

Ethiopia: USAID Project Aims to Help HSL Industry Earn \$ 450 Million From Export

The Daily Monitor (Addis Ababa)

December 10, 2006

Posted to the web December 11, 2006

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The United States Agency for International Development (USAID), under its Agribusiness and Trade Expansion program has designed a three years plan to build the capacity of the industry and strengthen the quality of Ethiopian hides, skin and leather (HSL) there by helping the country earn over 450 million dollars.

The three years program will be implemented by identifying the major problems that the sectors faces on international market and prioritizing the private sectors with an industry cluster leather sectors, according to Teshome Kebede HSL Sector Manager with USAID.

"We have looked up the Ethiopian leather sector and one big thing it lacks to be a competitor in the international market is the low quality of its products and the absence of value chains among the various components which do not work together" he said.

"If they have to work together and help each other or grow together, they could bring better contribution to the economy. But they don't do so," Teshome lamented.

Ted Lyman, a Senior Principal with the San Francisco -based Economic Competitiveness Group Inc, who also facilitates the project with USAID, said on his part As entire activities in the country are not networked the need to creating a coherent value chain through which hides and skins make it to the market was felt.

He further told The Daily Monitor that the leaders and tannery industry do not have enough knowledge about the requirement of the leather products segment to respond to the right kind of inputs.

"These disintegrated sectors of the industry need to work together, and should create a coherent chain from raw material to the finished products of the export market," he suggested.

USAID, under the Agribusiness and Trade Expansion Activity aims at helping Ethiopia increase its export by 74% in three years and to move fast fix some problems with emphasis on improvement of the quality of raw materials.

Although Ethiopia ranks tenth world and 1st in Africa in raw material supply and/or livestock products, its share is a meager 1% (70 million dollars) out of 60 billion dollars of the world market.

Meanwhile Fintrac has set forth an ambitious goal for a \$1 billion in 2010 project to help these sectors boost export, should there be a need to extend the three-years program, the experts told The Daily Monitor.

Fintrac's Agribusiness and Trade Expansion Activity is a market-led effort designed to expand exports in four agriculture sub sectors in Ethiopia namely, horticulture, coffee, hides, skins and leather, and oilseeds.