholders present, there will be a brainstorming session on the way forward to achieve the objectives set, particularly in the short run.

We hope that leather will be among the top ten subsectors in Mauritius with regard to competitiveness and export earnings by 2025. Every accomplishment starts with the decision to try. And we should definitely try to implement the recommendations laid down in the strategy paper to build a sustainable leather industry.

I wish you all fruitful discussions. Thank you for your attention.