



# Identifying Regional Value Chains in Leather and Leather Products in Africa





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## NOTE

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## ABBREVIATIONS

<b>ACIA</b>	ASEAN Comprehensive Investment Agreement
<b>AfDB</b>	African Development Bank
<b>AFTA</b>	ASEAN Free Trade Area
<b>AIA</b>	ASEAN Investment Agreement
<b>ASEAN</b>	Association of South-East Asian Nations
<b>BEC</b>	broad economic classification
<b>BIT</b>	bilateral investment treaty
<b>BRICS</b>	Brazil, Russian Federation, India, China and South Africa
<b>CCIA</b>	COMESA Common Investment Area
<b>CLRI</b>	Central Leather Research Institute
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>CSIR</b>	Council for Scientific and Industrial Research
<b>CTB</b>	contribution to trade balance
<b>DVA</b>	domestic value added
<b>ECOWAS</b>	Economic Community of West African States
<b>FDI</b>	foreign direct investment
<b>FTA</b>	Free Trade Agreement
<b>FVA</b>	foreign value added
<b>GDP</b>	gross domestic product
<b>GIMPA</b>	Ghana Institute of Management and Public Administration
<b>GTAP</b>	Global Trade Analysis Project
<b>GVC</b>	global value chain
<b>HS</b>	Harmonized System
<b>I/O</b>	input output
<b>ICHSLTA</b>	International Council of Hides, Skins and Leather Traders Association
<b>LCL</b>	labour contract law
<b>LDC</b>	least developed countries
<b>LIASA</b>	Leather Industry Association of South Asia
<b>LLP</b>	leather and leather products
<b>MFN</b>	most favoured nation
<b>NICs</b>	newly industrialized countries

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<b>NT</b>	national treaty
<b>NTB</b>	non-tariff barrier
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>POS</b>	market position
<b>PTA</b>	preferential trade area
<b>RCA</b>	revealed comparative advantage
<b>REC</b>	regional economic community
<b>RIA</b>	regional investment agreement
<b>RVC</b>	Regional value chain
<b>SACU</b>	Southern African Customs Union
<b>SADC</b>	Southern African Development Community
<b>SME</b>	small and medium-scale enterprise
<b>SSA</b>	sub-Saharan Africa
<b>TiVA</b>	trade in value added
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UVAS</b>	University of Veterinary and Animal Sciences
<b>WAEMU</b>	West African Economic and Monetary Union
<b>WTO</b>	World Trade Organization

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# IDENTIFYING AND PROMOTING REGIONAL VALUE CHAINS IN LEATHER AND LEATHER PRODUCTS IN AFRICA

## EXECUTIVE SUMMARY

Africa doubled its growth rate in the 2000s as compared with the 1990s; however, growth has not been transformative. In fact, the contribution of the manufacturing sector in total value added has been steadily declining in many countries in the region, indicating de-industrialization. One of the most important challenges facing African countries is triggering structural transformation in the economies of the region, and in the process, creating more value addition in its exports and generating higher employment. A large share of exports of the region comprises basic commodities with very little value addition. One of the ways of triggering this transformation is to increase the competitiveness of the countries producing and exporting manufactured products using the large base of natural resources available within the region. Regional integration and the pooling of resources and capabilities by forming regional value chains can be an important step in this direction. This can lead to a shift towards more productive manufacturing activities in many countries and can subsequently boost domestic value addition in exports of the region.

The leather and leather products (LLP) industry provides a tremendous opportunity to the region to form regional value chains and add greater value to the region's exports. At present, the region is the largest source of the basic raw material of the industry, i.e. leather and exports it with little value addition. Further, the region's global imports of leather products have been steadily rising since the past two decades. However, the industry has the potential to initiate regional value chains and raise export competitiveness and domestic value addition in many countries of the region. Given the labour-intensive nature of the industry, it can also generate large-scale employment for low-skilled labour.

Over the years, the global leather industry has become highly fragmented, and production has spread across different continents, with rawhides and skins, part processed leather, finished leather, leather components and leather products being widely imported and exported. One of the main reasons for this fragmentation has been that the processing of leather has shifted from developed countries

into the least developed and developing countries. Increasing cost of labour and stringent laws relating to environmental pollution in the developed world have been mainly responsible for this shift. Ample availability of rawhides and skins in developing countries has further encouraged the emergence of global value chains (GVCs) in this industry. With the emergence of GVCs, the focus of policymakers in these countries has been mainly on linking into GVCs. While global value chains may provide opportunities for countries in Africa to link into global production sharing by supplying primary inputs, the study argues that linking into GVCs per se may not bring automatic gains in terms of higher value addition in exports, increased industrialization and employment generation. In fact, linking at the lower end in GVCs by exporting raw materials can be counterproductive for countries and may not lead to any structural transformation in their economies. Countries may get stuck at the bottom, unable to climb up the value chain and may continue exporting low-end and low value added inputs, with lower gains in terms of domestic value addition and diversification.

Regional value chains (RVCs) differ from global value chains. In RVCs, the end product (finished product) is exported by a country within the region, either globally or regionally. RVCs therefore offer opportunities to the countries in the region to climb up the value chains by using the region to boost their competitiveness and produce and export higher value added products. Well-established RVCs in Africa can also provide an opportunity to the countries in the region to link gainfully into the GVCs and increase their bargaining power with the lead firms.

In this context, the study examines the potential of forming RVCs in one of the most traditional and labour-intensive industries of the region, i.e. leather and leather products (LLP). SSA is a major supplier of basic raw material (i.e. hides and skins) to the leather industry of the world. In terms of its share in global exports, the region has experienced a steady rise from 1.5 per cent in 2000 to 3.6 per cent in 2011. However, much of this rise (more than 90 per cent) is explained by a rise in exports of leather as compared with leather products.

Interestingly, although the share of leather products is low in total exports of LLP from SSA, there has

been more than a 400 per cent rise in total exports of leather products (from \$59 million in 2000 to \$296 million in 2011).<sup>1</sup> Further, although historically countries within the region have traded more of leather products as compared with leather, the rise in extraregional exports of leather products has been twice the rise in the regional exports. In 2000, around 11 per cent of total exports of leather products from the region went to the region, which increased to 16 per cent in 2011. Not just global exports but global imports of leather and leather products have also risen substantially since 2000. Global imports of leather increased \$234 million in 2000 to \$932 million in 2011 while global imports of leather products increased from \$108 million to \$645 million in this period. These trends reveal growing demand, as well as supply of leather inputs and leather outputs within the region and globally, indicating that the region has a high potential and capacity to form regional value chains in LLP to cater to regional and global demand.

The study identifies three trade blocs in Africa that have the potential for forming RVCs in LLP. These are COMESA, ECOWAS and SACU. These three trade blocs together contribute around 98 per cent of exports and 99 per cent of SSA's imports of leather and leather products. It comprises 40 countries (out of a total of 48 countries in SSA). Using these three trade blocs, the study identifies potential RVCs that can be formed in LLP. The results of the study are as follows:

- The study estimates dynamic gravity model for the period 2002–2011 and arrives at the conclusion that the region can more than double its intraregional trade based on its gravity. However, high tariff and non-tariff barriers hinder the growth of intraregional trade. Removing tariffs on leather and leather products has the potential to increase intraregional trade from by \$245 million per annum on an average to \$997 million, i.e. by almost four times. Removing all tariff and non-tariff barriers can increase the existing average intraregional trade by 10 times the existing trade. The region has growing demand and supply of inputs as well as outputs of this industry and predicted intraregional exports for each country in the data set is lower than each country's global exports.
- Using contributions to trade balance (CTB) and market positions (POS), the study estimates the competitiveness of each of the countries in the COMESA, ECOWAS and SACU regions,

which explains almost 98 per cent of total trade in LLP. A potential regional export basket is identified for each country where a region's demand exists, along with export capacity of the country, i.e. a region's global imports are higher than a country's global exports, and a country's global exports are greater than \$100,000. If a region's global imports are lower than a country's global exports, the product is identified in the relevant country's potential global export basket. The region as a whole has the potential to export 75 leather products and 161 leather inputs. The maximum number of leather products identified for regional exports are from COMESA member countries. Morocco, Kenya, Madagascar, Mauritius, South Africa and Côte d'Ivoire have the potential for exporting finished leather products to the region. The country with the most competitive leather inputs is Morocco (29), followed by Egypt (21), South Africa (19), Ethiopia (17), Namibia (13) and Kenya (12).

- In order to boost intraregional trade and increase global competitiveness of the region, the study identifies potential regional value chains in this industry. Using the BEC classification and HS concordance matrix, the leather tariff lines at the HS 6-digit level are segregated into outputs and inputs of the leather industry. Leather inputs are primary inputs (rawhides and skins), processed leather and chemicals used in processing leather, while leather outputs comprise manufactured leather products. Potential regional value chains are identified in LLP. Three Lists are identified for each country, indicating the ways in which the country can link into the RVCs: First, a list of outputs or finished leather products, where the country has potential to export in the regional and global markets; second, a list of inputs, i.e. primary and processed leather, including other identified inputs (for example, chemicals used for dyes) that can be sourced by the country from the region at a lower cost compared with what it is currently importing from outside the region, although the region has the supply capacity; third, a list of leather and leather products where the country needs foreign direct investment to engage in the RVC of leather industry. These are products where the country has a competitive advantage in the region but does not have the supply capacity to fulfil regional demand. Further, a list of products has also been identified where the country has the potential to become an investor in the

<sup>1</sup> Source- COMTRADE, World Integrated Solutions (WITS) using HS 41 and 42 codes

region and undertake intraregional investments. An attempt is made to identify the potential investors in the region across different leather and leather products. If a country is competitive in the region and has higher global exports than the existing demand in the region, it is identified as a potential investor in this sector, as it has the capacity, as well as competitiveness, to invest.

- There are 75 total leather and leather products identified for 16 countries, where countries in the region have competitive advantage based on CTB and POS and their global exports are higher than \$100,000. Out of 75 products, regional demand exists for 65 leather products. In the period 2008–2010, average global exports of the countries in these products amounted to \$672 million, while the region's demand was \$2.9 billion. Out of \$284 million, only 15 per cent (\$99 million) was exported to the region. For COMESA member countries, 36 products have been identified, of which regional demand exists for 33 products. A list of 20 leather products has been identified as unique leather products for regional exports for the countries, where no other country has competitiveness. For the identified 20 unique leather products, a comparison was made between unit values of top global importer and top regional importer. It is found that in 10 products import unit value of regional importer was higher than the top global importer.
- There are total 159 inputs identified in the region which the countries can source regionally for their leather industry. Of this, 18 are primary inputs, 40 are processed leather inputs and 101 are chemical inputs for leather industry. In the period 2008–10, on average, inputs worth \$214 million were imported from outside the region, while the region globally exported \$3.4 billion of these inputs. A comparison of the unit values of exports shows that out of 159 inputs, 100 inputs can be sourced at a lower cost from the region. The region also has the supply capacity, as its global exports are much higher than the region's demand. Out of 100 inputs, 65 are chemical inputs such as synthetic organic tanning substances, synthetic colouring matter and polishes and creams for footwear, etc. Nigeria, Kenya and Ethiopia are top three importers of these chemical inputs, importing from France, India and Italy, while South Africa has lower export unit values in these chemical inputs and has higher global exports than the countries' global imports.
- In total, 83 leather inputs and outputs may require regional or extra-regional FDI. These include 36 leather products, 15 primary leather inputs, 23 processed leather inputs and 9 chemicals used for leather. Total regional imports of these products were on an average \$1.8 billion in the period 2008–2010. The country that has the most leather products and that has competitive advantage and needs to develop supply capacity is Kenya, followed by Madagascar, Côte d'Ivoire, Ethiopia and Mauritius. Maximum processed leather products, where the countries are competitive and require increased FDI are identified for Namibia, Ethiopia, Zambia, Egypt and Uganda. Kenya and South Africa are found to have rising competitiveness in chemicals used by the leather industry and require FDI to increase their supply capacities. South Africa has been identified as potential regional investor in leather output-HS code 420100 (saddlery and harness for any animal, etc); tanning of leather and in chemicals used for tanning – i.e. HS code 284130 (salts of oxometallic or peroxometallic acids) and HS code 320120 (tanning extracts of vegetable origin). Egypt has been identified as potential investor in 8 products, which includes 6 processed leather products. Kenya has been identified as potential regional investor in waterproof footwear; Madagascar, for other articles of leather or of composition of leather (HS code 420500); and Mauritius, for articles of apparel and clothing accessories, of leather or of composition of leather.

Policies at country as well as regional level are identified for promoting intraregional foreign direct investments (FDI) in the leather industry, and scope for intraregional investment agreement is explored.

The study suggests that the forming of Leather Industry Association of Africa can play a catalytic role in information sharing with respect to ongoing projects, policies and incentives in the leather industry of the region. It can voice common interests and concerns of the countries in international forums and also improve the bargaining power of the industry in extra-regional bilateral and other free trade agreements which the countries in the region may negotiate. Collaboration and discussions between the industries of the region can lead to important decisions with respect to non-tariff barriers and help in harmonization of technical standards in the region. This can greatly improve the bargaining power of the countries in the region if they link into GVCs.

In facing environmental challenges to the industry, the region can greatly benefit from cooperation and pooling of resources. Intra-regional investments in tanneries can be a win-win situation in the current scenario where common effluent treatment plants as per international standards can be set up jointly. A common label for sub-Saharan African leather products can be promoted for branding regional products. Common design studios for the region can be set up, and expertise from other developing countries can be used. South-South cooperation in services such as designing, branding, marketing, and distribution used by the leather industry can bring tremendous gains to collaborating countries, as more than manufacturing, services add value to exports of leather products.

On the technology front, most of the existing tanneries in the region use outdated technology, which inhibits them from producing good quality processed leather, in spite of access to quality raw materials such as hides and skins. The tanneries require high doses of capital investment and R&D in order to improve the existing technology. Joint ventures with other developing countries that have adapted the technology to suit their absorption capacities can help promote R&D in this sector, and collaborative efforts can help create synergy between different projects. Intra-regional investments can lead to technology spill overs and go a long way in making available high-quality leather to the region.

The role played by trade facilitation measures in generating momentum to intra-regional trade is critical.

The region requires upgrading ports and information technology infrastructure and continued reforms in customs clearance procedures and regulatory harmonization. Many countries in the region have undertaken substantive trade facilitation measures and compare favourably with other developing countries, but consistent trade facilitation measures are required in all countries in the region.

Intra-regional cooperation and trade agreements can go a long way in promoting and forming intra-regional value chains in LLP. Tripartite trade agreements between COMESA, ECOWAS and SACU can be explored for leather and leather products, especially at the sectoral level. Harmonization of technical standards and of regulations and procedures, along with lower tariffs and addressing non-tariff trade barriers can be some of the outcomes of regional trading arrangements that are a critical part of reducing transit costs and times across borders. There is a lack of adequate NTB monitoring mechanisms within the region. A dedicated executive body could be set up to oversee reductions in reported barriers, and a robust dispute settlement mechanism could be put in place to enforce decisions within these three intra-regional blocs.

The development and expansion of regional value chains requires the development and/or expansion of new firms and the capital investments. Sources of invested capital can either be internal or external. The use of development banks and export-import banks such as the African EXIM Bank and the African Development Bank can be leveraged for developing regional value chains.

# CHAPTER 1: INTRODUCTION

## 1.1 REGIONAL VALUE CHAINS IN THE ERA OF GLOBAL VALUE CHAINS

One of the most important challenges facing Africa is triggering structural transformation in the economies of the region and raising domestic value addition in their exports for generating higher employment. One of the ways for advancing this transformation is to increase competitiveness of the countries in producing and exporting manufactured products using the large base of natural resources available within the region. Regional integration and pooling of resources and capabilities can be an important step in this direction. While global value chains may provide opportunities for countries in Africa to link into global production sharing by supplying primary inputs, analytical studies have shown that very little value actually accrues to countries at the lower end of the chains, especially to commodity exporters.<sup>2</sup> Regional value chains (RVCs) differ from global value chains, as in RVCs the end product (finished product) is exported by a country within the region, either globally or regionally. RVCs therefore offer opportunities to the countries in the region to climb up the value chains by using the region for boosting their competitiveness and producing and exporting higher value products. Well established regional value chains in Africa can also provide an opportunity to the countries in the region to link gainfully into global value chains and increase their bargaining power with the lead firms.

Global value chains first emerged as regional value chains in East Asia, with Japanese investors taking the lead in the region and triggering flying geese patterns of investments and trade. Japanese investors put up production bases in a large number of countries in East Asia and later in South-East Asia to access locational advantages and develop export platforms for the components. The final assembly took place in a third country from where the finished products were exported either back to the home country or to the global markets under the Japanese brand. This fragmentation of production improved the cost competitiveness of the final products, which were then able to compete with the products from Western countries. Over time, multinationals from Western

countries flocked the region, aiming at improving their cost competitiveness and soon spread to other regions, as well. What emerged from this phenomenon were global value chains (GVCs) with the production of a product spread across countries, regions and continents gathering cost advantages to become globally competitive.

Over the years, the leather industry has also become highly fragmented, and production has spread across different continents, with rawhides and skins, part processed leather, finished leather, leather components and leather products being widely imported and exported. One of the main reasons for this fragmentation has been that the processing of leather has shifted from developed countries into the least developed and developing countries. Increasing cost of labour and stringent laws relating to environmental pollution in the developed world have been mainly responsible for this shift. Ample availability of rawhides and skins in the developing countries has further encouraged the emergence of global value chains (GVCs) in this sector.

With the emergence of GVCs, the focus of policymakers in the South has been mainly on linking into GVCs. However, it has been argued by many studies that linking into GVCs per se may not bring automatic gains in terms of higher value addition in exports, increased industrialization and employment generation, especially for the developing and least developed countries. In fact, linking at the lower end in GVCs by exporting raw materials can be counterproductive for countries and may lead to the hollowing out of their manufacturing sectors. Countries may get stuck at the bottom, unable to climb up the value chain and may continue exporting low-end and low value added inputs, with lower gains in terms of domestic value addition. Distribution of value in GVCs is found to be asymmetrical and biased towards countries that are at the upper end of GVCs. Further, many studies have pointed out the “smiley curve” in GVCs, which shows that value captured by services in GVCs is much higher than that captured by manufacturing activities. Countries contributing pre-manufacturing and post-manufacturing services such as designing, branding and marketing are able to capture a much higher value in GVCs, as compared with countries that provide inputs and manufacture the products.

<sup>2</sup> See Banga (2013), *Measuring Value in Global Value Chains*, UNCTAD, [http://unctad.org/en/PublicationsLibrary/ecidc2013misc1\\_bp8.pdf](http://unctad.org/en/PublicationsLibrary/ecidc2013misc1_bp8.pdf)

In this context, this study highlights the low share captured by developing and least developed countries in GVCs, even in labour-intensive sectors such as leather and leather products and suggests developing RVCs in this sector to better the prospects of raising their share in value added created by GVCs. The next section estimates the distribution of value added created by GVCs across countries in textiles, textile products, Leather and footwear industry.

## 1.2 DISTRIBUTION OF VALUE ADDED CREATED IN GVCs

With the rise in trade in intermediate products, it has become more difficult for LDCs and developing countries to measure their gains from trade, especially in terms of domestic value addition. To measure net domestic value added created by trade, a new data set has now been made available by WTO–OECD and UNCTAD, which use harmonized input-output (I/O) tables of different countries. Analyses based on input-output tables provide a useful alternative to trade data. An important advantage of I-O tables is that they classify goods according to their use (as input into another sector's production or as final demand); and include information on inputs of/in services sectors, allowing for the analysis to include services trade. WTO–OECD in May 2013 released its data set on trade in value added (TiVA) for 58 countries (including all OECD countries; BRICS countries; NICs1; NICs2, Cambodia, Brunei Darussalam and the rest of the world) for the years 1995, 2000, 2005, 2008 and 2009 using harmonized input-output tables of these

countries. UNCTAD has extended this to include developing and least developed countries.<sup>3</sup>

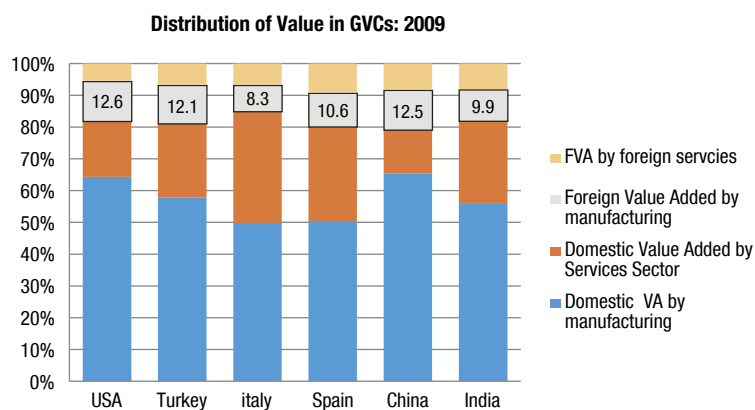
Using the new WTO–OECD data set on trade in value added (TiVA, May 2013), the structure of gross exports in terms of value added in textiles, textile products, leather and footwear industry<sup>4</sup> – in the top six countries is reported in figure 1.1. This can help in assessing the extent of imports and exports of value added that takes place in this sector under the GVCs of these countries. Domestic manufacturing contributes 50 per cent of total value added in gross exports of Italy, while domestic services contribute 35 per cent of total value added (figure 1.1). Italy participates in GVCs through imports of foreign value added from the services and manufacturing sectors (which include inputs and outputs of leather industry). Foreign services contribute 7 per cent of foreign value added, while manufactures contribute only 8 per cent of value added in total value of exports of Italy in this sector. Foreign value added by the manufacturing sector therefore contributes less than 13 per cent of total value of global exports of top exporters. This implies that if developing countries wish to link into global value chains formed by Italy or the United States of America, they can at best expect to contribute around 10–12 per cent of total value of gross exports of these countries in this sector.

Further, this 10–12 per cent of foreign value added from this sector is shared between many countries. If backward linkages (i.e. foreign value added in gross exports) and forward linkages (domestic value added

<sup>3</sup> This database is not yet in the public domain and therefore not been used.

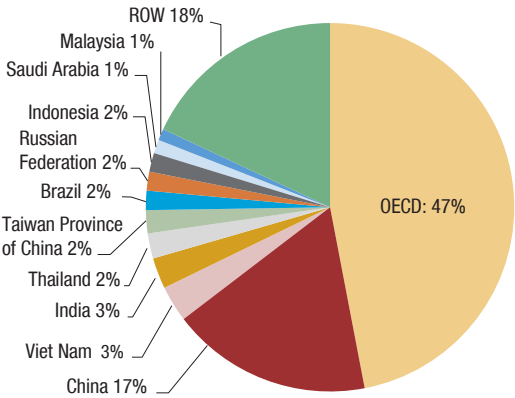
<sup>4</sup> This is the category available in the WTO–OECD data set.

**Figure 1.1**  
Contribution of manufacturing and services in GVCs of textile, textile products, leather and footwear



Source: Authors' estimations based on OECD–WTO TiVA, May 2013.

**Figure 1.2**  
**Participation in GVCs of textiles, textile products, leather and the footwear industry**



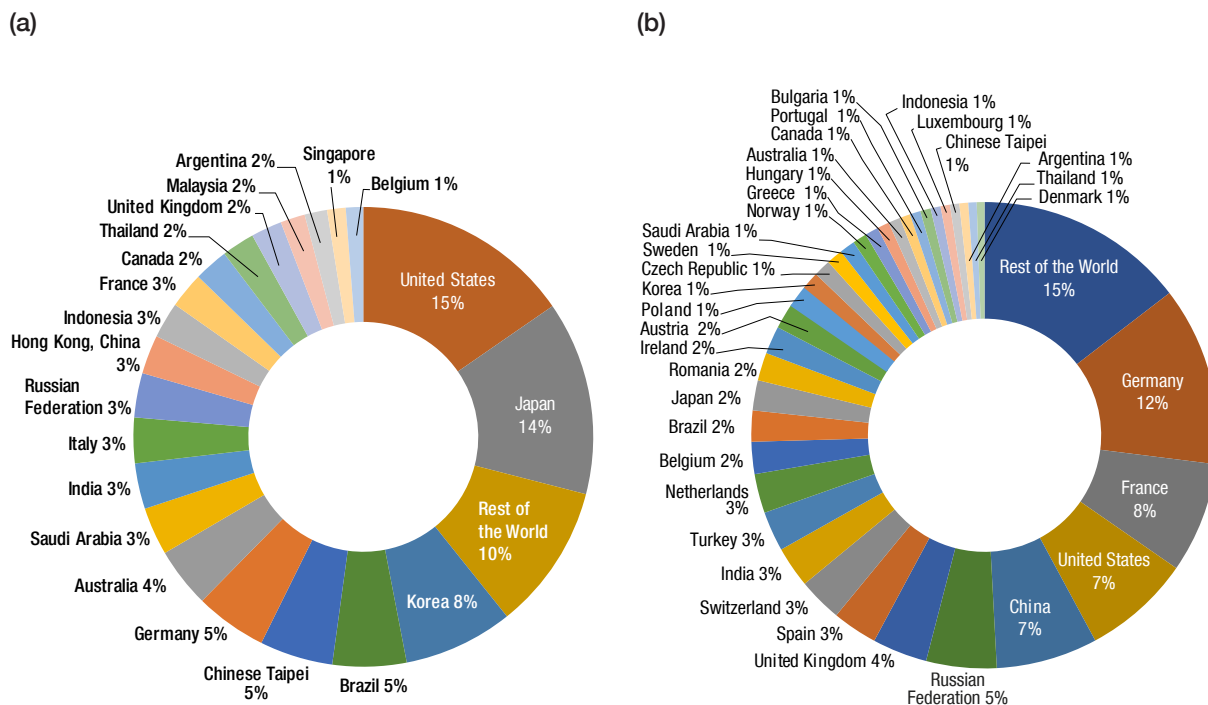
Source: Authors' estimations based on OECD-WTO TIVA, May 2013

in gross exports of other countries) of all countries are added, this results in the total value added created in global exports of this sector. Estimating the shares of each country in the total value added created indicates the extent of participation in GVC for each country. The estimates show that 47 per cent of total value added traded in this industry is captured by OECD countries; the share of the United States is 7 per cent. The largest share is that of China: 17 per cent. Africa, Latin America, South Asia (other than BRICS countries) and other East and South-East Asian countries share around 18 per cent of total value added trade in this industry (figure 1.2).

Gross exports of China and Italy are reported in figure 1.3. The figure shows direct and indirect contribution of different countries through foreign value added in gross exports of China and Italy in textiles, textile products, leather products and footwear. Although, Africa is not covered separately by the data set, it is grouped under the category "rest of the world". Even a cursory examination of the existing global value chains for a country shows the limited extent to which any African country can gain in terms of adding value in exports of final product.



**Figure 1.3**  
Distribution of foreign value added in GVCs of (a) China and (b) Italy



### 1.3 RETURNS TO EXPORTS OF LEATHER AND LEATHER PRODUCTS UNDER RVCs AND GVCs IN AFRICA

In order to climb up the value chain in GVCs and graduate from primary inputs exporters to exporter of processed and intermediate leather products and then to higher end of the chain, linking into RVCs can greatly help. RVCs provide higher opportunities for the countries in the region to gain in terms of value addition in the export of finished products. It also improves global competitiveness of the region, as well as of the countries in the region that participate in RVCs, improving their bargaining power vis-a-vis lead firms in GVCs. The approach taken in this study in identifying RVCs has therefore been to encourage exports of finished products from all countries in the region that have the capability and capacity to export finished products. These countries can improve their

cost competitiveness by sourcing their primary and processed inputs from their domestic producers, as well as from other countries in the region. Higher demand created in the region for processed inputs can provide economies of scale for many countries. Higher intraregional and extraregional investments can provide the required technical know-how to domestic producers and help them in climbing up the value chain and producing higher value products.

One of the perceived advantages of GVCs is higher returns in exports. However, this may not be true at all times. Higher per unit returns may be possible in RVCs, especially as it may not entail high fixed costs in order to meet the quality parameters set by the lead firms in GVCs. A comparison of import unit values of global and regional importer in leather and leather products (LLP) shows that in many cases, regional importers actually pay more than the global importers (table 1.1).

**Table 1.1**  
**Comparison of import unit values of regional and global importers in LLP**

Regional grouping	Country	Product	HS 6-digit code	Country's average global exports (2008–10) ('000 \$)	Global importer	Global importer's import unit value	Importer in the region	Regional importer's import unit value
COMESA	Rwanda	Primary Leather	410320	131	United Kingdom	0.74	Uganda	0.86
COMESA	Uganda	Primary Leather	410390	550	Hong Kong, China	0.28	Kenya	1.79
COMESA	Zambia	Primary Leather	410390	1,060	Japan	85.55	South Africa	93.21
COMESA	Zimbabwe	Primary Leather	410390	111	Italy	0.92	South Africa	2.86
SACU	Botswana	Primary Leather	410120	150	Switzerland	0.14	South Africa	0.54
SACU	South Africa	Primary Leather	410190	4,589	Hong Kong, China	1.10	Democratic Republic of the Congo	40.78
SACU	South Africa	Primary Leather	411520	630	Hong Kong, China	1.47	Zimbabwe	3.63
COMESA	Ethiopia (does not include Eritrea)	Processed Leather	410441	246	Italy	11.39	Zimbabwe	13.93
COMESA	Ethiopia (does not include Eritrea)	Processed Leather	410799	111	Hong Kong, China	9.12	South Africa	18.09
COMESA	Uganda	Processed Leather	410691	5,476	China	1.42	Kenya	3.13
COMESA	Zambia	Processed Leather	410419	1,263	United Kingdom	1.72	South Africa	2.97
COMESA	Zambia	Processed Leather	410719	112	Hong Kong, China	1.48	South Africa	1.62
COMESA	Zambia	Processed Leather	411390	1,412	India	0.41	Malawi	8.75
ECOWAS	Mali	Processed Leather	410411	158	Italy	2.35	Senegal	2.50
ECOWAS	Nigeria	Processed Leather	411330	982	Albania	310.91	Botswana	310.96
ECOWAS	Senegal	Processed Leather	410411	142	Papua New Guinea	2.09	Niger	3.55
SACU	Namibia	Processed Leather	410449	3,287	United Kingdom	15.04	South Africa	17.85
COMESA	Kenya	Chemical	320120	460	India	0.93	Uganda	1.75
COMESA	Kenya	Chemical	340510	11,377	United Republic of Tanzania	3.18	Uganda	4.00
ECOWAS	Côte d'Ivoire	Chemical	320417	4,983	Cameroon	3.62	Ghana	3.86
SACU	South Africa	Chemical	283010	8,285	Brazil	0.81	Democratic Republic of the Congo	1.37

## 1.4 OBJECTIVES OF THE STUDY

In this context, the study examines the potential of forming regional value chains in one of the most traditional and labour-intensive subsectors of the region, i.e. LLP. Africa enjoys a special position in this sector, as it is a major supplier of basic raw materials (hides and skins) to the world leather industry. In terms of its share in global exports, the region experienced a steady rise from 1.5 per cent in 2000 to 3.6 per cent in 2011. However, much of this rise (more than 90 per cent) is explained by the rise in exports of leather as compared with leather products. Interestingly, although share of leather products is low in total exports of LLP from Africa, there has been more than 400 per cent rise in total exports of leather products (from \$59 million in 2000 to \$296 million in 2011).<sup>5</sup>

Further, although historically countries within the region have traded more leather products compared with leather, the rise in extra-regional exports of leather products has been twice that of regional exports. In 2000, around 11 per cent of total exports of leather products from the region went to the region, increasing to 16 per cent in 2011. Not just global exports but global imports of leather and leather products have also risen substantially since 2000. Global imports of leather increased \$234 million in 2000 to \$932 million in 2011, while global imports of leather products increased from \$108 million to \$645 million in this period. These trends reveal the growing demand and supply in the region for LLP. This growing demand and supply of leather inputs as well as leather outputs within the region and globally indicates that the region has a high potential and capacity to form regional value chains in LLP to cater to both regional and global demand.

The study identifies top exporter and importer countries of Africa that have the potential for forming regional value chains in LLP. These countries mainly belong to the COMESA, ECOWAS and SACU subregional groups, except Algeria and Morocco. These three regional trade blocs together contribute around 98 per cent of exports and 99 per cent of SSA's imports of leather and leather products. It comprises 40 countries (out of total of 48 countries in SSA).

COMESA currently has 21 member States (Angola, Burundi, Comoros, the Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia,

Rwanda, Seychelles, the Sudan, Swaziland, the United Republic of Tanzania, Uganda, Zambia, and Zimbabwe). The Preferential Trade Area for Eastern and Southern African States (PTA) was established in 1982. The original treaty called for a gradual reduction and eventual elimination of customs duties and non-tariff barriers. The PTA moved into its next phase – the establishment of a common market with the formation of COMESA in 1995. ECOWAS was formed in 1975 by 15 West African States in order to promote trade cooperation and self-reliance in West Africa. Today, there are 16 members of ECOWAS, namely Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, the Niger, Nigeria, Senegal, Sierra Leone and Togo. ECOWAS aims to create a common external tariff with the elimination of all tariff and non-tariff barriers between member States. SACU is a customs union comprising Botswana, Lesotho, Namibia, Swaziland (the BLNS States) and South Africa. A new SACU agreement was signed in 2002. The agreement includes, among other things, the levying of uniform customs and excise duties, and the free interchange of duty-paid goods imported from outside member countries. There are no duties payable on goods traded between SACU members.

This study identifies potential regional value chains for Africa that can be formed in LLP. In this context, the study undertakes the following analyses:

- Examines the changing patterns of intraregional and global trade of sub-Saharan Africa, highlighting the importance of intraregional trade in leather and leather products. Inputs and outputs of leather industry are identified and their emerging global as well as intraregional trends are highlighted.
- Estimates intraregional trade potential in LLP using gravity model. Trade potential between COMESA, ECOWAS and SACU is estimated. Separate estimates are also made for these subregional blocs. Impact of tariff liberalization on potential intraregional trade is explored.
- Estimates export potential in leather as well as leather products of all countries in the three trade blocs (referred to as “region” from now onwards) using a contribution to trade balance (CTB) index and a relative trade balance index describing the position (POS). Based on the two indices, leather inputs and outputs for regional, as well as for global exports are identified for each country.

<sup>5</sup> Source- COMTRADE, World Integrated Solutions (WITS) using HS42 codes

These inputs and outputs are identified at six-digit level of disaggregation of HS codes.

- Potential regional value chains are identified in LLP. For each country, three lists are identified: first, a list of outputs or finished leather products, where the country has export potential in the regional and global markets; second, a list of inputs, i.e. primary and processed leather including other identified inputs (for example, chemicals used for dyes), which can be sourced by the country from the region at a lower cost but is currently being imported from outside the region, although the region has the supply capacity; third, a list of leather and leather products where the country needs foreign direct investments to engage in the production supply chain of the leather industry. These are those products where the country has competitive advantage in the region but does not have the supply capacity to meet regional demand. Further, a list of products has also been identified where the country has the potential to become an investor in the region and undertake intraregional investments.

- Policies at the country and regional levels are identified for promoting intraregional foreign direct investments (FDI) in the leather industry, and scope for intraregional investment agreement is explored.
- The role of the Regional Leather Association is discussed, and policy directions are provided for accelerating regional integration.

The study is organized as follows: chapter 2 highlights the trends in global and regional trade in Africa in LLP including trends in inputs and outputs of the leather industry; chapter 3 presents the results of gravity model estimating the potential intraregional trade for major exporter and importer of Africa; chapter 4 uses indices of competitiveness to identify regional and global export baskets for African countries; chapter 5 identifies the potential regional value chains in LLP at the six-digit disaggregated level using the Harmonized System (HS codes); chapter 6 examines the factors that explain low FDI in this sector and explores the possibility of intraregional investment agreement; chapter 7 summarizes, concludes and suggests strategies for promoting regional value chains in LLP in Africa.

## CHAPTER 2: EMERGING TRENDS IN TRADE IN LEATHER AND LEATHER PRODUCTS IN AFRICA

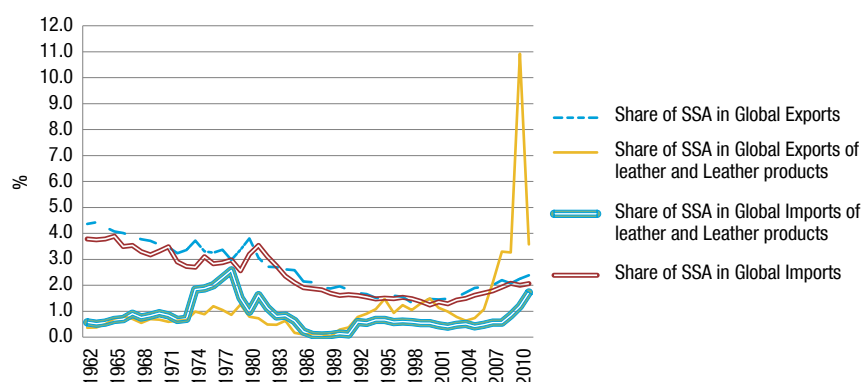
### 2.1 TRADE IN LEATHER AND LEATHER PRODUCTS: EMERGING TRENDS

The leather industry is a traditional industry for Africa but it has never been a significant foreign exchange earner for the region. Its share in total exports of the Africa<sup>6</sup> has remained less than 1 per cent (except in 2010 when it was 1.5 per cent). However, this

<sup>6</sup> Top exporters and importers of Africa are covered.

industry is critical to the region in terms of providing large-scale employment to low-skilled labour and in terms of raising the region's share in global exports and imports in LLP, which increased from 0.4 per cent in the 1980s, to 1 per cent in the 1990s and 1.5 per cent in the 2000s reaching 10 per cent in 2010 (because of a spurt in exports of leather from Nigeria) and 3.6 per cent in 2011 (figure 2.1). The industry enjoys a special position in the world, as it is the source of basic raw material to the leather industries of the world.

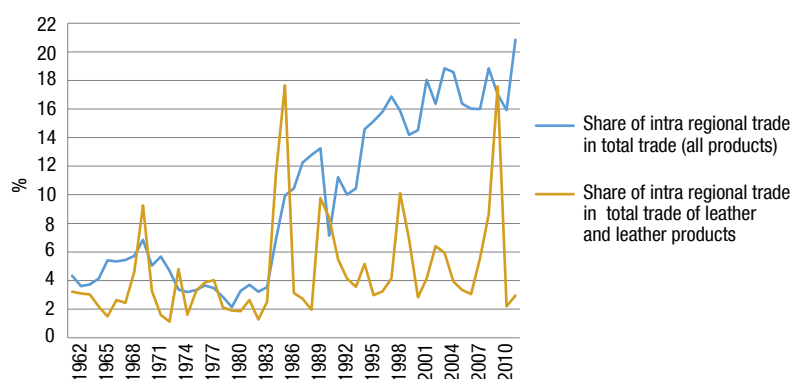
**Figure 2.1**  
Share of Sub-Saharan Africa in total world trade and trade in leather and leather products, 1962–2011



Source: United Nation Commodity Trade Statistics Database (COMTRADE).

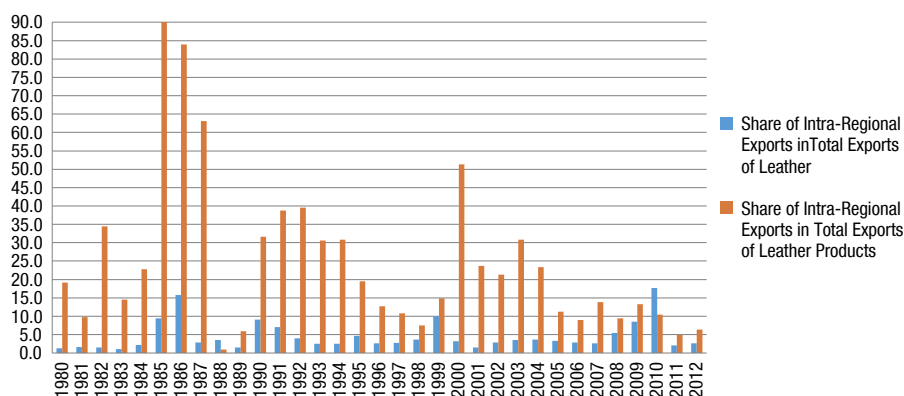
Note: Includes exporters and importers of Africa.

**Figure 2.2**  
Share of intraregional trade in total trade and in trade of leather and leather products, 1962–2011



Source: United Nation Commodity Trade Statistics Database (COMTRADE).

**Figure 2.3**  
Share of intraregional exports in total exports of leather, and leather products



Source: United Nation Commodity Trade Statistics Database (COMTRADE).

While the region has been steadily increasing its share in global trade in leather and leather products, intraregional trade in this sector has experienced an erratic trend since 1990s, when intraregional trade in LLP fell from 10 per cent in 1990 to 5 per cent in 1995, increased to 10 per cent in 1999 and again fell to 4 per cent in 2005. It peaked to 18 per cent in 2010 (due to a spike in leather exports), after which it fell to 3 per cent in 2012. This has not been in sync with total intraregional trade, which experienced a steady rise from 12 per cent in 1985 to 14 per cent in 2000 and further to 19 per cent in 2005, reaching 21 per cent in 2011 (figure 2.2).

In 2011, the intraregional trade of Africa<sup>7</sup> as a share of its total trade was around 21 per cent, while intraregional trade in leather and leather products was only 3 per cent. While this may appear dismal,

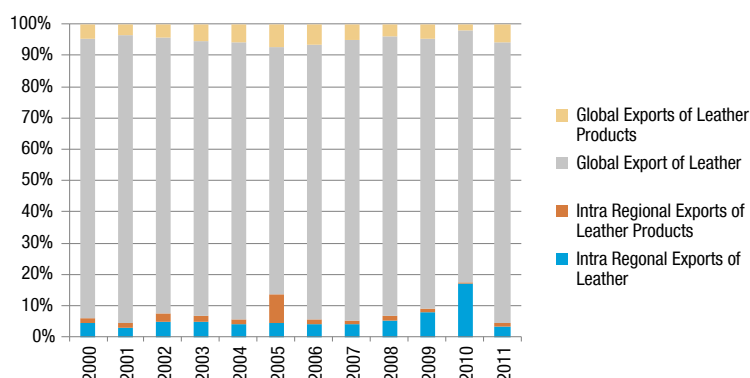
<sup>7</sup> Top exporters and importers of Africa are covered

it hides an important trend. Countries in the region have historically traded high proportions of leather products among themselves, as compared with the rest of the world. In 1985, more than 90 per cent of exports of leather products went to the region, which have steadily declined. In 2000, around 50 per cent of leather products were exported to the region, while in 2009, this declined to 13 per cent and in 2012 to 6 per cent (figure 2.3).

The composition of exports of Africa<sup>8</sup> in LLP shows that in 10 years, i.e. 2002–2012, on an average 87 per cent of total exports comprised leather exports to rest of the world, 2 per cent comprised exports of leather products to the region, 6 per cent exports of leather to the region and 5 per cent of exports of leather products to rest of the world (figure 2.4).

<sup>8</sup> Top exporters and importers of Africa are covered.

**Figure 2.4**  
Structure of exports of leather and leather products



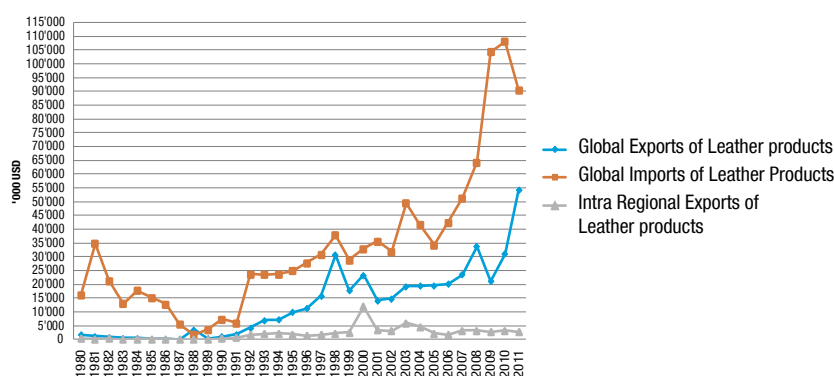
Source: United Nation Commodity Trade Statistics Database (COMTRADE).

Intraregional exports of leather products increased three times from 2000 to 2011, increasing by an average annual growth rate (CAGR) of 20 per cent, rising from \$6.2 million in 2000 to \$48 million in 2011, while global exports of leather products stood at an average annual growth rate (CAGR) of 16 per cent in this period, increasing from \$59 million to \$296 million. The rising incomes of countries has led to rising demand for leather products from the world. Global imports of leather products from the world

have increased as rapidly as global exports of leather products, experiencing an average annual growth (CAGR) of 18 per cent, rising from \$108 million in 2000 to \$645 million in 2011.<sup>9</sup> Importantly, global exports of leather products have risen as rapidly as global imports, although in absolute terms global exports of leather products is almost five times lower than global imports of leather products (figure 2.5).

<sup>9</sup> Source: COMTRADE, WITS using HS codes 42

**Figure 2.5**  
Global and regional exports of leather products of SSA



Source: United Nation Commodity Trade Statistics Database (COMTRADE).

Note: Includes all top exporters and importers of Africa.

## 2.2 TRENDS IN INPUTS AND OUTPUTS OF THE LEATHER INDUSTRY

For the purpose of identifying regional value chains in leather and leather products, inputs and outputs of leather industry have been identified using BEC codes (Broad Economic Classification) and their concordance with six-digit HS codes. Appendix table 1 reports all the identified inputs and outputs. The outputs of leather industry also include leather outputs which may be outputs of leather industry but inputs for other industries such as the auto industry. The inputs also include those inputs into leather industry that are sourced from other industries, e.g. chemicals used in tanning, etc. The list of inputs and outputs identified is much bigger than those captured by aggregate data on LLP and therefore significantly affects the global and regional trends.

There are 50 identified leather products at six-digit HS codes, which include HS codes 42 (for example, trunks, suitcases, vanity cases, executive cases, briefcases, school satchels, spectacle cases, binocular cases

and camera cases); HS 43 (articles of leather apparel, clothing accessories and other articles of fur skin); HS 64 (footwear); HS 94 (seats, other than those of heading 94.02, whether or not convertible into beds, and parts thereof); and HS 95 (articles and equipment for general physical exercise, gymnastics, athletics, other sports). Inputs are divided into three categories: primary, processed and chemicals. Fifteen primary inputs have been identified. These include all rawhides and skins and raw fur skins (HS codes 41 and 43). Thirty-one processed inputs have been identified, including HS code 41 (tanned or crust hides and skins of bovine, including buffalo, or equine animals, without hair on, whether or not split, but not further prepared; leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals; chamois (including combination chamois) leather; patent leather and patent laminated leather; metallized leather) and HS code 43 (tanned or dressed fur skins). Twenty-four chemicals have been identified for the leather industry, including some HS codes 28, 29, 32, 34, 35 and 38 (sulphides; polysulphides, whether or not chemically defined; salts of oxometallic or peroxometallic acids; tanning extracts of vegetable

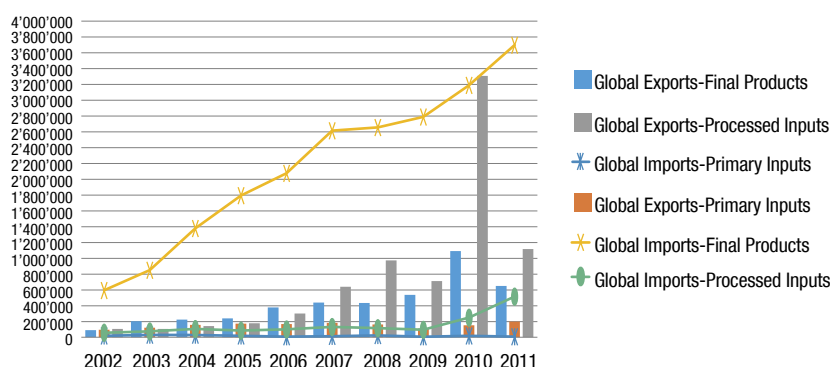
origin; tannins and their salts, ethers, esters and other derivatives; synthetic organic tanning substances; inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning; organic surface-active agents; lubricating preparations; polishes and creams for footwear; finishing agents and dye carriers to accelerate the dyeing or fixing of dyestuffs.

The 50 identified outputs and 70 inputs of leather industry show important emerging trends. Including the identified outputs of the leather industry (which includes more identified articles of leather, for example footwear, leather apparels, seats and sports goods), global exports of leather products were much higher in 2011, at \$652 million as compared with \$83 million in 2002 and global imports were \$3.7 billion as compared with \$444 million. Global exports of processed leather have been much higher than primary inputs (rawhides

and skins), especially after 2006, thereafter the gap has increased substantially. Global imports of leather outputs are rising at a fast rate and exceeded \$3.7 billion in 2011 (figure 2.6).

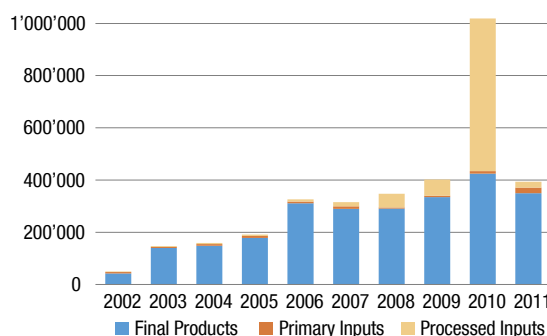
Some important and encouraging trends with respect to intraregional trade in inputs and outputs of the leather industry are as follows: the growth in intraregional trade in final leather products has been around 24 per cent per annum in the period 2002–2011, with maximum growth in 2003; intraregional trade in primary inputs has grown by 13 per cent on an average per annum with maximum growth in 2011, while intraregional trade in processed inputs grew at an average of 28 per cent with maximum growth in 2010; and there has been a steady rise in intraregional exports of final outputs of the leather industry, although it is much lower than global exports and imports. Intraregional trade in processed inputs started after 2005 (figure 2.7).

**Figure 2.6**  
Global exports and imports of inputs and outputs of the leather industry



Source: Authors' calculations based on identified leather inputs and output.

**Figure 2.7**  
Intraregional exports in inputs and outputs of the leather industry ( in '000 USD)



Source: Authors' calculations based on identified leather inputs and output.



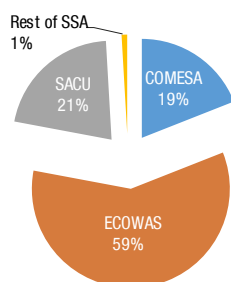
## 2.3 REGIONAL AND COUNTRY LEVEL TRENDS IN TRADE IN LLP

Three subregional agreements, i.e. by COMESA, ECOWAS and SACU, contribute around 99 per cent of global exports of identified leather outputs, 96 per cent of global exports of primary inputs and 99 per cent of global exports of processed inputs of the leather industry. The distribution of global exports of outputs and inputs is reported in figure 2.8. While ECOWAS has highest share in global exports of outputs (59 per cent) and processed inputs of the leather industry (71 per cent), SACU has the

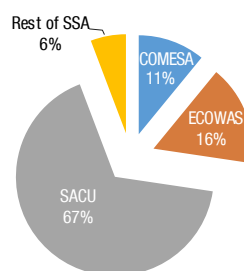
highest share in global exports of primary inputs. The share of COMESA is around 19 per cent and 24 per cent in global exports of final outputs and primary inputs but around 14 per cent in exports of processed inputs. 67 per cent of global imports of leather products in the region go to SACU, followed by ECOWAS (16 per cent) and COMESA (11 per cent). Almost 77 per cent of global imports of inputs (primary and processed) are imported by ECOWAS, followed by SACU (19 per cent) and COMESA (5 per cent). In terms of intraregional exports, ECOWAS has the highest share in export of outputs (55 per cent), followed by SACU (26 per cent) and COMESA (17 per cent).

**Figure 2.8**  
Share of COMESA, ECOWAS and SACU in global and intraregional exports of inputs and outputs of the leather industry

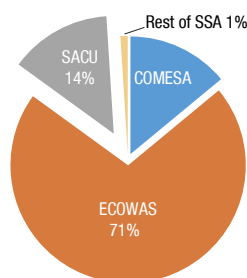
**Global Exports of Leather Outputs of SSA in 2011**



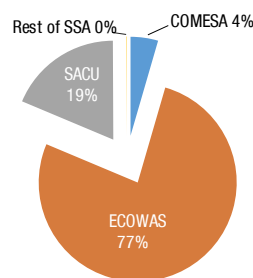
**Global Imports of Leather Outputs in 2011**



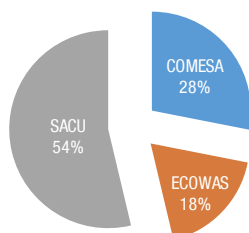
**Global Exports of Inputs of Leather Industry in 2011**



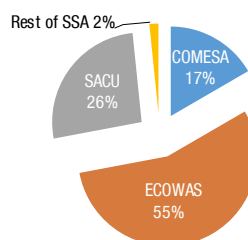
**Global Imports of Inputs of Leather Industry**



**Intra-Regional Imports of Inputs of Leather Industry**



**Intra-Regional Exports of Outputs of Leather Industry**



Source: Authors' calculations based on identified leather inputs and output.

## 2.4 TRENDS IN GLOBAL AND REGIONAL TRADE IN CHEMICALS USED BY THE LEATHER INDUSTRY

Chemicals are an important input in the leather industry and have a large share in global and regional trade in Africa.<sup>10</sup> Global imports of chemicals are much higher than their global exports, indicating the low availability of this input in the region. Global imports of chemicals have increased consistently at an average rate of 16 per cent per annum in the period 2002–2011, increasing from \$200 million in 2002 to \$928 million in 2011 (figure 2.9). Global

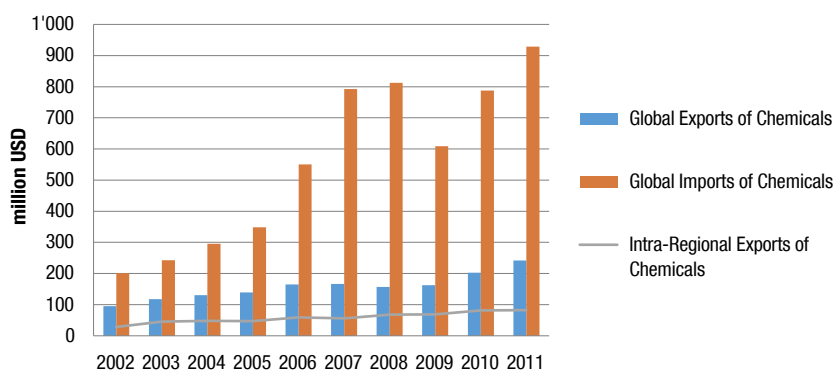
<sup>10</sup> Top exporters and importers are included.

exports are much lower at \$241 million in 2011 but have risen at almost the same average annual growth rate (17 per cent).

The trend in global trade does not differ much across regional groups, as global imports are much higher than global exports for all three subgroups, COMESA, ECOWAS and SACU, with global imports of ECOWAS being the highest, and global exports of SACU being the highest (figure 2.10).

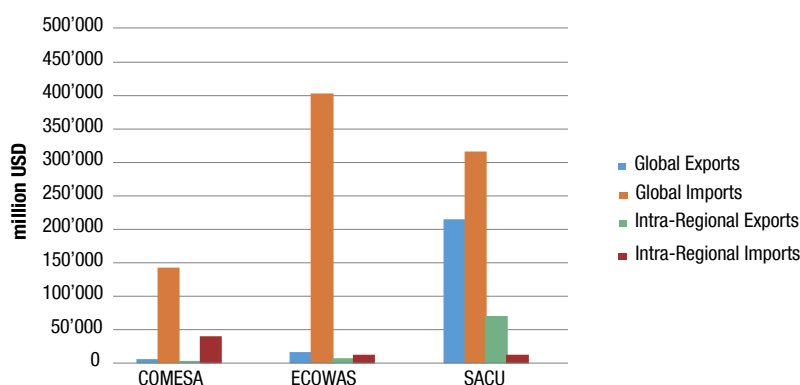
At country level, Nigeria and South Africa comprise 76 per cent of global exports of the leather industry; The share of Kenya, Ethiopia and Côte d'Ivoire is 12 per cent of global exports, while the remaining 12 per cent is shared between other countries (figure 2.11).

**Figure 2.9**  
Global and regional trade in chemicals used by the leather industry



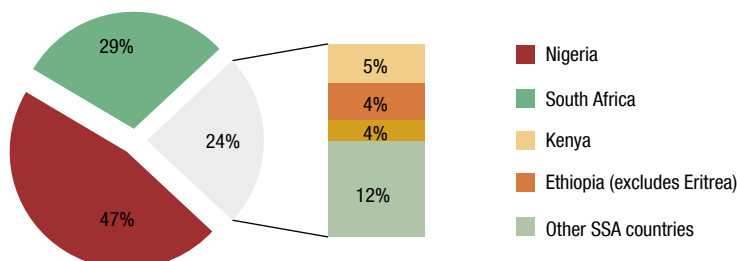
Source: Authors' calculations based on identified leather inputs and output.

**Figure 2.10**  
Global and regional trade in chemicals of COMESA, ECOWAS and SACU



Source: Authors' calculations based on identified leather inputs and output.

**Figure 2.11**  
Share of countries in global exports of inputs and outputs of the leather industry



Source: Authors' calculations based on identified leather inputs and output.

Although most of the countries in Africa have some trade in leather and leather products, the share of countries in global trade is skewed. The top five countries contribute 94 per cent of total exports of inputs of the leather industry to the world. These are Egypt, Ethiopia, Kenya, Nigeria, and South Africa. Trade in outputs is equally concentrated, with top five countries accounting for 98 per cent of exports of leather outputs to the world. These are Egypt, Madagascar, Mauritius, Nigeria and South Africa. Intraregional exports are also concentrated but with different country groups. Burkina Faso, Nigeria, Namibia, South Africa and Zambia contribute 95 per cent of intraregional trade. In chemicals, the top six importers in the region are Côte d'Ivoire, Ethiopia (does not include Eritrea), Kenya, Nigeria, South Africa and Uganda. The top six exporters are Côte d'Ivoire, Kenya, Nigeria, Namibia, South Africa and Zimbabwe.

The above trends highlight some important observations:

- There is a growing demand for leather products in the region, which is being catered to by global imports and by intraregional trade but at a much lower level.
- The region has the necessary capability to produce leather products, as it is increasingly exporting leather products to rest of the world as well as to countries within the region.
- The region has sufficient inputs for leather products, as imports of inputs are much lower than their exports.

- Chemicals are an important input (besides primary and processed leather) to the leather industry and needs to be included in any analyses of trends of inputs and outputs of leather industry.
- The region's demand for chemicals is growing consistently with the rise in production of leather products.
- Along with the supply of primary and processed leather, there is also a demand for leather inputs within the region, as intraregional trade in leather inputs, especially processed inputs, has also been rising in recent years.

Given these trends, what emerges strongly is that not many countries have been able to benefit from this growing demand in the region for leather products. Most countries are still focused on global exports of inputs of the leather industry, especially processed leather. Nevertheless, intraregional trade in inputs and outputs of the leather industry has shown some encouraging trends, especially in the case of leather products. This needs to be more widespread and include the participation of more countries. There is a need to identify export potential in inputs and outputs of the leather industry in different countries in the region, and careful efforts are required to promote production and exports of leather products from more number of countries. The next section estimates a gravity model to arrive at the trade potential in Africa<sup>11</sup> among and between COMESA, ECOWAS and SACU member countries.

<sup>11</sup> Top exporters and importers of Africa are included.

## CHAPTER 3: POTENTIAL INTRAREGIONAL TRADE IN LEATHER AND LEATHER PRODUCTS: METHODOLOGY AND RESULTS

### 3.1 METHODOLOGY

To assess the extent of potential for intraregional trade in leather and leather products, a gravity model has been estimated for the top three regional trading arrangements in terms of share in trade in leather and leather products: COMESA, ECOWAS and SACU. The analysis is based on total bilateral trade in inputs, as well as outputs, of the leather industry. The estimated equation of the gravity model gives the predicted regional trade based on the gravity of the region. The difference between predicted trade and actual trade results in the potential regional trade in LLP.

Originally proposed by Tinbergen (1962) for international trade, the gravity model predicts bilateral trade flows between any two countries as a positive function of their size and a negative function of the distance between them. Gravity is expected to explain a major proportion of inter-country trade and therefore can be used to assess the potential trade in any sector between two countries or a region. Based on bilateral trade, a gravity equation for the leather

industry is estimated for the period 2002–2011, using dynamic panel data estimations (GMM-Arellano and Bond 1991). Most of the earlier studies have used static models, which may result in biased results, as trade is a dynamic process. These studies have also used bilateral trade in leather and leather products, ignoring other outputs of the leather industry (which may be inputs to other industries and not consumer goods). The inputs used by studies often include just primary and processed leather, not taking into account chemicals. This study used data for all inputs and outputs identified by BEC (Broad Economic Classification). The concordance with HS 2002 at the six-digit level is undertaken to arrive at total bilateral trade between countries.

The trade data is taken from the United Nations COMTRADE. All identified inputs and outputs have been included in the data set. Size variables have been extracted from the world development indicators. Distance variables are extracted from CEPIL. The gravity model estimated for arriving at potential intraregional trade in leather and leather products is as follows:

$$\ln T_{ijt} = \beta_0 + \beta_1 \ln T_{ijt-1} + \beta_2 \ln(\text{POP}_{it} \times \text{POP}_{jt}) + \beta_3 \ln(\text{GDP}_{it} \times \text{GDP}_{jt}) + \beta_4 \ln(\text{Distance}_{ij}) + e_{ijt}$$

Where,  $T_{ijt}$  is bilateral trade in LLP between countries  $i$  and  $j$  in period  $t$ .  $\text{GDP}_{it}$  = GDP of country  $i$  at point  $t$ ,  $\text{GDP}_{jt}$  = GDP of country  $j$  at point  $t$ ,  $\text{POP}_{it}$  = population of country  $i$  at point  $t$ ,  $\text{POP}_{jt}$  = Population of country  $j$  at point  $t$  and  $e_{ijt}$  = error term.

### 3.2 RESULTS OF GRAVITY MODEL

The model uses comparable bilateral trade data for 26 countries that trade LLP in the region for the period 2002–2011. The estimated dynamic gravity model results show that the actual total trade in the region has been much lower than the potential trade in leather industry, especially if all inputs and

outputs of leather industry are considered, including chemicals (table 3.1). In the period 2002–2011, actual intraregional trade in this sector has been on an average around \$395 million per annum. Potential trade is estimated as \$544 million every year for this period, which is almost double the actual average trade, with the existing tariff structure. Removing tariffs on leather can increase the existing average trade by 2.5 times, while removing tariffs on leather products can increase trade by three times. No tariffs or non-tariff barriers can increase the existing average intraregional trade by six times the existing trade. Non-tariff barriers can therefore be quantified as \$1.9 billion (i.e. the difference between potential trade with tariffs and without tariffs).

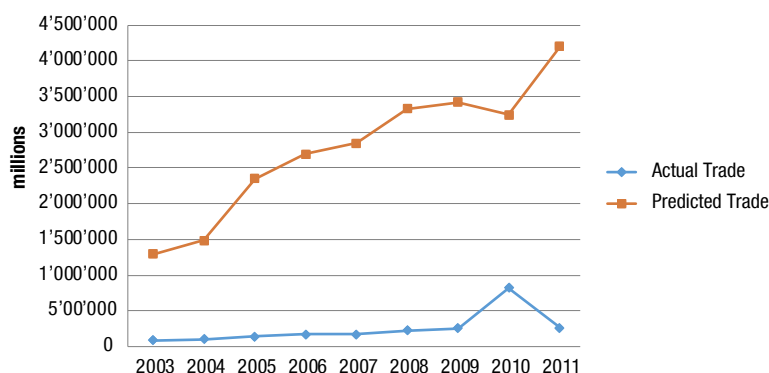
**Table 3.1**  
Estimated and potential intraregional trade in leather and leather products

	Actual intraregional trade (‘000 USD) (Average 2002–2011)	Predicted trade (‘000 USD)	Trade can rise by
Gravity model estimates with existing tariffs on leather and leather products	245 136	544 092	2.2 times
Gravity model estimates with existing tariffs on leather products and no tariff on leather products	245 136	997 082	4 times
Gravity model estimates with existing tariffs on leather and no tariff on leather products	245 136	1 333 495	5.4 times
Gravity model estimates with no tariffs and non-tariff barriers on leather and leather products	245 136	2 517 282	10 times

Over time, in the period 2002–2011, the difference between actual and estimated trade has increased, instead of declining (figure 3.1). One of the major reasons for this is, although rising per capita incomes

have raised the potential to trade in this sector in the region due to increase in demand for finished leather products, but high tariffs and non-tariff barriers have been a major hindrance to intraregional trade.

**Figure 3.1**  
Actual and potential trade in leather and leather products, 2002–2011



Source: Authors' estimation.

Table 3.2 reports the potential intraregional trade between the three regional groupings used in the gravity model: COMESA, ECOWAS and SACU. Actual average exports to the region in the period 2002–2011

were highest from ECOWAS, followed by COMESA and then SACU. All regional groups have the potential to more than double their existing intraregional trade (SSA).

**Table 3.2**  
Potential trade in leather and leather products among COMESA, ECOWAS and SACU  
(Average of 2002–2011)

	Actual intraregional trade	Predicted intraregional trade
COMESA	80 119	167 219
ECOWAS	116 670	275 688
SACU	48 347	111 118
Total	245 136	554 025

Source: Authors' estimation.

Table 3.3 reports actual and estimated trades for countries in the model. The total existing regional exports are much lower – \$295 million – as compared with global exports of these countries.

Gravity model estimates point out that the scope for increasing intraregional trade for almost all countries is high in Africa in leather and leather products. The export potential of each country within this sector at the product level is examined in the next section.

**Table 3.3**  
Country-wise actual and potential average trade in leather and leather products, 2002– 2011

	Predicted intraregional exports trade (\$000)	Existing regional exports (\$000)	Existing global exports (\$000)	Exports to COMESA (\$000)	Exports to ECOWAS (\$000)	Exports to SACU (\$000)
Benin	182	119	147	0	105	14
Botswana	6 931	5 333	7 450	436	1	4 896
Burkina Faso	2 775	1 079	4 346	7	1 071	2
Burundi	1 126	834	2 088	834	0	0
Cabo Verde	2 958	9	3 442	0	1	8
Côte d'Ivoire	11 420	31 275	37 946	744	30 525	5
Egypt	51 184	9 548	149 235	7 682	1 470	396
Ethiopia <sup>a</sup>	18 798	401	75 567	302	23	75
Gambia	20	32	187	2	30	0
Ghana	8 347	6 786	7 091	3	6 677	106
Guinea	25	7	50	0	7	0
Kenya	35 903	28 795	71 587	27 856	461	478
Libya	114	14	390	14	0	0
Madagascar	2 779	107	10 490	93	1	13
Malawi	442	292	892	228	0	63
Mali	1 670	973	3 248	0	972	1
Mauritius	9 578	1 905	15 435	1 736	4	165
Namibia	10 713	8 596	25 693	1 210	4	7 382
Niger	550	308	1 731	1	305	2
Nigeria	269 440	129 998	1 027 618	1 017	20 847	108 134
Rwanda	5 570	4 493	6 870	4 489	0	4
Senegal	4 192	3 888	10 007	15	3 872	1
South Africa	93 474	49 371	345 853	41 875	7 496	0
Togo	186	375	560	28	347	0
Uganda	7 135	3 804	12 709	3 798	3	3
Zambia	8 515	7 005	10 305	6 198	0	808
Grand total	554 027	295 346	1 831 020	98 571	74 222	122 553

Source: Authors' estimation.

<sup>a</sup> Does not include Eritrea.

## CHAPTER 4: IDENTIFYING EXPORT POTENTIAL IN LEATHER AND LEATHER PRODUCTS

### 4.1 INTRODUCTION

In order to examine product-wise export potential of different countries in the region in leather and leather products, the Contribution to Trade Balance index (CTB) and the international market position (POS) are used. An attempt is made to identify competitive export basket for each country in the region separately for primary leather, processed leather, chemical inputs and finished leather products. The potential export basket is further divided into those products for which regional demand exist, i.e. the potential intraregional export basket, and products for which regional demand is limited and therefore is identified as the potential global export basket. Three-year averages (2008–2010) are used for the analysis.

### 4.2 METHODOLOGY

To identify the list of potential exports, United Nations/COMTRADE data at six-digit level of HS classification for a period of 2008–2010 is used. One of the most

popular methods of comparative advantage is the revealed comparative advantage proposed by Balassa (1965). According to this method, if the share of exports of a product in total exports exceeds that of the share of exports of products  $i$  in total world exports, the county would have comparative advantage in  $i$ . However, it is argued that in a situation when a country imports large part of its exports and does only minor value addition in terms of assembly process, etc., RCA may not correctly reflect comparative advantage in that product, as it does not consider imports.

To overcome the limitation of RCA, CEPIL has suggested an indicator of comparative advantage that is based on exports and imports of a commodity by a country. The indicator depends on the spread between the trade balance of product  $i$  (relative to GDP) and the global trade balance, weighted by the share of product  $i$  in world trade. Defined in this way, the indicator reveals a comparative advantage pattern, as any deviation of the specific product to the overall balance corresponds to an advantage (disadvantage) if the contribution to the overall balance is positive (negative).

Mathematically,

$$CTB_{ij} = y_{ij} - \left(\frac{W_i}{W}\right) * y_j \quad (1)$$

Where,  $W_i$  = world trade of product  $i = \sum_i (X_i + M_i)$

$W$  = world trade of all products =  $\sum_i \sum_j (X_{ij} + M_{ij})$

$Y_j$  = total trade balance of county  $j$  in relation to GDP =  $1000 * \frac{X_j - M_j}{GDP_j}$

CTB can alternatively be defined as:

$$CTB_{ij} = 1000 * \frac{W_i}{GDP_j} * \left[ \frac{(X_{ij} - M_{ij})}{W_i} - \frac{(X_j - M_j)}{W} \right] \quad (2)$$

If the sign of CTB is positive, country  $j$  would have comparative advantage; if negative, there would be a disadvantage.

The first part in equation (2) measures the market position (POS) or international competitiveness of country  $j$  in

product  $i$ . It is possible that the value of CTB is positive even if the value of POS is negative, indicating that the country does not have international competitiveness in product  $i$ . To avoid this, a stricter criteria is used, whereby comparative advantage is considered in only those products where POS and CTB are both positive.

### 4.3 POTENTIAL GLOBAL AND REGIONAL EXPORT BASKETS

For leather and leather products, 120 unique tariff lines have been identified at HS six-digit tariff lines,<sup>12</sup> i.e. 120 inputs and outputs have been identified. Applying the above methodology and using three-year averages (2008–2010), the CTB and POS indices are estimated for each of the 120 tariff lines in all countries of Africa, for which trade data was available. There are 40 countries in the three regions altogether, apart from Algeria and Morocco, which are not part of these subregional groups; the analysis included 37 countries, 26 of which were found to be competitive in either outputs or inputs of the leather industry.

If a product qualifies as competitive according to both of the indices, the product for the potential export basket of the country is selected. After identifying products with export potential, only those products where regional demand exists are identified, i.e. the region's global imports are greater than the country's global exports. Further, all exports greater than \$100,000 for a country are considered. If region's global imports are lower than a country's global exports, the products are selected for country's potential global export basket. The potential regional and global export baskets for each country are determined according to these strict criteria.

Annex table 2 reports the inputs and outputs of the leather industry for each country where the country is found to be competitive after applying the above criteria. Potentially, Morocco has the most leather outputs (23), followed by Kenya (8), Madagascar (6), Mauritius (6), Côte d'Ivoire (5), Ethiopia (5), Zimbabwe (4), Egypt (3), Nigeria (2) and Uganda (2). One potential leather output is identified for Rwanda, Cabo Verde, Ghana, Senegal and Zambia (table 4.1). Final products identified for different countries include footwear, parts of footwear, trunks, suitcases, handbags and seats. The country identified as having the highest number of competitive leather inputs is Egypt (21) – mainly tanned leather inputs – followed by South Africa (19), Ethiopia (17), Namibia (13) and Kenya (12). The region as a whole has the potential to export 75 leather products and 161 leather inputs. On average, the region's global exports in 2008–2010 are lower than its global imports. There is high potential for intraregional trade, as regional exports are much lower than global imports of the region for final leather products and chemicals, although the region's global exports of processed leather and primary leather are much higher than its global imports. Intraregional exports are only 14 per cent of total global exports of the region. Demand in the region therefore exists for almost all countries, except for Algeria, Nigeria and South Africa, where global exports are larger than the region's global imports. For these three countries, along with the potential regional export basket, the potential global export basket has also been identified.

<sup>12</sup> Broad Economic Classification (BEC) has been used to identify tariff lines for primary, processed and final leather products. Further, GTAP category was used with concordance available for HS 2002 to identify relevant tariff lines.



**Table 4.1**  
**Number of products identified in potential regional and global export baskets**

Country	Number of final leather outputs identified	Number of leather inputs identified	Total number of leather and leather products identified	Country's average global exports (2008–10) (1 000 \$)	Country's average regional exports (2008–10) (1 000 \$)	Region's share in country's exports (%)	Region's average global imports (2008–10) (1 000 \$)
Algeria		3	3	15 199	185	1	2 293
Botswana		4	4	2 755	1 376	50	12 427
Burkina Faso		2	2	5 605	2 094	37	7 559
Burundi		3	3	2 044	775	38	6 746
Cabo Verde	1	0	1	2 606	0	0	19 512
Côte d'Ivoire	5	3	8	33 110	29 549	89	254 382
Egypt	3	21	24	124 872	10 816	9	168 443
Ethiopia	5	17	22	73 641	1 077	1	422 279
Ghana	1	0	1	391	202	52	24 573
Kenya	8	12	20	86 912	29 330	34	308 399
Madagascar	6	3	9	14 365	11	0	100 688
Malawi		2	2	506	146	29	10 300
Mali		4	4	3 285	296	9	17 918
Mauritius	6	0	6	15 295	41	0	70 667
Morocco	23	6	29	407 987	11 529	3	909 350
Namibia		13	13	25 114	9 043	36	73 165
Niger		2	2	276	78	28	576
Nigeria	2	9	11	1 563 319	245 469	16	598 660
Rwanda	1	4	5	3 794	1 969	52	125 697
Senegal	1	7	8	4 564	1 293	28	65 396
South Africa	6	19	25	253 249	16 467	7	74 203
Sudan		5	5	15 719	58	0	18 295
Uganda	2	8	10	14 900	4 144	28	68 664
Zambia	1	7	8	7 082	3 617	51	101 191
Zimbabwe	4	7	11	19 761	4 562	23	420 254
Total of three regions	0 75	0 161	0 236	2 696 351	374 127	14	3 881 637

# CHAPTER 5: IDENTIFICATION OF POTENTIAL REGIONAL VALUE CHAINS IN LEATHER AND LEATHER PRODUCTS

## 5.1 INTRODUCTION

As discussed above, intraregional trade in leather and leather products is small, i.e. only 14 per cent of the region's total global exports in this industry. However, there is great potential for intraregional trade, and the regions can more than double the existing trade in this industry. One of the ways to do this would be by exploring the possibility of forming regional value chains in this sector. Interestingly, most of the economies in the region have experienced a rising trend in exports of finished leather products to the region since 2000. These products are broadly, leather footwear, leather bags and suitcases, leather articles for clothing and apparel, and leather saddles and harnesses. In order to strengthen the global competitiveness of the region in leather products, it is important that the rising trend in exports of final leather products in all countries gain further momentum and the countries increase their competitiveness in exporting finished leather products. With this objective, an attempt has been made to identify potential regional value chains for leather products. The methodology adopted for this is described below.

## 5.2 METHODOLOGY

As discussed earlier, the study uses the categorization of inputs and outputs in leather industry provided by the Broad Economic Classification (BEC). Leather inputs are divided into primary leather, processed leather and chemicals used in leather. Twenty six countries of Africa are identified, which can together form regional value chains in this industry. Twenty four countries<sup>13</sup> belong to COMESA, ECOWAS and SACU subregional groups; the two others are Algeria and Morocco.

Identifying regional value chains, which Africa as a region can potentially form for either regional exports or global exports, involves the following steps:

Step 1: Using BEC and the concordance matrix of HS 2002, identify HS tariff lines under the four broad categories: finished leather products; processed leather, primary leather and chemicals used in leather. In total, 120 tariff lines are identified, of which 50 are finished leather products, 31 are processed leather, 15 are primary leather and 24 are chemicals.

Step 2: Using the earlier estimated CTB and POS indices, identify for each country, final leather products where the country has competitive advantage. Further divide these into final leather products for regional exports where demand in the region exists, i.e. the region's global imports are higher than the country's global exports in that product; and for global exports where demand in the region does not exist. To ensure that the country has minimum supply capacity, threshold exports of \$100,000 are used as a benchmark. Any country that is found to be competitive but exports less than \$100,000 on average in the period 2008–2010, is not selected.

Step 3: Identify processed leather and primary leather inputs for each country, which the country can import from the region at a lower cost. This is done by comparing a country's import unit value for primary and processed leather from the region and from its top exporter from outside the region. To this list is added the list of primary and processed leather inputs which the country can import regionally, though at present it may not be able to do so at a lower cost because of high tariffs.

Step 4: Identify potential products for investment within the leather industry for each country where regional or extraregional foreign direct investments (FDI) are needed. This entails identifying those products in a country where the country is found to be competitive in the region but does not have sufficient supply capacity to fulfil regional demand therefore requires FDI to boost its capacity. This would help to upgrade its technology and increase its scale of production. For each country, a threshold

<sup>13</sup> Benin, Botswana, Burkina Faso, Burundi, Congo, Côte d'Ivoire, Egypt, Ethiopia (does not include Eritrea), Ghana, Kenya, Madagascar, Malawi, Mali, Mauritius, Namibia, Niger, Nigeria, Rwanda, Senegal, South Africa, Sudan, Uganda, Zambia, Zimbabwe.

of \$100,000 exports is applied to arrive at a list of primary, processed and finished leather products where the country has the export competitiveness in the region based on RCA (revealed comparative advantage with respect to regional exports). To check competitiveness overtime, the trend in global RCA since 2003–2011 is examined. The products where export competitiveness has been maintained and country's exports are lower than region's global imports are selected as areas for potential products needing inward FDI. This identifies the country and the product within the leather industry, which is most competitive in the region and there exists regional demand but the country may lose competitiveness over time from competition from global imports and therefore needs to build its supply capacity. To identify countries within the region which can undertake intraregional investments in the identified products, a selection is made of those global exporters in the region that have rising competitiveness and whose global exports are greater than the region's global imports.

Finally, three lists are identified for each country. List I indicates the potential outputs of finished leather products for exports to the region where the country has the export potential and region's demand exists and for global exports if the demand does not exist in the region). List II contains the potential inputs, namely primary leather, processed leather and chemicals used by leather industry, for imports from the region where region has the supply capacity and can supply at a lower cost. List III contains products for potential inward FDI where the country has export competitiveness and the region has high demand but the country may lose its export competitiveness over time. To this are added identified products, where the country is most competitive and is the largest exporter in the region and therefore can make intraregional investments.

### 5.3 LIST I: IDENTIFIED LEATHER PRODUCTS FOR REGIONAL AND GLOBAL EXPORTS

Using the above steps, table 5.1 reports the number of products identified for each country for regional and global exports. Annex list I gives the detailed information. There are 75 total leather and leather products identified for 16 countries, where countries in the region have competitive advantage based on CTB and POS and their global exports are higher than

\$100,000. Of 75 products, regional demand exists for 65 leather products, as country's global exports are lower than region's global imports. In the period 2008–2010, average global exports of the countries in these products amounted to \$672 million, while demand in the region stood at \$2.9 billion. Out of \$672 million, only 15 per cent (\$99 million) was exported to the region. Appendix list I reports country-wise identified products. The largest number of products is identified for Morocco. These include Footwear (HS 640192, 640192, 640212, 640291, 640319, 640320, 640359, 640391, 640399, 640411, 640420, 640510, 640520, 640590,); leather bags, suitcases (HS 420211, 420211, 420221, 420231, 420291), and articles of apparel and clothing accessories, of leather or of composition leather (HS 420329, 420329, 420330). There are eight products identified for Kenya. These include leather bags and suitcases (HS 420211, 4220291) and footwear with outer soles (640192, 640220, 640291, 640419). Footwear has also been identified as a leather product for regional exports for Ethiopia. These include HS 640319, 640391, 640399, 640590 and 640610. These products differ from those identified for Kenya. Leather bags, suitcases and the like have also been identified for Madagascar, like Kenya, but the codes identified differ from those identified for Kenya. These are HS 420221, 420222, 420229, 420291, 420500 and 650699. The detailed description of these codes is reported in appendix table 1. This shows that although these three countries have similar products identified for regional exports, these products are not identical and are differentiated products, giving an edge to the identified country in the region. Along with footwear, the identified regional exports for Mauritius include articles of apparel, clothing accessories and other articles of fur skin. Four products are identified for South Africa.

Table 5.2 provides a list of 20 leather products which have been identified as unique leather products for regional exports for the countries. Footwear has also been identified for potential regional exports for Côte d'Ivoire. Two products out of five (HS codes 640199, 640220) are unique products identified for a country in the region. For South Africa, the unique leather product identified for regional exports is HS 420100 (saddlery and harnesses for any animal, which includes traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like, of any material). HS 420222 and 420229 have been identified as unique products for Madagascar, while identified products for regional exports for Zimbabwe include footwear and seats (HS 940161).

**Table 5.1**  
**List I: Number of potential finished leather products identified for regional and global exports of Africa**

Country	Potential final products for regional exports	Potential final products for global exports	Total number of final products identified	Country's global exports average (2008–2010) (1000 \$)	Region's global import average (2008–10) (1000 \$)
Cabo Verde	1		1	2 606	19 512
Côte d'Ivoire	5		5	25 503	188 100
Egypt	3		3	8 617	30 508
Ethiopia	5		5	7 173	330 640
Ghana	1		1	391	24 573
Kenya	7	1	8	30 165	236 467
Madagascar	5	1	6	11 057	87 671
Mauritius	5	1	6	15 295	70 668
Morocco	19	4	23	387 890	866 563
Nigeria	1	1	2	154 750	369 853
Rwanda	1		1	1 184	117 290
Senegal	1		1	1 030	36 295
South Africa	4	2	6	17 188	19 896
Uganda	2		2	3 717	9 612
Zambia	1		1	1 575	36 102
Zimbabwe	4		4	4 289	410 486
Total	65	10	75	672 430	2 854 236

**Table 5.2**  
Country-wise identified unique leather products for regional exports

S.No	HS 6 digit	Country	Description at the four-digit level
1	420100	South Africa	Saddlery and harnesses for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material
2	420211	Kenya	Trunks, suitcases, vanity cases, executive cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling bags, insulated food or beverages bags, toile
3	420212	Zimbabwe	Trunks, suitcases, vanity cases, executive cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling bags, insulated food or beverages bags, toile
4	420222	Madagascar	Trunks, suitcases, vanity cases, executive cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling bags, insulated food or beverages bags, toile
5	420229	Madagascar	Trunks, suitcases, vanity cases, executive cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling bags, insulated food or beverages bags, toile
6	420231	Mauritius	Trunks, suitcases, vanity cases, executive cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling bags, insulated food or beverages bags, toile
7	420292	Mauritius	Trunks, suitcases, vanity cases, executive cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling bags, insulated food or beverages bags, toile
8	420299	Ghana	Trunks, suitcases, vanity cases, executive cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling bags, insulated food or beverages bags, toile
9	420310	Mauritius	Articles of apparel and clothing accessories, leather or composition leather
10	430390	South Africa	Articles of apparel, clothing accessories and other articles of fur skin
11	640110	South Africa	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes
12	640199	Côte d'Ivoire	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes
13	640299	Nigeria	Other footwear with outer soles and uppers of rubber or plastics
14	640319	Ethiopia (does not include Eritrea)	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather
15	640320	Uganda	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather
16	640391	Ethiopia (does not include Eritrea)	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather
17	640590	Ethiopia (does not include Eritrea)	Other footwear
18	640620	Kenya	Parts of footwear (including uppers, whether or not attached to soles other than outer soles); removable insoles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof
19	650699	Madagascar	Other headgear, whether or not lined or trimmed
20	940161	Zimbabwe	Seats (other than those under heading 94.02), whether or not convertible into beds, and parts thereof

Regarding the 20 unique leather products identified above, a comparison was made between unit values of the top global importers and the top regional importers. It is found that the import unit value of regional importers for 10 products (table 5.3) was higher than that of the top global importers. Although a comparison of import unit values has its limitations,

mainly that the differences in the quality of the products demanded and associated delivery services provided may not be apparent in the unit costs, but this is indicative that the region not only provides demand for regional leather products but there is evidence that this demand is also accompanied by higher returns.

**Table 5.3**  
Comparison of unit values of the region's top importers and global top importers in identified unique products for regional exports

HS 6 digit	Country	Top global importer	Unit value of top global importer	Top importer in region	Unit value of top importer in the region	Region's share in country's exports (%)
420212	Zimbabwe			South Africa	1.94	99.95
420231	Mauritius	France	121.75	South Africa	122.39	0.19
420310	Mauritius	United Kingdom	99.15	South Africa	99.36	0.14
640110	South Africa	Singapore	8.31	Zimbabwe	11.85	44.23
640199	Côte d'Ivoire	Angola	8.93	Mali	8.94	97.31
640299	Nigeria	Belgium	10.41	Ghana	10.41	27.72
640319	Ethiopia (does not include Eritrea)	Somalia	26.96	Sudan	26.98	99.23
640391	Ethiopia (does not include Eritrea)	Italy	42.07	South Africa	42.08	25.26
640620	Kenya	United Republic of Tanzania	0.57	Rwanda	0.83	68.58
940161	Zimbabwe	Australia	135.00	Zambia	159.31	99.50

## 5.4 LIST II: IDENTIFIED INPUTS TO BE SOURCED FROM THE REGION

Following the methodology discussed above, inputs have been identified for leather products which can be sourced from within the region at a lower cost, as compared with what countries are globally importing (table 5.4). This can boost cost competitiveness of the leather industry. There are a total of 159 inputs identified in the region which the countries can source regionally for their leather industry. Of these, 18 are primary inputs, 40 are processed leather inputs and 101 are chemical inputs for the leather industry. In the period 2008–2010, on average, inputs worth \$215 million were imported from outside the region, while the region globally exported \$3.4 billion of these inputs. Appendix list II reports the detailed information of these inputs. Comparing the unit values of exports, it is found that out of 159 inputs, 100 inputs can be sourced at a lower cost from the region. The region also has the supply capacity as its global exports are much higher than the region's demand. Out of 100 inputs, 65 are chemical inputs, such as synthetic organic-tanning substances, synthetic colouring matter, and polishes and creams for footwear and the like. Algeria, Morocco, Nigeria, Kenya and Ethiopia are the top importers of these chemical inputs, importing from France, Germany, the United States+, India and Italy, while South Africa has lower export unit values in these

chemical inputs and has higher global exports than the countries' global imports.

The top importers of processed leather in the region are Morocco and South Africa. Morocco imports tanned or crust hides and skins of bovines (including buffalo) (HS 410411, 410419, 410441); leather further prepared after tanning or crusting (HS 410719, 410799, 411310, 411330) from Italy, Germany, Spain, France, etc. (see appendix list II), while Egypt has a lower unit value. Similarly, South Africa imports tanned or crust hides and skins of bovines (including buffalo), HS 410411, from Australia, while Zambia globally exports this input at a lower cost, and its exports are higher than imports of South Africa. Similarly, South Africa imports input HS 411310 (leather further prepared after tanning and crushing) from India at a price which is double the price at which Ethiopia exports the input to the world. Mauritius and Nigeria globally import from Italy and Belgium at a much higher cost as compared with what South Africa and Botswana globally export. Kenya imports rawhides from New Zealand, while Burundi exports the same HS tariff code to the world at a much lower price.

In many cases, it was difficult to find data on unit costs. Using all information available, regional demand for leather inputs is \$215 million. Of this, only \$33 million (15 per cent) is being sourced from the region, while the region can supply these at a much lower cost and has sufficient supply capacity.

**Table 5.4**  
**List II: Number of primary, processed and chemical leather inputs that can be sourced within Africa**

Country	Processed	Primary	Chemical	Total	Country's average global imports (2008–2010) (1000 \$)	Region's average global exports (2008–2010) (1000 \$)
<b>At a lower cost</b>						
Algeria	3		15	18	36 646	222 003
Benin			1	1	125	7 915
Botswana			3	3	2 674	29 424
Burkina Faso			2	2	403	12 484
Burundi			1	1	254	4 568
Côte d'Ivoire			1	1	573	602
Egypt	3	3	1	7	6 772	120 306
Ethiopia(does not include Eritrea)			2	2	4 689	11 133
Ghana	1		3	4	738	7 647
Kenya		2		2	4 341	23 761
Madagascar			2	2	418	21 065
Malawi			1	1	238	643
Mali		1		1	134	16 525
Mauritius	2		4	6	4 828	86 378
Morocco	9	1	10	20	55 340	1 153 441
Namibia		1	2	3	2 945	19 136
Niger			2	2	248	12 484
Nigeria	1		2	3	4 914	21 512
Rwanda			1	1	312	4 558
Senegal			3	3	2 344	28 748
South Africa	5	2	1	8	20 992	797 188
Sudan			1	1	118	325
Uganda			4	4	1 742	21 505
Zimbabwe	1		3	4	1 911	14 404
<b>Total</b>	<b>25</b>	<b>10</b>	<b>65</b>	<b>100</b>	<b>153 699</b>	<b>2 637 755</b>
<b>Not necessarily at a lower cost</b>						
Algeria	2			2	399	12 062
Burkina Faso			1	1	103	8 398
Burundi			1	1	147	16 499
Congo			1	1	85	4 569
Côte d'Ivoire			2	2	409	20 679
Egypt	1	1		2	4 250	22 782
Ethiopia (does not include Eritrea)			4	4	6 476	76 672
Ghana			2	2	2 674	24 414
Kenya	1	1	5	7	6 443	106 091
Madagascar	2		1	3	1 511	17 754
Malawi			2	2	689	21 023
Mali			1	1	237	4 565
Mauritius	2			2	3 335	9 504
Morocco	3			3	7 790	29 576
Namibia		1	2	3	3 478	35 413
Nigeria	2	2	2	6	8 642	105 468
Rwanda			1	1	651	16 499
South Africa	1	2		3	2 236	19 716
Sudan			2	2	464	8 558
Uganda			3	3	2 502	51 136
Zambia			4	4	6 238	37 308
Zimbabwe	1	1	2	4	1 729	76 945
<b>Total</b>	<b>15</b>	<b>8</b>	<b>36</b>	<b>59</b>	<b>61 253</b>	<b>725 631</b>
<b>Grand total</b>	<b>40</b>	<b>18</b>	<b>101</b>	<b>159</b>	<b>214 952</b>	<b>3 363 387</b>

**Table 5.5**  
Comparison of export unit values of leather inputs of top global and top regional exporters

Subregional group	Country	Product	HS 6-digit level	Country's average global imports (2008–2010) (1000 \$)	Region's share in country's imports (%)	Region's average global exports (2008–2010) (1000 \$)	Top global exporters	Export unit values of global exporter	Top exporters in region	Export unit values of regional exporter
COMESA	Ethiopia	Chemical	320 210	4 144	13.19	6 564	Italy	2.30	South Africa	1.36
COMESA	Uganda	Chemical	320 417	1 157	7.78	7 915	Germany	8.88	Kenya	7.04
ECOWAS	Nigeria	Chemical	283 010	2 180	6.25	8 403	United Arab Emirates	0.52	Botswana	0.52
ECOWAS	Senegal	Chemical	320 417	1 725	56.67	7 757	France	11.68	Côte d'Ivoire	4.25
SACU	South Africa	Chemical	340 510	1 052	0.01	11 530	Italy	9.08	Malawi	1.39
COMESA	Mauritius	Processed	411 390	3 090	0.39	47 287	Italy	62.65	South Africa	33.00
ECOWAS	Nigeria	Processed	410 799	2 170	0.56	8 540	Belgium	20.72	Botswana	20.70
SACU	South Africa	Processed	410 411	15 511	0.63	16 331	Australia	6.06	Zambia	1.77
SACU	South Africa	Processed	411 310	1 217	0.27	731 934	India	33.65	Ethiopia (does not include Eritrea)	16.64
COMESA	Kenya	Primary	410 190	1 688	64.24	7 206	New Zealand	4.42	Burundi	1.01

### 5.5 LIST III: IDENTIFIED POTENTIAL LLP FOR INTRAREGIONAL INVESTMENTS AND POTENTIAL REGIONAL INVESTORS

To identify the leather inputs and outputs that may require inward regional or extraregional FDI, those LLPs have been identified where the country has rising competitiveness but lacks supply capacity. The rising competitiveness of a country is measured by comparing three-year averages of revealed comparative advantage (RCA) in the period 2003–2010 of a country in the products where regional demand exists (i.e. a country's global exports are lower than the region's global imports). For identifying the countries which can undertake intraregional FDI in inputs and outputs, those countries x LLPs have been identified where the countries have rising competitiveness and their global exports are higher than region's global imports. These countries therefore have the capacity and capability to make intraregional investments and will gain through economies of scale. List III (a) reports the number of LLPs identified for potential FDI, and list III (b) reports the countries in the region which can make intraregional FDI in the identified LLPs.

In total, 83 leather inputs and outputs have been identified which may require regional or extraregional FDI. These include 36 leather products, 15 primary leather inputs, 23 processed leather inputs and 9 chemicals used for leather. Total regional exports of these products were on an average \$1.9 billion in the period 2008–2010. Kenya is identified as the country that has the maximum number of leather products, has competitive advantage and needs to develop supply capacity. It is followed by Madagascar, Côte d'Ivoire, Ethiopia and Mauritius. The maximum number of processed leather products, where the countries are competitive and require increased FDI, are identified for Namibia, Ethiopia, Zambia, Egypt and Uganda. Kenya and South Africa are found to have rising competitiveness in chemicals used by the leather industry and require FDI to increase their supply capacities.

In list III (b), 30 leather outputs and inputs have been identified where intraregional investments can be made by the identified countries in the region. Using the criteria of rising competitiveness and as regional supply capacity, South Africa has been identified as a potential regional investor in leather output-HS code 420100 (saddlery and harnesses for any animal, etc.); tanning of leather; and in chemicals used for



tanning, i.e. HS code 284130 (salts of oxometallic or peroxometallic acids) and HS code 320120 (tanning extracts of vegetable origin). Egypt has been identified as a potential investor in eight products, which includes six processed leather products. Kenya has been identified as a potential regional investor in waterproof footwear; Madagascar, for other articles of leather or of composition of leather (HS code 420500); and Mauritius, for articles of apparel and clothing accessories, of leather or of composition of leather.

The number of countries that require investments in identified leather outputs is greater than the number

of countries in the region that can make investments. This also indicates that although the region has an adequate supply of inputs, it lacks the capacity to increase production in outputs on its own. Regional cooperation and intraregional investments and trade need to be boosted, along with extraregional FDI. However, extraregional FDI may not on its own be attracted to production of leather outputs in the region and may prefer to import leather inputs from the region. A higher production of leather outputs therefore may not happen automatically in most of the countries of the region. Targeted policy interventions are required to boost manufacturing of leather outputs in the region.

**Table 5.6**  
**List III (a): Number of potential products identified for inward foreign direct investments of Africa**

Country	Total number of finished products identified for inward FDI	Total number of primary products identified for inward FDI	Total number of processed products identified for inward FDI	Total number of Chemical products identified for inward FDI	Total number of products identified for inward FDI	Region's average global import (2008–2010) (1000 \$)
Burundi		1			1	1 656
Cabo Verde	1				1	19 512
Côte d'Ivoire	5			1	6	253 805
Egypt	1		3	1	5	67 572
Ethiopia(does not include Eritrea)	4		3		7	327 466
Ghana	1				1	24 573
Kenya	6		1	4	11	175 499
Madagascar	5				5	80 745
Malawi		2			2	10 300
Mali			1		1	1 510
Mauritius	4				4	62 409
Morocco	2		1		3	40069.9
Namibia		1	5	1	7	50 963
Nigeria	1		1		2	334 689
Rwanda	1	1			2	118 945
Senegal	1	4	1		6	49 244
South Africa	2	2	1	2	7	40 131
Uganda	1	2	3		6	56 968
Zambia		1	3		4	26 779
Zimbabwe	1	1			2	66 642
Total	36	15	23	9	83	1 809 478

**Table 5.7**  
**List III (b): Number of potential products identified for outward foreign direct investments of Africa**

Country	Total number of finished products identified for outward FDI	Total number of primary products identified for outward FDI	Total number of processed products identified for outward FDI	Total number of Chemical products identified for outward FDI	Total number of products identified for outward FDI	Country's average global exports (2008–2010) (1000 \$)
Algeria			2		2	14 397
Egypt	1		6	1	8	109 117
Ethiopia(does not include Eritrea)			1		1	24 755
Kenya	1				1	7 197
Madagascar	1				1	7 521
Mauritius	1				1	7 805
Morocco	1		1		2	43 427
Namibia		1			1	5 784
Nigeria			3		3	671 142
South Africa	1	4	2	2	9	212 695
Zimbabwe		1			1	11 280
Total	6	6	15	3	30	1 115 120

## CHAPTER 6: FOREIGN DIRECT INVESTMENT IN LLP AND REGIONAL INVESTMENT AGREEMENTS

### 6.1 INTRODUCTION

FDI inflows to SSA increased from \$1.6 billion in 1990 to \$6.8 billion in 2000 and further increased by more than six times to \$37 billion in 2011. In 2010, FDI flows from Brazil, the Russian Federation, India, China and South Africa (the BRICS) to SSA represented 25 per cent of total FDI flows. The top five countries (using average of 2000–2011) received around 56 per cent of total inward FDI. These are Nigeria, South Africa, the Sudan, the Congo and Ghana. FDI as a percentage of GDP of SSA is only about 3 per cent (average 2005–2011). For some smaller countries of the region, however, it comprises more than 10 per cent of their GDP (Liberia, the Congo, Sao Tome and Principe, Seychelles, Djibouti, the Democratic Republic of the Congo and Cabo Verde).

Although there has been a significant rise in inward FDI to SSA, the leather industry has failed to attract sufficient FDI. Very little data are available on inward FDI into the leather industry. Ethiopia, Ghana and Kenya are the only countries that have been identified as destinations of FDI in the leather sector (UNCTAD 2011). The main sources of FDI in the leather sector are mainly Turkey, China and India.

Capital flows have been the bedrock of increased investment activities across the globe, especially with the onset of globalization. Intra-African financial flows have been marginal, although their potential is not lost on policymakers and Governments. Intraregional investments in general and in the leather industry in particular, in Africa, have not kept pace with the immense benefits that could accrue to individual countries and investors. This chapter discusses intraregional investment in the leather industry in Africa highlighting the immense potential as well as the constraints that hamper the realization of this potential. The chapter concludes that Africa will stand to gain if the constraints bedeviling investment in the leather industry are adequately addressed.

### 6.2 OVERALL FDI INFLOWS

Available data indicate that Africa is the smallest recipient of FDI inflows to the developing regions in spite of the sharp rise in the annual average inflows to the region from \$6.7 billion between 1990 and 1999 to \$33.5 billion between 2000 and 2011. The rise in annual average FDI inflows to Africa during 2000–2011 can be explained by strong performances in the commodities sector, the start of oil production in some countries, political and macroeconomic stability and robust GDP growth prospects.

**Table 6.1**  
Trends in overall FDI inflows  
(Annual averages, \$million)

Region/economy	1990–1999	2000–2011
Europe	167 697.36	493 224.53
Africa	6 746.12	33 459.20
Asia	69 650.70	25 9373.76
East and South-East Asia	64 731.37	192 200.33
East Asia	42 160.91	139 746.43
China	29 042.70	77 095.25
Hong Kong China	9 027.73	49 790.64
South-East Asia	22 570.46	52 453.90
Latin America and the Caribbean	42 012.03	127 493.32
South and Central America	365 87.82	87 389.86

Source: UNCTAD Statistics database.

At the sub regional level, West and Northern Africa were the greatest recipients of FDI flows to Africa, while Central and East African countries were the least recipients of the flows to Africa.

**Table 6.2**  
Trends in overall FDI inflows  
(Annual averages, \$ million)

	1990–1999	2000–2011
North Africa	2 012	12 423
West Africa	2 127	7 879
Nigeria	1 494	4 733
Central Africa	134	4 096
Subregion East Africa	408	2 629
Southern Africa	2 063	6 430
South Africa	850	3 682

Source: UNCTADStat.

### 6.3 FDI POLICY REGIME IN AFRICA

The policy environment related to FDI has improved remarkably across much of Africa in a number of ways. First, regulatory restrictions on external (current and capital accounts) transactions have been eliminated, with several countries moving away from fixed to market-based exchange rates. Second, many countries in the region have signed and are participating in bilateral, regional and multilateral (international) agreements. In addition, tariffs have been steadily reduced and harmonized in most countries of the region. Such policy reforms and participation in treaties contribute to the creation of a favourable climate for FDI in the region (Pigato, 2001).

There is also an intensification of the harmonization of investment-related laws and incentives in the region. An example of such initiative is the Cross-Border Initiative by a number of countries in Eastern and Southern Africa to promote and facilitate investment through the adoption of a common plan. These countries have agreed to simplify and merge all rules and regulations into a systematic code and a single published document to be made available to all. These countries are Burundi, the Comoros, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Swaziland, the United Republic of Tanzania, Uganda, Zambia and Zimbabwe. In a similar fashion, countries belonging to other regional bodies such as the Common Market for Eastern and Southern Africa (COMESA),

the West African Economic and Monetary Union and the Southern African Development Community (SADC) have concluded or are in the process of concluding similar codes of procedures related to investments in their respective subregional associations. The established codes are meant to set out common rules for the promotion of both domestic and foreign investment, single common fiscal regime, harmonized fiscal incentives and transparent and non-discriminatory procedures for entry and operations of investments.

One typical example is the initiative by COMESA in establishing the COMESA Regional (Common) Investment Area in 2007, with the overarching objective of attracting higher and sustainable levels of investment into the region by forming an internationally competitive investment area that consents to a freer cross-border investment of capital, labour, goods and services among member States. The focus of the COMESA Common Investment Programme is to make the COMESA Common Investment Area (CCIA) a region where higher investments are generated from COMESA and non-COMESA sources and where there is freer flow of capital, skilled labour and professionals and technology among member countries. The key features of the programme are the extension of national treatment to COMESA investors by all member States by 2010, making sure that all economic activities are opened for investment to COMESA investors by 2010, and encouraging the private sector to fully participate in investment and other related activities of the Common Market. Other obligations include acceding to a number of international or multilateral agreements by member States and encouraging member States to unilaterally reduce and eliminate restrictions on investments and perform a regular appraisal of their investment regimes towards further liberalization (COMESA Investment Reports 2011 and 2012).

Another example is the ECOWAS Treaty, which favours the implementation of measures aimed at improving the investment climate and increasing the attractiveness of the ECOWAS region as a single (common) market. The basic challenge confronting this initiative is the slow process towards the implementation of appropriate regulations and policies and constraints imposed by national legislation, notwithstanding regional integration. Many ECOWAS member countries have taken steps to implement policies aimed at improving their investment climate. These include an evaluation of their policies and rules that influence investments and private sector development and the maintenance of other relevant

rules and policy instruments on corporate governance. Other measures are the strengthening of capacities of their respective investment promotion agencies in the delivery of services to investors and dissemination of information and the promotion of cooperation among these agencies at the regional and international levels. An additional initiative by these member countries has been to foster partnership in human capacity and skills development relevant for acquiring and distributing the benefits of investment in the region. The goal of member States is to harmonize their regulations on investment and work towards the setting up of a common regional investment rule and code, with the ultimate aim of establishing a single investment market. The overarching objective for the setting up of the ECOWAS Common Investment market is to attract higher and sustainable levels of investment into the region through the formation of an internationally competitive investment region, devoid of restrictions on cross-border movements of capital, labour, goods and services (Aremu, 2012).

In spite of these initiatives, regulatory restrictions remain, impeding the inflow of direct and portfolio investment into the region. The situation is worsened by the inadequacy of relevant infrastructure. In addition, there is a significant difference in procedures and requirements for FDI entry across countries in the region. FDI into certain sectors, such as minerals, petroleum and tourism, requires special approval and must satisfy certain criteria. An example is the case of a prospective manufacturing investor in Botswana who has to obtain an investment licence and approvals from the land board and district councils and must satisfy certain criteria on technical skills, capital adequacy and the interests of the economy. Also, in a number of countries, including Botswana and Ghana, multinational corporations and foreign citizens are not allowed in activities reserved for domestic SMEs. In addition, the granting and nature of investment incentives are uneven and inconsistent. For instance, some countries use discretionary measures and operate on a case-by-case basis – which results in delays and non-transparent procedures – and grant tax holidays for 5–10 years. The disadvantage with tax holidays is that they encourage short-term investments, deter long-term investments and are biased against equity financing. They are also costly for Governments in terms of loss of potential revenue. There are, however, few exceptional countries such as Ghana, which have shifted (or are shifting) to a system of abolishing tax holidays and replacing them with low general tax rates. Other existing regulatory constraints in the region include highly erratic regulations governing the granting of work permits and cumbersome procedures that need to be followed to obtain permits.

## 6.4 FAVOURABLE AND UNFAVOURABLE FDI FACTORS

- Higher returns on FDI

One of the favourable factors supporting FDI inflows to Africa is the relatively higher returns in Africa compared with other regions. The rate of return of 8 per cent on an FDI stock of \$21 trillion is marginally higher than the world average of 7 per cent. Over the last three years, FDI to Africa has not bucked. It increased from about \$44 billion in 2010 to \$48 billion in 2011 to about \$50 billion in 2012. This trend has been attributed to the growth of the consumer-oriented manufacturing and services – a reflection of the demographic changes, particularly the growth of the African middle class and increased activities in the extractive industry, i.e. the discovery of new oil reserves, thus creating new oil economies on the continent in Ghana and the United Republic of Tanzania (UNCTAD/WIR, 2013).

- Potential to fit into global value chains

The potential benefits that may accrue to nations together with the documented significant development contribution of global value chains (GVCs) serve as further FDI pull. In developing countries value added trade contributes nearly 30 per cent to countries' gross domestic product (GDP) on average as compared with 18 per cent in developed countries. Additionally, GVCs have been found to exert a direct economic impact on value added, jobs and income; they are also key to building productive capacity through technology dissemination and skill building.

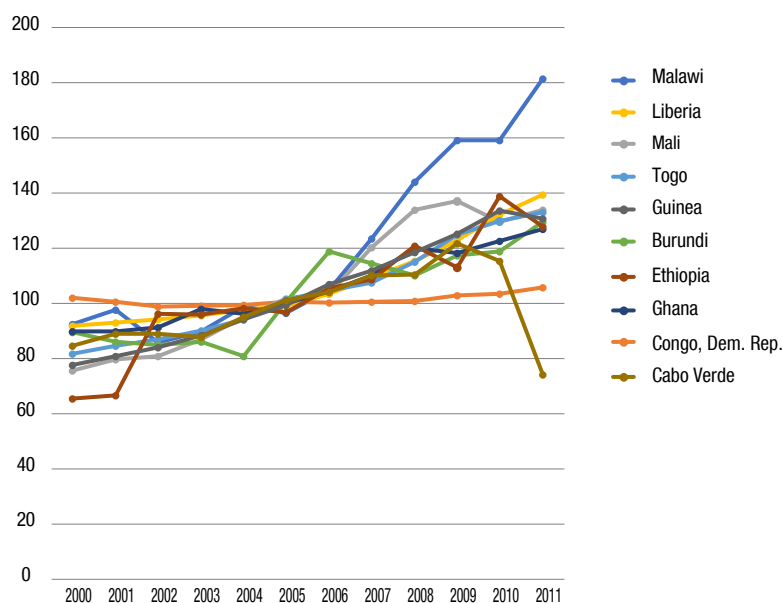
- Availability of raw material

Most of the sub-Saharan African countries are rich in livestock. African countries have 20 per cent of the world's sheep and goats and 10 per cent of the world's cattle. Not only does the region have a large pool of livestock, it is also continuously growing. The livestock production index shows a steadily rising trend in almost all countries (figure 6.1). This indicates the availability of raw material and growing strength and sustainability of the region in procuring raw materials for leather industry. Availability and growing raw material supply is an important locational advantage for extraregional FDI.

- Low labour costs in SSA and rising labour costs in China

Along with raw materials, availability of cheap labour is also one of the biggest advantages for SSA in the leather

**Figure 6.1:**  
Livestock production index



Source: World Development Indicators, 2011.

industry, which can give the region a much-needed competitive advantage. Currently, China is facing rising labour costs in the leather industry. Labour costs in the leather industry increased from 0.39\$/hr in 2003 to 1.1\$/hr in 2008. The growth of the economy and the new Labour Contract Law (LCL), which mandates transparent employment and empowers workers to bring legal action against employers who do not pay proper wages and insurance, etc., are some of the reasons for higher labour costs in China. The growth of the active labour force is also gradually slowing down due to the aging population. The relatively inflexible labour markets have further led to labour shortages in the manufacturing centres. For several years, the increase in real wages has exceeded the real growth of GDP in China, giving a boost to its export-driven growth, which is based on low wage production. But this advantage of China is now fading away. Domestic and foreign companies in China might be forced to fragment their recently established fully integrated production processes and outsource labour-intensive processes. SSA can provide an alternative destination for foreign firms in the leather industry, especially those which are moving out of China.

- Growing export potential

Countries in SSA have huge export potential in leather and leather products, which can attract export-oriented FDI. The growing demand for leather products and rising incomes can provide a large growing

market for FDI, which can attract market-seeking FDI. Lowering intraregional tariffs and removing export restrictions can go a long way in integrating the region and attracting foreign firms.

## 6.5 FACTORS UNFAVOURABLE FOR ATTRACTING FDI IN THE LEATHER INDUSTRY

- Infrastructure as a limiting factor

The poor state of infrastructure has proven to be an unfortunate factor in the drive towards attracting FDI to the continent. The major infrastructure deficiencies identified as key factors holding back FDI inflows and particularly inter-REC and intra-African trade include poor transport and communications; deficient maintenance of road networks; and inflexibility, unreliability and inefficiency of rail transport, power supply and water.

However the immense benefits to be derived from improved infrastructure is not lost on development partners and policymakers. The World Bank estimates that Ssub-Saharan Africa (SSA) could gain in the range of \$20 billion annually from trade-related infrastructure-upgrading projects (World Bank, 2006). Furthermore, African Development Bank (AfDB) studies suggest that the poor state of infrastructure in SSA cuts potential economic growth by 2 percentage points a year and

reduces business productivity by as much as 40 per cent (AfDB, 2010). Efforts to implement the several initiatives<sup>14</sup> which cover the essential infrastructure needs in the areas of energy, ICT, transport and transboundary and water will stem this tide.

- Low labour productivity

<sup>14</sup> Some of the initiatives include: the AU/NEPAD African Action Plan launched in 2009; the AUC Heads of State and Governments' Program for Infrastructure Development in Africa (PIDA) launched in 2010; the North-South Corridor Initiative approved by the COMESA-SADC-EAC taskforce; the ECOWAS flagship programs - the West African Power Pool and the West Africa Gas Pipeline.

Low labour productivity can be one of the major hindrances to extraregional FDI in LLP. One of the major reasons for comparatively low labour productivity in SSA countries is the low level of technology, as well as the low quality of trade-related infrastructure. Table 6.3 compares SSA countries with China and India in terms of factors that may attract export-oriented FDI, i.e. time and costs to trade, although in most of the comparatives such as the time required to start a business, the time required to resolve insolvency, etc., many SSA countries fare better than even China and India. However, with respect to overall quality of trade and transport-related infrastructure, which leads to higher trade costs, China and Viet Nam are far ahead.

**Table 6.3**  
Comparison of logistics in trade: Sub-Saharan Africa, China and India

Cost to export (US\$ per container)			Cost to import (US\$ per container)			Time required to start a business (days)			Time to resolve insolvency (years)		
	2005	2011		2005	2011		2005	2011		2005	2011
China	390	500	China	430	545	Rwanda	18	3	Namibia	1.5	1.5
Viet Nam	468	580	Viet Nam	586	670	Senegal	58	5	Botswana	2.2	1.7
Mauritius	683	737	Mauritius	683	689	Mauritius	46	6	Mauritius	1.7	1.7
Ghana	624	815	Seychelles	876	876	Madagascar	38	8	China	2.4	1.7
Guinea	670	855	Gambia	859	885	Mali	41	8	Ghana	1.9	1.9
Seychelles	876	876	Cabo Verde	895	1000	Guinea-Bissau	259	9	Gambia, The	2	2
Togo	463	940	Togo	841	1109	Cabo Verde	52	11	Madagascar	2	2
Benin	965	1 049	India	1324	1150	Ghana	18	12	Nigeria	2	2
India	864	1 095	Comoros	1108	1191	Sierra Leone	26	12	Seychelles	2	2
Senegal	828	1 098	Ghana	842	1315	Burkina Faso	40	13	South Africa	2	2

Source: World Development Indicators.

## 6.6 EXPLORING THE POSSIBILITY OF A REGIONAL INVESTMENT AGREEMENT BETWEEN COMESA, ECOWAS AND SACU

The following factors have contributed to low levels of FDI in SSA countries: low regional integration leading to relatively small market size, high trade costs, low labour productivity, a generally unfavourable business environment and relative instability. Consequently, inward FDI has concentrated in small number of countries and even smaller number of sectors, predominantly those with quick returns, such as oil and minerals. But these sectors have low linkages with the domestic economy. This has led to smaller spill overs from FDI and low levels of technology transfers. The

FDI-trade-technology nexus therefore has not really worked for SSA. Foreign firms prefer to import raw materials and processed leather from SSA countries rather than make investments in leather products, and export to the region and from the region to the world.

One of the ways for promoting intraregional and extraregional FDI that would merit consideration is a regional investment agreement in SSA, especially between COMESA, ECOWAS and SACU. Regional investment agreements are now gaining significance globally. Apart from some of the more successful regional investment agreements in developed countries, developing countries are also opting for regional investment agreements in their free trade agreements. ASEAN signed the ASEAN Comprehensive Investment Agreement (ACIA) in February 2009, with the objective of creating a free

and open investment regime within ASEAN to further economic integration. This agreement replaces the previous agreements. The Mexico–Central America free trade agreements was concluded in 2011. Together, the six countries (Costa Rica, El Salvador, Guatemala, Honduras, Mexico and Nicaragua) account for almost one-fourth of Latin America's GDP. This treaty establishes a free trade agreement, with its fully fledged investment chapter and replaces three earlier free trade agreements which Mexico had with the participating countries. The world is gradually shifting from bilateral to regional investment agreements. In most cases, regional treaties are at the same time free trade agreements. By addressing the interconnected issues of trade and investment, these agreements have a higher probability of promoting regional integration.

Countries in SSA and regional blocs such as COMESA have entered into bilateral and/or regional investment treaties among themselves to boost investor confidence. However, there is currently no regional investment treaty between regional blocs such as COMESA, SACU and ECOWAS member countries. One of the lessons learned for SSA can be the progress made by ASEAN countries in respect of integration through trade and investment. The ASEAN free trade agreements (AFTA) led to the ASEAN Investment Agreement (AIA) which was signed in 1998. This further advanced to ACIA in 2009. ACIA offers improved and comprehensive set of provisions on liberalization, promotion, facilitation and protection of investments. It covers both FDI and portfolio investments, as compared with only FDI in AIA. ACIA provides for the investment protections

which includes MFN protection, fair and equitable treatment,<sup>15</sup> full protection and security, and protection from expropriation without compensation. ACIA has more to offer than any other BIT in the region. For example, while most ASEAN BITs do not provide for national treatment, ACIA provides for national treatment with respect to admission, establishment, acquisition, expansion, management, conduct, operation and sale or disposition of investments to both investors and investments. Other protections to investors include clauses with respect to prohibition for requiring senior management positions to be filled by persons of a particular nationality and the right of entry and temporary stay to key foreign personnel associated with the investment. The agreement may be more effective, as it includes provisions that require States to streamline procedures for investment application, disseminate investment information and rules and establish one-stop investment centres. Interestingly, the conclusion of new ASEAN+ agreements has not led to the termination of existing BITs and free trade agreements between individual ASEAN members and third countries. The ASEAN–China Investment Agreement coexists with nine BITs between individual ASEAN countries and China.

Regional investment agreements in SSA should be explored, as they can go a long way in promoting intraregional FDI. Such agreements also encourage extraregional FDI. Economic interests (i.e. the potential of increasing trade and investment) and strategic interests (i.e. better positioning to have a say in global governance) can lead to increased integration of the region, and region's industry can play a pivotal role in this.

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<sup>15</sup> The fair and equitable clause provides an absolute standard under which a minimum standard of treatment must be accorded to investors.



## CHAPTER 7: SUMMARY, CONCLUSIONS AND POLICY RECOMMENDATIONS FOR ACCELERATING REGIONAL INTEGRATION IN THE LEATHER INDUSTRY

### 7.1 SUMMARY

The leather industry is a traditional industry of Africa that employs a large number of low-skilled workers and engages predominantly micro, small and medium-sized enterprises. Growth in this industry can therefore have far-reaching development implications for the region. Current global conditions have created challenges and opportunities for the African leather industry. Stringent pollution norms and rising labour costs in processed leather have shifted its production from developed countries towards developing countries, and global slowdown has raised the demand for low-cost leather products. Rising labour costs in other developing countries such as China has further raised the opportunities for the region to attract extra regional FDI. However, African countries have not been able to take full advantage of these opportunities and raise their production of manufactured leather products. The region possesses a large pool of raw materials, low-cost processing capabilities and export potential for finished leather products. However, low regional integration, with intraregional trade in LLP being 14 per cent of the region's global exports, has severely limited the scale of production and lowered its cost competitiveness. There is an urgent need to explore regional integration in this industry through trade and investments in order to increase competitiveness of all countries in the region. Promoting regional value chains can improve cost competitiveness of the countries, as well as their bargaining power and capability to climb up the global value chains.

In this context, the study has examined the potential of increasing intraregional trade in LLP and the possibility of forming regional value chains in Africa. The study estimates a dynamic gravity model for the period 2002–2011 and arrives at the conclusion that the region can more than double its intraregional trade based on its gravity. However, high tariff barriers and non-tariff barriers hinder the growth of intraregional trade. Removing tariffs on leather and leather products has the potential to increase intraregional trade from by an average \$245 million per annum to \$997 million, i.e. by almost four times. Removing all tariff barriers and non-tariff barriers can increase the existing average intraregional trade by 10 times the existing trade. The region has growing demand and

supply of inputs, as well as outputs of this industry, and predicted intraregional exports for each country in the data set is lower than each country's global exports.

Using contribution to trade (CTB) and market position (POS), the study estimates the competitiveness of the top 26 countries of the African region. A potential regional export basket is identified for each country where the region's demand exists along with export capacity of a country, i.e. the region's global imports are higher than a country's global exports, a country's global exports are greater than \$100,000. If the region's global imports are lower than country's global exports, the product is identified in the country's potential global export basket. Morocco, Kenya, Madagascar, Mauritius, South Africa and Côte d'Ivoire have the potential for exporting finished leather products to the region. A maximum number of competitive leather inputs is identified for Egypt (21), mainly tanned leather inputs, followed by South Africa (19), Ethiopia (17), Namibia (13) and Kenya (12). The region as a whole has the potential to export 75 leather products and 161 leather inputs. On an average the region's global exports in 2008–2010 are lower than the region's global imports. There is high potential for intraregional trade, as regional exports of final leather products and chemicals are much lower than global regional imports of those products, although the region's global exports of processed and primary leather are much higher than its global imports. Intraregional exports are only 14 per cent of total global exports of the region.

In order to boost intraregional trade and increase global competitiveness in the region, the study identifies potential value chains in this industry. Using the BEC classification and HS concordance matrix, the leather tariff lines at the HS six-digit level are segregated into outputs and inputs of the leather industry. Leather inputs are primary inputs (rawhides and skins) – processed leather and chemicals used in processing leather; leather outputs are manufactured leather products. The study identifies three lists for each country in the region. The first list contains those finished leather products for which the country has a potential for export. Exportable products for the region are identified separately from those for the world depending on whether regional demand exists. The second list contains inputs for finished

leather products that the country is importing from outside the region, but can be imported at a lower cost from the region and for which the region has the necessary supply capacity. A list of inputs is also identified for the country, which can be sourced from the region, though currently at a higher cost given the region's tariff structure. Import unit values of the region's top exporters are compared with import unit values of the top global exporters to a country. The third list contains products with investment potential for each country. This is done by using the following criteria: the products are selected where the country is competitive in the region but lacks supply capacity. In these products, FDI can boost supply capacity and exports. An attempt is made to identify the potential investors in the region across different leather and leather products. If a country is competitive in the region and has higher global exports than the existing demand in the region, it is identified as a potential investor in this sector, as it has the capacity as well as the competitiveness to invest.

There are 75 total leather and leather products identified for 16 countries, where countries in the region have competitive advantage based on CTB and POS, and their global exports are higher than \$100,000. Out of 75 products, regional demand exists for 65 leather products, as a country's global exports are lower than the region's global imports. In the period 2008–2010, the countries' average global exports of these products amounted to \$284 million, while regional demand was \$1.9 billion. Out of \$672 million, only 15 per cent (\$99 million) was exported to the region. Twenty leather products are listed as unique leather products for the countries to export regionally, where no other country has competitiveness. Of these 20 unique leather products, a comparison was made between unit values of top global importers and top regional importers, showing that for 10 products, the import unit value of regional importers was higher than that of the top global importers. Although a comparison of import unit values has its own limitations, mainly that the differences in the quality of the products demanded and associated delivery services provided may not be apparent in the unit costs, this indicates that the region not only provides a demand for regional leather products but there is evidence that this demand is also accompanied by higher returns.

There are 159 inputs in the region that the countries can source regionally for their leather industries. Of this, 18 are primary inputs, 40 are processed leather inputs and 101 are chemical inputs for the leather industry. In the period 2008–2010, on average, inputs worth \$215 million were imported from outside the region, while the region globally exported \$3.4 billion

of these inputs. A comparison of the unit values of exports reveals that out of 159 inputs, 100 inputs can be sourced at a lower cost from the region. The region also has the supply capacity, as its global exports are much higher than the region's demand. Out of 100 inputs, 65 are chemical inputs such as synthetic organic-tanning substances, synthetic colouring matter, and polishes and creams for footwear, etc. Algeria, Morocco, Nigeria, Kenya and Ethiopia are top importers of these chemical inputs, importing from France, India, Germany, the United States and Italy, while South Africa has lower export unit values in these chemical inputs and has higher global exports than the countries' global imports.

In total, 83 leather inputs and outputs have been identified that may require regional or extraregional FDI. These include 36 leather products, 15 primary leather inputs, 23 processed leather inputs and 9 chemicals used for leather products. Total regional exports of these products were on an average \$1.9 billion in the period 2008–2010. The country identified as having the most leather products and which has competitive advantage and needs to develop supply capacity is Kenya, followed by Madagascar, Côte d'Ivoire, Ethiopia and Mauritius. Countries identified as having the highest number of processed leather products and which are competitive and require increased FDI are Namibia, Ethiopia, Zambia, Egypt and Uganda. Kenya and South Africa are found to have rising competitiveness in chemicals used by the leather industry and require FDI to increase their supply capacities. South Africa has been identified as a potential regional investor in leather output-HS code 420100 (saddlery and harnesses for any animal, etc.), tanning of leather, and in chemicals used for tanning, i.e. HS code 284130 (salts of oxometallic or peroxometallic acids) and HS code 320120 (tanning extracts of vegetable origin). Egypt has been identified as a potential investor in eight products, which include six processed leather products. Kenya has been identified as a potential regional investor in waterproof footwear; Madagascar, in other articles of leather or of composition of leather (HS code 420500); and Mauritius, in articles of apparel and clothing accessories, of leather or of composition of leather.

## 7.2 INTRAREGIONAL INVESTMENT AGREEMENTS

Intraregional FDI is almost non-existent in the leather industry, and despite all the efforts made by the countries, the region is not able to attract global FDI into the industry. Factors that can attract FDI and which are major impediments to FDI are examined.

The region's strengths in this industry are based on the availability and growing supply of raw materials. Relatively low labour costs in the region and growing labour costs in China increase the probability of attracting FDI. However, the region lags behind other developing countries on other continents in attracting FDI to the leather industry due to its high trade costs, poor transportation facilities and trade infrastructure, and overall low logistics performance. The availability of raw materials and better technology may be factors that can help boost intraregional FDI. Further, regional investment agreements should be considered as a means of attracting regional and extraregional FDI. The ASEAN Comprehensive Investment Agreement (ACIA) signed in 2009 could serve as a model for such agreements, as it covers both FDI and portfolio investments. Most regional and bilateral investment agreements do not provide for national treatment. ACIA provides for national treatment with respect to admission, establishment, acquisition, expansion, management, conduct, operation and sale or disposition of investments to both investors and investments. Other protections to investors include clauses with respect to prohibition for requiring senior management positions to be filled by persons of a particular nationality and the right of entry and temporary stay to foreign key personnel associated with an investment. Regional investment agreements in SSA can be effective in promoting intraregional FDI and boosting intraregional trade.

### **7.3 ROLE OF REGIONAL LEATHER ASSOCIATIONS**

A way forward in regional integration is cooperation and collaboration, which depend on sharing of information and knowledge within the region. The leather industry is one of the traditional industries in Africa that employs a large proportion of population in both organized and unorganized sectors and engages micro, small and medium enterprises. It has therefore been a major thrust area for development policymaking in most of the countries in the region. While much effort and money is being invested in modernizing the industry and policies are being devised to enhance its exports at the national level, attention should be paid to the industry at the regional level. High tariffs are still present intraregionally, especially on leather products. The protection of domestic markets against competition from within the region has left a large untapped potential for intraregional trade in this industry and has prevented the industry from taking advantage of its large pool of cheap resources and increasing its scale of production. Investments in the region have been limited, and foreign investors have been hesitant

to enter the industry. This has led to declining cost competitiveness and lack of supply capacities within the region, even to meet regional demand, leading to a surge in imports from other countries.

Regional industry associations such as COMESA LLPI can help build much-needed trust and confidence within the region. There is a need for other regional blocs such as SACU and ECOWAS to establish such leather industry associations which can together form the Leather Industry Association of SSA. While the contours and administrative profile needs to be discussed and detailed, examples of leather associations in other regions can be useful. There is one such regional leather association in Europe. COTANCE is a non-profit organization that represents the European leather industry internationally and promotes its interests, especially in the tanning industry. Bulgaria, Italy, Germany, Lithuania, Spain, the Netherlands, Portugal, Romania, Greece, Finland, Sweden, France and the United Kingdom are members. Members meet twice a year to exchange information and identify areas of cooperation and collaboration that can be mutually beneficial. South Asia is in the process of establishing the Leather Industry Association of South Asia (LIASA).

Founded in 1929, the International Council of Hides, Skins and Leather Traders Associations (ICHSLTA) is another good model. The association represents the interests of the hide, skin and leather trades of more than 30 countries. China, Taiwan Province of China and Japan are members of the association. It helps secure mutual support and cooperation of countries in areas of common interest that affecting the majority of members. It also communicates with Governments, chambers of commerce and other bodies, and engages in cooperation in matters of interest to its members. An important function of the association is to collect and disseminate statistics and other information relating to such trade, commerce and manufactures in the leather industry.

The Regional Leather Association of SSA can play a catalyst role in information sharing with respect to ongoing projects, policies, incentives and concerns in the region. It can voice common interests and concerns of the countries in international forums and improve the bargaining power of the industry in extraregional bilateral trade agreements and other free trade agreements that may be negotiated by countries in the region. Collaboration and discussions between the industries of the region may lead to important decisions on non-tariff barriers and strengthen the bargaining power of the countries in the region if they link into GVCs.

## 7.4 POLLUTION CONTROL NORMS AND STANDARDS

Growing environmental concerns have led to stringent pollution control norms. Various regulations, including those which set discharge limits to the tannery industry, have been introduced by many countries in recent decades with the objective of protecting the environment. Although no directly comparable data are available, the costs of compliance in developed countries generally are much higher than in developing countries. For instance, the cost of treating solid residues from processing hides and skins in developed countries is said to be two to four times higher than in many developing countries because of stricter pollution limits, higher transportation and waste site costs and higher labour costs.

One of the growing challenges facing the leather industry in SSA is meeting these norms. Given that the industry has a large number of micro, small and medium enterprises engaged mainly in the unorganized sector, conforming to these norms becomes an even bigger challenge. Adhering to these norms can provide greater access to international markets. However, one of the reasons firms in SSA countries are unable to acquire competitive edge in global market is a lack of sufficient capital to invest in modern technology such as pollution abatement. Although, more and more government support is now being provided to this industry, especially to tanneries for the modernization of their technology, it still leaves an enormous gap between capital needed and capital available, especially for MSMEs. The small scale of production further hinges on the adoption of costly technology. tanneries in China; other major competing countries have invested significant funds in large tanneries and are therefore able to expand their exports.

To face this challenge, the region could benefit greatly from cooperation and the pooling of resources. Intra-regional investments in tanneries can be a win-win situation in the current scenario where common effluent treatment plants as per international standards can be set up jointly. Clusters can be set up in different countries where investments from the region can also be encouraged. The cluster approach has tremendously benefited China and can be explored by SSA in facing common challenges. A regional leather association can play a pivotal role in furthering this.

## 7.5 REGIONAL BRANDING AND COMMON LABEL

A common label for African leather products can be promoted for branding regional products. Labels have proved to be highly beneficial for developing brands for Turkey and Brazil. Having a prestigious brand in international markets has been extremely important for Turkish companies. These countries have positioned themselves in the global market through branding and product differentiation, especially in leather garments, which has created a niche market for these countries. Labels such as Ecotox, which indicate the quality and eco friendliness of the product, have promoted their products in new markets. Such labelling can be explored by the region, and a regional association could help establish a common brand for leather and leather products manufactured in the region, especially those produced from high-quality leather.

Common design studios for the region can be set up and the expertise from other developing countries such as India and China can be used. South-South cooperation in services used to make leather products can bring tremendous gains to collaborating countries, as services – more than manufacturing – add value to leather products. Pre-manufacturing services such as R&D, and designing and post-manufacturing services such as branding and marketing, could help the region add value to their products.

## 7.6 SOUTH-SOUTH TECHNOLOGY SHARING

On the technology front, most of the existing tanneries in the region use outdated technology, which prevents them from producing good quality processed leather in spite of access to good quality raw materials such as hides and skins. Tanneries require large amounts of capital investment and R&D to improve the existing technology. Many successful innovative projects have been launched in South Asian developing countries such as Bangladesh, India and Pakistan for upgrading technology used in this sector, especially in tanning. For example, the Central Leather Research Institute (CLRI) at Chennai, a unit of the Council for Scientific and Industrial Research (CSIR), has successfully developed a biorefinery to produce biodiesel, bioethanol, biohydrogen and biomethane from tannery solid waste. The University of Veterinary and Animal Sciences (UVAS) and the Lahore and Pakistan Tanners Association have signed a research project for the identification of skin diseases in animals and geographical patterns of these disease.

Joint ventures with other developing countries that have adapted the technology to suit their absorption capacities can help promote R&D in this sector and collaborative efforts can help bring synergy between different projects. Intraregional investments can lead to technology spillovers and go a long way in making available high-quality leather to the region.

### **7.7 ACCELERATING CUSTOMS AND LOGISTICS PROCEDURES**

The role played by trade facilitation measures in generating momentum to intraregional trade is critical. Many studies have highlighted the gains of accelerating customs and logistics procedures. Reduced transit time eventually leads to lower production costs. Lowering transit time is also important for making countries and regions more attractive for value chains. Djankov et al. (2010) found that an extra day of transit time reduced trade volumes by 1 per cent. According to the World Bank (2007), the category of trade facilitation that will produce the greatest gains is service sector infrastructure, followed by efficiency in air and maritime ports. The region requires upgrading ports and information technology infrastructure and continued reforms in customs clearance procedures and regulatory harmonization. Many countries in the region have undertaken substantive trade facilitation measures and compare favourably to other developing countries such as India in terms of time taken to import and export. But consistent trade facilitation measures in all countries in the region are required.

### **7.8 ACCELERATING AND DEEPENING INTRAREGIONAL TRADING ARRANGEMENTS**

Intraregional cooperation and trade agreements can go a long way in promoting and forming intraregional value chains in LLP. Tripartite trade agreement between COMESA, ECOWAS and SACU can be explored, especially at the sectoral level for leather and leather products. Harmonization of technical standards and of regulations and procedures, along with lower tariffs and addressing non-tariff trade barriers can be some of the outcomes of regional trading arrangements that are a critical part of reducing transit cost and time across borders. There is a lack of adequate NTB-monitoring mechanisms within the region. A dedicated executive body could be set up to oversee reductions in reported barriers and a robust dispute settlement

mechanisms could be put in place to enforce decisions within these three intraregional blocs.

### **7.9 IMPROVEMENT IN PHYSICAL AND TELECOMMUNICATION INFRASTRUCTURE**

An adequate road or rail infrastructure is an imperative for reducing transportation time, direct cost and maintaining quality in production. Ports and cargo-handling facilities are also an important part of that infrastructure (Brooks, 2008). Cheap and reliable communication networks are necessary to ensure that the right goods are shipped at the right time between production nodes in a supply chain. Therefore, reducing the transaction costs of trade also means improving the means of communication within and across national borders. This is also an area where the presence of large externalities suggests significant rewards to regional cooperation (Brooks, 2008). FDI can play a catalyst role in the region with respect to building telecommunication infrastructure.

### **7.10 REGIONAL RESOURCE MOBILIZATION**

The development and expansion of regional value chains requires the development and/or expansion of new firms and the capital investments. Sources of invested capital can either be internal or external. For LDCs the main source of external investment capital is foreign direct investment. It is important that countries define and emphasize their comparative advantage and provide the necessary information to potential investors with regard to those advantages. With respect to regional value chains, much of the production expansion is likely to come from the expansion of firms within the region (from more advanced economies in the region to LDCs). Therefore, particular attention should be paid to the environment for flows of regional FDI. Another source of finance that can be tapped is intrafirm trade credit. Larger or better financed firms may be able to provide trade credit to less financed firms within their network if given the right incentives such as tax concessions, insurance or limited guarantees.<sup>16</sup> This may have the added benefit of making production within value chains more attractive to nascent firms. The use of development banks and export-import banks such as the African EXIM Bank can be leveraged for developing regional value chains.

<sup>16</sup> Inter-firm financing through trade credit was a very important tool in the early industrialization of Japan.

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**Annex Table 1:  
Identified outputs and Inputs of Leather industry**

S.No.	Six digit Code	Input or Output	Description at 6 Digit
1	420100	Output	Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material
2	420211	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of leather, of composition leather or of patent leather
3	420212	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of plastics or of textile materials
4	420219	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-Other
5	420221	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of leather, of composition leather or of patent leather
6	420222	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of plastic sheeting or of textile materials
7	420229	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-Other
8	420231	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of leather, of composition leather or of patent leather
9	420232	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of plastic sheeting or of textile materials
10	420239	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-Other
11	420291	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of leather, of composition leather or of patent leather
12	420292	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of plastic sheeting or of textile materials
13	420299	Output	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-Other
14	420310	Output	Articles of apparel and clothing accessories, of leather or of composition leather.-Articles of apparel
15	420321	Output	Articles of apparel and clothing accessories, of leather or of composition leather.-Specially designed for use in sports
16	420329	Output	Articles of apparel and clothing accessories, of leather or of composition leather.-Other
17	420330	Output	Articles of apparel and clothing accessories, of leather or of composition leather.-Belts and bandoliers
18	420340	Output	Articles of apparel and clothing accessories, of leather or of composition leather.-Other clothing accessories
19	420500	Output	Other articles of leather or of composition leather
20	430310	Output	Articles of apparel, clothing accessories and other articles of furskin.-Articles of apparel and clothing accessories
21	430390	Output	Articles of apparel, clothing accessories and other articles of furskin.-Other
22	640110	Output	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.-Footwear incorporating a protective metal toecap
23	640192	Output	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.-Covering the ankle but not covering the knee

S.No.	Six digit Code	Input or Output	Description at 6 Digit
24	640199	Output	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.-Other
25	640212	Output	Other footwear with outer soles and uppers of rubber or plastics.-Ski boots, crosscountry ski footwear and snowboard boots
26	640219	Output	Other footwear with outer soles and uppers of rubber or plastics.-Other
27	640220	Output	Other footwear with outer soles and uppers of rubber or plastics.-Footwear with upper straps or thongs assembled to the sole by means of plugs
28	640291	Output	Other footwear with outer soles and uppers of rubber or plastics.-Covering the ankle
29	640299	Output	Other footwear with outer soles and uppers of rubber or plastics.-Other
30	640312	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.-Ski boots, crosscountry ski footwear and snowboard boots
31	640319	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather. -Other
32	640320	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather. -Footwear with outer soles of leather, and uppers which consist of leather straps across the instep and around the big toe
33	640340	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather. -Other footwear, incorporating a protective metal toecap
34	640351	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather. -Covering the ankle
35	640359	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather. -Other
36	640391	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather. -Covering the ankle
37	640399	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather. -Other
38	640411	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials. -Sports footwear; tennis shoes, basketball shoes, gym shoes, training shoes and the like
39	640419	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials. - Other
40	640420	Output	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials. -Footwear with outer soles of leather or composition leather
41	640510	Output	Other footwear.-With uppers of leather or composition leather
42	640520	Output	Other footwear.-With uppers of textile materials
43	640590	Output	Other footwear.-Other
44	640610	Output	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof. -Uppers and parts thereof, other than stiffeners
45	640620	Output	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof. -Outer soles and heels, of rubber or plastics
46	650699	Output	Other headgear, whether or not lined or trimmed.-Of other materials
47	940140	Output	Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof. -Seats other than garden seats or camping equipment, convertible into beds
48	940161	Output	Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof. -Upholstered
49	940171	Output	Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof. -Upholstered
50	950662	Output	Articles and equipment for general physical exercise, gymnastics, athletics, other sports (including table-tennis) or outdoor games, not specified or included elsewhere in this Chapter; swimming pools and paddling pools.-Inflatable
51	410411	Processed	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.-Full grains, unsplit; grain splits
52	410419	Processed	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.-Other
53	410441	Processed	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.-Full grains, unsplit; grain splits



S.No.	Six digit Code	Input or Output	Description at 6 Digit
54	410449	Processed	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.-Other
55	410510	Processed	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.-In the wet state (including wetblue)
56	410530	Processed	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.-In the dry state (crust)
57	410621	Processed	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.-In the wet state (including wetblue)
58	410622	Processed	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.-In the dry state (crust)
59	410631	Processed	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.-In the wet state (including wetblue)
60	410632	Processed	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.-In the dry state (crust)
61	410640	Processed	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.-Of reptiles
62	410691	Processed	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.-In the wet state (including wetblue)
63	410692	Processed	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.-In the dry state (crust)
64	410711	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14. -Full grains, unsplit
65	410712	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.-Grain splits
66	410719	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.-Other
67	410791	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14. -Full grains, unsplit
68	410792	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.-Grain splits
69	410799	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.-Other
70	411200	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14.
71	411310	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.-Of goats or kids
72	411320	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.-Of swine
73	411330	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.-Of reptiles
74	411390	Processed	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.-Other
75	411410	Processed	Chamois (including combination chamois) leather; patent leather and patent laminated leather; metallised leather.-Chamois (including combination chamois) leather
76	411420	Processed	Chamois (including combination chamois) leather; patent leather and patent laminated leather; metallised leather.-Patent leather and patent laminated leather; metallised leather
77	411510	Processed	Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls; parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder.
78	430211	Processed	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.-Of mink
79	430219	Processed	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.-Other

S.No.	Six digit Code	Input or Output	Description at 6 Digit
80	430220	Processed	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.-Heads, tails, paws and other pieces or cuttings, not assembled
81	430230	Processed	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.-Whole skins and pieces or cuttings thereof, assembled
82	410120	Primary	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.-Whole hides and skins, of a weight per skin not exceeding 8 kg when simply dried, 10 kg when drysalted, or 16 kg when fresh, wetsalted or otherwise preserved
83	410150	Primary	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.-Whole hides and skins, of a weight exceeding 16 kg
84	410190	Primary	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.-Other, including butts, bends and bellies
85	410210	Primary	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.-With wool on
86	410221	Primary	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.-Pickled
87	410229	Primary	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.-Other
88	410320	Primary	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.-Of reptiles
89	410330	Primary	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.-Of swine
90	410390	Primary	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.-Other
91	411520	Primary	Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls; parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and -Parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and flour
92	430110	Primary	Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.-Of mink, whole, with or without head, tail or paws
93	430130	Primary	Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.-Of lamb, the following : Astrakhan, Broadtail, Caracul, Persian and similar lamb, Indian, Chinese, Mongolian or Tibetan lamb, whole, with or without head, tail or paws
94	430160	Primary	Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.-Of fox, whole, with or without head, tail or paws
95	430180	Primary	Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.-Other furskins, whole, with or without head, tail or paws
96	430190	Primary	Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.-Heads, tails, paws and other pieces or cuttings, suitable for furriers' use
97	283010	Chemical	Sulphides; polysulphides, whether or not chemically defined.-Sodium sulphides
98	284130	Chemical	Salts of oxometallic or peroxometallic acids.-Sodium dichromate
99	291611	Chemical	Unsaturated acyclic monocarboxylic acids, cyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.-Acrylic acid and its salts

S.No.	Six digit Code	Input or Output	Description at 6 Digit
100	292910	Chemical	Compounds with other nitrogen function.-Isocyanates
101	320110	Chemical	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.-Quebracho extract
102	320120	Chemical	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.-Wattle extract
103	320190	Chemical	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.-Other
104	320210	Chemical	Synthetic organic tanning substances; inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning.-Synthetic organic tanning substances
105	320411	Chemical	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Disperse dyes and preparations based thereon
106	320412	Chemical	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Acid dyes, whether or not premetallised, and preparations based thereon; mordant dyes and preparations based thereon
107	320413	Chemical	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Basic dyes and preparations based thereon
108	320414	Chemical	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Direct dyes and preparations based thereon
109	320416	Chemical	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Reactive dyes and preparations based thereon
110	320417	Chemical	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Pigments and preparations based thereon
111	320611	Chemical	Other colouring matter; preparations as specified in Note 3 to this Chapter, other than those of heading 32.03, 32.04 or 32.05; inorganic products of a kind used as luminophores, whether or not chemically defined.-Containing 80 % or more by weight of titanium dioxide calculated on the dry matter
112	321000	Chemical	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.-Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.
113	340211	Chemical	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.-Anionic
114	340212	Chemical	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.-Cationic
115	340213	Chemical	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.-Non-ionic
116	340311	Chemical	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment o-Preparations for the treatment of textile materials, leather, furskins or other materials
117	340391	Chemical	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment o-Preparations for the treatment of textile materials, leather, furskins or other materials
118	340510	Chemical	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated-Polishes, creams and similar preparations for footwear or leather
119	350790	Chemical	Enzymes; prepared enzymes not elsewhere specified or included.-Other
120	380993	Chemical	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included-Of a kind used in the leather or like industries

**Appendix Table 2:  
Country-Wise Identified Potential Global and Regional Export Baskets in Inputs and Outputs of Leather Industry**

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
<b>Outputs</b>						
1	Cape Verde	640610	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	2,606	0.0	19,512
2	Cote d'Ivoire	640192	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	4,084	99.5	6,809
3	Cote d'Ivoire	640199	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	1,415	97.3	9,882
4	Cote d'Ivoire	640220	Other footwear with outer soles and uppers of rubber or plastics.	12,174	99.8	36,068
5	Cote d'Ivoire	640291	Other footwear with outer soles and uppers of rubber or plastics.	2,399	94.9	18,291
6	Cote d'Ivoire	640419	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	5,431	97.5	117,050
7	Egypt, Arab Rep.	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	172	34.9	2,578
8	Egypt, Arab Rep.	420500	Other articles of leather or of composition leather.	7,064	5.1	10,178
9	Egypt, Arab Rep.	640391	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	1,381	0.6	17,752
10	Ethiopia(excludes Eritrea)	640319	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	268	99.2	27,327
11	Ethiopia(excludes Eritrea)	640391	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	280	25.3	17,743
12	Ethiopia(excludes Eritrea)	640399	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	2,411	6.2	155,022
13	Ethiopia(excludes Eritrea)	640590	Other footwear.	1,771	21.5	111,574
14	Ethiopia(excludes Eritrea)	640610	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	2,443	2.1	18,974
15	Ghana	420299	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	391	51.6	24,573
16	Kenya	420211	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	1,749	0.1	7,102
17	Kenya	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	159	8.6	2,525

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
18	Kenya	640192	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	7,197	79.1	6,891
19	Kenya	640220	Other footwear with outer soles and uppers of rubber or plastics.	15,086	58.8	36,149
20	Kenya	640291	Other footwear with outer soles and uppers of rubber or plastics.	271	68.4	18,337
21	Kenya	640419	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	3,203	68.9	115,927
22	Kenya	640520	Other footwear.	1,992	34.9	5,929
23	Kenya	640620	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	508	68.6	43,607
24	Madagascar	420221	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	357	0.1	12,915
25	Madagascar	420222	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	496	0.7	31,502
26	Madagascar	420229	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	2,233	0.1	26,846
27	Madagascar	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	207	0.0	2,560
28	Madagascar	420500	Other articles of leather or of composition leather.	7,521	0.0	6,926
29	Madagascar	650699	Other headgear, whether or not lined or trimmed.	243	2.0	6,922
30	Mauritius	420221	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	3,905	0.1	10,105
31	Mauritius	420231	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	1,161	0.2	6,305
32	Mauritius	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	677	2.3	2,482
33	Mauritius	420292	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	1,600	0.5	43,518

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
34	Mauritius	420310	Articles of apparel and clothing accessories, of leather or of composition leather.	7,805	0.1	7,652
35	Mauritius	430310	Articles of apparel, clothing accessories and other articles of furskin.	147	0.0	606
36	Morocco	420100	Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material.	3,033	0.8	6,095
37	Morocco	420211	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	3,014	2.0	13,583
38	Morocco	420221	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	14,368	0.1	21,273
39	Morocco	420231	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	3,494	0.1	8,215
40	Morocco	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	317	0.8	3,683
41	Morocco	420310	Articles of apparel and clothing accessories, of leather or of composition leather.	11,287	0.0	10,978
42	Morocco	420329	Articles of apparel and clothing accessories, of leather or of composition leather.-Other	2,583	0.2	25,097
43	Morocco	420330	Articles of apparel and clothing accessories, of leather or of composition leather.-Belts and bandoliers	16,154	0.7	27,672
44	Morocco	430310	Articles of apparel, clothing accessories and other articles of furskin.	1,026	0.0	1,009
45	Morocco	640192	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	6,264	0.0	9,526
46	Morocco	640212	Other footwear with outer soles and uppers of rubber or plastics.-Skiboots, crosscountry ski footwear and snowboard boots	883	0.0	1,637
47	Morocco	640291	Other footwear with outer soles and uppers of rubber or plastics.	5,686	0.0	21,700
48	Morocco	640319	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	1,451	1.7	42,128
49	Morocco	640320	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	301	28.3	7,654
50	Morocco	640359	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.-Other	17,741	15.2	31,006
51	Morocco	640391	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	41,131	0.8	34,383
52	Morocco	640399	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	149,149	1.3	195,910
53	Morocco	640411	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials. -Sports footwear; tennis shoes, basketball shoes, gym shoes, training shoes and the like	3,169	0.1	73,973

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
54	Morocco	640420	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials. -Footwear with outer soles of leather or composition leather	825	5.3	16,478
55	Morocco	640510	Other footwear.-With uppers of leather or composition leather	20,591	1.4	19,210
56	Morocco	640520	Other footwear.	3,654	0.0	10,976
57	Morocco	640590	Other footwear.	13,122	43.0	187,494
58	Morocco	640610	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	68,646	0.0	96,884
59	Nigeria	640220	Other footwear with outer soles and uppers of rubber or plastics.	52,313	0.0	36,486
60	Nigeria	640299	Other footwear with outer soles and uppers of rubber or plastics.	102,437	27.7	333,367
61	Rwanda	640419	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	1,184	99.8	117,290
62	Senegal	640220	Other footwear with outer soles and uppers of rubber or plastics.	1,030	99.9	36,295
63	South Africa	420100	Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material.	5,143	3.9	1,243
64	South Africa	420500	Other articles of leather or of composition leather.	6,913	2.1	7,492
65	South Africa	430310	Articles of apparel, clothing accessories and other articles of furskin.	839	88.7	1,011
66	South Africa	430390	Articles of apparel, clothing accessories and other articles of furskin.	305	6.7	81
67	South Africa	640110	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	2,619	44.2	3,732
68	South Africa	640192	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	1,369	70.6	6,337
69	Uganda	640320	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	846	100	3,464
70	Uganda	640520	Other footwear.	2,871	100	6,148
71	Zambia	640220	Other footwear with outer soles and uppers of rubber or plastics.	1,575	100	36,102
72	Zimbabwe	420212	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	514	100	73,439
73	Zimbabwe	640399	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	698	99.9	154,651
74	Zimbabwe	640419	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	468	75.4	116,948
75	Zimbabwe	940161	Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof.	2,609	99.5	65,448
<b>Total Outputs</b>				<b>672,428</b>	<b>14.8</b>	<b>2,854,235</b>

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
<b>Processed Inputs</b>						
76	Algeria	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	12,986	1.1	1,534
77	Algeria	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	1,411	0.4	238
78	Burkina Faso	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	1,943	38.0	1,045
79	Burkina Faso	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	3,662	37.0	6,514
80	Burundi	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	172	0.0	119
81	Cote d'Ivoire	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	1,651	0.0	458
82	Cote d'Ivoire	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	973	0.0	119
83	Egypt, Arab Rep.	430211	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.	244	0.0	5
84	Egypt, Arab Rep.	430219	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.	326	0.0	1,353
85	Egypt, Arab Rep.	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	14,187	0.1	15,832
86	Egypt, Arab Rep.	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	67,283	0.3	1,510
87	Egypt, Arab Rep.	410441	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	1,222	0.0	18,027
88	Egypt, Arab Rep.	410449	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	4,177	0.0	2,002
89	Egypt, Arab Rep.	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	1,253	0.8	458
90	Egypt, Arab Rep.	410530	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	1,533	1.2	217
91	Egypt, Arab Rep.	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	1,012	0.0	119
92	Egypt, Arab Rep.	410622	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	380	0.0	128
93	Egypt, Arab Rep.	410691	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	142	0.0	29,552
94	Egypt, Arab Rep.	410692	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	293	0.0	421



S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
95	Egypt, Arab Rep.	410711	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	3,149	0.0	15,122
96	Egypt, Arab Rep.	410719	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	1,718	0.0	3,807
97	Egypt, Arab Rep.	410791	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	1,091	0.0	1,374
98	Egypt, Arab Rep.	411330	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	112	12.8	1,323
99	Egypt, Arab Rep.	411420	Chamois (including combination chamois) leather; patent leather and patent laminated leather; metallised leather.	385	0.2	13,656
100	Ethiopia(excludes Eritrea)	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	1,055	0.0	15,832
101	Ethiopia(excludes Eritrea)	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	476	0.0	1,510
102	Ethiopia(excludes Eritrea)	410441	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	246	2.8	18,027
103	Ethiopia(excludes Eritrea)	410449	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	242	0.0	2,000
104	Ethiopia(excludes Eritrea)	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	1,248	0.0	458
105	Ethiopia(excludes Eritrea)	410530	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	24,755	0.0	208
106	Ethiopia(excludes Eritrea)	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	6,978	1.4	119
107	Ethiopia(excludes Eritrea)	410622	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	9,240	0.0	127
108	Ethiopia(excludes Eritrea)	410631	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	115	0.0	13
109	Ethiopia(excludes Eritrea)	410691	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	200	0.0	29,552
110	Ethiopia(excludes Eritrea)	410692	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	517	0.4	421
111	Ethiopia(excludes Eritrea)	410799	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	111	10.4	16,781

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
112	Ethiopia(excludes Eritrea)	411200	Leather further prepared after tanning or crusting, including parchment-dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14.	6,760	0.5	521
113	Ethiopia(excludes Eritrea)	411310	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	1,416	0.0	1,312
114	Ethiopia(excludes Eritrea)	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	2,113	0.5	4,125
115	Kenya	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	9,333	1.7	15,589
116	Kenya	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	4,501	0.0	1,465
117	Kenya	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	8,658	0.0	364
118	Kenya	410530	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	270	0.0	214
119	Kenya	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	19,570	2.3	6,455
120	Kenya	410622	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	454	0.1	128
121	Mali	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	158	42.9	15,832
122	Mali	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	153	1.4	1,510
123	Mali	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	1,829	6.7	458
124	Mali	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	1,145	9.0	119
125	Morocco	410449	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	414	11.4	4,483
126	Morocco	410530	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	9,468	1.3	17,784
127	Morocco	410622	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	329	0.0	812
128	Morocco	411200	Leather further prepared after tanning or crusting, including parchment-dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14.	5,623	3.0	13,205
129	Morocco	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	1,967	0.2	6,287
130	Morocco	430230	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.	2,296	0.0	217

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
131	Namibia	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	7,550	3.6	1,402
132	Namibia	410449	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	3,287	99.3	9,815
133	Namibia	410711	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	427	100	15,120
134	Namibia	410712	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	168	99.7	11,713
135	Namibia	410719	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	313	99.8	3,805
136	Namibia	410799	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	209	96.6	16,756
137	Namibia	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	801	97.0	4,110
138	Namibia	430219	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.	865	0.4	1,347
139	Niger	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	151	5.4	458
140	Niger	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	125	56.2	119
141	Nigeria	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	42,948	9.8	6,514
142	Nigeria	410622	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	409,704	44.6	183,107
143	Nigeria	410631	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	560	0.0	13
144	Nigeria	411200	Leather further prepared after tanning or crusting, including parchment-dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14.	2,660	5.0	534
145	Nigeria	411310	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	730,489	4.1	31,331
146	Nigeria	411320	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	218,490	0.0	2,032

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
147	Nigeria	411330	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	982	16.3	1,323
148	Nigeria	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	2,458	1.4	3,955
149	Rwanda	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	663	0.3	119
150	Senegal	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	142	80.1	15,832
151	Senegal	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	152	12.3	458
152	South Africa	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	23,104	0.0	321
153	South Africa	410640	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	456	0.0	1,015
154	South Africa	410692	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	922	0.0	335
155	South Africa	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	40,252	0.2	3,662
156	South Africa	430219	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.	1,040	0.8	737
157	South Africa	430230	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.	1,996	0.2	32
158	Sudan	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	2,238	0.0	15,832
159	Sudan	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	10,355	0.0	456
160	Sudan	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	1,473	0.0	119
161	Uganda	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	3,253	7.7	15,832
162	Uganda	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	197	0.0	1,507
163	Uganda	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	1,065	0.0	119
164	Uganda	410691	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	5,476	0.9	29,552

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
165	Zambia	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	1,263	30.7	1,510
166	Zambia	410691	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	176	34.6	29,552
167	Zambia	410711	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	145	78.6	15,122
168	Zambia	410719	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	112	24.6	3,787
169	Zambia	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	1,412	96.8	4,113
170	Zimbabwe	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	736	3.9	942
171	Zimbabwe	410640	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	490	4.2	954
172	Zimbabwe	410692	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	259	20.4	188
<b>Total Processed Inputs</b>				<b>1,762,507</b>	<b>13.0</b>	<b>726,403</b>

**Primary Inputs**

173	Algeria	410221	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	802	5.3	522
174	Botswana	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	150	99.2	1,602
175	Botswana	410150	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	445	79.7	594
176	Botswana	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	1,436	43.5	5,272
177	Botswana	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	724	34.3	4,960

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
178	Burundi	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	1,228	44.7	1,656
179	Burundi	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	644	35.1	4,971
180	Egypt, Arab Rep.	410221	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	453	0.0	35
181	Egypt, Arab Rep.	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	247	0.2	4,971
182	Ethiopia(excludes Eritrea)	410221	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	10,709	0.0	35
183	Ethiopia(excludes Eritrea)	410229	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	287	0.0	598
184	Kenya	410150	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	297	0.0	100
185	Madagascar	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	2,632	0.0	1,652
186	Madagascar	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	463	0.0	5,329
187	Madagascar	410320	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	214	0.0	6,035
188	Malawi	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	103	0.0	5,329
189	Malawi	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	404	36.2	4,970

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
190	Namibia	410210	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	204	94.2	354
191	Namibia	410221	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	1,935	59.5	1,214
192	Namibia	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	1,505	13.9	4,027
193	Namibia	430130	Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.	5,784	0.0	2
194	Nigeria	430130	Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.	277	0.0	0
195	Rwanda	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	1,110	56.4	1,655
196	Rwanda	410229	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	708	19.4	598
197	Rwanda	410320	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	131	16.7	6,035
198	Senegal	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	1,133	0.3	1,630
199	Senegal	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	112	10.1	5,324
200	Senegal	410210	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	867	0.0	320
201	Senegal	410229	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	382	3.3	583
202	Senegal	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	746	14.0	4,954

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
203	South Africa	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	2,157	0.4	1,281
204	South Africa	410150	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	12,970	0.0	49
205	South Africa	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	4,589	0.0	4,860
206	South Africa	410210	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	19,267	0.0	295
207	South Africa	410221	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	27,811	0.0	31
208	South Africa	410229	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	341	0.4	590
209	South Africa	410320	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	3,123	0.0	5,650
210	South Africa	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	10,629	0.5	3,982
211	South Africa	411520	Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls; parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and	630	0.0	1,333
212	Sudan	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	972	3.3	1,585
213	Sudan	410210	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	681	3.8	303
214	Uganda	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	271	33.9	1,647



S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
215	Uganda	410150	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	250	0.0	100
216	Uganda	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	123	0.0	5,330
217	Uganda	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	550	6.4	4,965
218	Zambia	410320	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	1,338	0.0	6,035
219	Zambia	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	1,060	7.9	4,971
220	Zimbabwe	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	481	23.7	1,194
221	Zimbabwe	410320	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	11,280	1.0	666
222	Zimbabwe	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	111	56.6	4,893
<b>Total Primary Inputs</b>				<b>134,765</b>	<b>4.0</b>	<b>125,088</b>

#### Chemical Inputs

223	Cote d'Ivoire	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	4,983	87.9	65,706
224	Egypt, Arab Rep.	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	13,819	61.2	15,160
225	Egypt, Arab Rep.	340212	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.	3,231	50.9	12,864
226	Kenya	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	460	1.3	1,355

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
227	Kenya	320190	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	186	0.1	771
228	Kenya	320411	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	316	89.9	13,337
229	Kenya	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	1,326	89.8	14,879
230	Kenya	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	11,377	81.2	17,273
231	Namibia	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	2,067	100	3,500
232	South Africa	283010	Sulphides; polysulphides, whether or not chemically defined.	8,285	99.6	11,636
233	South Africa	284130	Salts of oxometallic or peroxometallic acids.	34,305	0.1	324
234	South Africa	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	39,214	2.0	1,628
235	South Africa	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	4,969	80.7	16,545
236	Zimbabwe	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	2,115	0.5	930
<b>Total Chemical Inputs</b>				<b>126,652</b>	<b>31.9</b>	<b>175,910</b>
				<b>2,696,353</b>	<b>13.9</b>	<b>3,881,635</b>

**Appendix List I:  
Identified Potential Finished Leather Products for Global and Regional Exports of Africa**

S.No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
<b>Potential Final Leather Products identified for Regional Exports</b>						
1	Cape Verde	640610	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	2,606	0.0	19,512
2	Cote d'Ivoire	640192	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	4,084	99.5	6,809
3	Cote d'Ivoire	640199	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	1,415	97.3	9,882
4	Cote d'Ivoire	640220	Other footwear with outer soles and uppers of rubber or plastics.	12,174	99.8	36,068
5	Cote d'Ivoire	640291	Other footwear with outer soles and uppers of rubber or plastics.	2,399	94.9	18,291
6	Cote d'Ivoire	640419	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	5,431	97.5	117,050
7	Egypt, Arab Rep.	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	172	34.9	2,578
8	Egypt, Arab Rep.	420500	Other articles of leather or of composition leather.	7,064	5.1	10,178
9	Egypt, Arab Rep.	640391	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	1,381	0.6	17,752
10	Ethiopia	640319	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	268	99.2	27,327
11	Ethiopia	640391	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	280	25.3	17,743
12	Ethiopia	640399	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	2,411	6.2	155,022
13	Ethiopia	640590	Other footwear.	1,771	21.5	111,574
14	Ethiopia	640610	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	2,443	2.1	18,974
15	Ghana	420299	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	391	51.6	24,573

S.No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
16	Kenya	420211	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	1,749	0.1	7,102
17	Kenya	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	159	8.6	2,525
18	Kenya	640220	Other footwear with outer soles and uppers of rubber or plastics.	15,086	58.8	36,149
19	Kenya	640291	Other footwear with outer soles and uppers of rubber or plastics.	271	68.4	18,337
20	Kenya	640419	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	3,203	68.9	115,927
21	Kenya	640520	Other footwear.	1,992	34.9	5,929
22	Kenya	640620	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	508	68.6	43,607
23	Madagascar	420221	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	357	0.1	12,915
24	Madagascar	420222	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	496	0.7	31,502
25	Madagascar	420229	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	2,233	0.1	26,846
26	Madagascar	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	207	0.0	2,560
27	Madagascar	650699	Other headgear, whether or not lined or trimmed.	243	2.0	6,922

S.No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
28	Mauritius	420221	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	3,905	0.1	10,105
29	Mauritius	420231	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	1,161	0.2	6,305
30	Mauritius	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	677	2.3	2,482
31	Mauritius	420292	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	1,600	0.5	43,518
32	Mauritius	430310	Articles of apparel, clothing accessories and other articles of furskin.	147	0.0	606
33	Morocco	420100	Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material.- Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material.	3,033	0.8	6,095
34	Morocco	420211	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of leather, of composition leather or of patent leather	3,014	2.0	13,583
35	Morocco	420221	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of leather, of composition leather or of patent leather	14,368	0.1	21,273
36	Morocco	420231	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of leather, of composition leather or of patent leather	3,494	0.1	8,215

S.No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
37	Morocco	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile-With outer surface of leather, of composition leather or of patent leather	317	0.8	3,683
38	Morocco	420329	Articles of apparel and clothing accessories, of leather or of composition leather.-Other	2,583	0.2	25,097
39	Morocco	420330	Articles of apparel and clothing accessories, of leather or of composition leather.-Belts and bandoliers	16,154	0.7	27,672
40	Morocco	640192	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.-Covering the ankle but not covering the knee	6,264	0.0	9,526
41	Morocco	640212	Other footwear with outer soles and uppers of rubber or plastics.-Skiboats, crosscountry ski footwear and snowboard boots	883	0.0	1,637
42	Morocco	640291	Other footwear with outer soles and uppers of rubber or plastics.-Covering the ankle	5,686	0.0	21,700
43	Morocco	640319	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.-Other	1,451	1.7	42,128
44	Morocco	640320	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.-Footwear with outer soles of leather, and uppers which consist of leather straps across the instep and around the big toe	301	28.3	7,654
45	Morocco	640359	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.-Other	17,741	15.2	31,006
46	Morocco	640399	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.-Other	149,149	1.3	195,910
47	Morocco	640411	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.-Sports footwear; tennis shoes, basketball shoes, gym shoes, training shoes and the like	3,169	0.1	73,973
48	Morocco	640420	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.-Footwear with outer soles of leather or composition leather	825	5.3	16,478
49	Morocco	640520	Other footwear.-With uppers of textile materials	3,654	0.0	10,976
50	Morocco	640590	Other footwear.-Other	13,122	43.0	187,494

S.No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
51	Morocco	640610	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.-Uppers and parts thereof, other than stiffeners	68,646	0.0	96,884
52	Nigeria	640299	Other footwear with outer soles and uppers of rubber or plastics.	102,437	27.7	333,367
53	Rwanda	640419	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	1,184	99.8	117,290
54	Senegal	640220	Other footwear with outer soles and uppers of rubber or plastics.	1,030	99.9	36,295
55	South Africa	420500	Other articles of leather or of composition leather.	6,913	2.1	7,492
56	South Africa	430310	Articles of apparel, clothing accessories and other articles of furskin.	839	88.7	1,011
57	South Africa	640110	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	2,619	44.2	3,732
58	South Africa	640192	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	1,369	70.6	6,337
59	Uganda	640320	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	846	100	3,464
60	Uganda	640520	Other footwear.	2,871	100	6,148
61	Zambia	640220	Other footwear with outer soles and uppers of rubber or plastics.	1,575	100	36,102
62	Zimbabwe	420212	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	514	100	73,439
63	Zimbabwe	640399	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	698	99.9	154,651
64	Zimbabwe	640419	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	468	75.4	116,948
65	Zimbabwe	940161	Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof.	2,609	99.5	65,448
<b>Total Regional</b>				<b>518,111</b>	<b>17.9</b>	<b>2,729,376</b>

S.No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's share in Country's Exports (%)	Region's Average Global Import (2008-10) (1000 \$)
<b>Potential Final Leather Products identified for Global Exports</b>						
66	Kenya	640192	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	7,197	79.1	6,891
67	Madagascar	420500	Other articles of leather or of composition leather.	7,521	0.0	6,926
68	Mauritius	420310	Articles of apparel and clothing accessories, of leather or of composition leather.	7,805	0.1	7,652
69	Morocco	420310	Articles of apparel and clothing accessories, of leather or of composition leather.-Articles of apparel	11,287	0.0	10,978
70	Morocco	430310	Articles of apparel, clothing accessories and other articles of furskin.-Articles of apparel and clothing accessories	1,026	0.0	1,009
71	Morocco	640391	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.-Covering the ankle	41,131	0.8	34,383
72	Morocco	640510	Other footwear.-With uppers of leather or composition leather	20,591	1.4	19,210
73	Nigeria	640220	Other footwear with outer soles and uppers of rubber or plastics.	52,313	0.0	36,486
74	South Africa	420100	Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material.	5,143	3.9	1,243
75	South Africa	430390	Articles of apparel, clothing accessories and other articles of furskin.	305	6.7	81
<b>Total Global</b>				<b>154,319</b>	<b>4.2</b>	<b>124,860</b>
<b>Total (Regional + Global)</b>				<b>672,430</b>	<b>14.8</b>	<b>2,854,236</b>



**Appendix List II:  
Identified Primary, Processed and Chemical leather Inputs which can be sourced from Africa**

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
<i>Potential Inputs which can be Imported at relatively lower cost</i>								
<i>Processed Inputs</i>								
1	Algeria	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.-Other	810	0.0	86,652	India	Egypt, Arab Rep.
2	Algeria	410712	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.-Grain splits	674	0.0	1,434	Italy	South Africa
3	Algeria	410719	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.-Other	189	0.0	13,631	Italy	Egypt, Arab Rep.
4	Egypt, Arab Rep.	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	179	8.6	39,435	United States	Kenya
5	Egypt, Arab Rep.	410712	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	669	47.0	812	Saudi Arabia	Kenya
6	Egypt, Arab Rep.	410719	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	318	10.0	2,118	Germany	Sudan
7	Ghana	410719	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	105	92.8	2,118	Italy	Mali
8	Mauritius	410719	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	560	0.4	2,115	France	South Africa

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
9	Mauritius	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	3,090	0.4	47,287	Italy	South Africa
10	Morocco	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.-Full grains, unsplit; grain splits	797	0.0	56,578	Italy	Egypt, Arab Rep.
11	Morocco	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.-Other	728	0.0	86,900	Germany	Egypt, Arab Rep.
12	Morocco	410441	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.-Full grains, unsplit; grain splits	201	0.0	2,684	Italy	Egypt, Arab Rep.
13	Morocco	410719	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.-Other	9,441	0.0	13,080	Spain	Egypt, Arab Rep.
14	Morocco	410799	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.-Other	2,625	0.0	9,619	Netherlands	Egypt, Arab Rep.
15	Morocco	411310	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.-Of goats or kids	6,894	0.0	733,292	Spain	Nigeria
16	Morocco	411330	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.-Of reptiles	780	0.0	2,156	France	Zimbabwe
17	Morocco	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.-Other	3,499	0.0	49,523	Spain	South Africa

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
18	Morocco	411420	Chamois (including combination chamois) leather; patent leather and patent laminated leather; metallised leather.-Patent leather and patent laminated leather; metallised leather	1,221	0.0	6,396	Spain	Morocco
19	Nigeria	410799	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	2,170	0.6	8,540	Belgium	Botswana
20	South Africa	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	15,511	0.6	16,331	Australia	Zambia
21	South Africa	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	764	35.2	14,913	Italy	Zambia
22	South Africa	411310	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	1,217	0.3	731,934	India	Ethiopia (excludes Eritrea)
23	South Africa	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	469	4.0	7,035	Saudi Arabia	Zimbabwe
24	South Africa	430219	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.	615	0.4	993	Brazil	Kenya
25	Zimbabwe	410692	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	232	14.4	1,599	China	South Africa

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
<b>Primary Inputs</b>								
26	Egypt, Arab Rep.	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	3,507	12.9	10,683	Germany	Sudan
27	Egypt, Arab Rep.	410210	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	997	80.8	21,336	Jordan	Libya
28	Egypt, Arab Rep.	410229	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	247	90.9	2,067	Italy	Libya
29	Kenya	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	1,688	64.2	7,206	New Zealand	Burundi
30	Kenya	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	2,653	96.3	16,555	Somalia	Uganda
31	Mali	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	134	97.3	16,525	Mauritania	Senegal

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
32	Morocco	411520	Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls; parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and -Parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and flour	647	0.0	959	Spain	South Africa
33	Namibia	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	944	99.9	15,051	Australia	South Africa
34	South Africa	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	375	20.5	8,526	Tanzania	Zimbabwe
35	South Africa	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	989	15.8	5,926	Brazil	Zimbabwe

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
<b>Chemical Inputs</b>								
36	Algeria	283010	Sulphides; polysulphides, whether or not chemically defined.-Sodium sulphides	623	0.2	8,482	Belgium	South Africa
37	Algeria	320210	Synthetic organic tanning substances; inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning.- Synthetic organic tanning substances	551	0.0	872	France	South Africa
38	Algeria	320412	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Acid dyes, whether or not premetallised, and preparations based thereon; mordant dyes and preparations based thereon	1,076	0.6	2,448	India	Morocco
39	Algeria	320413	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Basic dyes and preparations based thereon	186	0.0	445	Turkey	South Africa
40	Algeria	320416	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Reactive dyes and preparations based thereon	194	0.0	517	Switzerland	South Africa
41	Algeria	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Pigments and preparations based thereon	5,338	3.5	8,888	India	South Africa

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
42	Algeria	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.-Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	1,529	2.2	24,184	Germany	South Africa
43	Algeria	340211	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.-Anionic	5,120	1.4	12,042	India	South Africa
44	Algeria	340212	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.-Cationic	2,569	21.2	4,114	Egypt, Arab Rep.	Egypt, Arab Rep.
45	Algeria	340213	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.-Non-ionic	3,579	0.0	16,531	United States	South Africa
46	Algeria	340311	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment o-Preparations for the treatment of textile materials, leather, furskins or other materials	509	0.0	568	United States	South Africa
47	Algeria	340391	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment o-Preparations for the treatment of textile materials, leather, furskins or other materials	368	0.0	523	Spain	South Africa

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
48	Algeria	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated-Polishes, creams and similar preparations for footwear or leather	487	0.3	18,164	Turkey	Kenya
49	Algeria	350790	Enzymes; prepared enzymes not elsewhere specified or included.-Other	11,021	0.0	19,147	Japan	South Africa
50	Algeria	380993	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included-Of a kind used in the leather or like industries	1,823	1.2	3,361	France	South Africa
51	Benin	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	125	1.7	7,915	United Kingdom	Ghana
52	Botswana	283010	Sulphides; polysulphides, whether or not chemically defined.	502	0.6	8,402	China	South Africa
53	Botswana	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	1,238	98.7	4,527	China	South Africa
54	Botswana	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	934	99.8	16,495	United States	South Africa
55	Burkina Faso	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	160	80.6	7,915	Italy	Cote d'Ivoire



S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
56	Burkina Faso	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	243	52.1	4,569	China	Ghana
57	Burundi	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	254	68.6	4,568	United Arab Emirates	Kenya
58	Cote d'Ivoire	320411	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	573	0.0	602	United States	Ghana
59	Egypt, Arab Rep.	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	855	15.1	43,855	Tanzania	South Africa
60	Ethiopia (excludes Eritrea)	320210	Synthetic organic tanning substances; inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning.	4,144	13.2	6,564	Italy	South Africa
61	Ethiopia (excludes Eritrea)	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	545	0.9	4,569	Netherlands	Kenya
62	Ghana	320411	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	321	0.1	643	France	Cote d'Ivoire
63	Ghana	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	178	5.9	4,568	Spain	South Africa
64	Ghana	340311	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment o	134	2.2	318	India	Togo

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
65	Madagascar	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	291	9.3	4,566	France	South Africa
66	Madagascar	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	127	15.5	16,499	Indonesia	South Africa
67	Malawi	320411	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	238	8.2	643	India	Kenya
68	Mauritius	283010	Sulphides; polysulphides, whether or not chemically defined.	122	3.1	8,403	Belgium	South Africa
69	Mauritius	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	687	24.3	7,730	Belgium	South Africa
70	Mauritius	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	256	21.6	4,345	Switzerland	South Africa
71	Mauritius	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	113	15.7	16,498	Indonesia	South Africa
72	Morocco	284130	Salts of oxometallic or peroxometallic acids.-Sodium dichromate	195	6.5	34,315	Spain	South Africa
73	Morocco	292910	Compounds with other nitrogen function.-Isocyanates	163	9.8	8,022	Hungary	South Africa

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
74	Morocco	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.-Wattle extract	367	85.7	45,223	Brazil	South Africa
75	Morocco	320412	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin-Acid dyes, whether or not premetallised, and preparations based thereon; mordant dyes and preparations based thereon	1,736	0.0	2,041	India	Morocco
76	Morocco	320611	Other colouring matter; preparations as specified in Note 3 to this Chapter, other than those of heading 32.03, 32.04 or 32.05; inorganic products of a kind used as luminophores, whether or not chemically defined.-Containing 80 % or more by weight of titanium dioxide calculated on the dry matter	1,167	1.3	13,654	Saudi Arabia	South Africa
77	Morocco	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.-Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	5,831	0.0	24,129	Italy	South Africa
78	Morocco	340211	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.-Anionic	3,943	0.0	11,289	Spain	South Africa
79	Morocco	340213	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.-Non-ionic	1,285	0.3	16,289	Italy	South Africa

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
80	Morocco	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated-Polishes, creams and similar preparations for footwear or leather	12,910	0.0	18,162	China	Kenya
81	Morocco	350790	Enzymes; prepared enzymes not elsewhere specified or included.-Other	909	5.9	19,131	Denmark	South Africa
82	Namibia	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	1,896	98.6	3,768	United Kingdom	South Africa
83	Namibia	340311	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment o	105	99.5	317	Germany	South Africa
84	Niger	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	115	6.3	7,915	Switzerland	Cote d'Ivoire
85	Niger	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	133	15.8	4,569	China	Cote d'Ivoire
86	Nigeria	283010	Sulphides; polysulphides, whether or not chemically defined.	2,180	6.3	8,403	United Arab Emirates	Botswana
87	Nigeria	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	564	2.6	4,569	Italy	Botswana
88	Rwanda	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	312	88.0	4,558	Germany	Kenya

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
89	Senegal	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	1,725	56.7	7,757	France	Cote d'Ivoire
90	Senegal	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	320	0.9	4,492	China	Sudan
91	Senegal	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	299	9.0	16,499	Spain	South Africa
92	South Africa	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	1,052	0.0	11,530	Italy	Malawi
93	Sudan	320210	Synthetic organic tanning substances; inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning.	118	2.7	325	Spain	Kenya
94	Uganda	283010	Sulphides; polysulphides, whether or not chemically defined.	197	8.5	8,403	Italy	Kenya
95	Uganda	320411	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	132	1.2	643	Netherlands	Kenya

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
96	Uganda	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	1,157	7.8	7,915	Germany	Kenya
97	Uganda	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	256	71.1	4,544	United Kingdom	South Africa
98	Zimbabwe	320210	Synthetic organic tanning substances; inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning.	186	86.9	325	Australia	South Africa
99	Zimbabwe	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	465	55.3	7,915	China	South Africa
100	Zimbabwe	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	1,028	91.6	4,565	United States	South Africa

**Potential Inputs which can be Imported at relatively higher cost**

**Processed Inputs**

101	Algeria	410799	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.-Other	231	0.0	9,650	Spain	Egypt, Arab Rep.
102	Algeria	411510	Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls; parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and -Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls	167	0.0	2,412	Germany	South Africa

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
103	Egypt, Arab Rep.	410799	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	221	13.6	8,540	Italy	Sudan
104	Kenya	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	243	99.5	30,102	Tanzania	Uganda
105	Madagascar	410711	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	426	0.3	1,347	France	Mauritius
106	Madagascar	410799	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	635	0.1	8,539	France	South Africa
107	Mauritius	410640	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	922	10.8	1,037	United States	Zimbabwe
108	Mauritius	410799	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	2,413	7.0	8,467	United States	Zimbabwe
109	Morocco	411200	Leather further prepared after tanning or crusting, including parchment-dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14. -Leather further prepared after tanning or crusting, including parchmentdressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14.	7,461	0.0	23,397	Spain	Nigeria
110	Morocco	430220	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03. -Heads, tails, paws and other pieces or cuttings, not assembled	145	0.0	1,854	Spain	South Africa

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
111	Morocco	430230	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.-Whole skins and pieces or cuttings thereof, assembled	184	0.0	4,325	Spain	Morocco
112	Nigeria	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	359	42.7	26,124	Italy	Senegal
113	Nigeria	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	177	30.9	44,829	Italy	Botswana
114	South Africa	410449	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	1,380	5.7	3,899	Argentina	Zambia
115	Zimbabwe	410799	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	250	97.1	8,527	China	South Africa
<b>Primary Inputs</b>								
116	Egypt, Arab Rep.	410150	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	4,029	5.6	14,242	Iraq	Libya
117	Kenya	410320	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	273	99.6	16,323	United Arab Emirates	Uganda
118	Namibia	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	428	84.0	10,616	Brazil	South Africa



S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
119	Nigeria	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	116	62.8	10,498	China	Sudan
120	Nigeria	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	3,050	0.6	7,200	Ireland	Botswana
121	South Africa	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	470	0.6	2,617	Thailand	Zimbabwe
122	South Africa	410320	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	386	95.0	13,200	Mozambique	Zimbabwe
123	Zimbabwe	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	462	21.4	10,202	China	Botswana

**Chemical Inputs**

124	Burkina Faso	283010	Sulphides; polysulphides, whether or not chemically defined.	103	1.2	8,398	Belgium	Cote d'Ivoire
125	Burundi	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	147	21.0	16,499	United Arab Emirates	Kenya
126	Congo, Rep.	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	850	1.5	4,569	United Arab Emirates	Congo, Dem. Rep.

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
127	Cote d'Ivoire	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	257	10.7	4,180	Switzerland	South Africa
128	Cote d'Ivoire	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	152	17.0	16,499	China	South Africa
129	Ethiopia (excludes Eritrea)	283010	Sulphides; polysulphides, whether or not chemically defined.	1,094	2.5	8,403	Spain	South Africa
130	Ethiopia (excludes Eritrea)	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	250	80.9	43,855	Turkey	South Africa
131	Ethiopia (excludes Eritrea)	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	2,732	1.7	7,915	India	South Africa
132	Ethiopia (excludes Eritrea)	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	2,400	87.6	16,499	China	Kenya
133	Ghana	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	1,918	9.4	7,915	China	South Africa
134	Ghana	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	756	0.8	16,499	China	South Africa

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
135	Kenya	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	281	63.9	43,395	United Kingdom	South Africa
136	Kenya	320411	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	316	0.6	326	China	South Africa
137	Kenya	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	4,726	6.1	7,580	India	South Africa
138	Kenya	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	280	1.1	3,243	Switzerland	South Africa
139	Kenya	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	324	0.1	5,122	China	South Africa
140	Madagascar	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	450	20.7	7,868	India	South Africa
141	Malawi	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	153	52.6	4,569	United Arab Emirates	South Africa
142	Malawi	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	536	89.2	16,454	United Arab Emirates	Kenya

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
143	Mali	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	237	25.4	4,565	China	South Africa
144	Namibia	283010	Sulphides; polysulphides, whether or not chemically defined.	2,189	8.7	8,369	China	South Africa
145	Namibia	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	861	91.8	16,428	China	South Africa
146	Nigeria	340311	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment o	167	0.3	318	Antigua and Barbuda	South Africa
147	Nigeria	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	4,773	23.4	16,499	France	South Africa
148	Rwanda	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	651	99.8	16,499	China	Kenya
149	Sudan	320411	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	294	4.1	643	China	Swaziland
150	Sudan	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	170	29.7	7,915	China	Swaziland

S. No.	Country	HS 6 Digit	Description at 4 Digit	Country's Average Global Imports (2008-10) (1000 \$)	Region's share in Country's Imports (%)	Region's Average Global Exports (2008-10) (1000 \$)	Top Global Exporter	Top Exporter in Region
151	Uganda	284130	Salts of oxometallic or peroxometallic acids.	102	19.6	34,312	China	Kenya
152	Uganda	320210	Synthetic organic tanning substances; inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning.	116	41.7	325	China	Kenya
153	Uganda	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	2,284	93.3	16,499	Hong Kong, China	Kenya
154	Zambia	283010	Sulphides; polysulphides, whether or not chemically defined.	3,932	49.0	8,394	China	South Africa
155	Zambia	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	261	62.7	7,912	India	South Africa
156	Zambia	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	510	46.8	4,512	Tanzania	South Africa
157	Zambia	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	1,535	95.7	16,490	United Arab Emirates	Kenya
158	Zimbabwe	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	706	2.1	41,741	Mozambique	South Africa
159	Zimbabwe	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	311	79.0	16,475	China	South Africa
<b>Total</b>				<b>214,952</b>	<b>15.2</b>	<b>3,363,387</b>		

**Appendix List III (a):  
Potential Products Identified for Investments in Africa**

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)	Average Regional RCA (2003-05)	Average Regional RCA (2009-11)
<b>Potential Leather Finished products Identified for Investment</b>							
1	Cote d'Ivoire	640192	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	4,084	6,809	0.3	10.2
2	Cote d'Ivoire	640199	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	1,415	9,882	7.1	9.5
3	Cote d'Ivoire	640220	Other footwear with outer soles and uppers of rubber or plastics.	12,174	36,068	3.7	9.5
4	Cote d'Ivoire	640291	Other footwear with outer soles and uppers of rubber or plastics.	2,399	18,291	3.3	6.6
5	Cote d'Ivoire	640419	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	5,431	117,050	4.0	11.7
6	Cape Verde	640610	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	2,606	19,512	5935.3	3157.5
7	Egypt, Arab Rep.	640391	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	1,381	17,752		8.2
8	Ethiopia	640391	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	280	17,743	7.1	7.2
9	Ethiopia	640399	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	2,411	155,022	1.1	24.8
10	Ethiopia	640590	Other footwear.	1,771	111,574	3.0	14.3
11	Ethiopia	640610	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	2,443	18,974	0.2	27.0
12	Ghana	420299	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	391	24,573	0.1	6.1
13	Kenya	420211	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	1,749	7,102	2.5	3.2

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)	Average Regional RCA (2003-05)	Average Regional RCA (2009-11)
14	Kenya	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	159	2,525	0.3	5.0
15	Kenya	640220	Other footwear with outer soles and uppers of rubber or plastics.	15,086	36,149	10.8	10.3
16	Kenya	640291	Other footwear with outer soles and uppers of rubber or plastics.	271	18,337	1.5	3.5
17	Kenya	640520	Other footwear.	1,992	5,929	19.1	20.7
18	Kenya	640620	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.	508	43,607	11.5	13.6
19	Madagascar	420221	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	357	12,915	1.2	11.8
20	Madagascar	420222	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	496	31,502	7.6	95.8
21	Madagascar	420229	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	2,233	26,846	3.6	144.3
22	Madagascar	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	207	2,560	3.6	40.1
23	Madagascar	650699	Other headgear, whether or not lined or trimmed.	243	6,922	14.6	34.3
24	Mauritius	420221	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	3,905	10,105	10.8	58.5

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)	Average Regional RCA (2003-05)	Average Regional RCA (2009-11)
25	Mauritius	420231	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	1,161	6,305	13.0	63.7
26	Mauritius	420291	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	677	2,482	7.4	77.2
27	Mauritius	420292	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, insulated food or beverages bags, toile	1,600	43,518	10.3	75.6
28	Morocco	640320	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.-Footwear with outer soles of leather, and uppers which consist of leather straps across the instep and around the big toe	301	7,654	1.5	2.0
29	Morocco	640510	Other footwear.-With uppers of leather or composition leather	20,591	19,210	2.1	5.3
30	Nigeria	640299	Other footwear with outer soles and uppers of rubber or plastics.	102,437	333,367	2.0	2.3
31	Rwanda	640419	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.	1,184	117,290	37.5	67.2
32	Senegal	640220	Other footwear with outer soles and uppers of rubber or plastics.	1,030	36,295	2.1	2.3
33	South Africa	430310	Articles of apparel, clothing accessories and other articles of fur skin.	839	1,011	1.3	2.8
34	South Africa	640110	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	2,619	3,732	1.5	3.0
35	Uganda	640320	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.	846	3,464	1.8	58.2
36	Zimbabwe	940161	Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof.	2,609	65,448	5.4	13.7



S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)	Average Regional RCA (2003-05)	Average Regional RCA (2009-11)
<b>Potential Processed Leather Inputs Identified for Investment</b>							
37	Egypt, Arab Rep.	410441	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	1,222	18,027		3.7
38	Egypt, Arab Rep.	410711	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	3,149	15,122		6.5
39	Egypt, Arab Rep.	410719	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	1,718	3,807		4.3
40	Ethiopia	410441	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	246	18,027	16.2	19.3
41	Ethiopia	410449	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	242	2,000	21.1	24.1
42	Ethiopia	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	2,113	4,125	1.0	3.9
43	Kenya	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	9,333	15,589	1.2	8.5
44	Mali	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	153	1,510	0.2	4.0
45	Morocco	411200	Leather further prepared after tanning or crusting, including parchment-dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14.-Leather further prepared after tanning or crusting, including parchmentdressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14.	5,623	13,205	18.9	31.0
46	Namibia	410449	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	3,287	9,815	6.2	25.0
47	Namibia	410712	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	168	11,713	0.1	9.8

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)	Average Regional RCA (2003-05)	Average Regional RCA (2009-11)
48	Namibia	410719	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	313	3,805	0.7	6.0
49	Namibia	410799	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	209	16,756	0.0	8.1
50	Namibia	430219	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.	865	1,347	0.8	14.9
51	Nigeria	411330	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	982	1,323	1.3	1.5
52	Senegal	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	152	458	6.0	11.5
53	South Africa	410640	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	456	1,015	0.5	1.8
54	Uganda	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	3,253	15,832	0.1	18.4
55	Uganda	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	197	1,507	0.4	3.0
56	Uganda	410691	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	5,476	29,552	37.7	129.4
57	Zambia	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	1,263	1,510	1.3	2.5
58	Zambia	410711	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	145	15,122	0.2	4.4
59	Zambia	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	1,412	4,113	0.0	1.3

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)	Average Regional RCA (2003-05)	Average Regional RCA (2009-11)
<b>Potential Primary Leather Inputs Identified for Investment</b>							
60	Burundi	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	1,228	1,656	128.1	149.5
61	Malawi	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	103	5,329	3.0	3.7
62	Malawi	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	404	4,970	1.7	5.3
63	Namibia	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	1,505	4,027	2.4	2.9
64	Rwanda	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	1,110	1,655	39.6	177.3
65	Senegal	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	1,133	1,630	2.6	4.4
66	Senegal	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	112	5,324	1.4	1.5
67	Senegal	410229	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	382	583	1.4	26.6
68	Senegal	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	746	4,954	3.2	6.4

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)	Average Regional RCA (2003-05)	Average Regional RCA (2009-11)
69	South Africa	410190	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	4,589	4,860	0.3	1.7
70	South Africa	411520	Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls; parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and	630	1,333	1.6	2.4
71	Uganda	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	271	1,647	5.2	8.3
72	Uganda	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	550	4,965	3.1	12.2
73	Zambia	410320	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	1,338	6,035	0.3	2.0
74	Zimbabwe	410120	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	481	1,194	0.2	7.5

#### Potential Chemical Leather Inputs Identified for Investment

75	Cote d'Ivoire	320417	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	4,983	65,706	6.4	12.1
76	Egypt, Arab Rep.	340212	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.	3,231	12,864		6.8
77	Kenya	320190	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	186	771	3.3	33.4

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)	Average Regional RCA (2003-05)	Average Regional RCA (2009-11)
78	Kenya	320411	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as lumin	316	13,337	9.1	15.1
79	Kenya	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	1,326	14,879	3.5	13.7
80	Kenya	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	11,377	17,273	19.7	27.6
81	Namibia	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	2,067	3,500	0.6	1.3
82	South Africa	283010	Sulphides; polysulphides, whether or not chemically defined.	8,285	11,636	1.4	3.1
83	South Africa	340510	Polishes and creams, for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated	4,969	16,545	0.2	1.7

**Appendix Table-List III (b):  
Potential Investors Identified in Africa**

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)
<b>Potential Investor Identified in Finished Leather products</b>					
1	Egypt, Arab Rep.	420500	Other articles of leather or of composition leather.	7,064	10,178
2	Kenya	640192	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes.	7,197	6,891
3	Madagascar	420500	Other articles of leather or of composition leather.	7,521	6,926
4	Mauritius	420310	Articles of apparel and clothing accessories, of leather or of composition leather.	7,805	7,652
5	Morocco	640391	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.-Covering the ankle	41,131	34,383
6	South Africa	420100	Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material.	5,143	1,243

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)
<b>Potential Investor Identified in Processed Leather products</b>					
7	Algeria	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.-In the wet state (including wetblue)	12,986	1,534
8	Algeria	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.-In the wet state (including wetblue)	1,411	238
9	Egypt, Arab Rep.	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	14,187	15,832
10	Egypt, Arab Rep.	410419	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	67,283	1,510
11	Egypt, Arab Rep.	410449	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	4,177	2,002
12	Egypt, Arab Rep.	410510	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	1,253	458
13	Egypt, Arab Rep.	410791	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41.14.	1,091	1,374
14	Egypt, Arab Rep.	430211	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.	244	5
15	Ethiopia	410530	Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.	24,755	208
16	Morocco	430230	Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.-Whole skins and pieces or cuttings thereof, assembled	2,296	217
17	Nigeria	410621	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	42,948	6,514
18	Nigeria	410622	Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.	409,704	183,107
19	Nigeria	411320	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	218,490	2,032
20	South Africa	410411	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.	23,104	321
21	South Africa	411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.	40,252	3,662

S. No.	Country	HS 6 digit	Description at 4 Digit	Country's Average Global Exports (2008-10) (1000 \$)	Region's Average Global Import (2008-10) (1000 \$)
<b>Potential Investor Identified in Primary Leather products</b>					
22	Namibia	430130	Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.	5,784	2
23	South Africa	410150	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.	12,970	49
24	South Africa	410210	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	19,267	295
25	South Africa	410221	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.	27,811	31
26	South Africa	410390	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	10,629	3,982
27	Zimbabwe	410320	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.	11,280	666
<b>Potential Investor Identified in Chemical products</b>					
28	Egypt, Arab Rep.	321000	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather.	13,819	15,160
29	South Africa	284130	Salts of oxometallic or peroxometallic acids.	34,305	324
30	South Africa	320120	Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.	39,214	1,628

