



Research Paper

## Nigeria Leather Sector and the Economy the Missing Links

Shedrach Fiya<sup>1</sup>, Adesiyun Adelekan. A.<sup>2</sup> Embu Elizabeth Awadzi O.,<sup>3</sup> Joseph A. Anlogala,<sup>4</sup> Gimba Christopher Gwale.<sup>5</sup>

Directorate of Research and Development, Nigeria Institute of Leather and Science Technology (NILEST),  
P.M.B 1034, Samaru Zaria.

### ABSTRACT

The paper focused on the role of the leather sector and the Nigeria economy growth the missing link. The leather sector which is supposed to be a complementary sector to the economy apart from the oil sector in revenue generation which Nigeria mostly rely on as source of revenue and foreign exchange is been neglected by policy makers. While other countries of the world tend to earnest their leather sector in the development of their National Economy and also as a means of foreign exchange. The Nigeria leather sector has been facing pyramid of challenges due to negligence by the government this affects various operation in the sector, this is in spite of various suggestion and recommendations by successive policy makers in the leather sector especially by management and expert in the only leather research institute in Nigeria( NILEST Zaria). Most of their recommendation on how to improve the leather sector are neglected. And the leather sector was contributing greatly before the oil boom. Data for the study were generated from secondary source like articles, published, written text past work were analyzed quantitatively. It is established that the leather sector has an important role to play in contributing to the growth of the Nigeria economy especially in job creation and the generation of foreign exchange. However it is also revealed that the Nigeria leather sector has no standard leather policy as a guide to operators in the sector, this policy will regulate various activities in the leather sector that will be of benefit to the economy in terms of effectiveness and transparency. With this and other measures the leather sector will be next to the oil sector in terms of revenue generation and job creation.

**KEY WORDS;** Leather Sector, Economy Growth, Missing Link.

*Received 01 Jan, 2022; Revised 05 Jan, 2022; Accepted 07 Jan, 2022 © The author(s) 2022.*

*Published with open access at [www.questjournals.org](http://www.questjournals.org)*

### I. INTRODUCTION

Government all over the world are primary concern about development or rather National and sustainable development, and to achieve this the government have diversified the economy, unlike in Nigeria were the government solely depend on the oil sector as a source of revenue generation. In view of this the leather sector has important role to play in terms of contributing to the GDP, apart from contributing to the GDP it will also increase the country's foreign exchange. In modern economies of the world for any country to develop it has to diversify its economic base which Nigeria is one especially with the government Transformation Agenda, in of the above there is the urgent need for the government to revamp the leather sector which will help to boost the economy and creating employment in the leather sub-sector.

Before the oil boom era hides and skin were one of the major foreign exchange earner for the country, leather and leather goods also earn a lot of foreign exchange, but has been neglected to the background with the discovery of oil. It is important to know that the high demand for hide and skin does not really guarantee the supply because livestock are not reared and killed for hides and skin but for meat. In developed economies of the world e.g. China has turn it leather sector into various chain of production, it has 5 sub-sector; Hide Manufacture , Shoe making, Leather wear, Leather Garment and Fur & Fur production together with the complementary sector of leather chemical engineering the leather machinery and leather hard ware and shoe materials. Through continues construction and development, China has formed a complete system ranging from production, management and scientific research to personnel training. If Nigeria can adopt this system it will go a long way in job creation and contributing to the GDP.

Nigeria is well known as a leather and leather products producing country with a good source of raw materials such as goats and sheep skins, it is a fact that the Red goat skin of Sokoto, Katsina and Kano are world

famous for the production of Morocco leather in the past but this can still be revive. This Red goat skin are renowned for their beautiful grain pattern, they also produce one of the world's best suede leather with a beautiful map, they are used for the manufacture of top quality ladies shoes, handbags and other leather goods. The Nigeria hair-sheep is also world famous because of its exceptional grain pattern, it is used for the manufacture of quality Garment and other leather goods. Unfortunately the position of Nigeria hides is nothing to be proud of as compared to our goat and sheep. The situation of Nigeria hides is so hopeless that most of hides are been consumed as food known as KPOMO. And it is unfortunate that there is no current data to show the amount of hides and skin consumed and the recovered for use in our local Tanneries.

The rapidly unfolding development in the world economy in recent time have led to the Federal Transformation Agenda calls for the revitalization of the leather sub sector and it is very important for the government to increase capacity utilization in the leather sector to reduce dependency on the oil sector, because any economy that want to develop most diversify its economy. The potential in the Nigerian leather sector are numerous, but largely unharnessed the one time vibrant sub-sector which is capable of contributing greatly to the GDP has been engulf with various challenges especially with the discovery of oil which makes the capacity utilization in the leather sector very low.

## **II. AIM AND OBJECTIVES**

The work is to identify the missing links between the leather sector and economic development of Nigeria

### **JUSTIFICATION**

To identify problems in the leather sector and to proffer solution to the government

## **III. OVERVIEW OF THE NIGERIA LEATHER SECTOR**

Before and during the oil boom the hides and skin industry use to be one of the major foreign exchange earner of Nigeria economy and has contributing greatly through job creation and also as a source of foreign exchange. Leather and Leather goods also earn a lot of foreign exchange, but with the discovery of the oil it has been neglected to the minimum even the few Tanneries that are functional mostly process the hides and skin to the wet blue level which is half way to finish leather, and the wet blue leather is been exported to other countries to be process to finish leather, this means that we are exporting jobs to other countries.

There is also scarcity of raw hides and skin to feed the local Tanneries, this problem is due to human consumption of this hides and skin as protein supplement (Ihuoma and Dike 1992). It is important to know at the demand for meat does not really mean the supply of hides and skin, because animals are not reared and slaughter for their hides and skin but for meat. It is estimated that more than 60% of Nigeria hides and skin are been consumed by human being as KPOMO(LERIN 1986-1989).

BBC News for Africa report that the leather industry in Nigeria is going through difficult times because the hides and skin of animals i.e. Cow,sheep,goat etc. is beenconsumed. To develop the leather industry there should be steady supply of raw hides and skin, but with the current situation in the country like the issue of insecurity farmer herders'crisis this is causing a lot of setback in the supply of this raw materials(hides & skin).The Nigeria leather sector comprises of the raw hides and skin subsector and the leather and leather goods subsector and all confronted with series of problems making the sector not contributing to the growth and development of the National economy.

It is important to realize that no realistic assessment of the leather and leather goods industry can be made without knowing the position of the livestock in the country, therefore livestock production is critical to the leather sector, thehigher the level of production the higher the quantity of raw materials available in the industry. It is unfortunate that Nigeria does not have any current database of the number of livestock slaughter and number of hides and skin that is recovered for use in the Tanneries, this will make analysis in this paper difficult because most of the available data are absolute. One of the major challenges of the leather industry is the short in supply of raw material which is hides and skin, there has no proper records of animals slaughter viz the number of hides and skin recovered and for what purpose. The leather sector comprises of two; the raw hides and skin industry and the footwear & leather goods industry, and this two industry can go a very long way to provide jobs and also source of foreign exchange.

### **HIDES AND SKIN INDUSTRY**

It has been realized that the human consumption of raw hides and skin as KPOMO is an economic agony that stands against profit, because of the federal government in 2004 has considered to ban the sales and widespread consumption of the delicacy this ban can take the form of complete regulations that will check the consumption and sales of hides and skin in Nigeria, the idea is to enrich farmers so that they will earn money from the products(Akinwunmi 2014). It is therefore reasonable for stakeholders such as the Nigeria Institute of Animal Science advocates and public enlighten the media to promote livestock value addition as against the

sales and consumption of the primary products which ought to be tanned into leather for very high exchange earner returns to the farmers and tanners.

It is envisage that satisfactory product level would be achieved to reach animal by-product such as hides and skin and leather. This is against the back drop that foreign exchange earnings from leather export resonate between first and second among the non-oil export. But that withstanding, there are only seven out of forty-one existing tanneries in Nigeria are currently operating due to shortage of the raw material (hides & skin). The availability of hides & skin can grow the Nigeria economy and create employment. It is considered that an understanding of the estimate of recoveries and losses is a positive index to boost the livestock value chains. But the profiling of hides & skin production and utilization in Sabon Gari and Zaria local government area in Kaduna state will be used as illustration and can be used to generalize the recoveries and losses rate in Nigeria in general.

It is important to note that hides and skin is a by-product of the meat industry, this implies that the quantity of hides and skin available largely depends on the demand for meat. Nigeria has one Comparative advantage in the area of raw hides and skin with the abundant of livestock in Nigeria i.e The Red Sokoto goat skin which is of the world best use in the production of the famous Moroccan leather(Ihuoma etel, 2000). If the hides & skin industry is to be harness to at least 60%-70% capacity this will create more income to the livestock farmers and in turn contributing raw materials to the leather sector which is one of major problems in the leather sector. In the 80s to 90s capacity utilization in this aspect in the industry is only about 5% of available raw hides of about 1.7 million pieces out of this not more than 131000 pieces are utilized by the industry, while the balance of about 1.6 million pieces are wasted and consumed as food (KPOMO). Then production capacity is only 3million square feet of finished leather, while the potential supply of hides can produce about 37 million square feet, this means that Nigeria prefer to eat their shoes in form of raw hides rather than utilizing it for the production of footwear and leather goods, this is a serious loss to the economy, because 37million sq.ft. of leather is capable of producing more than 15million pairs of good quality leather shoes this footwear produce can fetch not less than \$150million annually in the international market.

**TABLE SHOWING SOME LOSSES OF HIDES AND SKIN IN SOME SAMPLED SLAUGHTER SLAPS.**

**Table 1:** Cattle hides off take figure at Sabon Gari

S/No	Abattoir/Slaughter slab	Production/Flaying	Human Consumption(loss)
1	Zango abattoir	5,679	7,025
2.	Dogarawa	12,489	15,440
3.	Tudunwada	3,416	4,226
4.	Zaria city	1,727	2,137
5.	Dan-daurawa	1,640	2,022
6.	Ang. jabba	3	3
7.	Dan Magaji	10	12
8.	Samaru	6	8
9.	Basawa	3	5
10.	Bomo	3	3
	Total	24,076	30,881

**Table 2:** Goat Skin off take figure at Sabon Gari and Zaria City Kaduna State

S/No	Abattoir/Slaughter Slab	Production/Flaying	Human Consumption(loss)
1	Zango abattoir	2	115
2.	Dogarawa	1,055	53,420
3.	Tudunwada	237.5	12,027
4.	Zaria city	229	11,577
5.	Dan-daurawa	0.5	16
6.	Ang. jabba	136	6,890
7.	Dan Magaji	77	3,905
8.	Samaru	26	1,305
9.	Basawa	16	827
10.	Bomo	15	743
	Total	1,794	90,825

Source: Slaughter Slab.

**Table 3:** Sheep Skin off take figure at sabon gari and Zaria City Kaduna State.

S/No	Abattoir/Slaughter Slab	Production/Flaying	Human Consumption(loss)
1	Zango abattoir	-	-
2.	Dogarawa	722	10799
3.	Tudunwada	229	3429
4.	Zaria city	155	2316
5.	Dan-Daurawa	1	20

6.	Ang. Jabba	8	130
7.	Dan Magaji	46	684
8.	Samaru	14	209
9.	Basawa	13	188
10.	Bomo	8	124
	Total	1,196	17899

**Table 4: Annual Percentage cause of Losses.**

S/No	Parameter	Production	Preservation	Consumption
1.	Cattle	43.1	0.6	55.3
2.	Goat	1.9	1.9	96.2
3.	Sheep	5.8	5.8	89.4

Table 1 shows that a total of 55,837 pieces of cattle hides were recovered from Sabon gari and Zaria slaughter houses comprising of 24,076 hides resulting from production and flaying and 30,881 due to human consumption

Table 2 shows that a total of 94,413 goat skins off-take from Sabon gari and Zaria slaughter houses comprising of 1794 pieces with preservation and storage defects, 1,794 pieces with production and flaying defects and 90,825 pieces that were unaccounted for due to human consumption too.

Table 3 shows that a total of 20,446 sheep skins off-take comprising of 1,196 pieces with preservation and storage defects, 1,196 production and flaying defects and 17,899 pieces that were unaccounted for due to human consumption, while table 4 shows the figure of causes of animal losses were due to production and flaying, 55.3% caused by outright human consumption which added up 98.4%. The high rate of consumption and preference for kpomo has a negative implication for the supply of hides and skins to leather product industry in Nigeria (Joseph 2006).

### **THE FOOTWEAR AND LEATHER GOODS INDUSTRY**

The footwear and leather goods industry and the hides & skin industry are different side of the same coin, the hides & skin industry is the source of raw materials for the leather industry the major users of finished leather in Nigeria are the footwear & leather goods Manufacturers. In 1996 there are about 32 known potential footwear manufacturing companies in Nigeria, while only 4 are producers of leather goods, most of these companies are located in Lagos, Onitsha, Aba and few in Kano. Then their estimated capacities are 16.72million pairs of footwear and 220000 pieces of leather goods per annum. The largest footwear manufacturing then in Nigeria was BATA Nigeria Plc., which started production at its Lagos factory and this created employment and also generated income to the country. But due to the withdrawal of its technical partners BATA international of Canada BATA Nigeria changed its name to Footwear & Accessories Manufacturers Nigeria Plc. (FAMAD). We also have Nigeria Perfecta Shoes Limited also came on stream, this are some of the earlier and leading manufacturers of footwear in Nigeria.

As for leather goods producers we have Dauphin leather works at Owerri producing suite case, Naraguta leather works at Jos Plateau state, etc. all this companies then provided jobs for our teaming youth also generated foreign exchange to the country. Then production of footwear is about 5.7million pairs, while that of leather goods is only 110000 pieces. The leather required by the leather industry at full capacity is about 40million sq.ft., therefore more leather have to be imported to meet the shortfall, this means that capacity utilization in both the hides & skin, the leather industry is very low. The government need to do the needful to increase performance of the leather sector, it will help the government in it transformation Agenda to drive the Economy forward.

### **LEATHER SECTOR AND NATIONAL DEVELOPMENT**

Potentials in the Nigeria leather sector are numerous, but largely untapped, the on time vibrant sector which is capable of contributing greatly to the Gross Domestic Product GDP. The sector if fully harness will create jobs to our teaming youth which will in turn reduce the current issue of the insecurity Nigeria is currently facing, which discourages foreign investment in the country. If there are jobs to engage the youth there will be no banditry and kidnapping and all forms of criminality this will led to National Development.

In modern economy of the world for a country to develop it has to diversify its economy base, which Nigeria most follow with the government Transformation Agenda there is the urgent need for the government to revamp the leather sector which will help to boost the economy and create employment both in the rural and urban areas.

The Nigeria leather sector will also attract foreign exchange in the economy through the export of finished footwear and leather goods to other countries , increase in foreign exchange bring about National Development thereby increasing the Gross Domestic Product (GDP). With the un certainty in the price of oil in

the international market due to the pandemic covid 19, and with other countries discovering other source of energy, the leather sector if revamp will help in balancing of our trade with other countries of the world.

### **THE MISSING LINK IN NIGERIA LEATHER SECTOR**

The Nigeria leather sector has been over the years facing myriads of problems that have make it difficult for the sector to contribute effectively to the Nigeria economy unlike other economies of the world, some of this problems are:

- Poor quality of raw hides & skin due to poor slaughtering and flaying method right from the abattoir & slaughter slaps, because there are no professionals that can flay the animals correctly, this causes loses in the number of hides & skin recovered for tannery use. Apart from this the chemicals used are mostly outdated chemicals. This and other causes the short in supply of raw hides & skin to the few existing tanneries that are still existing leading to the importation of raw hides & skin from other countries.
- Lack of skilled manpower most of the manpower in the leather sector are unskilled this is also affecting the value addition in the sector, there is only one Training institute in Nigeria(NILEST) in Zaria.
- Lack of knowledge of the important of hides & skin to the economy. People prefer to consume their shoes and leather goods as KPOMO, that is why more than 60% of raw hides & skin are been consumed.
- The government on it part does patronize the countries leather items i.e. Military footwear and other hard wears they prefer the foreign ones which are more expensive than the local made. This will discourage the local industries.
- There is also the issue of lack of basic infrastructure i.e. stable power supply which is very important to industrialization, water supply which very essential in tanneries, goods roads, most chemicals use the existing tanneries are outdated.
- In the hides & skin industry there are issue of poor handling of animals, poor flaying & Bleeing, poor handling of hides & skin preservation, there is also the problem of human consumption. And also non enforcement of hides & skin Regulations. It should be noted however that most of the problems above thrive because there has been no proper supervision from appropriate authorities and professionals and also laxity implementing and enforcing policies of animal slaughter with the aim of recovering their hides and skin for the right purpose.

### **IV. CONCLUSION**

The leather sector has faced numerous challenges, which has considerably undermined its capacity to contribute to National Development. The truth is that all the above mention challenges are due to the failure of the government to play it rightful role in bring out a standard National leather policy to regulate operators in the leather sector. Therefore there is the urgent need for the government to adapt effective and transparent policies that will regulate players in the leather sector, just like other developed economy of the world.

The general factors that affect the increase capacity utilization which have to be addressed are mainly due to high cost of production, decaying industrial infrastructure such as power supply, water, and high exchange rate, lack of government policy and unstable political and economic environment, and high interest rate on bank loans. The federal government through Federal Ministry of Agriculture should endeavor to conduct a periodic and reliable livestock census figure as well as a survey of its by products for proper planning to boost raw materials in the leather sector. Provision of modern flaying machines, in abattoirs to reduce losses. The government should re-introduce inspectors at abattoirs to ensure proper flaying. Government should revive the hides & skin improvement service to enforce the relevant regulation. The government should patronize the Nigeria footwear industries by placing orders for boots, belt and related accessories used by the army, police, force and other uniform security agencies.

### **REFERENCE**

- [1]. Akinwunmi. A.(2014) Value Addition in the Nigeria livestock industry; A Strategy for Economic Growth and stakeholders Empowerment 3<sup>rd</sup> Joint Anniversary of the Animal Science Association of Nigeria and Nigeria institute of Animal Science University Ibadan.
- [2]. Beheity Made (2019) Major Factors Affecting hides & skin Production. Quality and the Tanning Industry. In Ethiopia Advance in Biological Research.11(3); 116-125.
- [3]. Umar .S .M. Aminu. A. and Suhasini .K (2015). Leather Value chain study in Katsina state Nigeria Cost and Return Analysis Research Journal of Agriculture and Forestry Science.3(11) 10-20.
- [4]. Joseph J.K(2006).Processing Quality and preference for KPOMO A popular cow skin product in South West Nigeria. J. Agricultural Research & Dev. Vol(1); 57-67.
- [5]. Ejila.A. et al (2019) Profiling of Raw hides & skin production and human consumption in Sabon gari &Zaria local government Area Kaduna state. Nigeria. Paper presented at SLTC National Conference NILEST. Vol 1.
- [6]. Alh Gambo Dauda Paiko. (2002). Problems prospect and Recommendation on how to improve Capacity Utilization of the leather and leather products sub-sector of M.A.N. Seminar Organized by the Raw material Research and Development Council in Kaduna.
- [7]. An introduction to Modern Economics. By M.A. Iyaha; S.A Oyefusi and D.E Oriokh.

- [8]. Adesiyun et al (2019) Economic Losses from Hides and Skin production and Utilization. A Case Study of Sabon gari and Zaria LGA, Kaduna state. Directorate of Research & Development. Nigeria Institute of leather Science Technology Zaria Kaduna state Nigeria.
- [9]. Adesiyun .A.A(2018). Hides and Skin Recovery from Abattoirs and Slaughter Houses in Kaduna state Nigeria.