

Ethiopian Leather Industry Development Institute Held a Discussion with Ethiopian Hide and Skin Suppliers Association

The Ethiopian hide and skin suppliers association was established in 2004 E.C. Due to the problem of raw hide and skin market after Following the approval of only finished leather export in 2004. The association president and members were introduced and discussed on the sector challenge with the Director General of LIDI Ato Dagnachew Shiferaw on June 11, 2019.

The aim of the meeting was to recall and discuss on the expectations of the association from LIDI, the challenges in the sector, and the possible solutions to the challenges.

The president and members of the Ethiopian hide and skin supplier association Ato Birhanu Abate stated the challenges of the sector are pulling down the country's revenue and some of these challenges are: there is no explicit ownership of raw hides and skins, there is a 150 per cent tax on raw hide and skin, FDI factories import the raw hide and skin materials, The raw hides and skins are moving out of the country and there is no regulatory system, and the price of salt has gone up from 420 birr to between 650 and 700 birr, and has now been recaptured for raw hides and skins. Leather factories are buying raw hides and skins from hide and skin suppliers by credit.

At the present time, firms of raw hide and skin supplier and the association are in danger of losing their market therefore the government has to permit free tax to export the raw hides and skins to preserve national resources. Ato Birhanu also said the association should have the ownership of raw hides and skins with accountability, because it has to do a lot of things with quality of hides and skins, why the factories do not buy hide and skin, and the price of salt must be decrease".

According to Ato Dagnachew, the association seeks to change things because of its concern for the sector and as the association needs to be strengthened, the government as well as the institute and stakeholders must discuss first before making any decision on raw hides and skins. Regarding salt production, the institute will look in to the market chain of salt to solve the problem of salt price, on the raw hide and skin export the institute will study the issue closely. And finally, He pointed out that the institute and the association would have the spirit of agreeing to work together and solve problems.





