



USAID FIRMS PROJECT

Leather Sector 3-Year Strategy

June, 2010

This publication was produced for review by the USAID. It was prepared by James P. Parchman for an assignment commissioned by Chemonics International under the USAID Firms Project.



USAID FIRMS PROJECT

Leather Sector 3-Year Strategy

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development, the United States Government or Chemonics International Inc.

Data Page

Contract Number: GBTI II Task Order No. EEM-4-07-07-00008-00

Contractor Name: Chemonics International, Inc.

Name of the Component: Private Sector Development (PSD)

USAID Technical Office: Office of the Economic Growth and Agriculture;
USAID Pakistan

Date of Report: June 1, 2010

Document Title: Leather Sector 3-Year Strategy

Author's Name: Parchman, J.P.

Editing: Nadeem, D. Sattar, A Nida, [Tahir.S](#)

SOW Title and Work Plan & Action ID: SOW 651 Work Plan Level.24280, Action ID 2660 number

Project Area: Nationwide, Pakistan

Key Words: leather, leather sector, footwear, shoes, chappals, leather products, leather garments, sandals, leather bags, leathergoods, handbags, production efficiency, cowhide, buffalo, goatskin, sheepskin, bovine, tanners, hide traders, leather processors, abattoirs, slaughterhouse, hide market, shark skin, tannery, tannery effluent, solid waste, water consumption, coated leather, urethane coated leather, porvair, leather technologist, boots, safety boots, military boots, vulcanized, stitchdown, boat shoe, crazy horse, pull up leather, leather jackets, gloves, motorcycle gear, Charsadda, tpr, pu, pvc, stitchdown, last, lasting, cutting, stitching, staking, tanning drums, piecework, leather associations, productivity, standards, manuals, vegetable tanning, chrome tanning, outsole, raw hides, pickle, wet blue, crust, split, finished split, coated split, production efficiency, time and motion, lean production, website, certification, consultant, production clusters, biodiesel generators, trade shows, transportation, marketing, program coordinators, personnel trained, units developed, total benefits, quality control, leather value chain, gender inclusion, exports, international trade, zippers.

Abstract

This report depicts the current situation of Pakistan's leather industry in the major "at risk" districts of the country and recommends strategies and an implementation process designed to increase industry competitiveness in domestic, regional, and international markets.

Unlike other sectors targeted for Firms' initiatives, leather is a mature and developed industry in Pakistan. Production of leather and leather products is one of the largest employers of people and source of foreign exchange earnings for the country. Unfortunately, it is also a major contributor to environmental damage that threatens Pakistan's fast growing population. Initiatives proposed in this report seek to balance the concerns for increased sales and job creation with the necessity of reversing years of damage that unrestricted dumping of tannery waste has caused to the environment and population. Fortunately, modern technological solutions exist that offer the industry a path to greater production efficiency while at the same time being environmentally friendly and resource economical.

The majority of information in this report was developed from in-person interviews and meetings with leather sector business owners, and representatives of the major Pakistani industry trade associations, academia, and government entities during March and April 2010. Additional information included herein derives from the consultant's experience, readings, and reference materials, both generalized and industry specific in nature.

Acronyms

BOG	Board of Governors
CEO	Chief Executive Officer
CIA	Central Intelligence Agency of the United States of America
CPC	Cleaner Production Centre, Sialkot
CSR	Corporate Social Responsibility
ERP	Enterprise Resource Planning
FDI	Foreign Direct Investment
FTI	Footwear Training Institute, Charsadda
GILT	Institute of Leather Technology, Gujranwala
GM	General Manager
GMP	Good Manufacturing Practices
GOP	Government of Pakistan
HACCP	Hazard Analysis of Critical Control Points
HR	Human Resources
ISO	International Organization for Standardization
ITKIB	Istanbul Textile & Apparel Exporters Association
ITC	International Trade Centre
LPDI	Leather Products Development Institute, Sialkot
LRC	Leather Research Center, Karachi
MD	Managing Director
MFA	Multi Fibre Agreement
NILT	National Institute of Leather Technology
NIPS	National Industrial Parks
NPO	National Productivity Organization
NWFP	North West Frontier Province
OHSAS	Occupational Health & Safety Advisory Services
PCSIR	Pakistan Council of Scientific & Industrial Research
PFMA	Pakistan Footwear Manufacturers Association
PHMA	Pakistan Hosiery Manufacturers Association
PIDE	Pakistan Institute of Development Economics
PIFD	Pakistan Institute of Fashion Design, Lahore

PGMEA	Pakistan Glove Manufacturers & Exporters Association
PLGMEA	Pakistan Leather Garment Manufacturers & Exporters Association
PRGMEA	Pakistan Ready Made Garments Manufacturers & Exporters Association
PTA	Pakistan Tanners Association
SMEDA	Small & Medium Enterprise Development Authority
TDAP	Trade Development Authority of Pakistan
TIP	Textile Institute of Pakistan, Karachi
UNIDO	United Nations Industrial Development Organization
UVAS	University of Veterinary & Animal Sciences
WRAP	Worldwide Responsible Apparel Production

Table of Contents

EXECUTIVE SUMMARY IX

1.0 INTRODUCTION..... 1

2.0 CONCLUSION AND RECOMMENDATIONS..... 13

3.0 APPENDICESERROR! BOOKMARK NOT DEFINED.

 WWW.LECUIRAPARIS.COM..... 43

4.0 REFERENCES.....59

Executive Summary

During March and April 2010, the consultant engaged in data gathering and consultative activities in the “at risk” districts of Karachi, Charsadda and Multan and to a lesser degree, the non-targeted, but sector important area in and around Lahore. The information developed during more than 40 meetings and interactions make up the foundation for this three-year strategy and work plan. Nearly 40 initiatives are proposed in this Leather Sector Strategy. Prompt implementation and a commitment to fully address the challenges encountered in a professional but entrepreneurial manner, are critical for its success.

Over 20 leather related activities are proposed for Charsadda NWFP. Footwear manufacture, in artisan workshops, has been a traditional craft of this region and a sandal, commonly referred to as a “Charsadda Chappal,” is the desired workshoe of the region, and for Pakistani workers in the Gulf States. Project initiatives will include: legalizing and improving branding of the traditional product; increasing the product’s technical uniformity and quality; improving access to finance for the 500+ small Charsadda business owners; preparation and sponsorship of trade show participation in prime regional markets; sponsorship of 50 students (50% female) at the local Footwear Training Institute; and support for incubation of a new chappal production company, employing 100% females.

To insure commitment and quality of implementation, Firms proposes to employ an experienced, Pashtu speaking, Leather Coordinator for the area. Results expected from Firms’ investment in Charsadda are an increase in sales and profitability for current producers, as new domestic and foreign market opportunities are introduced and middlemen are eliminated in sales and raw material purchases. An increased enrollment at FTI Charsadda will improve that institute’s viability and produce graduates with a better knowledge of modern footwear manufacturing technique. Firms’ support for a new chappal manufacturer, employing 100% females will set a precedent for the future, and provide job opportunities in a secure and worker friendly environment.

In Karachi and Multan, more than a dozen initiatives are proposed for Firms. Karachi is the hub of the Pakistani leather industry and interventions - which will be both meaningful and embraced by the traditional elements of this mature industry- are challenging. Karachi is a city with an estimated population of 17 million people. There is a current shortage of water combined with a crisis situation in the disposal of liquid and solid wastes. The leather industry is a major contributor to the problem, even with a Central Treatment Plant for liquid waste from the Korangi tannery area. Increased sales by the industry only stand to make the current environmental situation even worse. Therefore, Firms Leather Sector Strategy proposes to concentrate much of its effort in Karachi and Multan, where no centralized facility for the treatment of toxic tannery effluent exists, toward initiatives which will lead to an improved environmental situation in the tannery districts.

Activities are also proposed to improve opportunities for female workers in the Karachi leather garment manufacturing industry. The proportion of female workers

in Pakistani leather garment manufacturing is a fraction of that in competing Asian countries, leading to lower output per worker and lower levels of finished quality, usually resulting in non-competitive or non-profitable pricing. Proposed training in handbag design and production by international experts will begin to professionalize Karachi's growing production of leather bags. Companies with female designers and technicians will be given preference in attendance. The Leather Strategy also proposes assistance for Karachi leather garment producers in setting up secure and efficiently organized production work cells staffed by trained female employees. This pilot project will begin to address international competition while providing more job opportunities for women.

Additional strategies are proposed that will help begin implementation of numerous inactive policy initiatives proposed by the GOP in current and previous Trade Policy, and in SMEDA's Leather Sector Strategy. Firms will work through its BEE (Business Enabling Environment) team to push for implementation of these policies and assist the industry in understanding and taking advantage of their benefits.

The Lahore area is the home of the Pakistani footwear production industry, which is growing in domestic sales, and offers the promise for additional export markets. Footwear production offers a high value-added content and, in time, may surpass leather garment production in Pakistan. Several activities are proposed in the Lahore area that will help assist growth of Pakistan's footwear manufacturing industry and/or assist in the proposed Charsadda initiatives. These include support of Lahore's PIFD in a chappal design project by female students. PIFD's success in developing and promoting Pakistani fashion is well known. Footwear design and fashion is a new area for the institute but its experience in developing the atmosphere for creativity holds promise for a product, little changed since its inception. Additionally, actions are proposed to train and assist the PFMA, the primary footwear trade association of Pakistan, in public awareness and marketing activities. Public awareness and marketing is an area where all of Pakistan's leather industry trade associations have been lacking.

The strategies in this three-year program are designed to result in increased industry competitiveness, positive job and business creation in politically sensitive areas, unprecedented training and resultant opportunities for women, and a focus on reversing environmental damage that has horrendous consequences for millions of Pakistani citizens.

1.0 INTRODUCTION

The USAID funded Firms Project is tasked to develop a dynamic, internationally competitive business sector in Pakistan that is increasing exports, employing more people and producing higher value added products and services. The objective of Firms is to improve the productivity and competitiveness of sectors with strong potential for exports, job creation, value addition and the ability to absorb women into their workforce at all levels. Firms' work in targeted districts will accelerate sales, investment, and job growth to provide alternatives to and forestall extremism by working through Pakistani organizations.

Leather and manufactured leather products have such potential for Pakistan. According to SMEDA data, leather products represented about 6.5% of Pakistan's total exports during 2007-2008. The production of leather was 30 million sq. meters. About 70% of the products (by value) are exported in finished form.

According to ITC's Trade Map, Pakistan ranked 20th in the world in 2008 global exports of raw leather products (a 1.3% market share), and 9th in the export of leather articles (a 1.5% market share). These figures indicate that Pakistan has significant upside potential in the export of leather products. However Pakistan's total leather product exports have remained stagnant at just above the US\$ 1 billion mark in each of the past four years. The sector has failed to achieve its export potential in leather products because of poor ability to understand and meet the quality requirements of export markets, limited productivity, poor environmental compliance, and limited product diversification.

Certain government agencies, such as Small and Medium Enterprise Development Authority (SMEDA) and Trade Development Authority of Pakistan (TDAP) seek to reposition the Pakistani leather sector. In 2008, SMEDA launched the Leather Competitiveness Project, the main objective of which was to support all players of the leather value chain in increasing their competitiveness and Pakistan's global market share.

Firms and other USAID economic growth projects are required to focus efforts on 26 "at risk" districts where economic growth is most urgent. The leather sector has been identified as relevant in the following "at risk" districts:

- Karachi
- Charsadda
- Bannu
- Multan

The objective of this three-year strategy and work plan is to open new windows of opportunities for Pakistan's leather sector domestically as well as significantly increase its global market share of leather and manufactured leather articles.

The methodology of this report includes the findings and observations of the consultant from meetings and interaction with the industry. This is followed by

overall conclusions, and finally, recommendations for Firms' assistance. An action plan for implementation of the recommendations is included in Appendix F.

The findings contained and cited in this document have been derived primarily from personal interviews during the current and other recent trips to Pakistan. Inclusion of statistical data, available and only developed from or provided by industry trade associations and export organizations, was avoided due to its inherent unreliability. Sources of the consultant's interviews are listed in Appendix A. Additionally, a great amount of background reading and study occurred from the sources listed in Appendix D and the websites of the interviewed parties.

The conclusions and recommendations contained in this report stem from compilation of this body of material, thoughts and discussions with the experienced members of Firms' staff, and the consultant's long experience in the international leather industry and international development work in leather related sectors in Europe, Africa, and Asia.

FINDINGS AND OBSERVATIONS

The consultant's most recent visit to Pakistan occurred from 28 February – 18 April 2010, with time spent in Lahore, Charsadda, Karachi, and Multan. Over 40 meetings were held with members of all segments of the leather industry, academia, trade associations, and GOP officials. In addition, visits and meetings with foreign and domestically owned companies from other industries occurred in order to obtain an understanding of resources available, and to benchmark performance of leather product companies against that of other Pakistani industries.

The consultant has visited Pakistan on three previous occasions since 2008, working in the same and other regions of the country in leather industry related activities.

A. Charsadda

Visits to NWFP were delayed due to security incidents but normalized conditions subsequently allowed in-person meetings in Charsadda to occur. The consultant has visited Charsadda in the past, and while it is not an overly important area for the Pakistan leather industry, Charsadda is a major 'at risk' district with leather operations, and the opportunity to assist in worthwhile development efforts that will help stabilize business activity and bring the potential of job creation is very important. Should the pending ROZ legislation become enacted, the NWFP is situated to receive extensive development initiatives.

There are three principal groups in the Charsadda leather industry that seem appropriate partners for Firms' assistance efforts. These are: the FTI Charsadda, a GOP sponsored training institute; the Charsadda Chappal Makers Association, a trade association that includes most producers in the area; and the Charsadda Leather Cluster, a group of 500 +/- individual shoemakers and workshop owners operating from a downtown Charsadda arcade.

The consultant spent time visiting with the workshops in the cluster; most shops seemed busy with production orders. Production of footwear in these workshops is carried out primarily by hand and with simple electrically operated machinery for stitching and buffing operations. Most production operations take place internally except for buffing the outsole edges, which several contractors do on electrically operated grinders. FTI Charsadda also provides some operations for the cluster including stamping machinery for rubber outsole cutting. The cluster has no electrical generators present, so work is at a frenetic pace during times when power is available.

Most footwear produced in the cluster and elsewhere around Charsadda are men's chappal sandals. This product is an open toe, sling back sandal, which has a tough outsole made from tire rubber, with knife cut grooving providing some slip resistance. Upper material is some color (traditionally black) of urethane coated leather (Porvair) produced by Leather Connections Lahore. This leather is famous for its use in

children's school shoes and is popular because its finish is scuff resistant. Pictures of the Charsadda chappal are included in Appendix H. This shoe derives from the Peshawari chappal, which usually is closed toe and has a dressier appearance. Some product innovation was noticed in the cluster workshops, mostly through use of leather with various reptile printed designs. The uniqueness of the product for Charsadda is in the use of the rubber outsole. This makes the sandal the work shoe of the Pashtu speaking population.

The fit of any shoe derives from the plastic or wooden form (last) that it is made upon. Most lasts noticed by the consultant were old and made of wood. Shops stated that their lasts came from suppliers in Lahore. The consultant tested the fit of several shoes and found it satisfactory in sizing. If the Charsadda shops can cooperate in producing orders as a group (no sure assumption), consistent fit across the range will be critical.

In the Charsadda leather cluster, retail and wholesale operations occur in each shop. A retail customer usually has their foot sketched and a custom fit pair of chappals made while they wait. Retail payment is by cash, usually priced between Rs. 800-2000 depending on the style of the shoe and leather design involved. Wholesale customers place orders in person and/or communicate the orders by cell phone. Small businesses in Charsadda totally incorporate MBP (Management by Phone). Most output is for the domestic market to men who are originally from the NWFP. Exports to India and the Gulf (UAE, Saudi, Kuwait, and Oman) also are considerable but no statistics are available, as most exports move by unofficial means. Indian customers were purchasing and carrying away orders during the time of our visit. A shop may average 3-5 workers, most of whom are family members. Shop owners indicated that a Rs. 800 sandal might have a direct cost of Rs. 600, although no formal cost sheets were seen. The true profit margin is likely very small.

A meeting was held at FTI Charsadda with members of the Executive Committee of the Charsadda Chappal Makers Association, including discussions on constraints and opportunities for the producers. Because of language difficulties, it will be critical for Firms to have a local coordinator for leather activities who is Pashtu speaking. Most of these small shop owners have a serious lack of working capital and even with the low profit margin are forced to finance their sales for several months via post dated checks.

The cluster has a huge output if figured in total (over 500,000 pairs per year estimated), easily enough to provide it leverage in materials cost, but the previous inability of the group to work in common has rendered this potential advantage meaningless. However, a few initiatives were identified that could lead to increased direct customer sales in Pakistan, several product and efficiency improvements, interaction with potential customers in Afghanistan via a sponsored inbound trade mission, and participation in regional trade shows in prime markets of UAE, Saudi Arabia, and India. Quite a bit of work and preparation will have to be provided by the Firms staff for, initially building relations with the group, and then preparing them for these activities.

A discussion was held with [REDACTED] on the situation at FTI Charsadda. The training institute is a small facility with a minimum amount of equipment, and staffed by locals also involved with chappal production. The training centers around practical chappal production methods and fortunately does not require advanced technology. [REDACTED] has plans for a local Leather Village that would move the current Charsadda cluster to this location, similar to Gems & Jewelry format. In the meantime, [REDACTED] stated that all graduating students easily found work within the Charsadda cluster shops and while there were no current female students, their inclusion would be welcomed. Considering the security situation and lack of local opportunities for jobs, support of FTI Charsadda with tuition and stipends for a group of male and female students seems warranted. FTI should present a reasonable proposal for 50 students to Firms as soon as possible. If support is provided, their progress can be monitored through graduation and employment. The consultant is also contacting UNIDO to see if technical support for FTI Charsadda can be forthcoming.

The final meeting in Charsadda was with a group of local investors who were interested in opening a chappal production facility, near the FTI, and outside the cluster. The facility was a large and secure former textile mill which will require some renovation to make ready but which offers much more space than the workshops in the cluster [REDACTED] currently is the owner of [REDACTED], located in the cluster. He will partner with the investors in the new operation, which offers Firms an opportunity to incubate and sponsor, and which will then be staffed by female production workers. This is the best opportunity to integrate new operational practices, including a female workforce, into the very traditional structure of Charsadda and NWFP. [REDACTED] stated that his operation has more orders than they can currently fill. Recommendations for Firms assistance are included in the action plan.

The initial Charsadda trip produced positive meetings and 18 recommendations for future activity. The Charsadda producers have been involved in few current or past GOP development initiatives. Consequently, they show less “development fatigue” than do other parts of the industry. These are small and very independent businessmen and although this is a difficult area in which to work, it offers many opportunities for the future.

B. Karachi

A large amount of time was devoted to meetings and interviews in Karachi, as it is, by far, the largest “at risk” district in the sector, and the country; also because of its importance as a center of the Pakistani leather tanning and leather garment production industry. Karachi’s specialty is the processing and export of leather and finished products made of sheepskin and goatskin. Karachi is also the primary seaport in Pakistan, headquarters of trade associations, and home of company groups with operations across Pakistan. In total, more than 35 meetings were held in Karachi with companies, institutes, and organizations in some way related to the leather industry. Key points from discussions with each industry group in Karachi are as follows:

- Meetings with the PTA and leather processing companies confirmed that business was recovering for the tanners and the decline in orders experienced during the previous year were primarily the result of the global economic downturn. Karachi leather tanneries are now very busy on two fronts:
 - ✓ As vertically integrated suppliers of leather for their own leather garment production company or primarily in this capacity with excess garment leather sold to domestic or foreign leather garment makers; estimated as 25% to 30% of the industry. Karachi's leather garment companies are primarily suppliers to European retail chains and European brands. The primary product is private label leather jackets.
 - ✓ As suppliers of semi-finished leather with exports destined for Asia or Europe for final finish operations; estimated as 70% to 75% of the industry. Karachi's leather tanneries are primarily suppliers to Asian leather garment companies, furniture companies, and shoe manufacturing companies. Many of their customers are major competitors of the Pakistani leather garment producers.

These are two very different strategies, either of which can be profitable for individual companies or industry groups but presents problems for long-term sector development; the first strategy adds the most value in Pakistan and is the preferred course of the PLGMEA. The second is preferred by the PTA with less investment and less risk involved, lower profit margins, but very high volume.

- Very little recent internal investment in technology was noted in the leather tanning industry. However, the largest Pakistani tannery group ██████ had just opened a finishing tannery in China, the first offshore investment by a Pakistani leather company, and one which may set a future path for other companies with resources. ██████ will now produce semi-finished leather in Pakistan for export to China by sea freight, where final finishing will occur. This will improve their response time to customers (shoe companies). ██████ will cease finishing in Pakistan for their Chinese customers. This is an excellent strategy and holds much promise. ██████ is listed as one of the top 20 leather tanners in the world by the magazine, *Leather International*.
- The leather tanners are aware of current leather fashion and leather finish techniques via customer information and assistance provided by chemical suppliers, but very little upgrade in development of new leathers destined for export was noted in Karachi tanneries. Most finished leather produced was basic black/brown and destined for low – middle market, high volume products. Leather garment companies incorporated low price/low quality skins and modified surface imperfections with pigmentation and corrective buffing. Buyers are slotting Pakistani leathers and Pakistani products at low end, and Pakistani companies fail to make a sustained effort to move their image upward. Unfortunately, Pakistani companies are not efficient enough to be price

leaders so the low end of the price spectrum causes them to have less profit potential for use in upgrading technology or R & D.

- The Karachi leather industry was experiencing frequent disruptions of electrical power, requiring the use of internal power generation equipment or the cessation of operations. Small tanneries often suspend operations but larger companies continue to operate on generators. Companies had previously switched to natural gas powered generators for cost savings, but the recent national shortage of natural gas required the use of diesel generators. Ultimately, the outcome of these increased costs will be less money to pay workers and for R & D. Some effort was being made in energy conserving process modifications. This is a necessary step and more efficient technology could save the industry at least 15% in annual operating costs and help alleviate power and water shortages to the Karachi populace.
- The Karachi leather industry is contributing to a severe environmental problem in the Korangi tannery area. Korangi is home to the CETP, which is a primary treatment plant for liquid waste from the tanneries. It is stated that 10 million gallons of liquid tannery waste pass through CETP daily. Operation of the plant is via assessment based on usage. All Korangi tanneries are required to be connected via some method. Many are said to have not paid, most underpay, and many prohibited chemicals are included in the liquid waste, which the CETP is unable to treat. These 10 million gallons of daily tannery effluent is primarily treated and then flushed. The CETP has a plan for recycling and reuse of this liquid for water starved Karachi. Three meetings were held with PTA and CETP officials for briefings on the situation and proposals.

The situation in Korangi concerning solid waste is as serious as that of tannery effluent. Companies dump solid waste outside their gates or in other locations, contrary to regulations now in place. Lax municipal enforcement, few alternate disposal sites, and lack of pressure from industry associations and neighboring companies are all factors. Besides for the negative appearance of the area, the dumping of solid waste in this manner presents major health hazards to the local population.

- Meetings with the PLGMEA and various leather product companies also confirmed that the leather garment business was recovering but the outcry from the association was for more incentives from the government. Pakistani leather garment producers were coming off a down year due to the global economic crisis. These companies had become somewhat more innovative than in the past, and a major positive point was that they had diversified their client list from the one or two to a half dozen or more customers. This change was likely forced upon them as more business shifted to China with less order spillover to Pakistan. Companies were happy with their European and Canadian business, beginning to see opportunity in South American and South African markets, and not experiencing good business from the USA. New business from Turkey was looking promising, as was Eastern Europe.
- As mentioned, leather garment producers were showing some innovation in product development. Lightweight fashion garments produced from stretchable leather were

being produced. Also, several companies were devoting resources to development of leather handbags, an idea that has great potential for the Karachi companies. Another positive was two of the companies interviewed had added female designers to their staff. These are all positive steps and much more innovation will be required in this area.

- Productivity for the leather garment industry is low and a major impediment to its future success. Historically, leather jackets, the primary product, have been produced by a single worker performing all operations. This method was inefficient but gave the companies a known labor cost. Males still make up 90% or more of the workforce but more operations are being shifted to “chain” or assembly line methods. Few factories measured productivity of individual workers or of a work line. This “lean manufacturing” process is being incorporated into other industries. Pakistani companies have had some success with Korean production managers who were provided as part of assistance projects and have stayed on at a company or two. Requests were made for more of these Koreans on an assistance basis. It is very unfortunate that leather companies are not taking productivity improvement seriously.

A visit was made to a smaller textile garment company [REDACTED] which has incorporated productivity measurement into its operation. The owner stated that his continuation in business, and actual growth, was possible only because of the changes he had made: increasing female production workers, measuring individual employee productivity and retraining or moving non-productive workers, and increasing his own involvement in manufacturing operations. It was easy to see that production flow was at a much faster pace than was evident in most leather garment plants, on very similar stitched products.

- Karachi has a very small footwear manufacturing industry. Meetings were held with two manufacturers, [REDACTED] and [REDACTED]. [REDACTED] is a manufacturer of military and safety footwear and various other protective devices including armored vests and fire-resistant flight suits. This company has been a long time supplier to the Pakistani military but has been proactive in developing new products and markets. They participate in military and security related trade shows in many countries. [REDACTED] is a small scale manufacturer of private label shoes for English Boot House and others. They are located in a multi-story facility in Old Karachi and have been in business for more than 40 years. Most operations are by hand and women make up around half the workforce that is estimated at 60. [REDACTED] and other similar small scale footwear operations could be included in regional trade shows with the Charsadda producers.

A meeting was held with the [REDACTED], CEO of [REDACTED], a long time quality retailer in Karachi and a company who has successfully worked with small footwear producers in Pakistan in developing private label footwear for their stores. This meeting was very productive and [REDACTED] to meet with a group of Charsadda producers to review their products for potential purchase. He could be a very good resource for Firms work in the footwear sector.

- Karachi companies and associations state that lack of a skilled workforce and middle level managers are major needs for the Pakistani leather industry. Meetings were also held with three institutions, two for the leather industry and one from the textile industry.

TIP, with sponsorship by the GOP and the textile industry is located in the Karachi suburbs. It has a mandate for training for the textile and garment industry, which has been virtually stagnant since the end of production quotas. This industry is growing through transformation and remains of a size, however, to absorb the graduates of this institute and a larger one in Faisalabad. The facility is modern and the faculty is energetic, and the reputation of the institute is positive. This institute also has a downtown Karachi campus. TIP has enjoyed success in training students for mid-level managerial positions.

NILT is quite the opposite. Located strategically in Korangi, the facility is large but mostly unchanged since its inception in 1998. NILT originally had financial support from the government and a large endowment from the PTA, with a mandate to provide training to the leather industry. A technical faculty was trained in UK and there has been some collaboration with international institutions. The institute's directors and NILT's BOG's stated that industry requirements have not been great enough, and tuition costs not high enough to keep NILT technology current and financially viable. NILT's endowment will be depleted next year and various schemes have been proposed, including training in non-leather industry curriculum. Increased emphasis on leather product manufacturing technical operations, including product and process engineering seem appropriate but there remains somewhat of a fracture between the two industries. The consultant's 2nd meeting was with a group of NILT's BOG, who proposed to develop a restructuring plan shortly. This can be reviewed by Firms and if viability seems likely, ideas for support can be provided.

LRC is a research institute operated by the GOP. A visit there indicated an older but adequate facility, and a staff that appears technically proficient, but not market focused. The institute does some testing for the industry and has developed various leather finish techniques that are quite nice (fishskin) but not commercialized. LRC also claims to have technical proficiency in environmental engineering, which would have applications in Korangi in solid and liquid waste treatment and recycling. The institute had incorporated women technicians into its staff, the only time this was observed in tannery related organizations. UNIDO is providing support to LRC in the area of certification and accreditation upgrades and if LRC can develop more interaction within the industry it will be a positive.

- Karachi, being the major seaport of the country, is the natural location for FDI. However, no current foreign company has leather processing or leather manufacturing operations in Karachi. There was a previous joint-venture with a Spanish tanner, but that venture has ended. Meetings were held at ██████ new facility, located in the FTZ. ██████ is a Japanese company and the world's largest maker of zippers. ██████ ong serviced Pakistan from its foreign factories but opened the Karachi production plant within the last two years. Production has grown from 30,000 to 500,000 zippers per day

and workforce in excess of 300. Foreign staff consists only of 4 people; Pakistani's are trained in house for all other positions. The [REDACTED] factory operates 24/7 and primarily serves Pakistan, but includes some exports. The company facility also includes a full liquid wastewater recycling plant. The unstable security situation, lack of a active solicitation effort, and likely pressure from domestic industry have prevented more FDI like [REDACTED]. This is a world class facility and a model of what could occur in Pakistan.

The consultant's two trips to Karachi and over 35 meetings produced 12 recommendations and a much better understanding of the situation in Karachi and opportunities for the leather industry.

C. Lahore

As has been mentioned, Lahore is not an "at risk" district and therefore not a major focus of Firms assistance efforts. However, companies and organizations in and around Lahore are critical components of the Pakistani leather industry and several were visited during the consultant's stay in Pakistan. These visits were with companies which will be important resources in Firms activities in Charsadda. In addition, three institutions (UVAS, GILT, PIFD) were visited.

At the times of the visit, UVAS was in discussions to potentially assume control of NILT, although nothing was finalized. UVAS is experienced in and plays a major role in improving Pakistan's livestock industry. Thus, their involvement in improving the quality of rural animal slaughter techniques and assisting farmers in development of large-scale commercial feedlots and expansion of commercial meatpacking companies could make a major impact upon the quantity and quality of hides and skins stock available in Pakistan. Hide and leather companies report now a loss of more than 20% from improper slaughter technique and spoilage due to improper preservation of raw animal hides and skins. Even a halving of this figure would produce a major change in availability and sales by the industry. UVAS's role in the leather industry now is limited to issuance of certifications that hides are originating from a disease free area. Firms' leather sector initiative will not include involvement in animal disease or animal slaughter improvement. However, other sectors, including meat and dairy may do so and have involvement with UVAS.

GILT's long time mandate has been to produce trained tannery and footwear workers and technicians. Like many Pakistani training institutions, GILT is badly in need of upgrading and falls far short of providing training in modern production processes and technique. Its student body is less than 50 and seems unmotivated and unchallenged; the graduates will be of little use to industry without retraining, and then likely become production workers, instead of the trained mid-level managers the industry needs. The faculty is under staffed and under resourced, but fail to use what tools are at its disposal in an innovative way to teach the subject. The facilities of the institute are outdated. The shoe and leather making machinery is very old tech, but was also covered with dust and unused, showing a lack of effort. Gujranwala is not the ideal location - supposedly it was a historical area for leathermaking - but is central between key business centers of Sialkot and Lahore. Under current circumstances Firms' support of GILT seems

unwarranted. However, much could occur at GILT with planning, commitment, and innovation.

PIFD has an ideal location inside Lahore, a large and modern facility, and a good and growing reputation for innovation in the increasingly vibrant Pakistani fashion industry. In various areas of study, PIFD offers foreign exchange programs with students and instructors, and interaction with noted European fashion institutions. There seems a decline in resources since the consultant's previous visit but PIFD has added curriculum in leather garments to its fashion design program and is set to begin a footwear design program for Fall 2010. The student body is largely female and is said to easily find quality employment within the industry. Pakistan's domestic footwear business is of a size and development stage to require retail designers and merchandisers with fashion training. Assistance to PIFD will enhance quality job opportunities for females and increase the academic professionalism of Pakistan's leather industry. The consultant will recommend sponsorship of female students for the footwear design course and support of a special "Charsadda Design Project" to spur creativity of the traditional product.

The consultant's other visits in Lahore were with two footwear manufacturing companies and a producer of specialty leather, belts, and leather apparel patches. These businessmen were also officials of PFMA and Chambers of Commerce and said their views were shared by most of the membership. The footwear company executives stated they were experiencing good but competitive business conditions and felt positive that if the current political instability was corrected and a solution found for the current power shortages, major opportunities existed for increased production and export of Pakistani footwear. Europe is the current major export market, and Eastern Europe in particular shows great potential, but growth is also likely to occur in Asia, and in India, if there is a persistent effort. One company, Firaj, is very forward thinking and has built much of its business around brands licensed from American company WWW. Their Hush Puppies brand has major market share in Pakistan. Firaj has agreed to provide assistance to the Charsadda producers in several ways. The belief of their CEO is that more investment must be placed in workforce training for the leather and related industry. The owner is also Vice Chairman of the PFMA and will facilitate Firms' activities with the association.

Leather Connections is the major supplier of leather to the Charsadda cluster, via another party. The company produces specialty coated leathers used in the manufacture of children's shoes, golf shoes, and specialty work shoes. They export this leather worldwide. They are also a major manufacturer of belts for the domestic market, and a major manufacturer and exporter of leather identity patches for jeans. It is hoped that Leather Connections will also be willing to assist the Charsadda producers.

All of the people visited in Lahore, had in some way been involved in the GOP Leather Initiatives. Most felt that the ideas contained were the correct way forward and that if Firms could assist in their implementation, the industry would benefit. One party wanted nothing to do with those initiatives and said the country should copy every aspect of

India's leather policy if it wished to move ahead. It is interesting to note that India's policy contains many more subsidies and rebates for exports and most people see many of its incentives as contrary to WTO rules.

Though it varies by company, the Lahore footwear industry does a better job of employing female workers and incorporating manufacturing productivity measurement and enhancement processes compared to the average Karachi leather garment manufacturing company. Lahore's tanneries are closer to the Punjab cattle herds, a positive for the cowhide leather used in footwear, but are further from the Karachi seaport for exports. Like the Karachi companies, most are part of family owned groups and there is a dearth of outside blood in managerial positions.

Lahore is also the home of the PFMA, the industry trade association for Pakistan's footwear industry. The consultant believes that support to this association is warranted in order to spur the growth and job creating ability of the industry.

D. Multan

Multan is not a location of major leather industry activity but does contain two large leather processing companies and a number of small-scale tanneries. There is also reported to be some activity in the production of traditional footwear in the Multan area. The consultant visited Multan for a total of three days. There are two major leather industry firms headquartered in Multan. One is a buyer, processor, and exporter of semi finished (crust) and fully finished buffalo and cow leathers. This company is located in the industrial area and has a large but antiquated factory facility. Very little recent investment was evident in this company, and nothing relating to tannery effluents. This company (Multan Hide) reports exporting over 1.5 million feet of leather monthly. The other is a company that has been in existence since 1932 and performs the same activities plus produces leather footwear in a facility near Gujranwala. The 2nd company has made major investments in its plant and equipment and was in the process of building new laboratories and a sales showroom. They also had a primary effluent plant and a chrome recovery plant. Both companies reported good business conditions with much of their leather being exported to the Far East for production of footwear and furniture. Neither company was confident in the initiatives offered by GOP for the industry coming to fruition.

The situation in Multan, related to leather processing companies, is very near the same as in Karachi – good business prospects for the large companies with little concern given to the environmental impact of their industry on the land or population. One of the Multan companies is located in an industrial area, along with many smaller tanneries. A centralized effluent treatment plant could be an option for this entire cluster, and should be investigated. The second company is located in the city, and would have to have its own plant. The management of this company seems more cognizant of environmental concerns and is already taking some steps in the right direction.

E. Other

The other “at risk” districts of Pakistan where some amount of leather sector activity exists are Bannu and Quetta. The consultant was unable to visit either location due to time constraints and security concerns. Quetta is an entry point for raw hides and skins originating in Afghanistan and is reported to have a large hide market. Bannu is reported to have some amount of semi processing (salting) of raw hides and skins collected in the area, and a small vocational center connected with the leather industry. It is hoped that improvements in the security situation will allow visits by Firms personnel in the future and that an assessment of the capabilities and needs of the area can be made.

F. Women’s Participation in the Workforce

Leather Processing & Tanning - The leather processing industry is not a large employer of females in any country, and Pakistan is no exception. Even in the world’s most modern tanneries, the production of leather is a laboriously intensive job for workers, requiring strength instead of dexterity and arduous working conditions not deemed suitable for women (damp conditions, toxic chemicals, omnipresent noxious odors, etc). Pakistan’s tanneries range from low to fairly high tech on this scale but generally, attention to workplace health and safety conditions has not been a major concern. Tanneries are also not a large employer as compared to leather products factories. However, there are a number opportunities for women in Pakistani tanneries that involve little exposure to the abovementioned conditions. The production of leather is a chemical process, requiring exact formulation of tanning ingredients and a constant monitoring and adjusting of processes. Market preference in leathers have also changed toward products containing more features (water resistance, temperature changing characteristics, stretch ability, cut and chemical resistance) and fashion finishes that require exact technical inputs to accomplish and maintain. Technicians with specialized university or technical institute training are required in tanneries, more so today than ever. Women can as easily fill these jobs and make a contribution to the industry as men. The consultant is unaware of any women filling the job of leather tannery technician in Pakistan. However, during a visit to GOP Leather Research Center (LRC) in Karachi, it was noted that several women (chemical engineering background) were working on projects in the Leather Section and made presentations of their activities.

Leather Garments & Accessories – Manufacturing of leather garments and accessories contains the highest number and percentage of women of any leather related activity in Pakistan. No numerical industry data that the consultant reviewed in Pakistan seemed current and valid, so employment numbers are not contained in this document; however, in leather garment manufacturing companies visited in Pakistan, women comprise no more than 10% of the workforce. A large company could have as many as 800 total employees. Only a few females were observed in production management positions, as line supervisors of all female stitching sections. The lack of female production workers is detrimental not only for Pakistani women’s future job prospects, but for the competitiveness of the industry. In Chinese, Vietnamese, and Indonesian (Muslim) factories, making the same products, and who are direct competitors to the Pakistani firms, females make up 90% of the production workforce.

In South American factories, and when similar products were produced in the USA, females made up 80-90% of the production workforce. Historically, females have better dexterity and attentiveness than male production workers (stitchers) and have a higher output with less required makeover in a given time than do males. Leather garments in Pakistan were traditionally produced with a single worker performing all the jobs on a complete jacket. This was very physical work which was extremely difficult for a small woman to accomplish for 8-10 hours per day.

Most factories have, or are in the process of switching to an assembly line method of production where stamina is still required but strength is not such a factor. Fashion trends are also moving away from leather garments to lighter weight fabric or fabric/leather combinations. In conversations, each Pakistani factory owner and manager confirmed this information and stated plans to increase the number of females in their workforce for competitive business reasons. In the majority of companies visited, women were not present as designers, pattern technicians, or client contact personnel, jobs they could easily manage with training.

Footwear Manufacturing – Mechanized footwear manufacturing takes place mainly in the Lahore area. One firm reported plans to build a factory adjacent to residential areas and staff with all female workers. The percentage of female workers in firms visited was slightly higher than in the Karachi leather products companies. Firaj Footwear employed the highest number of women in production operations. Women's salaries there were said to be equal to men, and one woman was introduced as in the top earners in the factory. Nowhere was the percentage of women shoe workers as high as is common in Asia or South America (80-90%). In Karachi, a small footwear firm was visited that was making handmade fashion shoes for English Boot House. This company employed in excess of 50% female workers, but in conditions, and likely at salaries, much less positive than those of the export oriented companies. In the Charsadda footwear cluster, made up of 500+/- workshops, no women were observed working. In this traditional area, few women work outside the home, and only in a segregated situation. It is reported that many women produce the handmade chappals but do so inside the family homes.

2.0 CONCLUSION AND RECOMMENDATIONS

A. General Conclusions

- During the consultant's Pakistan visit, bombings and other terror inspired incidents took place on a daily basis, primarily in the tribal areas but also in the major cities of Karachi and Lahore. The result was loss of life, damage to property, and disruptions in travel. The use of trained security personnel and procedures is required in order for expats to carry on normal daily business activity; lives of Pakistani citizens are impacted even greater. Foreign media sensationalize Pakistan's security situation but in no other competing country does a prospective foreign buyer or service provider of leather industry products experience a similar threat. Pakistan's political instability is taken into account by potential buyers of its leather or leather products and a substantial mental discount deducted from offering prices, much the same as increased insurance premiums placed upon ships sailing into high risk zones.

Discussions with potential service providers and buyers from UK, Italy, and the USA showed a major reluctance to visit or do business that would require visits to Pakistan. Cited are travel warnings from governments of most western nations and the availability of similar products from countries with no such problems. Major investment by the industry in new production technology is unlikely to occur until the security environment in Pakistan improves. Sales of Pakistani semi-finished and finished leather are least likely to be affected, due to less alternatives; fashion leather garments the most. The current security situation and its negative portrayal in foreign media is the single biggest impediment to the future success of the industry, and far too little resources are employed by the GOP and the industry in positively countering its effect. The consultant believes that Firms support of proactive PA activities for the leather industry can be beneficial in this regard.

- GOP initiatives relating to the leather sector, including Trade Policy 2009-2012 and SMEDA 2009, include major input from the Pakistani leather industry. These initiatives are listed in Appendix C. While several of these initiatives are simply subsidies to the industry, the majority will be helpful in increasing sector export competitiveness and represent smaller subsidies than are in place from major competitors India and China. A major amount of time and effort by representatives from all segments of the industry has been invested into compiling the data necessary to make a case for development of these incentives, and lobbying for their inclusion as policy. As of the date of this report, all the incentives either await official enactment or have been enacted, but

remain unfunded. The majority of the Pakistani leather industry interviewed is extremely skeptical that any of these incentives will come to fruition in a meaningful manner. In meetings with the industry for research into this document, a major “fatigue factor” of involvement in “strategy development” was evident. The majority of companies believe that if the ideas contained in the abovementioned initiatives are enacted and made easily available to the industry, leather sector competitiveness will be greatly enhanced. In view of this, the consultant believes that a major effort of Firms leather sector strategy should be to use its resources to push for adoption and funding of a wide range of the GOP initiatives, assist the industry in understanding their relevance and significance as competitive tools, and facilitate their implementation. Firms’ ability to provide this type of assistance will greatly increase its credibility with the industry.

- FDI has been the major path to success in job creation and export generation for the majority of Asian leather products production countries. Much of the success of the Chinese sewn products industry (footwear, garments, accessories) was and continues to be from FDI by Taiwanese, and Korean companies. The more recent success of footwear and leather product manufacturing in Vietnam has largely come about through FDI. Bangladesh greatly lagged in development but recently has enjoyed much recent success in FDI from Italian, Korean and Taiwanese companies. The availability of low cost labor and raw materials should be favorable to Pakistan in seeking FDI for the leather and sewn products industry. The security situation is certainly an impediment to generating FDI, but several Japanese companies [REDACTED] usually the most cautious, have made initial or subsequent investments in Pakistan during the recent timeframe. GOP has done a poor job of soliciting FDI and the Japanese companies report that the decision to locate or expand production facilities in Pakistan occurred without GOP assistance or active solicitation.

The Pakistani leather industry is almost entirely made up of family owned companies, in many cases a large company group engaged in many different businesses, with individual companies being operated by different family members. While this has been positive for the family, it has resulted in a lack of innovation within the industry, as the size and resources of the group presents a barrier of entry to new competition. The history of FDI companies in Asia and the examples of those visited in Pakistan indicates that FDI results in increased employment, increased exports, and higher wage rates and better working conditions for the employees. Pakistan is unlikely to become a major leather products exporter without securing FDI, even though it has more natural ingredients to success than many of its larger competitors. The consultant believes that Firms’ support of initiatives to solicit FDI, especially from Asian firms involved in the leather products business, in a professional manner should be supported.

- Pakistani leather processors (tanners) are the largest and healthiest segment of the industry. Their future prospects are even more positive, internally - as better

livestock management occurs within Pakistan, increasing the quantity and quality of herds and as improved slaughter techniques reduce wastage - and externally - as stringent environmental regulations cause relocation or closure of western tanneries. The record of Pakistani tanners in voluntarily addressing environmental issues is poor. In light of this, until better procedures and enforcement of current regulations are put in place, the consultant believes that most assistance activities designed to increase sales and exports of tannery products should take a backseat to activities that will improve the industry's remediation of its environmental impact.

- Pakistan's efficiency in producing leather products (garments, accessories, shoes) lags behind most Asian production countries due to an undertrained workforce comprised of 90% males, outdated multi-floor factories - designed to minimize the footprint of groundspace rather than maximizing efficiency of the workflow; and insufficient investment in modern production technology. Efficiency further lags because of a lack of interest by the industry in funding productivity measurement and reengineering initiatives. The industry has, by and large, used price reductions as a means of addressing higher than necessary costs brought about by inefficient operations. Pakistani companies which have invested in efficient production facilities, engaged in lean production techniques, and integrated a higher number of female employees into their workforce are experiencing more positive business conditions than companies who had not taken these steps. The consultant believes that support of individual companies who are committed to investments in production efficiency through modern technique and technology and changes to its workforce to more closely mirror its population and foreign competition should be supported.
- The lack of focus of the Karachi leather products producers on specialization of products and a strategy for market dominance in production of those products is a major long-term negative for the industry. Examples of a proper focus are readily evident in Sialkot, where specialization of effort for products relating to the motorcycle industry, surgical products industry, and sporting goods industry have led to major success. Leather handbags, now beginning to be produced by a few companies, offer the possibility of specialization if advances can occur in the intricacy of design and resources expended so Karachi can be promoted as a center of leather handbag production.
- Pakistan's leather industry is benefiting from an increased market for leather upholstered furniture and leather auto upholstery. Not a great deal of internal product development has gone into this market segment but there is greater potential in this area than is now being realized. During Firms' involvement with the leather industry, additional attention should be given to both the automobile and furniture markets.
- Pakistan's leather industry technical training institutions (located in Karachi, Gujranwala, and Sialkot) whose mandate is to: provide qualified production

workers to the industry, improve skills of current workers, and provide companies with mid-level managers well versed in the most recent technological innovations and manufacturing processes are failing in all three areas. Each institute is underfunded by the government and management is unchallenged by the industry in seeking improvement. NILT, in Karachi, is an example which since inception has failed to achieve its potential, but whose mandate for providing the industry with trained leather technologists is desperately needed. The consultant believes that Firms' support of NILT would be warranted, but only alongside an active participation and restructuring plan from its BOG, showing a pathway for NILT's future relevance and self-sustainability.

- India represents the international market with the most long range prospects for Pakistani leather products. Much of the Indian leather industry is owned or managed by Indian Muslims, and most Pakistani companies have friends or relatives within the industry. While close in proximity, travel to India for meetings or trade exhibitions can be a tedious affair. Companies in all sectors of the industry report small commercial successes in India combined with frequent political setbacks. Exploiting the huge potential of the Indian market will be politically difficult but a persistent effort should be undertaken. Included in this Leather Strategy are recommendations for Firms' support in this effort.
- Turkey represents a market with bright near-term prospects and excellent long-term potential for Pakistan's leather and leather products. Turkey has a highly developed leather industry with long time customer relationships across Europe. Turkey also is the "preferred provider" of leather products to the large and growing Russian market. Turkey's competitiveness has suffered as its costs have increased and Pakistan is a prime candidate to be the "workshop" for the Turkish leather industry. A major missed opportunity occurred during the recent state visit by the President of Turkey to Karachi, Lahore, and Islamabad. Official trade initiatives were signed for many sectors, but not leather. A leather industry trade mission visited Turkey in 2009 on an official basis with an outstanding response and several individual business relationships came about. Unfortunately, there was no official follow up. Included in the Leather Strategy are recommendations for rejuvenating and expanding the effort in Turkey.
- Charsadda NFWP is a major "at risk district" and home to a sizable (500+/-) number of small manufacturers producing and marketing traditional work sandal "chappals." There has been a lack of past assistance efforts in Charsadda and prospects exist for initiatives that will increase the opportunities for the footwear cluster and be appreciated by the locals. The consultant believes that in normal times it would be difficult to make a business case for extensive business assistance for manufacture of a traditional product with limited market potential. But in view of the fragility of the district, the limited legitimate job prospects for its citizenry, and the current viability of the sector, positive results can accrue for Charsadda footwear related businesses from the initiatives proposed in the Leather Strategy. The ability of Firms to provide support and for its resultant

success, hinges on the security situation in the district and the ability for Firms personnel to be able to freely integrate with the business community in Charsadda.

- The role of trade associations in Pakistan is greater than in most countries in the world. This is very much a two-edged sword. Most companies are members of several trade associations, both of a sector and regional make up. This leads to situations where regional issues and conflicts between regions becomes the overriding factor. Trade associations also, in some cases, stifle initiatives that occur outside of association control or that not aimed at the entire membership. Selecting companies who have entrepreneurial qualities can become a sensitive affair, because many of these companies shun active involvement in trade associations. Firms' efforts will have to walk a fine line in order to produce results with trade association participation, without becoming bogged down in association politics and dead wood members.
- The Leather Sector in Pakistan is very mature and there is no lack of knowledge by Pakistani companies as to potential export markets and the major customer prospects therein. Pakistani companies are widely attending international trade exhibitions, and TDAP has a sponsorship program that results in a major Pakistani presence by tanners and a smaller but still significant participation by leather products and footwear manufacturers. Firms' assistance in trade exhibition sponsorship should be primarily focused toward assisting unique situations (Charsadda producers; Indian initiatives; Turkish initiatives) and not for supplementing currently subsidized events.
- Not enough emphasis is placed on developing synergies between Pakistan's leather garment producers and textile garment producers. Their manufacturing processes and customers are very similar. The textile garment industry is larger and more mature, and has made many necessary improvements to their operational methods to remain competitive. Their associations are also more mature and provide more services to their membership.

B. Gender Responsive Opportunities

Women play a smaller role in the Pakistani leather industry than in any competitive nation of which the consultant is familiar. There are several reasons for this. Primarily, it is the cultural belief that the man works outside the home and women work inside it. This is true not only in the very conservative areas around Charsadda, where most women do not leave the home unaccompanied, but even in the modern cities of Pakistan where a large proportion of women give up outside work, but not outside activities, after marriage. Change is and will occur with the younger, more educated generation, but results are apt to come slowly, especially with the intimidation factors women are currently experiencing due to security instability. Firms has a proactive and intensive program for increasing opportunities for females and the Leather Strategy includes initiatives the can and will increase women's participation in the leather

industry for the future. While this is challenging to accomplish, this will result in a more advanced and more competitive industry.

Leather Processing & Tanning – Pakistan tanneries lack a sufficient quantity of formally trained technicians, with the resultant request from the industry for foreign technicians. The consultant believes that leather technician related jobs are the best opportunity for females in Pakistan’s leather processing and tanning industry. This offers opportunity for quality employment and there should be less reluctance on the part of employers to hire females with the proper credentials. The consultant will propose that Firms Gender Section and Karachi PSD conduct interviews with the female leather technicians at LRC and the project then develop a process for upgrade training, in or outside of Pakistan, for these and/or other women with the goal of having trained and qualified women employed as technicians in Pakistani tanneries or, consulting to Pakistani tanneries, during the life of the project.

Leather Garments & Accessories – Pakistani leather product companies badly need the increased productivity and attention to first time finished quality that women production operators provide in most competitive nations. Innovative Pakistan textile garment production companies employ a higher percentage of female machine operators than is the case in any Karachi leather garment firm visited by the consultant. Increased use of female operators has helped the textile firms overcome severe competitive pressures. As a means of both increasing female employment and industry productivity, the consultant will recommend that Firms develop safe and secure workcells, incorporating modern stitching technology, staffed and supervised by female employees. These can be operated by individual companies or developed into a joint production facility, operated by several firms. Other recommendations will include preference for companies with female design and development associates into project sponsored handbag training conducted by foreign experts. The Leather Strategy recommendations also include tasking of qualified female Marketing/PA associates with the major leather industry trade associations in order to assist in the development of their marketing, research, and public awareness functions.

Leather Footwear Manufacturing – Pakistani footwear firms are under the same competitive pressures of the leather products firms and at some point will have to hire a larger percentage of female production workers to be able to compete with the increasing number of shoes imported from Asia. Several Lahore area footwear firms (Bata, Servis, Firaj) produce and supply branded merchandise to the domestic Pakistani market. In these firms are opportunities for designers and merchandisers which can easily be filled by females with the required technical training. PIFD Lahore is slated to begin a footwear design program in Fall 2010. The Leather Strategy will contain recommendations of support for female students at PIFD who can become qualified for these positions. In addition, a design project for “Charsadda Chappals” will be proposed at PIFD for female designers, who can add fashion inputs into the traditional product. As far as gender responsive opportunities for the footwear industry are concerned, the activities recommended for Charsadda can have the greatest impact. There are few if any females working there, outside the home, in footwear production.

This situation seems unlikely to change without outside assistance carried out in a manner that can be shown to make the local industry more productive and prosperous. To accomplish this, the consultant believes it is best to build up the potential female workforce through training support of FTI Charsadda. Recommendations include tuition grants for 50 students, 25 of whom will be female. Also planned, is assistance in the incubation of an entirely new chappal production company, co-owned by investors and an experienced local producer, employing 100% females, in a safe, secure, and pleasant workplace facility. This initiative will give a start to a small business and offer an example to others of the capabilities of females in the workplace.

C. The Internet & Electronic Media

It is positive to see that most companies in the Pakistani leather sector are making good use of the Internet and electronic media. As the list of contacts in Appendix A illustrates, most companies and organizations in the industry widely employ e-mail and have an Internet web site. As a test, the consultant contacted each of the parties with listed e-mail and received a very few bounce backs or failed replies. This is a major change of even two years previous and shows both the importance as well as economy of the internet as a communication tool. Most Pakistani businessmen interviewed had Blackberry's or similar devices that allowed them to receive and respond to e-mail on the go.

Company websites were about average in style and functionality, a bit less so in topicality. Most contained the standard boilerplate information and showed little creativity. Though there were exceptions, Pakistani leather sector companies and trade associations are not taking advantage of public awareness for marketing related promotion of their industry. The largest companies, as a rule, had the most intricate web sites. As is too often the case, most companies were slow in updating recent occurrences. The GOP institutes and trade associations lagged behind private businesses in keeping their sites current.

An area of weakness for the industry is proper security and virus protection measures. A scan of Pakistani leather association websites as this document is being prepared turned up security warnings for 2 out of 3.

Leather companies are employing the internet to reduce telephone charges; Skype is widely used for international communication. Larger companies are also using the internet to obtain current pricing on the international hide market. Electronic and e-mail order placement was widely observed but no company interviewed was linked electronically to their clients system to obtain sales information and automatic product replenishment, as is the case in China. Many of the Pakistani client companies use such a system with other vendors so this means their comfort level with Pakistan sources is not yet total. Several of the Pakistani companies mentioned they were close to purchasing computer based ERP systems that would integrate various business functions and provide management better information.

The consultant believes and will include in his recommendations that Firms can play a role in improving the knowledge and use of electronic media in the leather sector. A proposal to place a Firms Marketing/PA associate with each of the three major trade associations will include training and assistance in benchmarking their web sites against those of competitors and upgrading it into a more useful tool. Association member companies will benefit from this assistance.

D. Strategies & Recommendations

STRATEGY: Firms should make a major commitment to leather sector development efforts in NWFP and Charsadda in particular. Areas of assistance should include:

- Improve access to financing for small businesses;
- Sponsorship of trade missions and exhibitions in prime regional markets;
- Support and upgrade of FTI Charsadda;
- Improving design, technical capabilities, and branding of the traditional chappal product;
- Facilitate business relationships between Charsadda producers and the Pakistani leather industry;
- Support incubation of a new footwear production firm employing all female workers;

RECOMMENDATIONS:

1. Firms should employ an individual with some amount of footwear/leather experience, who is a Pashtu speaker, and can easily travel and coordinate leather activities in the Charsadda area.
2. Firms should investigate and report availability of grant and small loan programs offered by USAID and other projects that would be applicable and beneficial to the needs of Charsadda footwear producers, Charsadda Chappal Makers Association, and/or Footwear Training Institute Charsadda.
3. Firms should hold a kickoff event in the Charsadda/Peshawar area in order to explain the upcoming project assistance efforts and their benefits to the local leather industry. This should be followed immediately by actions outlined in the workplan.
4. Firms should sponsor participation of a group of Charsadda producers at footwear trade exhibitions in UAE, India, and Saudi Arabia. Recommended exhibitions are outlined in the action plan. Exhibition should be in a common booth under the heading, Charsadda Pakistan Chappal Makers. Coordination with the Pakistani Commercial Counsel should be maintained and its assistance requested to set up B2B meetings with local footwear wholesalers and importers at the same time.

5. Firms should sponsor an inbound trade mission of responsible footwear dealers from Afghanistan. Meetings would occur between the Afghan dealers and Charsadda cluster members for the purpose of familiarization and potential purchase of product, and setting up payment arrangements that are agreeable to both sides. An Afghan individual has been identified who can identify footwear dealers and coordinate the trip.
6. Firms should support FTI Charsadda and qualified local student applicants by funding tuition of 50 students (25 female). Stipends should also be paid but based on attendance, graduation, and offer of employment in the local footwear production industry. Full training and employment must occur during the life of Firms project. Firms should immediately request a proposal from FTI Charsadda.
7. Firms should assist Charsadda Chappal Makers Association with the design and development of a logo with the wording "Genuine Charsadda Chappal." Packaging, in the form of a printed plastic interior bag should also be developed and made available to association members at cost, with the stipulation that all Charsadda chappals would be packed in such bags.
8. Firms should assist Charsadda Chappal Makers Association with the process of registration and legalization of the name and logo "Charsadda Chappal" on its behalf.
9. Firms should provide PA/Marketing and T&E assistance to FTI Charsadda and Charsadda Chappal Makers Association in professionalizing their training capabilities (instructional not technical) and promotional outreach activities. The outcome of this initiative would be an increase in awareness of chappals and other footwear related activities occurring in the Charsadda area.
10. Firms should commission and fund a special "Charsadda Chappal Project" at the Pakistan Institute of Fashion Design, Lahore for development of fashion inputs for the traditional chappal. Sponsorship should be for female design students in order to challenge creative instincts that open new boutique markets for the product.
11. Firms should immediately initiate discussions with [REDACTED] and local Charsadda investors for their proposal to renovate a former textile factory as a female staffed chappal production facility. Assistance in the form of rent, salary payment, and security staffing should be provided, and oversight to insure renovations begins immediately. To insure viability of this new company during its incubation process, Firms should assist in the process of its legalization and development of a formal business plan. The ability to incubate and grow a small company, and provide sustainable employment for female workers, in an area deemed important for stability would be an accomplishment of great importance for Firms.
12. Firms should coordinate and develop a MoU with UNIDO on leather sector related activities it proposes for the Charsadda area. UNIDO has also been queried as to whether they can provide production upgrade assistance to FTI Charsadda.
13. [REDACTED], CEO of Firaj Footwear, a leading Pakistani manufacturer and retailer of footwear, has agreed to allow a group of Charsadda manufacturers to visit his factory for interaction and training in modern production efficiency and quality standards familiarization. He has also agreed to review footwear products manufactured by Charsadda producers for potential purchase. Firms should facilitate and sponsor this visit.

14. [REDACTED], CEO of English Boot House (EBH) Karachi, has agreed to meet representatives and review samples produced by Charsadda manufacturers for potential purchase by his company. EBH currently sells many styles of chappals of a more refined nature, and is experienced in providing requirements and purchasing products from small scale producers. Firms should facilitate and sponsor this meeting.
15. Firms should facilitate and sponsor a visit of Charsadda producers to Leather Connections Lahore, which is the producer of all leather used in chappal production. Currently chappal makers purchase this material on an indirect basis. The purpose of the meeting will be to develop a direct relationship between the chappal makers and LC in order to develop methods to lower production costs.
16. To develop awareness of PFMA members in current and future production opportunities (handstitchers) in rural areas (NWFP), Firms should facilitate and sponsor a trip by representatives of PFMA to Charsadda for a briefing and overview of footwear production resources.
17. Firms should seek input from PTA and PLGMEA with the goal of speeding implementation of “hide collection points, at border crossings” contained in the SMEDA Leather Strategy 2009. Examples of a useful initiative that could receive support would be a pilot of the first collection point. Afghanistan is a major supplier of raw hides to Pakistan, which enter the country at Quetta and Peshawar.

STRATEGY: Firms should assist the leather processing industry of Karachi and Multan in improving the impact of tannery waste upon the environment including:

- Funding a feasibility study for recycling the effluent of Korangi CTEP;
- Development of a funding proposal for a biofuel generator at CTEP;
- Assist the PTA in solid waste disposal in Korangi Tannery Area;
- Assist LRC Karachi in commercializing its product that uses tannery waste;
- Assist tanneries in Karachi and Multan implement TP initiatives for environmental treatment plants in individual tanneries;

18. Firms should obtain bids and pay the cost of a feasibility study for recycling the effluent of the Korangi CTEP, based on the PTA obtaining funding for the construction of the recycling unit once the study is made and a suitable contractor identified. LRC Karachi advises that they can produce the abovementioned study. They should be given first opportunity, provided their proposal is complete and cost is competitive.
19. Firms should request a proposal from LRC Karachi for commercializing its process of recycling solid tannery waste. If prospects seem favorable, funding should be provided plus assistance in propagating its use throughout Korangi, and other tannery clusters in Pakistan, especially Kasur.
20. Firms should assist tanneries in Karachi and Multan in taking advantage of the published Trade Policy 2009-2012 initiative “Establishing Environmental Treatment Plants in Tanneries.” This assistance can be in funding treatment plant design or in support of construction cost, especially for the small tannery cluster in Multan and small Karachi tanneries not connected to CTEP.
21. Firms should obtain a cost proposal for the purchase and installation of a biofuel operated generator for the Korangi CTEP that would enable the plant to operate on a self-sustaining basis. Firms should work with interested parties in developing a funding proposal for the purchase and installation of this machinery before the end of the project.
22. Firms should use its BEE resources for advocacy with the government for enforcement of regulations in place to work with the PTA in the development of a plan for solid waste removal from the Korangi tannery area.

STRATEGY: Firms should assist the Karachi leather products companies in innovation of new products. It should strengthen the Pakistani leather industry trade associations through increasing their public awareness and marketing capabilities including:

- Provide training by foreign experts in leather handbag design and development;
- Provide training by foreign experts in establishing design centers in companies;
- Provide Marketing/PA staff to the leather industry trade associations to improve their outreach activities;
- Support the industry and GOP in reinvigorating the Turkish trade initiative and support the industry in trade shows and trade missions;

23. Leather handbags are a market that offers Pakistan leather garment manufactures an increased value added opportunity and which some companies are having success. Firms should support and sponsor trainers of the Italian design school ARS for a handbag design course of 7-10 days and preferably held in Karachi at NILT facilities. Female designers should be given preference.
24. In support of Trade Policy 2009-2012 initiative “Establishing Design Studios in Leather Garment Factories,” Firms should support and sponsor a training course of approximately 3 days, held in conjunction with the handbag design course. ARS Italy will train companies in the requirements and procedures necessary to set up an internal design studio of world class standards. Selection of attendees can be made from companies offering the best proposals for the use of this knowledge and intention to immediately set up such an internal capability.
25. To assist the leather industry in countering Pakistan’s negative media image, and to promote, for marketing purposes, the positive opportunities of the industry and individual companies, Firms should assist the primary leather industry trade associations (PTA, PLGMEA, PFMA) through training and upgrading their Marketing and Public Awareness functions. Firms should task a qualified PA/Marketing associate (preferably female) to each association for the term of 1-year. Where appropriate, Firms should also assist in the upgrading of the associations web presence and assist the associations in developing formal working agreements with similar associations in major countries.
26. Firms should immediately work with the industry and GOP to reinvigorate the Turkish leather initiative that was begun in 2008. This will include supporting an inward trade mission of Turkish leather, leather garment, and footwear manufacturers to Pakistan, and future visits and trade show participation of Pakistani firms in Turkey.

STRATEGY: Firms should assist the Karachi leather products companies in increasing opportunities for females within the industry. An increase in female participation in the industry will lead to greater productivity and competitiveness. It should also assist the industry in achieving internationally recognized compliance and certification standards including:

- Sponsor female staffed and managed production work cells in safe, efficient, and secure environments;
- Assist the industry in achieving International certification standards;
- Assist the Pakistani leather industry in restructuring of NILT;

27. Firms should solicit proposals from the leather garment manufacturing industry to sponsor the costs of a leather products work cell staffed and eventually supervised by female employees. This could be for single firms or operated as a joint production facility. Lean manufacturing technology with measured workflow and costing processes would be incorporated. Sponsorship would run the life of the project.
28. Firms, in coordination with UNIDO should assist the Karachi leather companies in implementing Trade Policy 2009-2012 initiative providing “Subsidies for Obtaining Compliance Certifications.” Special emphasis should be placed on those relating to quality standards, worker health, and social accountability.
29. Leaders of the Karachi leather industry and BOG of NILT are developing a plan to restructure NILT into a viable and self sustaining institute for disseminating new leather technology and workforce training ideas. The result may be a merger with UVAS or some other institution. Once the plan is developed, Firms and the NILT BOG should determine if there is a positive role Firms can play. Advances in leather processing technology are in danger of leaving Pakistan behind and an institute like NILT can make a major contribution to the industry if its offerings are embraced and resources utilized.

APPENDIX C

Recent Leather Industry Policy Incentives from GOP

SM = SMEDA Proposal 2009 Initiatives

TP = Trade Policy 2009 – 2012 Initiatives

Improvement of Raw Material Base Product (cattle hide)

- Installation of flaying machines at district level slaughter houses; TP

Environmental

- Matching grants for setting up effluent treatment plants in individual tanneries; TP

Workforce Development

- Extensive Upgrade of Training Institutes (████████) SM

Linkages w/British and German Institutes that would assist in upgrades of institutes including ██████████

- ██████████ and similar institute in Karachi – Extensive upgrade w/certification and management by NU (British) of coursework and standards; SM

R&D and Marketing

- Yearly published calendar of events; SM
- Common pavilion at 3 international leather shows; SM
- Renting warehouse at major destination market; SM
- Conduct a B2B road show in Spain; SM
- Host a Pakistan International Leather Exhibition; SM
- Conduct a B2B road show in Italy; SM
- Host a Pakistan International Leather Exhibition in Dubai; SM
- Formation of The Leather Company; SM
- Support for opening retail sales outlets abroad; TP
- Warehousing scheme abroad; TP
- Matching grants to establish design studios or design centers in factories; TP
- 25% cost of setting up design centers and labs in individual tanneries; TP

- R & D Centers in Karachi and Sialkot operated by PLGMEA; TP

Manufacturing Productivity, Quality, & Certifications

- Design and development of 3 Leather Industry Parks; SM
- NU to advise the industry on modern skinning technique; SM
- Develop proposals for hide collection partnership options; SM
- SGS to operate the Institutes Labs, after NU advises of requirements; SM
- 100% subsidy for compliance certification when company obtains 4 (ISO9000, ISO14001, OHSAS18001, SA8000, WRAP, BSCI); TP
- Providing on the floor expert advisory/consultancy services to leather apparel exporters; TP

Policy

- Develop and Advocate 5 Policy Reforms; SM
- Develop and Advocate 2 Policy Reforms on Environmental Issues; SM

APPENDIX D

Consultant's Daily Activities		
Day	Date	Activity
1	27-Feb-10	Travel Tirana – Istanbul – Karachi -
	28-Feb-10	Arrived Lahore. Checked in Avari Hotel. Off day
2	01-Mar-10	Firms office. Briefing and meetings with project personnel.
3	02-Mar-10	Lahore. Morning meeting with ██████████ ██████████ at Firms office. Afternoon meeting with ██████████
4	03-Mar-10	Lahore. Morning meeting with ██████████, accompanied by ██████████. Afternoon flight to Karachi w/ ██████████. Karachi
5	04-Mar-10	Karachi – Meetings w/ ██████████ ██████████. Accompanied by ██████████
6	05-Mar-10	Karachi – Morning meeting at Firms office. Meetings with ██████████ ██████████. Accompanied in morning by ██████████ Afternoon, ██████████
7	06-Mar-10	Karachi - Worked in Morning w/ ██████████ on Workplan. Worked in afternoon on follow ups.
	07-Mar-10	Karachi – Off day at hotel.
8	08-Mar-10	Karachi – Meetings with ██████████. Accompanied by Salman.
9	09-Mar-10	Karachi – Meeting at Pakistan tanners Association office. Accompanied by ██████████.
10	10-Mar-10	Karachi – Meetings w/ ██████████ ██████████. Accompanied ██████████
11	11-Mar-10	Karachi – Meetings with ██████████ at Tannery and Star Denim. Accompanied by ██████████
12	12-Mar-10	Karachi – Meetings at ██████████ and ██████████ Afternoon Meeting at Firms office.
13	13-Mar-10	Karachi – Afternoon meeting with ██████████.
	14-Mar-10	Karachi – Off day at hotel.
14	15-Mar-10	Karachi – Afternoon meeting at ██████████ Accompanied by ██████████ ██████████
15	16-Mar-	Karachi –Morning meeting at Firms office. Meetings at Korangi

Consultant's Daily Activities		
Day	Date	Activity
	10	Environmental Treatment Plant and JETRO/JICA official at TDAP office. Accompanied by [REDACTED]
16	17-Mar-10	Morning meeting at [REDACTED]. Accompanied by [REDACTED]. Afternoon at Firms office.
17	18-Mar-10	Karachi – Afternoon meeting with [REDACTED]. Accompanied by [REDACTED]
18	19-Mar-10	Karachi – Meetings w/SMEDA and Italian Trade Commissioner. Accompanied by [REDACTED]. Afternoon meeting at Firms office.
19	20-Mar-10	Karachi – Traveled to Lahore. Worked on Karachi visit report and follow ups.
	21-Mar-10	Lahore – Off day at hotel.
20	22-Mar-10	Lahore – Firms office.
21	23-Mar-10	Lahore – National holiday. Worked at hotel on follow ups.
22	24-Mar-10	Lahore – Firmsoffice.
23	25-Mar-10	Lahore – Visits to [REDACTED] Gujranwala and [REDACTED]. Accompanied by [REDACTED]. Firms office.
24	26-Mar-10	Lahore - Visit to [REDACTED]. Accompanied by [REDACTED]
25	27-Mar-10	Lahore – Worked at Avari on follow ups. Traveled to Dubai.
	28-Mar-10	Dubai – Off day at hotel. Traveled to Islamabad.
26	29-Mar-10	Islamabad – Spent day with members of [REDACTED] and [REDACTED]. Accompanied by [REDACTED]
27	30-Mar-10	Islamabad – Meetings with UNIDO Pakistan office. Accompanied by [REDACTED]
28	31-Mar-10	Islamabad – Traveled to Lahore, Firms office.
29	01-Apr-10	Lahore – Meetings with SMEDA. Accompanied by Farrukh.
30	02-Apr-10	Lahore – Firms office. Worked on visit reports and developed several articles for PA.
31	03-Apr-10	Lahore – Visit to [REDACTED]. Worked on Charsadda/Islamabad visit reports and recommendations.
	04-Apr-10	Lahore – Off day at hotel.
32	05-Apr-10	Lahore – Firms office. Meeting with University of Veterinary & Animal Science (UVAS). Accompanied by [REDACTED]. Meeting w/[REDACTED]

Consultant's Daily Activities		
Day	Date	Activity
33	06-Apr-10	Lahore - Firms office.
34	07-Apr-10	Lahore – Firms office. Traveled to Multan. Accompanied by [REDACTED]
35	08-Apr-10	Multan – Meetings with [REDACTED] Accompanied by [REDACTED]
36	09-Apr-10	Multan – Traveled to Lahore by auto. Worked on follow ups and visit reports.
37	10-Apr-10	Lahore – Traveled to Karachi.
	11-Apr-10	Karachi – Off day at hotel.
38	12-Apr-10	Karachi – Meetings with [REDACTED], and [REDACTED] Attended Textile Asia 2010 Trade Exhibition. Accompanied by [REDACTED]
39	13-Apr-10	Karachi – Firms office, meetings with [REDACTED] [REDACTED] for meeting with [REDACTED] BOG reps.
40	14-Apr-10	Karachi - Meeting w/ [REDACTED] and meeting with officials at PHMA offices. Meeting with consultants on environmental issues. Meeting with [REDACTED]
41	15-Apr-10	Karachi – Firmsoffice. Meeting w/ [REDACTED] of PTA at [REDACTED] [REDACTED]. Accompanied by [REDACTED]. Traveled to Islamabad.
42	16-Apr-10	Islamabad – Worked on action plan. Meeting w/USAID on key points and recommendations.
43	17-Apr-10	Islamabad – Traveled to Lahore w/ [REDACTED]. Discussions of findings and follow up.
	18-Apr-10	Lahore – Leave Lahore, visa expiration day. Traveled to Dubai. Off day at hotel.
44	19-Apr-10	Dubai – Worked on recommendations and action plan.
45	20-Apr-10	Dubai – Worked on recommendations and action plan. Left Dubai at 10:30 pm for USA.
	21-Apr-10	Arrived USA.

APPENDIX E

Action Plan For Proposed Firms Leather Sector Initiatives			
No.	Activity	Type	
1	Appointment of local specialist to coordinate all leather related activities.	LTTA	
	Charsadda		
2	Employment of local Leather Coordinator for Charsadda.	LTTA	
3	Kick-off Event in Charsadda.	NT/Event	
4	Preparation of female-owned NWFP footwear manufacturers for participation in Market Readiness international buyer event.	NT/Event	
5	Participate in Footwear Trade Show in UAE, w/Pakistan consulate organized B2B meetings.	PS/STTA	
6	Participate in Footwear Trade Show in India, w/Pakistan consulate organized B2B meetings.	PS/STTA	
7	Participate in Footwear Trade Show in Saudi w/ Pakistan consulate organized B2B meetings.	PS/STTA	
8	Inward trade mission of Afghan wholesalers.	PS/STTA	
9	B2B Meeting w/ ██████████ – Karachi.	NT/Event	
10	B2B Meetings w/ ██████████ – Lahore.	NT/Event	
11	B2B Meetings w/ ██████████ – Lahore	NT/Event	
12	Develop financing options for Charsadda leather sector producers.	PS/STTA	
13	Marketing & PA training for Charsadda Shoemakers Association.	P/Service	
14	Support FTI Charsadda w/ 50 students (25 female).	P/Service	
15	Support investors in Pathan Chappalmakers w/women's work cell.	P/Service	
16	Increase awareness of PTA and PLGMEA in opportunities in NWFP.	NT/Event	
17	Facilitate opportunities between PFMA and Charsadda Shoemakers Association in NWFP.	NT/Event	
18	Legalize branding of "Charsadda Chappal" by Charsadda Chappalmakers Association.	PS/STTA	
19	Development of packaging using Charsadda Chappalmakers identification to be used by association members and provided at cost.	PS/STTA	
20	Technical upgrade of FTI Charsadda in cooperation w/UNIDO.	TBD	
	Karachi/Multan		
21	Preparation of female owned Karachi footwear manufacturers for participation in Market Readiness	NT/Event	

	international buyer event.		
22	Assist PTA in greater enforcement of waste disposal regulations in Korangi.	BEE	
23	Fund Feasibility Study for recycling Korangi liquid effluent.	P/Service	
24	Assist in commercialization of [REDACTED] solid waste recycling technology.	P/Service	
25	Assistance to [REDACTED]	TBD	
26	Tasking of a (female) Action Plan For Proposed Firms Leather Sector Initiatives PA/Marketing staff with PTA Karachi – training for Marketing/PA activities.	LTTA	
27	MoU w/UNIDO in TP initiative “Obtaining Compliance Certifications,” relating to product quality, worker safety/health, and social accountability. Tanneries and [REDACTED].	TBD	
28	Sponsorship of inbound trade delegation of Turkish representatives. Participation in Turkish leather, garment, and footwear exhibitions.	PS/STTA	
29	Sponsorship of training by Italian experts ([REDACTED]) in handbag design and development w/priority to companies w/female designers.	P/Service	
30	Sponsorship of training by Italian experts ([REDACTED]) in TP initiative “Setting up Design Centers.”	P/Service	
31	Tasking of a (female) FIRMS PA/Marketing staff with PLGMEA Karachi – training for Marketing/PA activities.	LTTA	
32	Support of development of work cells incorporating female employees for a group of leather garment manufacturing firms.	P/Service	
33	Fund Feasibility Study for Multan tannery industrial area in support of TP initiative “Establishing Environmental Treatment Plants in Tanneries.”	P/Service	
	Lahore		
34	Fund a Chappal Design Project at [REDACTED]	P/Service	
35	Sponsorship of female students in footwear and/or leather garment design at [REDACTED]	P/Service	
36	Tasking of a (female) Action Plan For Proposed Firms Leather Sector Initiatives PA/Marketing staff with PFMA Lahore – training for Marketing/PA activities.	LTTA	

APPENDIX F

16 April 2010 Islamabad - Material Presented in USAID Debriefing

Firms Pakistan - LEATHER FINDINGS & CONCLUSIONS

- Major improvement in export or investment by the industry will not occur until the security situation in Pakistan improves. Governments of every country whose businesses purchase from or supply Pakistani companies discourage travel to Pakistan. Buyers will not travel to an environment perceived insecure when there are alternatives.
- Government initiatives relating to the leather sector (Trade Policy 2009-2012 and SMEDA 2009) include major input from the Pakistani leather industry. Many of these actions will be helpful in increasing industry competitiveness, others are simple subsidies. The industry has experienced a major “fatigue factor” from involvement in this process and has seen little progress to date.
- FDI has been the major path to success for the majority of Asian production countries. Pakistan continues to fail in actively soliciting leather industry FDI. FDI results in increased employment, increased exports, higher wage rates and better working conditions for employees.
- Pakistani leather processors (tanners) are the healthiest segment of the industry. Their future prospects are positive as better livestock management occurs and environmental regulations cause western tannery relocation or closure. The record of Pakistani leather processors on environmental issues is extremely poor. Increased assistance in activities that increase exports of tannery products will only exacerbate the environmental problem.
- Pakistan’s efficiency in producing leather products (garments, accessories, shoes) lags most Asian production countries due to undertrained workforce comprised of 90% males, inefficient factory design, lack of productivity measurement, and insufficient technology investment. Companies have used price reductions to overcome inefficiencies.
- India represents the international market with the most long range prospects for Pakistani leather companies. Exploiting its potential will be politically difficult but a persistent effort should be undertaken.
- Turkey represents the market with positive near term prospects for the leather products. A major missed opportunity occurred during the recent state visit and signing of trade initiatives in many sectors, but not leather. The Leather Strategy document will recommend sponsorship of trade visits between Pakistan and Turkish leather companies.
- Charsadda NWFP is a major “at risk district” and home to a sizable (500 +/-) number of small manufacturers of traditional work sandals “chappals.” There has been a lack of assistance efforts in Charsadda in the past, and prospects exist for initiatives that will increase opportunities for the cluster and be appreciated by the locals barring sustained security problems.
- There is no lack of knowledge by Pakistani companies as to potential export markets. Companies are widely attending international trade exhibitions, and TDAP

has a sponsorship program that results in a major Pakistani presence by tanners and smaller but still significant participation by leather products manufacturers.

- Firms critically lacks personnel with business experience of the type needed to understand and develop solutions for its client companies. The project's approach for outsourcing delivery of assistance is apt to lead to a poor quality of services rendered unless intense active involvement is maintained.

KARACHI/MULTAN - Strategic Initiatives

1. To assist the leather industry in countering Pakistan's negative media image, and to promote, for marketing purposes, the positive opportunities of the industry and individual companies, Firms should assist in upgrading the Marketing and PA activities of the Karachi operations of PTA and PLGMEA, and Lahore operations of PFMA. Firms should task a qualified PA/Marketing associate (female, suggested) to each office for the term of 1-year. Firms should also upgrade the association's web presence and assist the associations develop formal working agreements with similar trade associations in major countries.
2. Firms should obtain bids for and pay the cost of a feasibility study for a recycling program for the effluent of the Korangi CTEP, based on the PTA obtaining funding for construction of the recycling unit, once the study is made and suitable contractor identified. Leather Research Institute Karachi advises they can develop the abovementioned study and should be given first opportunity, provided their proposal is complete and cost is competitive.
3. Firms should obtain a cost proposal for the purchase and installation of a biofuel operated generator for the Korangi CTEP, which would enable the plant to operate on a self-sustaining basis. FIRMS should work with the industry, government, and donors to develop a funding proposal for the purchase and installation of this machinery before the close of the project.
4. Firms should assist leather tanneries in Karachi and Multan in taking advantage of published Trade Policy 2009-2012 initiative "Establishing Environmental Treatment Plants in Tanneries." This assistance can be in funding treatment plant design or in support of construction cost, especially for the small tannery cluster in Multan and small Karachi tanneries not connected to CTEP.
5. Firms should request a proposal from Leather Research Institute Karachi for commercializing its process of recycling tannery solid waste. If its prospects seem favorable, funding should be provided as well as assistance in propagating its use throughout Korangi, and other tannery clusters in Pakistan, especially Kasur.
6. Firms should immediately work with the industry and Pakistan government to reinvigorate the Turkish leather industry initiative. This will include funding an inward trade mission of Turkish leather and leather garment manufacturers to Pakistan, and future visits and trade show participation of Pakistani leather, leather garment, and footwear manufacturers in Turkey.
7. Leather handbags are a market that offers Pakistani leather garment manufacturers an increased value added opportunity and which some companies are having success. Little formal training has occurred and is necessary for professionalization. Firms should support and pay the majority of the cost by

trainers of the Italian leather fashion design school [REDACTED] for a “handbag design course” of 7-10 days, and preferably held at [REDACTED]. Proposals from industry as to how they would take advantage of this training should be solicited and decisions made on participants to be selected. Female designers should be given preference. An instructor from [REDACTED] should be included, provided he has proper credentials and [REDACTED] agrees to incorporate the training into future curriculum. If [REDACTED] instructors can not hold classes in Pakistan, Dubai could be an alternative.

8. In support of Trade Policy 2009-2012 initiative “Establishing Design Studios in Leather Garment Factories” Firms should fund the majority of a training course of approximately 3 days, held in conjunction with #7 by [REDACTED] Italy which will cover requirements and procedures necessary for accompany to set up an internal design studio of world class standards. Selection of attendees can be made from companies offering best proposals for the use of this knowledge and intention to immediately set up such an internal capability.
9. [REDACTED] Karachi is currently having internal discussions leading to a plan to upgrade the institute and insure its future viability. [REDACTED] will provide to Firms this plan. If [REDACTED] can be put on a steady path with industry buy in, Firms can use it as an industry support center in areas such as “lean manufacturing productivity training” by supporting a team of foreign production efficiency experts based at [REDACTED] and working with individual companies. If [REDACTED] becomes a viable institute, it should be further supported by Firms by providing a qualified Marketing/PA associate, Karachi based but tasked to [REDACTED] for the period of 1-year (female, suggested) to assist [REDACTED] in building its marketing and outreach activities.
10. Firms should coordinate with the UNIDO country leather project and assist in developing a method for incorporating Trade Policy 2009-2012 initiative in providing “Subsidies for Obtaining Compliance Certifications” which relate to product quality standards, worker health, and social accountability.
11. Firms should solicit proposals from industry and sponsor set up and operational cost, except machinery, of female worker production work cells for a group of leather garment manufacturing firms. This sponsorship would run the life of the project and be owned and managed by the individual company. Sponsorship would include building rental, salaries of workers and security, and training costs and may vary in approach by company. Joint production cells, larger facilities operated by several companies are further encouraged and could lead to an increased collaboration in the industry, now very much lacking.

CHARSADDA – Strategic Initiatives

1. Firms will employ an individual, with some amount of footwear/leather experience, and who is a Pashtu speaker, and can easily travel and provide coordinate leather strategy related activities in the Charsadda area.
 - a. The name and contact of one such individual has been provided to Farrukh, who will discuss his availability or recommendations for another candidate;
2. Firms should assign a team member to promptly investigate and report availability and scope of grants and small loan programs offered by USAID and other projects which would be applicable to the needs of Charsadda producers, Chappal makers Association, or Footwear Training Institute. The availability of such and recommendations for its incorporation will be included in the Leather Strategy document.
3. After finalization of the Leather Strategy document, Firms should hold a kickoff event in Peshawar or its locale that is accessible to Charsadda cluster members, in order to explain the upcoming project assistance initiatives and their benefits to local leather industry stakeholders. This should be followed immediately by actions included in the workplan.
4. Firms should fund participation by a group of Charsadda Chappal Makers at footwear trade exhibitions in UAE, India, and, potentially, Saudi Arabia, in a common booth, under the heading of Charsadda Chappal Makers. These trips will serve three purposes: first, allow the small producers to meet potential buyers at the fair venue; second, the Indian fairs will also allow the small producers to meet vendors of footwear materials and machinery; third and potentially most important, coordination and assistance by the Pakistani commercial counsel should be solicited in setting up pre or post exhibition meetings with local wholesalers and importers of chappal type footwear. The project should assist in preparation of the group for attendance at these events (samples, display ideas, business cards, English speaking participant, and development of pricing/shipping/payment options). A FIRMS associate should participate to assist and provide reporting and follow up. The Indian and Dubai events are the most important, A single event in each country should be sponsored selected from the majors below:
 - a. Motexha Garments & Footwear - Dubai, usually held in April: www.motexhaonline.com
 - b. Footwear Expo - Dubai, usually held in November: www.orangeairs.com
 - c. Trendz Arabia – Jeddah, new usually in April: www.acexpos.com
 - d. Saudi Leather – Jeddah, usually in April: www.visionairs.com
 - e. India International Leather Fair – Chennai, usually in January: www.iilfleatherfair.com
 - f. Delhi International Leather Fair – Delhi, usually in May: www.delhileatherfair.com

5. Firms should fund costs of an inbound trade mission of responsible dealers of footwear from Afghanistan. This would include round-trip travel by best means for the group and accommodations in Peshawar. Meetings would occur between the chappal cluster members for the purpose of familiarization and potential purchase of products, and setting up payment methods that are agreeable to both sides.
 - a. One local Afghan consultant, [REDACTED], who is English and Pashtu speaking, and familiar with Peshawar and Charsadda, is required and would travel with the group to insure coordination, border crossing, and help with translation.
6. Firms should request a proposal from FTI Charsadda on increasing its enrollment by 25 male and 25 female students as soon as possible, for the full training course. This should include stipends paid by Firms, but based on attendance, graduation, and offer of employment in the local footwear production industry. Full training and employment must occur during the life of Firms project.
7. Firms should use their in-house PA and T&E capability to assist the FTI Charsadda and Charsadda Chappal Makers Association in professionalizing their training approach (instructional not technical) and promotional outreach activities. Promotional activities would include stories of footwear manufacturing in the region, features of a chappal and its advantages, the large footwear cluster, etc. Media produced should be distributed domestically and in regional international markets (India, Gulf).
8. Firms should fund a special “Charsadda Chappal Project” at Pakistan Institute of Fashion and Design, Lahore. This would be for development of fashion based inputs for the traditional shoe, by female students, to challenge creative instincts that might open new boutique markets for the traditional product. This will require coordination for the technical aspects but fashion inspiration from garments, as opposed to shoes is important for product evolution.
9. Firms should immediately initiate discussions with [REDACTED] and local Charsadda investors who propose to renovate a portion of a former textile factory building near the FTI as a female staffed chappal production facility. Assistance in the form of rent, salary payment, and security staffing should be provided, including a method of insuring that renovation begins immediately (even if renovation funding is required). In addition, to insure the viability of the new company, Firms should play a role in its inception by assisting in the development of its legalization and development of a formal business plan. The ability to incubate and grow a small company, using trained female workers, in an area that is deemed important for stability would be an accomplishment of great importance for Firms. Management must be totally involved from the outset.

10. Firms should coordinate and develop an understanding of any footwear activities proposed by UNIDO, in the Charsadda area. Firms should collaborate wherever possible and be ready to share credit wherever cross project activities have occurred.
 - a. UNIDO has been queried if they can provide any production upgrade assistance to FTI Charsadda. As soon as we have an answer it will be included.
11. [REDACTED], CEO of [REDACTED] has agreed to allow a group of Charsadda manufacturers to visit his factory for interaction with his Production Manager ([REDACTED]) who they know, in order to increase familiarization of the Charsadda shoemakers with modern production efficiency and quality standards. [REDACTED] also agrees to review samples produced by Charsadda producers for their own retail outlets. Firms should facilitate this visit, paying the transport and accommodation cost. [REDACTED] has also agrees to supply new technology outsoles to any chappal maker interested in so using.
12. [REDACTED] Karachi has agreed to review samples produced by Charsadda manufacturers for potential purchase by his company. [REDACTED] currently sells many styles of Chappals of a more refined nature and is experienced in providing requirements and purchasing products from small scale producers. [REDACTED] is a major footwear retailer in the Karachi market.
13. To assist in decreasing the raw material costs of Charsadda producers and during the same visit outlined in point #11, the group of Charsadda producers should visit Leather Connections, Lahore, located very near the Firaj factory. Leather Connections is the supplier, through several hands, for 100% of Charsadda's leather. This visit is important in order for the shoemakers to view the production process and facilitate discussions which will lead to more attractive material purchasing options.
14. To develop awareness of PFMA members in current and future production opportunities (handstitchers) in rural areas, members of PFMA should visit Charsadda for a briefing and overview of potential footwear production resources. FIRMS should facilitate this trip, pay all costs, and work to develop interaction between the groups.
15. Firms should seek input from PTA and PLEGMEA with the goal of speeding implementation of "hide collection points, at border crossings" contained in the SMEDA Leather Strategy of 2009. Examples of a useful initiative would be a pilot of the first collection point, if it could be accomplished in a secure manner. Afghanistan is a major supplier of raw hides to Pakistan, which enter the country at Quetta and Peshawar.
16. Firms should work with the Charsadda Chappal Makers Association and take

steps to register and legalize the name “Charsadda Chappal” on its behalf.

17. Firms should work with the Charsadda Chappal Makers Association and design a logo with the wording “Genuine Charsadda Chappal.” A printed plastic interior bag, using this logo should be developed, supply purchased and made available to Association members at cost, with the understanding that all Charsadda Chappals will be packed in such bags. The companies can still use their own imprinted exterior packaging as desired

APPENDIX G

Traditional Charsadda Chappal



APPENDIX H

Major International Leather Industry Trade Exhibitions				
Name	Location	Products	Usual Dates	Web Address
Mohtexha	Dubai, UAE	Shoes/Garments	April	www.motexhaonline.com
Footwear Expo	Dubai, UAE	Footwear	November	www.orangeairs.com
Saudi Leather	Jeddah, Saudi Arabia	Shoes	April	www.visionairs.com
Shoes, Bag, Fashion	Izmir, Turkey	Leather	Jan, June	www.ifzas.com.tr
Expo Shoe Riva	Garda, Italy	Shoes	Jan, June	www.exporivaschuh.it
WSA	Las Vegas, USA	Shoes	Feb, Aug	www.wsashow.com
Tanning Tec /Simac	Bologna, Italy	Machinery	October	http://fairs.assomac.it
MM & T India	Delhi, India	Leather	May	www.aplfindia.com
GDS	Dusseldorf, Germany	Shoes	March/September	www.gds-online.com
APLF - HK	Hong Kong	Leather	March	www.aplf.com
Fashion Access	Hong Kong	Garments, Bags	September	www.aplf.com
All China Leather	Shanghai	Leather, Shoes	September	www.aplf.com
MAGIC	Las Vegas	Garments	Feb, August	www.magiconline.com
India Leather	Chennai, India	Leather, Shoes	Jan	www.iilfleatherfair.com
Le Cuir Paris	Paris, France	Leather	Feb, Sept	www.lecuiraparis.com
ISF	Tokyo, Japan	Shoe, Leather	April	www.f-works.com
Pure London	London, UK	Shoes, Bags	Feb, Aug	www.purelondon.com
AYSAF	Istanbul, Turkey	Leather	April, Oct	www.pozitiffuarcilik.com
AYMOD	Istanbul,	Shoes	May	www.pozitiffuarcilik.com

Major International Leather Industry Trade Exhibitions				
Name	Location	Products	Usual Dates	Web Address
	Turkey			
Messe Offenbach	Offenbach, Germany	Bags, Accessories	Mar, Sept	www.messe-offenbach.de

APPENDIX I**Pakistan Leather Industry SWOT Analysis**

SWOT ANALYSIS – Karachi/Multan							
Category	Large Leather Tanners	Small Leather Tanners	Leather Garment Manufacturer	Production Subcontractors	Footwear Manufacturers	Training/ Research Institutes	Industry Trade Associations
Strength	Financial Resources, Buyer/Seller Relationships, Political Connections	Involved Ownership, Low Cost of Operation	Some Fully Integrated, Low Labor Costs, Buyer/Seller Relationships.	Involved Ownership, Low Labor Costs,	Lack of Critical Mass of Footwear Manufacturers in Karachi. Port Location.	NILT – Location and Facility.	Size of membership, Political Connections
Weakness	Involvement of Ownership, Depth of Management, Image of Pakistan, Willingness to Change Practices	Resources, Access to Finance, Modern Technical Knowledge	Involvement of Ownership, Poor Productivity from Male Workforce. Poor Technology Advances	.Resources, Access to Finance, Year Round Work Opportunities	Lack of Critical Mass of Footwear Manufacturers in Karachi. A Few Small.	Depth of Staff, Financial Capability, Image	Lack of Staff, Lack of Interest in Assisting Small Companies, Full of Older Generation.
Opportunity	Joint Ventures w/Foreign Companies, Plants in Asian Production Countries,	Specialized Leathers / Joint Production Schemes	Product Development, Specialized Products for Niche Markets,	Ability to develop and market new products /Joint Production Schemes.	Solicit Chinese/Korean Companies to Set Up Operations in FTZ.	Efficiency Training, Adjunct to Foreign University.	Increase Marketing /Market Research / PA Activities.

SWOT ANALYSIS – Karachi/Multan							
Category	Large Leather Tanners	Small Leather Tanners	Leather Garment Manufacturer	Production Subcontractors	Footwear Manufacturers	Training/ Research Institutes	Industry Trade Associations
Threat	Security Situation, Enforcement of Environmental Laws.	Inefficient Facility, Development Capability. Environmental Laws.	Security Situation, Change in Customer Preference from Leather,	Not enough market demand for their services / Inability to hire qualified workers.	Lack of Critical Mass of Footwear Manufacturers in Karachi. A Few Small.	Current Situation Remains, Dissolved	Lack of Support and Decline in Paying Membership.

SWOT ANALYSIS - Charsadda							
Category	Large Leather Tanners	Small Leather Tanners	Leather Garment Manufacturers	Production Subcontractors	Footwear Manufacturers	Training/ Resea	Industry Trade Associations
Strength	None in Charsadda	Few Small Hide Collectors from Afghan Border Area	Unaware of Any in Charsadda	Unaware of Any in Charsadda	History of making the traditional chappal. Low costs. Customers Base.	Local knowledge, low cost structure	Local Knowledge / Involved membership
Weakness	None in Charsadda	Capabilities / Resources	Unaware of Any in Charsadda	Unaware of Any in Charsadda	Overall Market Knowledge. Business Acumen.	Resources, Contacts outside of area	Voluntary membership / resources

SWOT ANALYSIS - Charsadda							
Category	Large Leather Tanners	Small Leather Tanners	Leather Garment Manufacturers	Production Subcontractors	Footwear Manufacturers	Training/ Resea	Industry Trade Associations
Opportunity	Lower Costs, Potential ROZ Incentives.	Develop Border Collection Points and Purchase and Process Afghan Hides. Lower Costs. Potential ROZ Incentives.	Become production contractors for Lahore/Sialkot Companies. Lower Costs. Potential ROZ Incentives.	Produce for Lahore/Sialkot Companies. Lower Costs. Potential ROZ Incentives	Selling direct to regional export markets of Gulf and India. Producing full or partial footwear for larger Pakistan shoe manufacturers.	Outside Fundin g / collaboration w/ larger training institut e	Gain some membership successes to build upon / Build FTI Charsadda
Threat	Security	Security / Inability to Compete w/ Large Companies	Security/Market Knowledge/Infrastr ucture	Security / Infrastructure /Ability to Train Workforce	Security / Finance / Change in Customer Product Preference.	Securit y/ fundin g	Security / Lack of members

SWOT ANALYSIS – Lahore							
Category	Large Leather Tanners	Small Leather Tanners	Leather Garment Manufacturers	Production Subcontractors	Footwear Manufacturers	Training/ Research Institutes	Industry Trade Associations
Strength	Financial Resources, Buyer/Seller Relationships, Political Connections	Involved Ownership, Low Cost of Operation	Availability of Raw Material and Plentiful Supply of Labor	Unknown in Lahore	Many Integrated and Focus on Pakistan Market. Financial Resources	GILT - none. PIFD has Quality Image and Interest from Large Base of Prospective Students	PFMA has Involved Volunteer Staff & Membership
Weakness	Involvement of Ownership, Depth of Management, Image of Pakistan, Willingness to Change Practices	Resources, Access to Finance, Modern Technical Knowledge	Poor Productivity from Male Workforce, Poor Proximity to Seaport	Unknown in Lahore	Involvement of Ownership in Large Companies / Understanding of Quality Requirements / Poor Productivity from Male Workforce	GILT Poorly Resourced. PIFD Focused on Female Fashion	Staff & Resources and Critical Mass of Manufacturers
Opportunity	Joint Ventures w/Foreign Companies, Plants in Asian Production Countries.	Joint production schemes / specialty operations for larger tanneries	Product Development, Specialized Products for Niche Markets	Unknown in Lahore.	Indian Market / Upper Production for Foreign Companies	GILT totally restructured. PIFD Leather Course w/ Foreign Staff	Foreign Collaborations / Trade Missions / Develop a Quality Pak Intl Footwear. Exhibition

SWOT ANALYSIS – Lahore							
Category	Large Leather Tanners	Small Leather Tanners	Leather Garment Manufacturers	Production Subcontractors	Footwear Manufacturers	Training/ Research Institutes	Industry Trade Associations
Threat	Security Situation,	Inefficient facility, product development capability.	Security Situation & Image of Country	Unknown in Lahore	Competition in Domestic Market from Asian Shoes of Higher Technology / World Brands	Security threat impacts foreign collaboration potential	Elder Statesmen Stifle Innovation

3.0 REFERENCES

Background Reading & Informational Resources

Pakistan Government Sector Reports:

1. Leather Sector Development Strategy, SMEDA, 2009
2. Leather Outlook, SMEDA, 2002
3. Leather Garments Manufacturing
4. PC1 for Revival of Hyderabad Leather Footwear Center – SMEDA
5. Sector Brief on Leather Garments – SMEDA
6. Sector Brief on Leather Gloves – SMEDA
7. Finished Leather – SMEDA, Presentation on Leather Industry of Pakistan
<http://www.scribd.com/doc/23204711/Leather-Industry-4>
8. Presentation on Tanning Process and Problems in Pakistan
<http://www.scribd.com/doc/23204679/Leather-Industry-3>
9. Cleaner Production and Waste Management in Tanneries
<http://pisd-pak.org/pdf/leather.pdf>
10. Prefeasibility study on establishing the Leather Garments Manufacturing Unit – SMEDA
11. Prefeasibility study on establishing the Leather Footwear Manufacturing Unit – SMEDA
12. Trade Related Challenges Facing Exporters in Pakistan - PIDE

Articles on Leather Industry:

13. Bashar, A. (2003). Difficult Times. *Pakistan Economist*. Retrieved from
<http://www.pakistaneconomist.com/pagesearch/Search-Engine2003/S.E139.asp>
14. Staggering Fall in Leather Exports Upsets Manufacturers
<http://www.fibre2fashion.com/news/leathers-news/newsdetails.aspx?>
15. Leather Buyers Moving to China, Market Shares Declining
<http://www.thenews.com.pk/print1.asp?>
16. Pakistan Grabs \$50 million Orders in Hong Kong
<http://www.dailytimes.com.pk/default.asp?>
17. Pakistan Tanners Visit South East Asia- Leather International Magazine
<http://leathermag.com/news/fullstory.php/14276>

Pakistan Industry Trade Association Web Sites:

18. PFMA – www.pakfootwear.org
19. PTA – www.pakistantanners.org
20. PRGMEA – www.prgmea.org
21. PLGMEA – www.plgmea.pk
22. PHMA – www.phmaonline.com
23. PGMEA – www.brain.net.pk/pgmea
24. Dingarh Kasur Tanners Assn. – www.tadkasur.com

Market Studies:

25. Indian Study of Russian Leather Garment Market

<http://www.leatherindia.org/oldsite/marketstudyruussia.asp>

Industry News, Tradeshow Calendars & Information:

26. Shoeinfonet – www.shoeinfonet.com

27. Leatherline – www.intracen.org/leatherline

28. Leather International – www.leathermag.com/news

Trade Statistics & Data:

29. World Bank – <http://data.worldbank.org/country/pakistan>

30. International Trade Centre – <http://www.intracen.org/tradstat>

USAID Firms Project
info@epfirms.com