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A RAPID APPRAISAL OF THE HIDES AND SKINS SUB-SECTOR IN NIGER

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A RAPID APPRAISAL OF THE MARKETING OF HIDES AND SKINS SUB-SECTOR in NIGER

Submitted to:

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April, 1990

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GLOSSARY

AB	-	Apprêtées - Brousses (Directorate of Animal Resources estimate of animals slaughtered under unsupervised conditions.)
AID/W	-	Agency for International Development/Washington
AMIS	-	Agricultural Marketing Improvement Strategies Project
BAV	-	Boucherie Arséniquée Verte (Hides and skins treated in sodium arsenate.)
BS	-	Boucherie Séchée (Hides and skins produced from controlled slaughter slabs around the country.
CNCE	-	Centre National du Commerce Extérieur
CNUT	-	Conseil National des Utilisateurs des Transports
D2 Category	-	Level of Certification in the Technical School System
F CFA	-	287 F CFA = $US 1.00; 50 F CFA = 1 FrF; 1 F CFA = .02 FrF
GDP	-	Gross Domestic Product
GON	-	Government of Niger
MAR	-	Ministry of Animal Resources
N	-	Naira
NEPRP	-	Niger Economic Policy Reform Program funded by USAID
RA	-	Rapid Appraisal
SNCP	-	Societé Nigeriénne de Collecte des Cuirs et Peaux (SNCP)
SOLETA	-	Sokoto Leather and Tanning Industries Ltd., Nigeria
SONITAN	-	Societé Nigeriénne de Tannerie
USAID	-	United States Agency for International Development

PREFACE

The Agricultural Marketing Improvement Strategies Project (AMIS), core-funded by the Agency for International Development's Bureau for Science and Technology, is a five-year project designed to assist USAID Missions and developing countries to:

- improve diagnosis of agricultural marketing system constraints, using rapid appraisal techniques,
- conduct in-depth analysis of specific marketing problems identified during rapid appraisal or by other studies,
- identify, design and monitor appropriate marketing system innovations and improvements,
- build local capacity in both the public and private sector to do marketing systems analysis.

AMIS is also assisting AID/W and USAID Missions in planning new marketing initiatives and projects.

The rationale for the AMIS Project, which began operations in October 1987, was the realization that benefits from increases in agricultural production, often the result of successful AID or other donor-sponsored projects, frequently do not reach farmers and others in the marketing chain because of constraints or bottlenecks in marketing systems. Likewise, inefficient distribution systems for fertilizer and other inputs may result in late deliveries and high cost to farmers. These constraints may be technical, institutional or infrastructural, but they are often the result of government policies with disincentive effects -- policies that discourage private sector participation in marketing. Through analysis and active interventions, AMIS is promoting a better understanding and appreciation of the importance of marketing in the agricultural development process.

The prime contractor for the AMIS Project is Abt Associates Inc., a Cambridge, Massachusetts-based policy research and economic analysis firm, operating through its Washington, D.C. area office. Abt is assisted by two subcontractors: Deloitte & Touche, an accounting, management and agricultural development consulting firm, based in Guelph, Ontario, with special expertise in market liberalization studies; and The Postharvest Institute for Perishables at the University of Idaho, a research and information centre dedicated to improving postharvest handling and marketing of perishable crops.

This report is the result of the efforts of many individuals. The primary team of AMIS consultants consisted of Tim Mooney, André Benoit and Søren Nielsen. Mr. Benoit is largely responsible for the technical analysis presented in this study. Mr. Nielsen was the primary author of the overview of the livestock sector as well as the sections on production analysis, and government regulation and support. Mr. Mooney is largely responsible for the introduction, the overview of the hides and skins sub-sector, and the section on system dynamics and constraints. The Conclusions and Recommendations are a collaborative effort. David Benoit joined this team upon completion of its field research and was instrumental in analyzing data and preparing this report.

The team could not have compiled this report without the considerable contributions of M. Idrissa Seydou of the Nigerien Center for Exterior Commerce; the Chamber of

Chamber of Commerce; M. Gourou Amadou, Chef de Sérvice de Réglementation des Professions Commérciale, Ministére de la Promotion Économique; M. Hararou Djibo of the Program Office of U.S.A.I.D./Niamey; El Hadji Adamou Mohammed Naguida of SONICOM. In addition to interpreting the interviews conducted during the field portion of this assignment, Messrs. Idrissa and Gourou were also extremely helpful in providing insight into the workings of the various Ministries and Agencies of the Government of Niger.

In addition, the team wishes to thank both Michael Kerst and George Callen of U.S.A.I.D./Niamey for their support and guidance. The consultants are particularly indebted to Mr. Callen for his efforts in organizing all of the logistic support the team received while in Niger.

Finally, these acknowledgements would be incomplete without mention of our gratitude for the cooperation and participation of the public officials and private entrepreneurs who met with the team and provided input to the study.

EXECUTIVE SUMMARY

This report is a rapid appraisal of the hides and skins sub-sector in Niger. It examines the state of the sub-sector as it exists today, four years after the implementation of privatization efforts. It identifies the major constraints that currently prohibit the sub-sector from making its full contribution to the overall economy of Niger and concludes with a number of recommendations for actions to alleviate these constraints.

This report uses the rapid appraisal methodology to provide an overview of the hides and skins sub-sector in Niger. As such, its purpose is to provide a quick overview of the nature and structure of the sub-sector. The report does not pretend to be an exhaustive, detailed study. The research conducted for this study focused on the parts of Niger (the departments of Tahoua, Maradi, and Zinder, and the city of Niamey) which account for the majority of the country's hides and skins production. The livestock industry, as a whole, is second in importance after uranium to the economy of Niger. The hides and skins sub-sector accounts for five to ten percent of the value of the overall livestock sector.

The hides and skins market is a complex one with a number of different products being marketed. They range from the freshly flayed "green" hide or skin, through several stages of semi-finished products -- raw, pickled, wet-blue, and crust -- to finished products.

There are currently three different markets for Nigerien hides and skins: the local market, the Nigerian market and the European market, each having its own unique set of characteristics. This report estimates that local tanners who use artisanal methods to tan hides and skins, probably account for no more than twenty to twenty-five percent of total production. The rest of Niger's production of hides and skins flows into the two export markets.

Nigeria is a major customer for two reasons. In recent years, the tanning industry has grown exponentially in northern Nigeria. Today, there are two industrial-scale tanneries in operation in Sokoto and thirteen (with another two under construction) in Kano. This industrial activity creates a large demand for Nigerien hides and skins and will continue to do so for the foreseeable future.

In addition, the re-export of Nigerien hides and skins has also proved to be a lucrative undertaking for Nigerian traders Simply stated, Nigerian traders have been willing to pay a premium for Nigerien hides and skins, which they then re-export to European customers for hard currency. However, this is a low quality market. The Nigerien exporter can sell to Nigerian buyers without having to incur customs taxes and other expenses. Over the last several years, this particular segment of the market has lowered the overall quality of Nigerien hides and skins which has been detrimental to exports in the direction of Europe. Like that of many other West African exporters, Niger's reputation has diminished over the last several years. It takes a long time to establish a good reputation in the market and only one or two shipments of low quality product to destroy it.

The logistics of exporting to Europe are more complicated than shipping to Nigeria and require more business skills. Whereas much of the trade along the Niger-Nigeria border involves cash sales, letters of credit are the usual mechanism for the European trade. However, most Nigerien exporters do not have the financial resources nor the access to bank credit needed to obtain the working capital to fill a large order. The scale of trade with Europe is also larger. It is possible for the smallest operator to sell a few pieces to a Nigerian buyer. However, for the European trade, it is much more common to sell several tons per shipment. Given the logistics involved, it does not make good economic or financial sense to ship less than a container of five to eleven tons when shipping by surface and at least several tons if shipping by air.

This report concludes that there should be more business activity in the sector, particularly in the export of goat and sheep skins. The financial analysis presented herein suggests the business of exporting goat and sheep skins ought to be a profitable venture. The base line case projects average annual returns of 60 percent for a small firm shipping eleven tons a month of good quality goat and sheep skins to Europe. However, as the report makes clear, there are a number of critical issues confronting the sub-sector today, and until these problems are resolved, capital is not likely to flow into investments in this sub-sector.

If the hides and skins sub-sector is going to realize its full economic potential, it will have to reverse some of the negative trends of the past several years. In general, the sub-sector has not recovered from the shock of the privatization of the once dominant parastatals SNCP and SONITAN. Part of the problem is directly attributable to the fact that both companies were pushed into private hands too quickly. One of the worst effects of the privatization is that much of the working capital needed to stimulate the flow of product through the marketing channels has dried up. With no private sector operators to replace SNCP, traders have had little alternative but to sell to Nigerian buyers. Until the private sector is willing to commit capital to the sub-sector, Niger is unlikely to realize its competitive advantage, particularly in the export of Maradi Red goat skins. This report recommends that a seminar be held to bring together potential exporters, the banking community and government officials, to review and refine the financial model presented in this report, as well as to discuss measures that all concerned parties need to take to increase the flow of capital into the sector.

In addition, a revitalized hides and skins sub-sector will be dependent upon renewed public sector commitment and investment. The public sector is doing a very good job of regulating and controlling the slaughter of animals and the production of meat products. It pays much less attention to the production and processing of quality hides and skins.

Niger has a solid base of infrastructure to support a dynamic hides and skins sub-sector. However, much of this infrastructure has fallen into disrepair. Although the country has four refrigerated abattoirs and several hundred slaughter slabs that are well maintained and supervised by personnel from the Directorate of Animal Resources, the same cannot be said about facilities for first stage processing and drying, which are often located alongside the slaughter facilities. It is the exception rather than the rule that these facilities have an adequate stock of sodium arsenate which is essential for the initial treatment of the freshly flayed hide or skin.

This report also calls for a review of the regulations and administrative procedures that govern the export of hides and skins. If Niger is going to have a dynamic, competitive export industry, the current regulations need to be streamlined and simplified.

In summary, this report concludes that the hides and skins sub-sector has the potential to make a significant contribution to the overall economy of Niger. To realize this potential, policymakers in Niger should focus on developing and implementing a strategy that promotes the export of higher quality hides and skins to the European market.

1.0 INTRODUCTION

1.1 Background

Under the auspices of its Niger Economic Policy Reform Program (NEPRP), the USAID Mission to Niger, with the approval of the Government of Niger, requested the Agricultural Strategies Improvement (AMIS) Project to conduct a rapid reconnaissance study of the country's hides and skins sub-sector. The potential for the sub-sector is well known, but the problems confronting it are considerable. The skin of the Maradi Red goat, which Niger produces in abundance, is a valued commodity in the international market. However, it is evident to serious observers of the sub-sector that Niger is not taking full advantage of this very important, renewable natural resource. The current contribution of the hides and skins sub-sector in terms of foreign exchange earnings, value-added processing and employment is considerably less than its potential contribution.

The livestock sector of the economy is Niger's major source of foreign exchange earnings after uranium. Increased foreign exchange earnings from the hides and skins sub-sector are essential in order to reduce the country's current trade deficit. Unfortunately, it is generally recognized that the sub-sector is not performing satisfactorily. The formal sector firms have had considerable difficulty dealing with the challenges of privatization and the transition from public control to private ownership. The country's sole modern tanning facility has been inoperative since mid-1989. As a result, there is no value-added processing of raw hides and skins taking place on an industrial scale. Employment in the formal sector has also declined significantly since the 1986 privatization efforts.

It is against this background that this study describes the current condition of the hides and skins industry in Niger, analyzes the problems confronting both formal and informal sector firms operating in the industry, and makes recommendations for concrete actions to maximize the contribution of the industry to Niger's overall economy.

1.2 Purpose

The purpose of this study, as outlined in the Terms of Reference in Annex I, is to evaluate the processing and marketing of hides and skins in Niger. The study focuses on the structure of the market and analyzes the constraints which inhibit increased production, processing and exporting of higher quality hides and skins. In addition, it makes recommendations for concrete actions to be taken by public authorities, the private sector and the donor community to revitalize the sector.

This study builds upon previous studies undertaken by the United Nations Organization for Industrial Development (UNIDO) and the Nigerien Ministry of Commerce, Industry, and Handicrafts (now the Ministry of Economic Promotion). It provides additional price and trade data as well as a more detailed analysis of the problems that confront private sector operators, both formal and informal, trading in hides and skins.

1.3 Methodology

This report was prepared by a team of four consultants using the AMIS rapid appraisal (RA) methodology. RA is narrowly focused on a commodity subsystem or some part of the subsystem. This study concentrates on the hides and skins sub-sector of the livestock system.

The RA approach is designed to provide a diagnosis of the critical marketing constraints in a commodity subsystem. The approach is short-term and preliminary in nature. The field team spent more than twenty-one person weeks in Niger and Nigeria collecting and analyzing data. The team interviewed a total of 41 informal sector operators: 7 butchers, 5 sub-collectors, 14 collectors, 9 exporters and 6 tanners. For a summary of these key informant interviews see Table 1.1 on the following page. These numbers were not necessarily intended to constitute a statistically significant sample of informal sector participants in the sub-sector. They have, however, provided a view of the sub-sector which, accompanied by secondary data, provides a potent diagnosis of the sub-sector.

The team also had discussions with the principal shareholders and managers of the sub-sector's three major companies: the Société Nigérienne de Collecte des Cuirs et Peaux (SNCP), Société Nigeriénne de Tannerie (SONITAN), and Société Nigérienne d'Industrie et de Commerce (SONICOM). In addition, members of the team met with over 30 public officials and private business people in Niger and northern Nigeria. Annex II provides a list of the persons contacted.

RA usually covers a geographically limited area and is rarely national in scope. This holds for this study. The team concentrated its informal sector interviews in the departments of Tahoua, Maradi, and Zinder (see Figure 1.1 for the location of these departments). As Table 1.2 shows, three departments account for approximately fifty percent of Niger's production of cattle hides and seventy percent of its goat and sheep skin production.

Given the consistency of the data collected, the team is confident that this information provides a representative picture of the hides and skins sub-sector throughout the country.

Finally, the completed RA should lead to additional research on critical constraints and/or pilot-testing of innovations aimed at removing these constraints. The Recommendations section of this report suggests several avenues for this type of follow-up.

Table 1.1 Summary of Key Informant Interviews

Country/ Department/Village	Butcher	Sub-Collector	Collector	Exporter	Tanner
NIGER					
Zinder					
Bakim Birgi			1		
Bande	1				
Magaria				1	
Matameye				1	
Mirryah	1	1	2		1
Sabon Kafi			1		
Zinder			2	2	
Sub-Total Zinder	2	1	6	4	1
Maradi					
Aguie	1				
Dakoro	1				
Gassaoua		1			
Madanrounfa	2				
Maradi				1	
Tessaoua		1			
Tibiri			1		
Sub-Total Maradi	4	2	1	1	0
Tahoua					
Birni N'Konni				2	
Kaou	1				
Madaoua			1	1	
Tahaoua			4		1
Tchadaoua			1		
Sub-Total Tahoua	1	0	6	3	1
Sub-Total Niger	7	3	13	8	2
NIGERIA					
Kamba				1	
Sokoto			1		1
Kano			2		3
Sub-Total Nigeria	0	2	1	1	4
GRAND TOTAL	7	5	14	9	6

TOTAL INTERVIEWS = 41

Source: AMIS, A Rapid Appraisal of the Hides and Skins Sub-Sector in Niger, 1990.

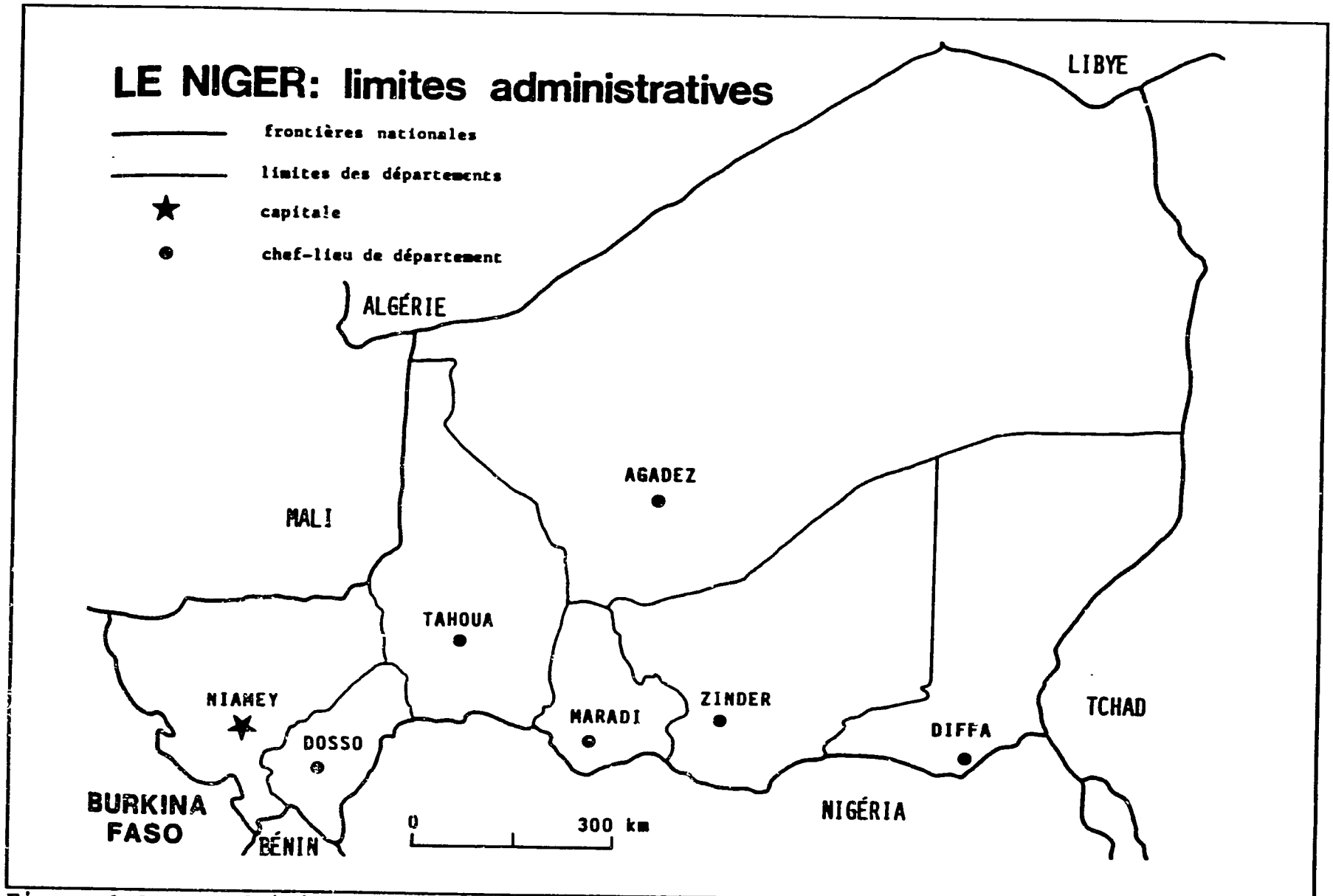

Figure 1.1 Administrative Districts of Niger

Table 1.2 Hides and Skins Production, 1986 and 1987

(percent total official production)

	Maradi	Tahaoua	Zinder	Total
1987				
Cattle	16.53%	13.12%	22.50%	52.14%
Goats	24.33	19.46	25.33	69.12
Sheep	25.17	20.39	27.00	72.56
1988				
Cattle	9.19	15.99	20.94	46.11
Goats	25.96	18.75	26.16	70.87
Sheep	23.81%	19.11%	27.30%	70.22%

Source: Directorate of Animal Resources, Government of Niger.

1.4 Organization of the Report

This report includes a narrative as well as a statistical description and analysis of the problems and constraints affecting the hides and skins sub-sector in Niger. Statistics for price, production and exports support the analyses. In addition to this introductory section, the report comprises four principal sections.

Part II provides a brief overview of Niger's livestock sector and puts the remainder of the report in perspective. The hides and skins sub-sector accounts for about 10 percent of the livestock subsystem's total value.

Part III of the report provides a detailed description of the Nigerien hides and skins sub-sector. A description of the sub-sector's main products and how they are made is followed by a description and analysis of the factors that affect production, demand, and prices for hides and skins. The section on production includes a detailed description of the methodology used to estimate production of fresh hides and skins. The demand analysis looks at the factors that influence the demand for Nigerien hides and skins in three distinct markets: the local market, the Nigerian market, and the European market.

Following these analyses is a detailed description of the marketing system for hides and skins in Niger. It begins with a discussion of the infrastructure that supports the system and describes the roles played by butchers, sub-collectors, collectors, exporters and tanners as hides and skins move through the various marketing channels.

Part III concludes with a description of government policies and regulations and how they affect the marketing system. It also looks at the government ministries and agents that support the hides and skins sub-sector.

Part IV of the report presents an analysis of the sub-sector's operating dynamics. It examines the financial performance of operators at different stages in the system and shows how potentially profitable the export of quality skins could be. In addition, this section of the report draws conclusions about the major constraints that hinder the performance of operators in the sub-sector.

The final section of the report, Part V, provides a detailed set of recommendations for concrete actions to be taken to alleviate systems constraints. Specific recommendations are set out for private sector operators, public sector authorities, and the donor community. The consultants believe that by implementing these recommendations, these parties will be able to make the contributions required to maximize the potential of the hides and skins sub-sector and, thereby, contribute to the overall economy of Niger.

2.0 BRIEF OVERVIEW OF THE NIGERIEN LIVESTOCK SECTOR

2.1 Livestock in the Economy

According to FAO estimates, Niger has a total land area of 126.7 million ha of which 29.1 million ha (23 percent) is suitable for livestock and 14.2 million ha for cultivation. On average, 89.2 percent of Niger's land area receives less than 350 mm of rainfall per year.

According to official statistics (Ministère du Plan) the livestock sector's contribution to the national economy has evolved as follows: 122 million FCFA or 17.8 percent of Gross Domestic Product (GDP) in 1983 against 101.8 million or 14.3 percent of GDP in 1988. This is explained by the sharp reduction in the livestock population following the severe drought in 1984 (see Table 2.1 below).

Table 2.1 Livestock Population in Niger, 1983 to 1988

Year	Cattle	% Change (+/-)	Sheep	% Change (+/-)	Goats	% Change (+/-)
1983	3,524	+1	3,448	+4	7,478	+3
1984	2,114	-40	2,241	-35	5,010	-33
1985	1,649	-22	2,017	-10	3,757	-25
1986	1,429	-13	2,548	+26	4,140	+10
1987	1,495	+5	2,676	+5	4,315	+4

Source: Ministère des Ressources animales et de l'Hydraulique, direction des Études et de la Programmation, gouvernement du Niger.

In comparison, agriculture contributed 18.9 percent to GDP while mining -- principally uranium -- contributed 6.7 percent. Industry, energy, handicrafts and the construction sectors combined added 16.4 percent, while commerce, transport and private services made up 25.8 percent, and government services 11.8 percent. Agriculture is, therefore, an extremely important sector in the Nigerien context, and the livestock industry is the most important aspect of this sector.

2.2 Livestock Production Trends

Livestock assets measured in terms of herd size have declined in the wake of the drought in 1984 and the below normal rainfall in subsequent years. The evolution of the livestock population is shown in Table 2.1 above.

The fall in livestock herd numbers has been particularly dramatic for cattle, followed by goats, and to a lesser extent, sheep. In 1988, although official figures[1] are not available, the cattle herd had still not recovered and appeared to constitute less than half the size of the 1983 herd.

The livestock population's geographical distribution by department is shown in Annex III. An important share of small ruminants, 55 percent, can be found in the two eastern departments -- Diffa and Zinder -- while Niamey has a considerable number of cattle, equivalent to 26.5 percent of the national population. There is, however, much movement of animals so the exact origin of livestock cannot always be easily determined. The figures may not correspond to the number of (controlled) slaughters in the departments. Niamey, with its urban population, accounts for no less than 68 percent of national cattle slaughters, 24 percent of sheep, and 19 percent of goat slaughters.

The livestock sector, including hides and skins, is characterized by relatively low yields in relation to herd size. Livestock production is essentially based on herds grazing the country's extensive natural pasture lands. Yield is negatively affected by a number of factors which include the following:

a) pasture lands are being overexploited during the dry season,
b) conflicts between traditional livestock raisers and farmers who are extending their cultivated lands are increasing,
c) livestock keeping is passing more and more from traditional raisers who move their animals over large distances into the hands of sedentary farmers and city-based investors.

However, several opportunities for improvement in the livestock sector are evident, for example:

a) the genetic potential of the local races of animals does not constitute an obstacle to sector development,
b) water availability does not constitute an obstacle to sector development,
c) the veterinary protection and care offered to the sector is generally good and sufficient.

Ante-mortem defects to hides and skins arising from untreated diseases has not been identified as a problem in the Niger context.

2.3 Domestic Consumption of Livestock

There is very little information readily available on the consumption habits of Nigeriens. It is believed that in rural areas meat does not form a large part of the regular diet. It is consumed, on occasion, for religious and ceremonial purposes such as baptismals.

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[1]Statistics regarding livestock herds are estimates only -- except for 1986 when a census was carried out -- based on regular vaccination campaigns being conducted in Niger.

On these occasions, it is mainly the meat of small ruminants which is eaten. Secondarily, a small ration of meat may be eaten on market days, etc. The consumption pattern in the larger towns and cities is quite different as a rather large part of the population eats meat once a day. Niamey has a large expatriate community who eat relatively more meat than locals. The overall low consumption of beef leaves room for a steady export of cattle to Nigeria.

2.4 Exports of Livestock

An indication of the livestock sector's contribution to exports is provided in Annex IV. The dominant export of Niger is uranium, which comprised 82.7 percent of total exports in 1986. Livestock products accounted for only 5.6 percent in that same year compared to 4 percent in 1983. It may be stressed, however, that significant volumes of both live animals and skins and hides are being exported through informal channels. This is likely to result in the under-estimation of exports.

2.5 Hides and Skins as By-Products

It is important to realize that skins and hides production is a result of the primary production of livestock. Because of the status of skins and hides as by-products, the supply of these commodities can, for all practical purposes, be considered as a function of livestock technologies and the whole production system, in addition to the demand and prices for meat. As they constitute by-products of the livestock industry, hides and skins should be studied in this context. Because of the structural problems mentioned, in particular the scarcity of good pasture lands, a significant increase in livestock and, therefore, hides and skins is not foreseen. On the basis of recent price statistics, the relative value of hides and skins compared to the total value of live animals is stated in Table 2.2.

For the brief period in which the new statistical data collection system (with the assistance of the USAID) has been operated by the Livestock Services, the trend has been a fall in the relative value of skins and hides. The exception is goat skin and meat which have experienced an almost parallel increase in prices. More price data is offered in Annex V.

Table 2.2 **Value of Hides and Skins as a Percentage of Live Animals, 1988 and 1989 (F CFA)**

Type of Animal	December 1988 (1) skin or hide	December 1988 (2) live animal	December 1988 (1)/(2) %	December 1989 (1) skin or hide	December 1989 (2) live animal	December 1989 (1)/(2) %
CATTLE	3,705	70,488	5.3	3,335	72,934	4.6
SHEEP	1,072	9,788	11.0	924	9,417	9.8
GOATS	617	5,452	11.3	689	6,040	11.4

Source: Rapports mensuels des statistiques sur les marchés de bétail, directions départementales des Ressources animales de Zinder, Maradi et Tahoua, gouvernement du Niger, 1988, 1989.

3.0 OVERVIEW OF THE NIGERIEN HIDES AND SKINS SUB-SECTOR

3.1 The Production of Hides and Skins

Hides and skins can be sold at many stages in the marketing chain depending on the degree to which they have been transformed into a final product. To assist in understanding the dynamics of supply, demand and price, it is important to differentiate between the various products and understand the production process. Products include fresh hides and skins, raw hides and skins, and semi-processed products: pickled pelts, wet-blue and crusts. In addition, there is a wide range of finished products which will be described.

3.1.1 Processing of Hides & Skins

The process can be divided into two steps which are usually separated by several months: a) Preparing Raw Hides, and b) Industrial Tanning. Presented below is a simplified[2] version of hides and skins processing which covers most of the activity one would find in Niger.

a) Preparing Hides and Skins

Preparation of raw hides and skins can be done in four steps: flaying, cleaning and conservation and drying.

Flaying of cattle and camels is most often done by knife, while a technique known as inflation is generally used for sheep and goats. Using the inflation method, a small cut is made near the hock joint of a hind leg. Air is then pumped in with the mouth or, in some cases, a bicycle pump. Flaying is done more effectively with a compressor in the refrigerated abattoirs. A knife is used only to establish an opening through which the skinner can insert a hand to separate the skin and the flesh with the fingers.

Washing and Fleshing is ideally completed immediately after the slaughter and flaying are finished. This step ensures the removal of subcutaneous fatty tissue which may be left after flaying. Washing helps remove all traces of blood and other extraneous material.

Conservation of raw hides and skins is performed immediately after washing. The most effective means available in Niger is to soak the hide or skin in a bath of sodium arsenate. This method which was, until recently, widely employed in Niger eliminates bacteria and protects against insects. The lack of sodium arsenate in recent times has contributed greatly to the decline in quality of the hides and skins exported from Niger. To compensate for the lack of sodium arsenate some collectors use insecticides which have

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[2]More detailed procedures for the production and handling of hides and skins during slaughter, curing, preservation, storage and transport are offered in: R.G.H. Elliot (ILO, 1981).

some effect against insects but no effect against bacteria. There is currently a great need to provide abattoirs with supplies of sodium arsenate.

Drying starts after washing and treating the hide or skin with sodium arsenate. The skin or hide is allowed to drip dry and is then set outside to complete the drying process. The best method is suspension drying on wooden frames. Another very good method is to dry the hides and skins on a line taking care to stretch them to avoid creasing. Drying is best done in the shade, preferably under cover.

b) Industrial Tanning

Industrial **tanning** of raw hides and skins can be divided into three distinct phases: pickling, wet-blue and staining.

Pickling, the first step, consists of soaking the hides and skins in basins with a mixture of water and lime to remove the hair. They then go through a "fleshing and scudding" machine which removes any remaining unwanted material. Pickling is completed in a mixture of salt and acid, where the hides and skins are churned for about an hour and thirty minutes and left overnight. The pickled hides and skins may be exported at this stage.

The **Wet-Blue** process can be done in the same barrel using a solution of chromium. It is at this stage that European importers prefer to purchase hides and skins.

Staining is the last step in the industrial processing stage. The tanning process is finished and the product is either exported to be stained by the client or stained in place. The stain is applied to hides and skins which are flattened, stretched on frames and sprayed with a painting gun.

3.2 Production Analysis

This analysis begins with a presentation of the latest production figures for cattle, sheep and goat hides and skins. The method used in compiling this data is discussed by category: AB, BAV and BS. The second section proposes some steps that may be followed in developing an alternative methodology for estimating the AB or non-controlled production of hides and skins. The final section in this discussion looks at the production of semi-processed products.

3.2.1. Hides and Skins Production: Controlled (BAV + BS) and Market Survey (AB) Estimates

According to GON statistics, market survey estimates of AB (Apprêtées-Brousses) production accounted for 56.2 percent of Niger's output of cattle hides in 1987. The corresponding figures for goat and sheep skin production are 56.9 percent and 69.2 percent, respectively. Table 3.1 summarizes hides and skins production data for 1987 by department and by source. Table 3.2 compares production, both by piece and by weight, for 1986 and 1987. The tables show that by weight cattle hides are most important, followed by goats and sheep.

Table 3.1 Comparison of Controlled Slaughter and Local Market Hides and Skins Production, 1987

I. CATTLE

Department	Controlled Slaughter BAV	BS	Local[1] Market AB	Total	Controlled Slaughter BAV	BS	Local Market AB
	(pieces)				(percent total)		
Agadez	697	880	272	1,849	1.6%	4.4%	0.3%
Diffa	126	196	763	1,085	0.3%	1.0%	0.9%
Dosso	0	5,469	5,015	10,484	0.0%	27.2%	6.1%
Maradi	0	1,814	22,249	24,063	0.0%	9.0%	27.2%
Niamey	39,240	4,313	12,696	56,249	90.0%	21.4%	15.5%
Tahaoua	2,843	4,243	12,009	19,095	6.5%	21.1%	14.7%
Zinder	712	3,220	28,816	32,748	1.6%	16.0%	35.2%
Total	43,618	20,135	81,820	145,573	100.0%	100.0%	100.0%
% Total	30.0%	13.8%	56.2%	100.0%			

II. GOATS

Department	Controlled Slaughter BAV	BS	Local[1] Market AB	Total	Controlled Slaughter BAV	BS	Local Market AB
	(pieces)				(percent total)		
Agadez	22,624	40,775	1,903	65,302	22.5%	7.9%	0.2%
Diffa	9,973	26,510	19,825	56,308	9.9%	5.1%	2.4%
Dosso	0	66,985	51,218	118,203	0.0%	13.0%	6.3%
Maradi	0	109,824	237,808	347,632	0.0%	21.3%	29.2%
Niamey	45,056	72,640	83,730	201,426	44.7%	14.1%	10.3%
Tahaoua	12,030	85,900	180,141	278,071	11.9%	16.7%	22.1%
Zinder	11,058	112,194	238,704	361,956	11.0%	21.8%	29.3%
Total	100,741	514,828	813,329	1,428,898	100.0%	100.0%	100.0%
% Total	7.1%	36.0%	56.9%	100.0%			

III. SHEEP

Department	Controlled Slaughter BAV	BS	Local[1] Market AB	Total	Controlled Slaughter BAV	BS	Local Market AB
	(pieces)				(percent total)		
Agadez	12,941	23,540	1,163	37,644	21.1%	18.5%	0.3%
Diffa	5,855	5,692	10,338	21,885	9.5%	4.5%	2.4%
Dosso	0	13,961	12,276	26,237	0.0%	11.0%	2.9%
Maradi	0	31,605	122,562	154,167	0.0%	24.8%	28.9%
Niamey	33,998	12,091	36,256	82,345	55.4%	9.5%	8.6%
Tahaoua	4,126	18,854	101,888	124,868	6.7%	14.8%	24.0%
Zinder	4,411	21,535	139,457	165,403	7.2%	16.9%	32.9%
Total	61,331	127,278	423,940	612,549	100.0%	100.0%	100.0%
% Total	10.0%	20.8%	69.2%	100.0%			

[1] Local market slaughter are assumed to be equal to the production of hides and skins

Source: Ministry of Animal Resources, Government of Niger, 1987.

Table 3.2 Comparison of Controlled Slaughter and Local Market Hides and Skins Production, 1986 and 1987

Year	Controlled Slaughter BAV	Controlled Slaughter BS	Local Market[1] AB	Total	Controlled Slaughter BAV	Controlled Slaughter BS	Local Market AB
	(pieces)			(percent total pieces)			
I. CATTLE							
1986	38,666	27,775	73,004	139,445	27.7%	19.9%	52.4%
1987	43,618	20,135	81,820	145,573	30.0%	13.8%	56.2%
II. GOATS							
1986	65,068	392,873	697,833	1,155,774	5.6%	34.0%	60.4%
1987	100,741	514,828	813,329	1,428,898	7.1%	36.0%	56.9%
III. SHEEP							
1986	65,595	96,880	364,655	527,130	12.4%	18.4%	69.2%
1987	61,331	127,278	423,940	612,549	10.0%	20.8%	69.2%
	(kilograms)			(percent total weight)			
I. CATTLE							
	231,996	166,650	438,024	836,670	27.7%	19.9%	52.4%
	261,708	120,810	490,920	873,438	30.0%	13.8%	56.2%
II. GOATS							
	29,281	176,793	314,025	520,098	5.6%	34.0%	60.4%
	45,333	231,673	365,998	643,004	7.1%	36.0%	56.9%
III. SHEEP							
	49,196	72,660	273,491	395,348	12.4%	18.4%	69.2%
	45,998	95,459	317,955	459,412	10.0%	20.8%	69.2%

[1] Local market production of hides and skins are assumed to be equal to local market slaughters as estimated by the MAR.

Source: Directorate of Animal Resources, Government of Niger, 1986 and 1987.

It is important to understand the different origins of hides and skins. Controlled production of hides and skins is assumed to be equal to the number of animals slaughtered under controlled conditions. Controlled slaughters take place at the country's four refrigerated abattoirs and at several hundred slaughter slabs spread throughout the country. The controlled category designed BAV (Boucherie Arséniquée Verte) in Tables 3.1 and 3.2 reflects the number and percentage of hides and skins that are chemically treated in a solution of sodium arsenate. Although this is the preferred method of treatment, it is clear that it is not a widely practised one. In 1987, only 30 percent of the cattle hides produced received this treatment. The corresponding figures for goat and sheep skins are 7.1 and 10.0 percent, respectively. The consultants attribute the substantially higher figure for cattle hides to the fact that a large portion of cattle slaughter takes place in the country's major urban centres: Niamey, Maradi, Tahoua and Zinder, where proper facilities are more readily available for treatment.

The BS (Boucherie Séchée) category of official production covers the hides and skins produced from the slaughter of animals at the controlled slaughter slabs around the country. As our discussion of infrastructure will detail, most of these facilities do not provide for treatment. This category is a more important source of goat and sheep skins, accounting for 36.0 and 20.8 percent, respectively, of these animals slaughtered in 1987.

Finally, there is the production of hides and skins from so-called "unofficial sources". The AB (Apprêtées-Brousses)[3] category signifies the Directorate of Animal Resources estimate of the number of animals slaughtered under unsupervised conditions, mostly in rural villages. However, this category also takes into account "backyard" slaughter for wedding receptions and other social functions. These figures should be used with caution as they are estimated from surveys done in markets and could result in double counting. A methodology for reconciling these estimates is suggested below.

When compared on the basis of the value of production, the order of importance changes. If price relationships in 1987 corresponded to those that exist today, with goat hides selling at a premium to sheep skins and at over 2.5 times the per kilogram value of cattle skins, then it is fair to conclude that, per kilogram, a goat skin is the most valuable, followed in order by sheep skins and cattle hides.

3.2.2 Towards a New Methodology for Estimating Production

The following is a proposal for estimating the production of hides and skins from non-controlled sources. This starts with a discussion of how the current production statistics are developed and then suggests a method for deriving non-controlled slaughter and non-controlled exports of livestock. Key to the derived estimates are meat consumption figures which we understand are available from ICRISAT, but which the team was unable to obtain.

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[3]AB is estimated based on a survey of hides and skins entering the market. It is used here as a proxy for clandestine slaughter which in turn is assumed to be equal to the production of non-controlled hides and skins.

a) Production Statistics

One element of the hides and skins production is well-recorded, namely the skins and hides resulting from the slaughters carried out in public slaughter facilities. In these places, all meat as well as skins and hides are inspected by agents of the Ministry of Animal Resources. Table 3.1 shows the numbers of controlled slaughters and their distribution on departments for year 1987.

Skins and hides originating from slaughters taking place in a family or informal village setting (non-controlled skins) are very difficult to estimate. In its annual report of 1987, the Ministry of Animal Resources (MAR) puts the number of non-controlled slaughters at roughly double those registered: 63,753 recorded against 128,247 non controlled for cattle, 188,609 to 381,391 for sheep and 615,569 to 1,234,431 for goats. Further background for the estimate is not given. Actually the share of "village" (sometimes called clandestine) slaughters may be lower for cattle than for small ruminants.

The MAR publishes specific statistics on skins and hides production. This information is shown in Annex VI for the years 1980-89. For each type of livestock -- cattle, sheep and goat -- details are given in three categories. Skins and hides originating from controlled slaughters are classified according to the treatment that they have undergone. Skin and hides that have been treated fresh with sodium arsenate are denominated BAV (Boucherie Arseniquée Verte). BS (Boucherie Sechée) represents those skins and hides that have either been dried in a public drying shed without further treatment, or most often, been carried away right after slaughter for drying elsewhere, often in the soil directly under the sun. BAV plus BS correspond to the total number of controlled slaughters in a given place.

The proportion of BAV (properly treated) to BS skins and hides has evolved as outlined in Table 3.3:

Table 3.3 Ratio of BAV to BS Skins and Hides, Selected Years

	Cattle Hides		Sheep Skins		Goat Skins	
	BAV	BS	BAV	BS	BAV	BS
1982	78 %	22 %	61 %	39 %	54 %	46 %
1983	37 %	63 %	59 %	31 %	42 %	58 %
1987	68 %	32 %	33 %	67 %	16 %	84 %
1988	70 %	30 %	43 %	57 %	22 %	78 %

Source: AMIS Project Analysis of the Data, Directorate of Animal Resources, Government of Niger, 1982-1988.

With some fluctuations, the trend is towards a smaller percentage of skins and hides from officially controlled slaughters being correctly treated in recent years compared to five years earlier.

In MAR statistics a third category of skins and hides figures under the initials AB (Apprêtées-Brousse). In principle, they emanate from non-controlled slaughters and are registered only when they enter into markets that are monitored by agents of the livestock services. As can be seen from the available data, they make up quite important numbers. Out of overall recorded production in 1987, for example, hides in the AB category represented 56 percent. Similarly, treated sheep skins constituted 69 percent and goat skins 57 percent.

However, the AB figures cannot entirely be trusted to represent unofficial slaughter for skins and hides. The uncertainty is due to two factors. First, some skins/hides emanating from controlled slaughters may subsequently enter markets which would amount to double counting. Most skins and hides from public slaughter slabs are thought to be passed on by butchers and sub-collectors to collectors with whom the trade relation is already well-established and who have often provided the necessary credit in the form of advances. The second factor concerns the considerable volumes of hides and skins which originate from clandestine slaughters. They pass through an entirely informal marketing chain of subcollectors to collectors without ever entering a public market place, and are not counted. This trade flow, in large volumes, would result in a lower estimation of the AB category by the MAR. Although these two factors have opposite effects on the production statistics, they can not be counted on to neutralize each other.

b) Export Statistics

Skins and hides export statistics for the years 1983 and 1985-88 can be found in Annex VII. These figures do not reflect the real volume of the informal (illegal) trade flow towards Nigeria. In 1988 official exports to controlled slaughters were only 26 percent for hides, 61 percent for sheep skins and 41 percent for goat skins.

c) A Proposed Methodology

Given the uncertainty of these figures, a supplementary methodology may be proposed for estimating, with some precision, the informal production and trade flows of skins and hides It consists of the following concepts:

Livestock Population:	is estimated using a starting point of either the end of 1986 or the start of the 1987 census data.
Effective Off-Take Rate:	equals slaughtered animals plus exported animals divided by the livestock population. This rate may be chosen on the basis of empirical evidence from Sahel countries in "normal" years.

Total Production:	equals the total number of slaughters minus exported animals. Where numbers of exported cattle were estimated by Cook (1989) and small ruminants would be derived figures. To arrive at the total slaughtered figure, meat consumption statistics could be used for small ruminants and the cattle figure would be derived.
Non-Controlled Slaughters:	equals total slaughters minus controlled slaughter.
Domestic Use:	may be estimated tentatively at 15 percent of total hides and skins based on interviews collected in different parts of the country.
Non-Formal Exports:	equals total number of slaughters minus official exports of hides and skins minus domestic use.
Total Number of Slaughters:	equals production minus exported animals.
Live Animals Exported:	equals exports of cattle, sheep and goats. For cattle, the estimation made by Cook (1989) on the basis of Nigerian statistics could be used. For small ruminants these would be derived figures.
Total Slaughters:	numbers concerning small ruminants could be calculated on the basis of meat consumption figures. For cattle it would be a derived figure.

There are two crucial assumptions in the above equation. The first is the figures for meat consumption and, thereby, total number of slaughters, assuming negligible exports of meat. The second assumption is the domestic use of hides and skins by the artisanal tanneries. In both cases, reasonably accurate estimates would have to be based on representative surveys:

1) A sample survey to determine the consumption of beef, sheep and goat meat in rural and urban households.

2) Systematic interviews with representative local tanners, butchers and sub-collectors to obtain precise information on tanners' sources of procurement and the share of their purchase of locally available hides and skins.

In the absence of such data, an entirely tentative estimate is made of 1987 production and trade flows for purposes of illustrating the proposed methodology presented in Table 3.4 below. These methods would then provide data that could be compared with the data furnished by the GON's annual estimates of AB and any other estimates they make with respect to clandestine slaughters. It should be cautioned that these estimates can only be as reliable as the data they employ. A third alternative would be to conduct a sample survey of AB through household interviews to determine the extent of clandestine slaughters and the degree of hides and skins loss. Unless this could be piggy-backed onto currently planned

Table 3.4 Provisional Estimate of the Production and Trade of Hides and Skins, 1987

	Cattle	Sheep	Goats
Livestock Population (as of end of 1986 Census)	1,495,000	2,676,000	4,315,000
Effective Off-Take Rate	14 %	24 %	33 %
Total Production	209,300	642,240	1,423,950
Animals Exported	105,000	58,907	23,950
Total Slaughters	104,300	583,333 (1 kg/hab.)	1,400,000 (2 kg/hab.)
Comprised of:			
Abattages Contrôlés	63,753	188,609	615,569
Abattages "Brousse"	40,547	394,724	784,431
Official Exports (Hides & Skins)	49,091	80,103	548,274
Domestic Use (15 %)	15,645	87,500	210,000
Clandestine Exports	39,564	415,730	338,274

Source: AMIS, A Rapid Appraisal of the Hides and Skins Sub-Sector in Niger, 1990.

surveys, the cost is likely to be prohibitive. In addition, this type of study would face the problem of having household members report on illegal activities.

3.2.3 Production of Semi-Processed Products

Due to the fact that SONITAN has been out of operation since July, 1989, there is currently no industrial-scale processing of hides and skins taking place in the country. The only processing that is taking place is at the artisanal level. SONITAN is reported to have an annual capacity of 1 million hides. Theoretically, had it operated at full capacity in 1987, it would have absorbed just under 50 percent of the country's total production of 2.04

million goat and sheep skins. This suggests how important a fully operational SONITAN can be to the overall hides and skins sub-sector in Niger.

3.3 Demand Analysis

The demand for Nigerian hides and skins can be divided into a domestic market and an export market. The export market is by far the most important. It is useful to look at the export market as two distinct markets: Nigerian and European. The dynamics of the Nigerian situation are discussed in some detail. This is followed by a discussion of the terms of trade in the European market. Finally, in Section 3.3.6, an overview of the world market for hides and skins is given.

3.3.1 Domestic Market Characteristics

The principal local source of demand for hides and skins comes from the country's traditional tanners. These tanners use artisanal methods (rather than chemical inputs) to tan hides and skins. A minor domestic use of untanned skins and hides is household use such as carpets and prayer rugs.

The other major participants in the market are export-oriented. They are the Société Nigérienne de Collecte des Cuirs et Peaux (SNCP) the country's sole industrial tannery, SONITAN. SONITAN, has been inactive since July, 1989; however, as discussed below, SONITAN may be back in operation in the near future. Since both SNCP and SONITAN are predominantly export-oriented, the discussion of local demand focuses on traditional tanners.

Traditional tanners produce tanned hides and skins which are then sold to the makers of the many handicrafts that are sold on the streets of Niamey and the country's other principal urban centres. Although these products, bags, purses, portfolios, and sandals, are well known, they are not the only products produced. Tanned skins are also used as tent-making material. The Touregs in the northern parts of the country stitch tanned hides together (sometimes as many as several hundred) to make the tents in which they live. Generally, tanners buy lower quality hides and skins that have been poorly flayed and are damaged with cuts and holes. Such hides and skins sell for up to fifty percent less than the better quality product eventually destined for the export market.

As a portion of the total market, the consumption of local tanners is small. Based on the information provided in key informant interviews and summarized in Table 3.5, the AMIS team estimates that traditional tanners probably account for no more than twenty-five percent of the production of skins and a smaller percentage of hides. This number is based on the estimated sales by butchers and collectors to local tanners. However, in different parts of the country these percentages vary considerably. In villages close to the Nigerian border, the reported sales of hides and skins to local tanners is less than in villages farther away.

Table 3.5 Estimated Demand of Traditional Tanners, 1990

Location[1]	Estimated Weekly Slaughter	Estimated Weekly Purchases By Tanners	Purchases as % Slaughter
Dan Issa	85 small rumin.	None	0.0%
Bande	18 small rumin.	None	0.0%
Madarounfa	134 -148 small rumin.	7 to 14	5.2 - 9.5%
Mirriah	180 small rumin.	18 to 28	10.0 - 15.5%
Dakoro	28 - 56 small rumin.	Not specified	4.0 - 5.0%
Kaou	21 - 28	21 to 28	100.0%
Totals	466 - 515	46 to 70	9.9% - 22.5%

[1]Villages listed according to their distance from the Niger-Nigeria border.

Source: AMIS, A Rapid Appraisal of the Hides and Skins Sub-Sector in Niger, 1990.

In Dan Issa, a village right on the border, there are no reported sales to traditional tanners. In this market, butchers sell hides and skins, both fresh and raw, directly to Nigerian middlemen. In Bande, a small village a few kilometres north of the town of Magaria and approximately 20 kilometres from the border, there are no reported sales to traditional tanners. According to the head butcher, a collector in Magaria purchases the entire production. The collector, in turn, exports the raw skins to Nigeria.

In Madarounfa, which is roughly thirty kilometres from the border, local tanners buy one or two skins from an average daily production of 18 to 20 small ruminants. This is the equivalent of five to ten percent. Moving farther from the border, in Mirriah (department of Zinder), local tanners account for approximately 15 percent of the skins resulting from the local slaughter. One reason for this higher number is the presence of a nearby village, 3 kilometres away, that does nothing but tanning; however, this is an exceptional case.

In Dakoro, 125 kilometres north of Maradi and 175 kilometres north of the border with Nigeria, local tanners buy only 4 to 5 percent of the skins available. They generally have access only to those skins that the local butchers cannot sell to the collectors who stop by weekly. This indicates that the distances collectors and exporters are willing to travel are limited, partially because of higher transportation costs and, in part, explains the proportional increase of skins going to traditional tanners in locations farther from the border.

In Kaou, a village in the arrondissement[4] of Tchin-Tabaraden, which is approximately 100 kilometres by road north of Tahoua, traditional tanners are the only customers for the skins from locally slaughtered sheep and goats. Local tanners have two major markets for their production: the Touregs, who buy tanned skins to make tents; and the local artisans, who produce traditional, brightly coloured sandals.

In addition to traditional tanners' demand for hides and skins coming from controlled slaughter facilities, it seems reasonable to assume that traditional tanners also create a market for the hides and skins originating from non-controlled or clandestine slaughter. Further, it seems reasonable to assume that the same market forces as those described above will have an impact on the flow of these hides and skins through the marketing channels. In general, the closer a skin is produced to the Nigerian border, the greater the likelihood that it will be exported there.

3.3.2 Export Market Characteristics

Official exports of hides and skins of all types and qualities were reported at more than 500 tons for a total value in the range of F CFA 600 million. This represents less than 2 percent of the total exports from Niger in 1988. Hides and skins exports, although small, are an important source of export earnings (see Table 3.6).

The majority (73.7 percent) of exports go to Europe. The major purchaser of Nigerien hides and skins is Italy (65.4 percent), followed by Great Britain (6.3 percent) and France (2.1 percent). The balance goes primarily to neighbouring African countries, the most important of which is Nigeria (21.3 percent), followed by Egypt (2.0 percent) and Algeria (1.3 percent). The residual of the exports (1.7 percent) goes in small amounts to various other countries. These figures include semi-tanned hides and skins which represent 135 tons or about 27.0 percent of the total weight while representing 22.5 percent of the total value. The export of semi-tanned hides and skins is directed almost exclusively towards Europe.

As shown in Table 3.7, Niger has two principal and distinct export markets: Nigeria and Europe (specifically Italy). These two markets have different forces driving them and will be discussed below.

3.3.3 The Nigerian Market

In comparison to the current hides and skins sub-sector in Niger, the Nigerian sub-sector is much more industrialized. This section focuses on the state of the hides and skins sub-sector in the Nigerian states of Sokoto and Kano, both of which border Niger.

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[4]An arrondissement is an area of local government. Niger is divided into several departments which consist of 3-7 arrondissements with a total of 35 in the country.

Table 3.6 Nigerien Hides & Skins Exports, 1975-1986

Year	Exports (Millions FCFA) Hides & Skins	Total Exports	H&S as % Total	Exports (Metric Tons) Hides & Skins	Total Exports	H&S as % Total	Average Price FCFA/kg
1975	173	19,556	0.88%	194	50,970	0.38%	892
1976	477	31,901	1.50%	2,113	114,460	1.85%	226
1977	573	39,335	1.46%	796	69,075	1.15%	720
1978	949	63,706	1.49%	1,536	43,024	3.57%	618
1979	2,406	95,241	2.53%	1,345	52,282	2.57%	1,789
1980	939	119,523	0.79%	812	110,636	0.73%	1,156
1981	1,202	123,589	0.97%	2,151	85,860	2.51%	559
1982	1,102	109,124	1.01%	943	84,831	1.11%	1,169
1983	496	113,896	0.44%	1,315	150,493	0.87%	377
1984	1,111	119,495	0.93%	963	149,358	0.64%	1,154
1985	2,094	93,901	2.23%	2,913	87,325	3.34%	719
1986	1,503	91,606	1.64%	1,799	44,566	4.04%	835

Source: Douanes du gouvernement du Niger, Générale de la donnance, 1975 à 1986.

Table 3.7 Nigerien Hides and Skins Export Statistics, 1988

Country of Destination	Declared Value (000 FCFA)	Weight (kg)	Estimated Unit Value (FCFA/kg)	Illegal Exports
Italy	427,413.7	329,090	1,298.8	199,872
Nigeria	52,905.5	107,177	493.6	31,931
U.K.	47,406.0	31,604	1,500.0	12,004
France	15,123.7	10,377	1,457.4	7,902
Egypt	12,000.0	10,000	1,200.0	113
Algeria	8.373.5	6,623	1,264.3	2
Togo	4,968.5	8,260	601.5	1,500
Other	100.0	334	299.4	300
GRAND TOTAL	568,291.0	503,465	1,128.8	253,624
Italy	75.2%	65.4%	78.8%	
Nigeria	9.3%	21.3%	12.6%	
U.K.	8.3%	6.3%	4.7%	
France	2.7%	2.1%	3.1%	
Egypt	2.1%	2.0%	0%	
Algeria	1.5%	1.3%	0%	
Togo	0.9%	1.6%	0.6%	
Other	0%	0%	0.1%	
GRAND TOTAL	100.00%	100.00%	100.00%	

Source: Douanes du gouvernement du Niger, 1988.

According to figures provided by the Sokoto State Ministry for Animal Health, the market for hides and skins in the state has grown dramatically over the course of the last decade. Table 3.8 shows that the sale of cattle hides increased almost twenty-five fold from 1980 to 1989, while sales of goat and sheep skins increased almost five and more than six times, respectively.

It is interesting to note that there is also a strong demand for cattle hides for food processing. Sun-dried hides are a staple of the diet of the Yoruba people of southern Nigera. This situation creates one of the anomalies in the sub-sector. The buyers of hides for processing into food are willing to pay a higher price for their raw material but require a lower quality product than do industrial consumers. It does not matter to the food processor if a hide has been poorly flayed and has cut marks or even holes. Blemishes of this sort, on the other hand, decrease the value of a hide in the eyes of a tanner.

Four of Nigeria's many tanneries are located in Sokoto. The larger of these, Sokoto Leather and Tanning Industries Ltd. (SOLETA), is a recently (1987) privatized company. Currently, the plant is processing only cattle hides and is operating at approximately 65 percent of capacity. Its final products, fully tanned leather, are sold to local shoe manufacturers and other industries.

There is some evidence to believe that SOLETA may soon be in a position to increase the regional demand for goat and sheep skins. It is currently negotiating with a Korean concern to ship as much as 75 tons of wet-blue skins per month. Assuming an average goat skin weighs 450 grams and an average sheep skin weighs 750 grams. SOLETA will require 83,000 goat skins and 50,000 sheep skins per month to fill this order. These figures represent small increases in local production on the order of one to two percent according to the statistics provided by the Sokoto State Ministry of Animal Health. (See Table 3.8).

The market for hides and skins in Kano State is even more dynamic. As the data in Table 3.9 show, the export of raw and tanned goat and sheep skins far exceeds the local slaughter of these animals. The obvious conclusion is that operators in Kano need to import raw skins from neighbouring states as well as Niger to fill their raw material needs.

Table 3.9 also sheds light on another interesting aspect of the Nigerian market. Several of the tanneries contacted in Kano complained about the difficulties they were having in procuring cow hides for tanning. These tanneries cannot fill the demand that the local shoe manufacturing industry has created for finished leather. The data show that the regional production of cattle hides has not fully recovered from the drought of the mid-eighties.

Table 3.8 Price, Volume and Value of Hides and Skins, Sokoto State, Nigeria, 1980 - 1989

Hides and Skins Prices, Sokoto State, Nigeria
(Naira/kg)

Year	Hides	Goat Skins	Sheep Skins	Tanned Skins	Exchange Rate (N/1000FCFA)
1980	1.50	3.50	2.50	4.20	
1981	1.40	2.50	2.40	3.50	
1982	1.80	2.80	2.70	4.50	
1983	2.00	5.00	4.50	7.50	
1984	2.50	6.00	7.00	7.80	7.7
1985	1.80	4.00	4.50	6.00	8.0
1986	3.00	28.00	25.00	35.00	12.5
1987	4.00	32.00	28.00	45.00	13.3
1988	4.50	45.00	30.00	50.00	16.7
1989	5.00	55.00	45.00	65.00	30.0

Volume of Hides and Skins Trade, Sokoto State, Nigeria
(pieces)

Year	Hides	Goat Skins	Sheep Skins	Tanned Skins	Total Pieces
1980	20,240	872,374	573,541	110,962	1,577,117
1981	72,444	615,013	444,396	85,153	1,217,006
1982	56,537	732,695	579,450	89,675	1,458,357
1983	85,083	1,097,772	954,873	64,000	2,201,728
1984	388,459	2,628,000	1,141,103	117,471	4,275,033
1985	395,693	1,932,687	1,207,697	257,535	3,793,612
1986	108,860	2,217,437	2,009,956	142,438	4,478,691
1987	536,780	4,859,133	3,440,417	1,390,816	10,227,146
1988	465,615	3,942,154	4,240,148	1,896,373	10,544,290
1989	500,758	4,342,614	3,638,588	1,946,773	10,428,733

Total Hides and Skins Market Value, Sokoto State Nigeria
(Naira)

Year	Hides	Goat Skins	Sheep Skins	Tanned Skins	Total Pieces
1980	30,360	3,053,309	1,433,853	466,040	4,983,562
1981	101,422	1,537,533	1,066,550	298,036	3,003,540
1982	101,767	2,051,546	1,564,515	403,538	4,121,365
1983	170,166	5,488,860	4,296,929	480,000	10,435,955
1984	971,148	15,768,000	7,987,721	916,274	25,643,142
1985	712,247	7,730,748	5,434,637	1,545,210	15,422,842
1986	326,580	62,088,236	50,248,900	4,985,330	117,649,046
1987	2,147,120	155,492,256	96,331,676	62,586,720	316,557,772
1988	2,095,268	177,396,930	127,204,440	94,818,650	401,515,288
1989	2,503,790	238,843,770	163,736,460	126,540,245	531,624,265

Source: Sokoto State Ministry for Animal Health, Government of Nigeria, 1980-1989.

Table 3.9 Official Livestock Slaughter and Export Figures, 1981 - 1984

Official Livestock Slaughter Statistics, Kano State, Nigeria
(head)

Year	Cattle	Camels	Goats	Total Sheep (1)	T.L.U.
1984	183,939	41,301	674,189	172,890	315,514
1985	184,915	53,034	664,836	274,881	341,924
1986	114,104	21,123	559,818	226,824	230,403
1987	119,445	15,383	690,963	283,497	257,108
1988	134,915	15,292	603,527	339,723	264,712
1989	117,985	11,933	688,635	307,901	255,801

1 Tropical Livestock Unit = 1.25 cattle, 1.0 camel, 6.67 small ruminants.

Official Goat and Sheep Skin Export Statistics, Kano State, Nigeria
(pieces, raw and semi-tanned)

	Goat Skins	Ratio (1)	Sheep Skins	Ratio (1)	Total
1981	4,397,042		1,447,422		5,844,464
1982	2,791,002		743,801		3,534,803
1983	3,862,776		1,406,926		5,269,702
1984	4,607,392	6.83	1,626,662	9.41	6,234,054
1985	634,838	0.95	513,134	1.87	1,147,972
1986	913,439	1.63	479,719	2.11	1,393,158
1987	1,850,689	2.68	1,315,186	4.64	3,165,875
1988	2,597,540	4.30	1,950,967	5.74	4,548,507

(1) Ratio = Exports/Slaughter

Source: Personal Communication, Kano State Ministry of Animal Health, Government of Nigeria, 1981 to 1984.

Currently, there are thirteen tanneries in operation in and around the city of Kano. Another two facilities are under construction, and one of the existing facilities is expanding to double its capacity. Although it was difficult to get precise figures from these private companies, it is possible to make some estimates about the demand these tanneries generate. One of the largest tanneries, International Tanners Limited, reported 1989

production of 1.2 million square feet[5] of side (finished) leather and six million square feet of wet-blue skins in 1989. This gives some indication of the scale of operations in Nigeria.

Based on interviews with government and industry officials in Kano, it is reasonable to assume that the current tanning operations in the area require on the order of one million goat and sheep skins per month. This far exceeds the State's capacity, at least according to the Kano State Ministry of Animal Health and Forestry's slaughter statistics.

As Table 3.9 shows, between 1984 and 1989, butchers in Kano State slaughtered between 550 and 690 thousand goats and between 172 and 340 thousand sheep per year. If current slaughter remains in this range, tanners in Kano can only expect to fill between 6 to 8.5 percent of their needs from sources within the state. The market for skins from outside the state, therefore, is on the order of 900 thousand skins per month or 10.8 million per year.

Given the proximity of Kano to Niger's major centres of livestock production in the departments of Zinder and Maradi, Niger is one likely source of supply to meet this demand.

Finally, this brief overview of the characteristics of the Nigerian market would be incomplete without some mention of recent policy changes. Effective the 1st of January 1990, it is no longer legal to export raw hides and skins from the country. What impact this will have on Nigerien producers is still uncertain. The change in policy was the result of the local tanning industry's ten-year lobbying effort. Basically, they argued that the export of raw hides and skins was costing the country jobs and money.

The prices Kano tanneries are currently paying for goat and sheep skins are considerably lower than they were six months ago. It is possible that the change in export policy may have had some influence on the decrease in price. However, as stated in an observation by the Market News Service,[6] it is unlikely that this policy alone will be able to stop the export (and re-export) of hides and skins from Nigeria.

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[5]This assumes an average size of 27.5 square feet per cow hide which is the equivalent of 43,636 hides, or at an average size of 3.75 square feet for goat skins, and 5 square feet for sheep skins and a goat to sheep ratio of 6 to 4, it would require 960,000 goat skins and 480,000 sheep skins to produce 1.2 million square feet.

[6]The Market News Service is a service of the International Trade Centre, an UNCTAD/GATT service which follows international trade of hides and skins.

It would appear on first glance that the change in policy has diminished the demand for skins from Niger. Export statistics from the Regional Directorate of Customs in Zinder, which covers the departments of Zinder and Diffa, show that the official exports of raw skins through the region's posts fell from 42 tons in October 1989 to 13 tons in January 1990. Some of this drop may also be attributable to seasonal factors. A concurrent drop in the price, as much as 50 percent, has been reported by some Nigerien exporters who operate close to the Nigerian border. This could be explained by a decrease in demand for re-export hides and skins by the Nigerians due to the new policy. However, it is doubtful that the policy will have any effect. Therefore, the current seasonal drop in international prices (mainly in Europe due to a warm winter and reduced demand for leather footwear) may be a second factor which has exerted downward pressure on the border price. A third factor could be the monetary and other macro-economic issues effecting the value of the Naira and the demand for Nigerien hides and skins by Nigeria. The dynamics of these factors are explained in more detail below.

3.3.4 Some Dynamics of the Nigerian Hides and Skins Re-export

In Nigeria, skins are primarily an export commodity although a domestic demand also exists. Table 3.10 provides some purchase and export figures for Kano State in 1989. These export numbers are probably on the low end as some skins may be sold to exporters in other states who then ship them out of the country.

Table 3.10 Purchase and Export of Hides and Skins, 1989, Kano State

(pieces)

	CATTLE	SHEEP	GOAT
Volumes purchased by commercial houses	67,706	4,245,043	7,250,826
Exports:			
Raw	-	451,376	470,616
Semi-tanned	-	993,075	1,691,301
Tanned	-	1,537,831	2,015,847
Total	67,706	1,262,761	3,073,062

Source: Federal Ministry of Agriculture, Water Resources and Rural Development, Kano Bureau, Government of Nigeria, 1989.

The skins that Nigeria imports from Niger are basically meant for re-export in varying degrees of the processed form. This trade flow is determined by a number of macroeconomic factors. At times, a certain element of speculation has been at work, thereby driving up the demand of Nigerian operators for exportable goods.

The more important forces to consider are: foreign exchange rate policy and expected exchange rate developments; money supply and fiscal policies; interest rate policy; d) inflation and competitiveness of industry and distribution services, e) Trade restrictions.

After the significant growth of Nigeria's economy in the 1970s, propelled by the rise in oil prices, the abrupt fall in oil revenues after 1980 caused a prolonged recession combined with large balance of payments and government budget deficits.

The Nigerian currency, the Naira, became progressively overvalued in the 1980s. However, this trend was reversed between March 1985 and August 1986 when the exchange rate was gradually adjusted by 58 percent in relation to the F CFA. Nevertheless, the rate remained well out of line with the parallel market rate, 1.3 Naira compared with 5 Naira to $1.00 US.

Under a comprehensive Structural Adjustment Program a managed auction system for foreign exchange was introduced in September, 1986, at which time the official rate depreciated by 68 percent to 4.2 N per $1.00 US. With minor fluctuations this rate prevailed until mid-1988. During the same period, as a result of expanding money supply and accelerating inflation, the parallel market rate depreciated further so that the margin between the two rates rose to 60 percent in May, 1988.

Subsequently, the official exchange rate has been allowed to depreciate to 7.89 Naira for $US 1.00 in February 1990, down 47 percent since June 1988. However, in line with the authorities' efforts to tighten bank liquidity, the margin of the unofficial exchange rate to the official had simultaneously been reduced to about 15 percent in February 1990.

Some preliminary conclusions can be made at this point: since March 1985, the value of the Naira has fallen dramatically from N 1 = 765 F CFA to 37 F CFA in early 1990, corresponding to a devaluation of 95 percent. At the same time, the difference between the official exchange rate and that of the parallel market has narrowed considerably.

In 1988, IMP-imposed fiscal restraints were relaxed. The overall budget deficit represented 8.5 percent of Gross Domestic Product against 4.2 percent in 1987. Overall bank credits to the domestic economy increased by 26 percent, largely to government to cover its budgetary deficit (up 30 percent), but also to the private sector (up 22 percent).

In line with this expansionary monetary policy, the central bank's minimum rediscount rate was revised downwards from 15.0 to 12.75 percent in December 1987. The commercial banks' lending rates were adjusted accordingly to a range between 14.75 and 20.5 percent. As prices according to the consumer price index rose by 38 percent in 1988, against 10 percent in 1987, real interest rates were actually negative (as low as minus 25 percent using a prime rate and minus 17.5 percent using the high end of the commercial bank range).

The parallel, free market exchange rate reflects a scarcity of foreign currency in the face of the high demand created by the expansionary monetary and fiscal policies. Foreign exchange carries a premium if it can be used for purchasing imported (capital or consumer) goods or if part of receipts can be changed into Naira at unofficial exchange rates. In Nigeria, domiciliary foreign currency accounts can be held with national commercial banks. In other cases, there has been speculation that part of export earnings have been kept in foreign bank accounts to avoid repatriation.

It is in this light that the import of skins from Niger paid in Naira for re-exportation becomes attractive. In some cases, the importers were willing to pay a mark-up on the price in spite of an often inferior quality product.

If expectations are for a further fall in the value of the Naira, the incentive to carry on the import-re-export transactions is reinforced. Further, if interest rates were negative in relation to the general inflation and the fall in the value of the national currency, the whole operation in the form of advances to Niger exporters and collectors could advantageously be financed through short-term bank credits provided that such credits were available. In Nigeria most of these conditions existed in the years 1981-1988.

Since the start of 1990, the Federal Government of Nigeria has imposed a total ban on the export of raw skins and hides, presumably in an effort to assist the national tanning industry and have more value added to the raw product. According to bulletins from the ITC Market News Service, raw skins are still available from Nigeria for export. Experience also shows that such regulations, in the face of market forces, are difficult to enforce.

Of greater importance could be a new orientation of Nigerian Government economic policies. Monetary policy has been severely tightened. In the first half of 1989 for which information is available, bank credits to the private sector rose by only 2.7 percent and to the Government sector they fell by 5.9 percent. Bank lending rates rose from a minimum 15 percent in 1988 to 30 percent or more in 1989. As a result the parallel rate for foreign exchange has, as already mentioned, narrowed to a 15 percent margin.

Thus, it would appear that the speculative element in a Nigerian operator's demand for Niger skins is about to fade away. It is unknown if the Nigerian authorities will have the determination to carry the structural adjustment policy through to its ends. If they do, Niger could no longer count on getting superior prices for subquality skins and hides. The sub-sector's ability to adjust to renewed emphasis on high quality skins will have serious implications for the competitiveness of the sub-sector internationally.

Discussions with small-scale Nigerien exporters and collectors seem to confirm that Nigerian sources for funding are now drying up. The immediate effect to the Niger trading system for hides and skins is negative in the absence of strongly-based Nigerien exporters with access to the necessary credit facilities.

A second factor underlying Niger-Nigeria trade in hides and skins is that Nigeria has a comparative advantage in processing hides and skins. Recent devaluation of the Naira has largely been off-set by increases in prices. Despite these competing forces, production costs appear to be lower in Nigeria when compared with Niger. A hides and skins operator

conducting activities in both countries estimated the costs of production and distribution to be about 30 percent lower in Nigeria. An important contributing factor is the low cost of energy, both gasoline and electricity, which constitute only about 10 percent of Niger prices.

3.3.5 The European Market

Purchases of raw, semi-tanned and tanned nides and skins, from all exporting countries in 1986 are, in the order of importance, Italy ($1.25 billion), West Germany ($400.0 million), U.K. ($317.2 million), Spain ($313.3 million), France ($227.0 million) and the Netherlands ($132.1 million). Most of these countries import from the principal exporters, namely: the U.S. and Canada (raw hides), to resell them to European users. Others, such as Germany, mainly purchase semi-finished and finished skins for their processing industries.

Table 3.11 Imports of Hides and Skins by Major European Countries

($ Millions)

	Italy	West Germany	U.K.	France	Spain	Nether-lands	Total
1979	1,352.9	641.9	476.7	402.6	257.2	130.9	3,262.2
1980	953.6	674.8	527.0	335.3	167.3	79.2	2,737.2
1981	849.5	454.0	390.1	263.0	173.7	67.9	2,198.2
1982	934.5	387.9	331.7	240.4	165.3	89.2	2,149.0
1983	827.2	352.4	280.5	205.5	143.1	99.9	1,908.6
1984	1,181.9	354.8	314.3	214.6	231.0	125.2	2,421.8
1985	1,181.0	377.0	309.0	266.6	269.1	125.7	2,528.4
1986	1,247.0	400.7	317.2	227.0	313.3	132.1	2,637.3

Source: FAO Trade Year Book, Vol. 39, 41, 1979-1986.

3.3.5.1 Terms of Trade

Potential buyers are predominantly large-volume European merchants who specialize in hides and skins. Some merchants, especially Italians and Spaniards, and to a lesser extent the French, purchase hides and skins in bulk and then grade and sort them in Europe. This method is decreasing in importance since the handling costs in Europe are becoming more expensive. Before committing to a purchase, the buyers receive a detailed proposal specifying the origin, the number of skins, the percentage of each grade, the weight range with the extremities, the average, and naturally the price. Once in possession of the complete description, traders begin purchasing negotiations in earnest.

International merchants act as financiers. They open letters of credit in favour of the original sellers, and most often grant deferred payments to tanners and other users, since

the latter do not have the means to tie up large sums of money for several months. Merchants are becoming less interested in speculation, i.e., they buy as long as they have secured an immediate opportunity to sell. However, the market is still highly speculative and this speculation results in frequent price variations which in a matter of days can reach high amplitudes, with variations reaching up to 10 percent or more. Speculation on the stock exchange can lead to more or less important price variations.

Prices are also subject to fluctuations in supply and demand. The effect of large purchases in some of the major markets can lead to high increases; on the other hand, a stop on purchases of these same big markets can lead to major decreases and even gaps in the purchasing stream. Other factors also lead to variations in selling prices, for example, a very harsh winter in Europe leads to an increase in retail sales of shoes, requiring replenishment orders; on the other hand, a mild and dry winter, such as the winter of 1989, slows dow.. sales.

There are different categories of merchants, some of whom often need financial support. The margin taken by a merchant varies to cover the risk (credit insurance), expenses and profit.

The European market has historically oriented its purchases of raw and semi-tanned hides and skins towards West Africa including Niger which up until recently had been considered a privileged supplier, a position it acquired from its ability to deliver high quality product with few problems.

In recent years, many problems have been experienced with the quality of shipments from Niger. The quality of the end product has become less and less dependable. The problems originate from many points in the marketing chain: poor framing and hanging of the hides and skins, flaws in the drying process, bad conservation techniques and, occasionally, infestation of vermin during storage. It has now become difficult for Nigerien exporters to get payments through confirmed and irrevocable letters of credit. Sellers even ask for advance financing - a condition which European purchasers are reluctant to accept.

The deterioration of the product makes it of utmost importance for the Nigerien sub-sector to take quick action to:

a) improve the quality of raw skins by correcting the poor production techniques,
b) establish financial support to certified exporters.

3.3.6 The World Market for Hides & Skins

The FAO Sub-Group on Hides and Skins recognized the economic significance of hides and skins, leather and leather products and estimated their value in international trade was in the range of $16 billion annually (FAO, 1988). Tables 3.12 and 3.13 provide production and trade data for hides and skins around the world for the years 1982 to 1986. These figures reflect that the world output of cattle hide remained static, while sheepskin and goatskin production increased moderately. Global demand for hides and skins resumed its increase in 1986 as a result of increasing consumer demand for leather fashion products.

Table 3.12 World Production and Trade of Hides and Skins

	Production		
	1982-84 (average)	1985	1986
	Million pieces		
World Total			
Cattle hides/calfskins	266.1	272.5	278.9
Sheepskins	442.0	451.7	446.9
Goatskins	185.6	194.0	197.6
Developing Countries			
Cattle hides/calfskins	119.8	125.7	129.2
Sheepskins	213.7	212.8	217.5
Goatskins	170.5	177.7	181.4
Developed Countries			
Cattle hides/calfskins	146.3	146.8	149.7
Sheepskins	228.3	238.9	229.4
Goatskins	15.1	16.3	16.2

Source: FAO Commodity Review and Outlook, 1987-88

Table 3.13 World Trade in Hides and Skins, 1982 - 1986

	Imports			Exports		
	1982-84 (average)	1985	1986	1982-84	1985	1986
	Thousand tons					
World total						
Cattle hides/calfskins	1,575.9	1,716.1	1,800.4	1,679.8	1,695.2	1,780.8
Sheepskins	147.3	178.0	173.2	141.3	177.4	181.4
Goatskins	33.1	37.8	31.4	34.7	38.4	32.3
Developing Countries						
Cattle hides/calfskins	345.3	414.4	490.3	137.0	120.1	122.0
Sheepskins	17.1	17.7	18.3	35.9	38.5	39.6
Goatskins	8.0	7.2	8.2	30.0	32.8	28.9
Developed Countries						
Cattle hides/calfskins	1,230.6	1,301.7	1,310.1	1,482.5	1,575.1	1,658.8
Sheepskins	130.2	160.3	154.9	105.4	138.9	131.9
Goatskins	25.1	30.6	23.2	4.7	5.6	3.4

Source: FAO Commodity Review and Outlook, 1987-88.

World production of cattle hides was down marginally in 1987 from 1986. The United States held its traditional place as the largest producer, providing 23 percent of the world output. Part of this decrease was the result of the completion of the USDA's Dairy Termination Program in 1986. Similarly, in the EEC, the reduction in milk marketing quotas maintained the high slaughter rate of dairy cows in 1987, and hide supplies increased (FAO, 1988). The other major producers of cattle hides are the USSR, Brazil and Argentina. Argentina is by far the major producer of hides and skins amongst developing countries. Hide output in Africa remained stagnant during this period due primarily to the rebuilding of herds which were deplenished during the recent drought.

The world production of sheep skins is dominated by the USSR, EEC, New Zealand and Australia. Global output increased in 1987 but did not reach the record levels of 1985. Steady growth in goat production in the Far East and, to a lesser degree, in Africa has led to a continued rise in goatskin production.

World trade of hides is dominated by the United States, which accounts for 40 percent of the global trade (FAO 1988). Exports from Africa have traditionally ranged between 5 and 10 percent of the world total. World trade of sheep skins is dominated by exports from Oceania.

3.4 Price Analysis

Raw and treated hides and skins are commodities whose prices fluctuate according to the forces of supply and demand in the marketplace. Price analysis is complicated by the cross border trade with Nigeria and the fluctuating exchange rate, both official and on the parallel market, between the Naira and the F CFA.

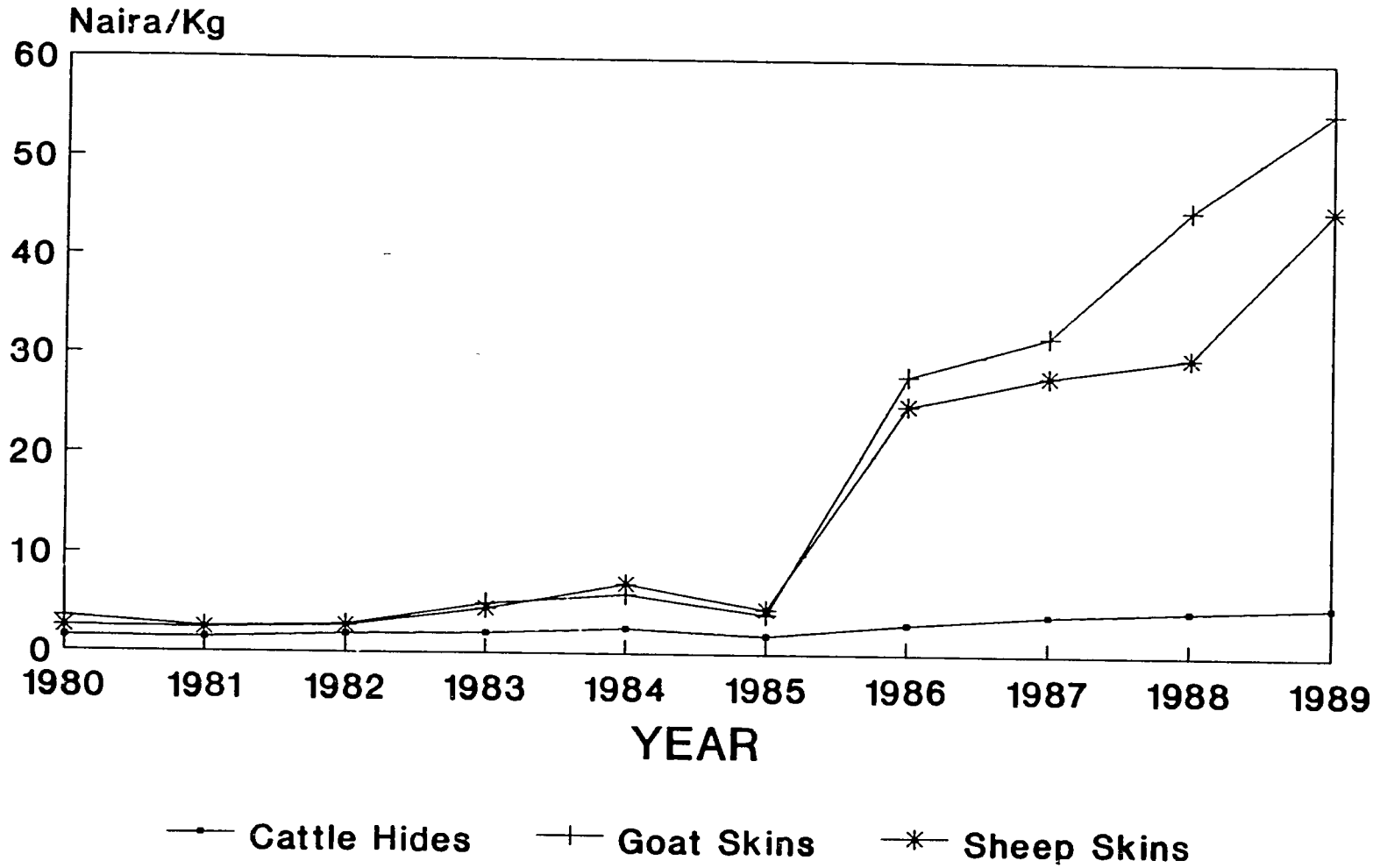
Figure 3.1 shows the price movement for raw hides and skins in Sokoto State, Nigeria between 1985 and 1989. It shows clearly that nominal prices in Nigeria started to move up precipitously in 1985, just prior to Niger's efforts to privatize both SNCP and SONITAN. After adjusting the current Naira prices for changes in the exchange rate on the parallel market, the increase in prices for goat and sheep skins is less severe. In 1985, the parallel market rate was approximately N 8 per F CFA 1,000. In late 1989, the rate had moved to N 30 per F CFA 1,000. In F CFA terms, the prices for raw cattle hides decreased by 26.2 percent, while goat and sheep skin prices increased 266.6 percent and 166.6 percent, respectively, as depicted in Table 3.14.

Table 3.14 Hides and Skins Market Prices, Sokoto, 1985 and 1989

	(Sokoto Prices F CFA/kg)			(Export Prices F.O.B Niamey)		
Product	1985	1989	% Change	1985	1989	% Change
Raw cowhide	225	166	-26.2	800	625	-21.8
Raw goat skin	500	1,83	+266.6	1,400	1,650	+17.9
Raw sheep skin	562	1,500	+166.9	1,250	1,500	+20.0
Tanned skins	750	2,166	+188.8	---	---	---

Source: AMIS, A Rapid Appraisal of the Hides and Skins Sub-Sector in Niger, 1990; personal communication, SONICAM, Niamey.

Figure 3.1 Hides and Skins Prices Sokoto State, 1980-1989



Source: Sokoto State, Gov of Nigeria,90

The other major market for Nigerien hides and skins was through Niamey to European destinations. In comparison to the Nigerian price, the f.o.b Niamey price available to Nigerien exporters shipping to European buyers did not show such dramatic variations. However, the trends were similar. Between 1985 and 1989, the f.o.b. Niamey price for raw cattle hides decreased 21.8 percent compared to a decrease of 26.2 percent in the Sokoto market price. The price of goat skins f.o.b Niamey increased by 17.9 percent compared with a 266.6 percent increase in the Sokoto price. More important than the relative increase in this case is the absolute increase. In 1985, the Sokoto market price of goat skins was F CFA 500 while the f.o.b Niamey price averaged F CFA 1,400. By 1989, the Sokoto market price had exceeded the f.o.b Niamey price to stand at F CFA 1,833 compared to F CFA 1,650. This difference represents an eleven percent premium paid for delivery of hides and skins to the Sokoto market. Further, the Sokoto market did not demand the high quality of hides and skins that the Niamey-based export market demanded. These prices fluctuated according to market conditions set in Europe.

The comparative trend in sheep skins is similar to that of goat skins. The absolute price increased in both the Niamey and Sokoto markets; however, the absolute increase in the Sokoto market was far greater. It could be assumed that these changes in the prices played a major role in shifting the volume of activity from the Niamey export-oriented market to the Nigerian market. Figure 3.2 compares the movement in real prices f.o.b. for the Niamey and Sokoto markets for the period 1980 to 1989.

World prices for hides and skins for the years 1984, 1985 and 1986 are presented in Table 3.15. The general upturn in prices which commenced in 1986 accelerated to the end of the decade but prices were subject to seasonal variations in various markets. The total export earnings from raw hides and skins rose by about 15 percent to $US 3,780 million in 1986. Although data were not available, it is believed that this trend continued to the end of the decade.

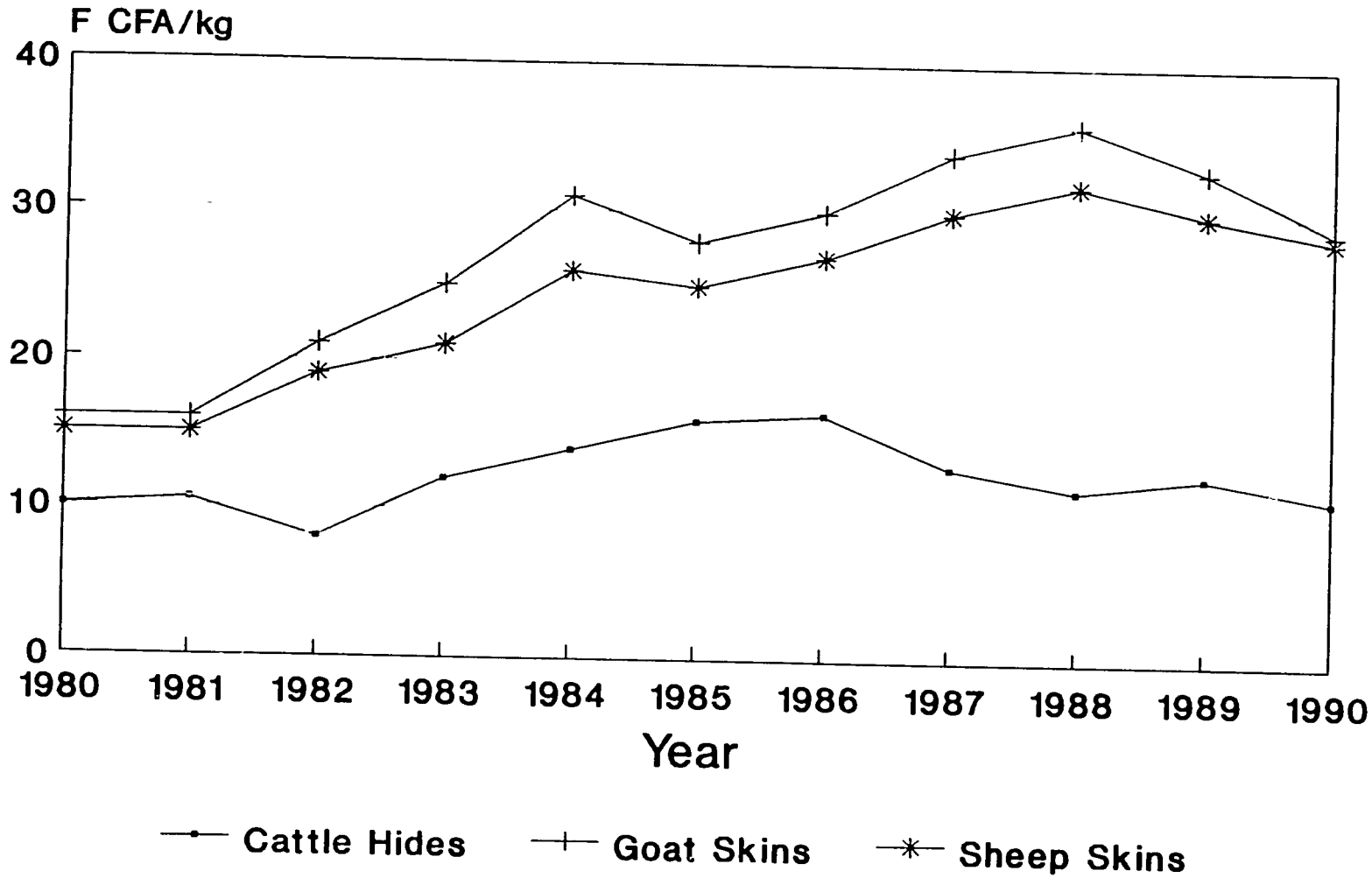
The share of developing countries in the value of international trade of raw hides and skins continued to decline, however, and accounted for only 10 percent in 1986. In sharp contrast, foreign exchange receipts of major exporting developing countries from leather and leather manufactures increased by about 20 percent to $US 7,100 million, despite a decrease in exports from Brazil. The largest gains were made in Asia where developing countries now account for 30 percent of the value of finished products from hides and skins. Traditional exporting countries such as the Republic of Korea, Taiwan, India and Hong Kong made significant gains, but Indonesia, Thailand and China also shared in this growth as their emerging industries operate at lower labour costs with modern tanning and manufacturing plants.

Table 3.15 World Value of Exports and Prices, 1982-1986

	Value of Exports			Prices		
	1982-84 (average)	1985	1986	1982-84 (average)	1985	1986
	Million US dollars			US cents per kilogram		
World total						
Cattle hides/calfskins	2,352.7	2,031.4	3,045.9	165.3	143.2	155.2
Sheepskins	147.3	178.0	173.2	205.8	186.5	245.2
Goatskins	33.1	37.8	31.4	87.0	99.6	120.2
Developing Countries						
Cattle hides/calfskins	345.3	414.4	490.3			
Sheepskins	17.1	17.7	18.3			
Goatskins	8.0	7.2	8.2			
Developed Countries						
Cattle hides/calfskins	1,230.6	1,301.7	1,310.1			
Sheepskins	130.2	160.3	154.9			
Goatskins	25.1	30.6	23.2			

Source: FAO Commodity Review and Outlook, 1987-88.

Figure 3.2 Hides and Skins Prices, F.O.B. Niamey and Sokoto State, 1980-1989



Source: SONICOM, 1990

3.5 The Hides and Skins Marketing System

The hides and skins marketing system in Niger is fragmented and atomised. By fragmented, it is meant that a single hide or skin changes hands at multiple levels on the journey from producer to end user. It is atomised in that the actors (butchers, sub-collectors, collectors and exporters) at each level tend to be geographically dispersed and, therefore, often operate in isolation. Key participants in the marketing chain include butchers, sub-collectors, collectors, exporters, artisanal tanners and industrial tanners. Figure 3.3 illustrates the various levels through which a hide or skin could pass on its way to the ultimate consumer.

Infrastructure plays an important role in the marketing system. Therefore, we begin this section of the report with an overview of the infrastructure, emphasizing the slaughter and drying facilities, before looking at the role each of the above-mentioned operators plays in the marketing system.

3.5.1 Infrastructure

To run smoothly, the marketing system requires an effectively functioning infrastructure including production, storage, processing, transport, communications and marketing facilities at each level of the marketing chain. In terms of production, storage and initial processing, Niger has an extensive network of slaughterhouses, slaughter slabs and drying sheds. There are four refrigerated abattoirs; one each in Niamey, Tahoua, Maradi and Zinder. Details of the current state of each abattoir are provided in Annex VIII. In addition, there is a vast network of slaughter slabs and drying sheds.

Table 3.16 provides a summary of the refrigerated facilities. Despite the relatively high volume of slaughter and production of hides and skins at these facilities, there are either no adjacent drying sheds or the nearby sheds have insufficient space.

Figure 3.3: The Hides and Skins Marketing Chain in Niger

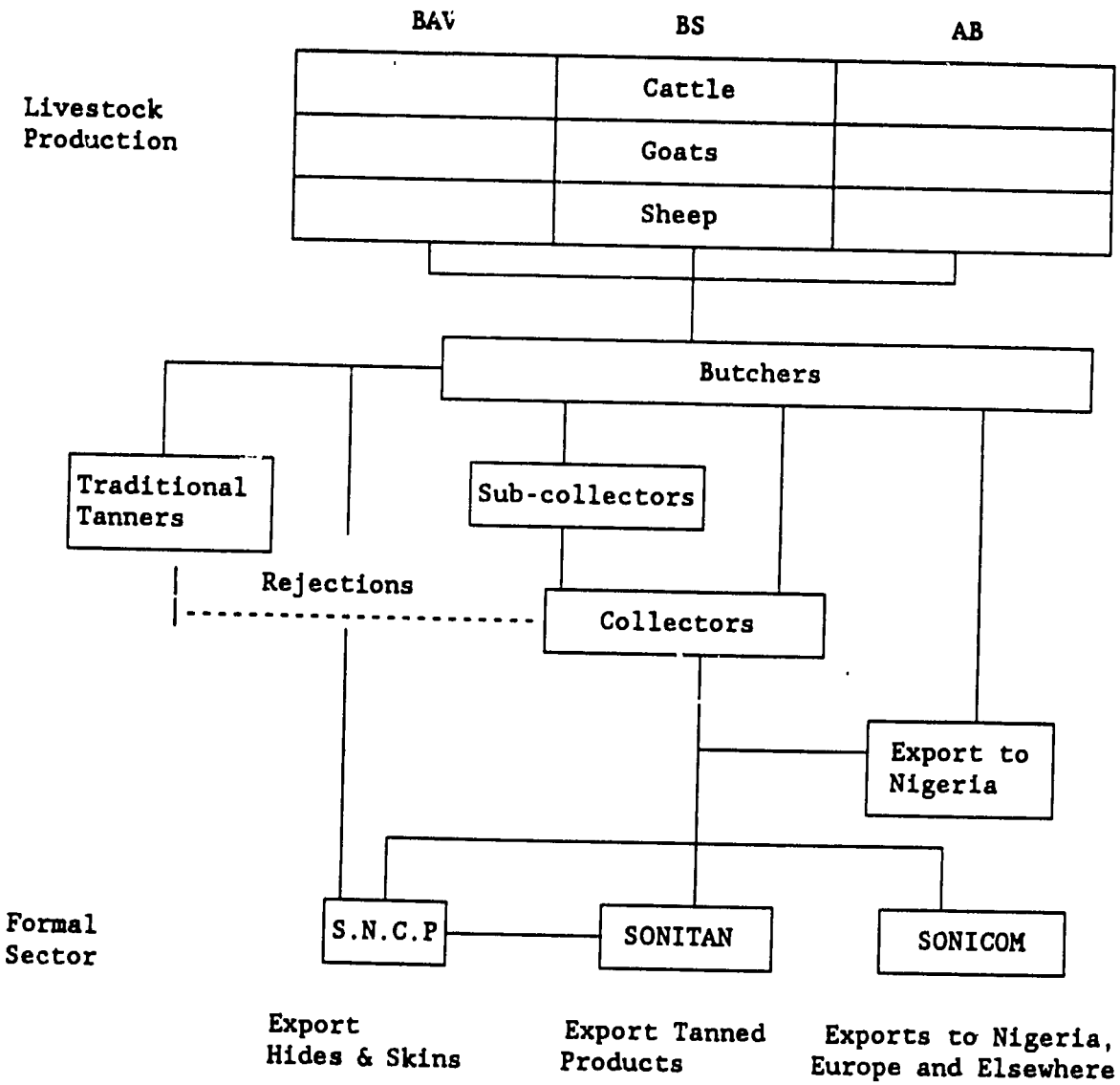


Table 3.16 Refrigerated Abattoirs in Niamey, Zinder, Maradi and Tahaoua

Location	Estimated Current Slaughter Cattle Per Day	Small Ruminants Per Day	Condition of Drying Shed	Treatment
Niamey	160	280	@ S.N.C.P.: good. @ Slaughterhouse: too small.	Yes. No.
Zinder	750	3,500	None @ Slaughterhouse	Cattle: yes Sm.rum: no
Maradi	450	2,700	Good condition but too small for current production.	No.
Tahoua	250	2,280	None.	No.

Source: Mr. André Benoit, AMIS, A Rapid Appraisal of the Hides and Skins Sub-Sector in Niger, Interviews, 1990.

Slaughter slabs are open air facilities of poured concrete. A trough down the middle of the slab drains blood and other refuse. The butcher slaughters the animal over the trough and then lays the carcass out on the slab to flay the skin. A frame of metal I-beams supports a series of large metal hooks on which the butcher hangs the flayed carcass. From this position, the butcher can prepare the carcass quickly, efficiently and under good sanitary conditions. In addition, at most sites there is a drying shed adjacent to the slaughter slab. The sheds usually have corrugated metal roofs and wire mesh siding to enhance ventilation. Inside the sheds, there are usually anywhere from one to six drying racks for cattle hides and stretched wiring upon which to hang goat and sheep skins for drying.

Also inside the shed, there is usually a concrete basin for the initial processing of hides and skins. Annex VII provides a detailed summary of the condition of the country's four refrigerated abattoirs and those slaughter slabs visited in the preparation of this report.

Table 3.17 lists the location of slaughter slabs and drying sheds in the departments of Tahoua, Maradi, and Zinder. There are 143 in all. Of this number, the team visited eighteen sites. A summary of the condition of these sites can be found in Table 3.18. The data in the table are fairly consistent as almost all the slaughter slabs are in good or fair condition. We attribute this to the fact that they are used on a regular basis and under the supervision of a qualified livestock technician. Water, which is important both for slaughter and for hides and skins preparation, is available at approximately 40 percent (7 of 18) of the sites.

Table 3.17: Summary of Slaughter Slabs and Drying Shed Locations, by Arrondissement in Zinder, Maradi and Tahaoua

Department of Zinder	# of Sites	Department of Maradi	# of Sites	Department of Tahoua	# of Sites
Goure	13	Aguie	8	Birni N'Konni	8
Magaria	16	Dakoro	20	Bouza	11
Matamey	3	Guidan Roumji	8	Illela	6
Mirriah	19	Maiyahi	8	Keita	7
Tanout	11	Commun de Maradi	1	Madaoua	11
Commun de Zinder	1	Madarounfa	13	Commun de Tahoua	7
		Tessaoua	13	Tchin-Taberden	4
Sub-Total	63	Sub-Total	43	Sub-Total	37
TOTAL 143					

Source: AMIS, A Rapid Appraisal of the Hides and Skins Sub-Sector in Niger, 1990.

Table 3.18 Summary of Slaughter Slabs and Drying Sheds Visited

		Slaughter Slabs		Drying Sheds				Monthly Slaughter	
Department	Village	Condition	In Use	Condition	In Use	Water Available	Treatment	Cattle	Goat/ Sheep
ZINDER									
	Bakim-Birgi	Good	Yes	Good	Yes		Yes	15	750
	Sabon-Kafi	Fair	Yes	Fair	No	No	No		225
	Tanout	Yes	At another site					2	900
	Bande	Good	Yes	Needs rep.	No	Yes	No		75
	Magaria	Good	Yes	Good	No	Yes	No		
	Mirriah	Good	Yes	Good	No	Yes	No		480
	Garin-Marma	Not useable	No	Not useable	No				
MARADI									
	Tessoua	Good	Yes	Fair	No	Yes	Cattle only	30	1,100
	Gazaoua	Fair	Yes	Poor	No			20	600
	Aguie	Good	Yes	Good	Yes		No	50	450
	Dakoro	Good	Yes	Good	No	Yes			180
	Dan Issa	Good	Yes	Good	No	Yes	No	5	340
TAHAOUA									
	Tchadaoua	Good	Yes	Good	No		No		550
	Kaou	Fair	Yes	Poor	No	No	No	5	150
	Tabalak		Yes	None			No	6	180
	Birni N'Konni	Good	Yes	Good	No	Yes	No	400	800
	Madaoua				No		No		
	Bouza				No		No	7	350

Source: AMIS, A Rapid Appraisal of the Hides and Skins Sub-Sector in Niger, 1990.

The condition of the drying sheds themselves is less favourable. The team evaluated sheds in fourteen of the eighteen sites visited. Seven were judged to be in good condition, two in fair condition. At another three sites, the shed was in poor or unusable condition.

At the remaining two sites, there was no shed. Worse yet, at only two of the sites visited was the shed being used to dry hides and skins. Finally, at only one of the two sheds in use were hides and skins treated in a 5 percent sodium arsenate solution.

There is some additional evidence to suggest that the general condition of the facilities visited is an accurate reflection of the overall state of these facilities in Niger. The Departmental Directorate of Animal Resources in Zinder recently completed an evaluation of the 63 sites with slaughter slabs and drying sheds in that department. Table 3.19 summarizes the results of that survey. Only 21 percent of the sites had water, although 51 percent of the drying sheds were judged to be in good condition. Although the study claims that 89 percent of the sheds are in use, the consultants interpret this to mean that they are useable. Annex VIII includes the detailed findings for Zinder, with information for each of the department's 63 sites.

Table 3.19 Drying Sheds and Slaughter Slabs Inspected in Zinder, 1990

		Drying Shed								Slaughter Slab								
	Total	Water			Condition					In Use			Condition					In Use	
Arrondissement	Sites	Y	N	?	G	F	P	VP	?	Y	N	?	G	F	P	VP	?	Y	N
Goure	13	5	5	3	3	6	3	1		13			3	6	3	1		11	2
Magaria	16	5	11		9		5		2	11	3	2	8	2	6			13	3
Commun de Zinder	1	1				1				1				1				1	
Matamey	3	1	2		2		1			2	1		2		1			2	1
Mirriah	19		19		10	6	3			19			12	1	6			19	
Tannout	11	1	10		8	2			1	10	1		9	2				11	
Total	63	13	47	3	32	15	12	1	3	56	5	2	34	12	16	1	0	57	6
Percent Total		21	75	5	51	24	19	2	5	89	8	3	54	19	25	2	0	90	10

? = unsure

Source: Departmental Directorate of Animal Resources, Zinder, Government of Niger, 1990.

In addition to the modern, refrigerated abattoirs and the slaughter slabs, slaughter of animals also takes place in unsupervised conditions. As mentioned earlier, this slaughter actually accounts for over half the production of skins. The main players in the marketing system are described as follows:

3.5.2 Butchers

Butchers play a key role in the marketing of hides and skins. In effect, they are the primary producers of these products. The decisions they make regarding flaying of the hide or skin and the amount of primary processing to be done have significant repercussions throughout the sub-sector.

The skill with which a butcher flays the hide or skin is crucial. A rounded tip knife is the preferred tool to remove a cattle hide. Cuts or even holes in the hide can immediately reduce its value. Technically, the skins of small ruminants should be mostly flayed by hand. After slaughter, the animal is inflated by forcing air between the skin and carcass. This helps to separate the skin from the carcass. If done well, a butcher should be able to remove the skin by hand, after carefully making preliminary cuts along the abdomen and neck.

There are several potential weaknesses at this stage in the marketing system. In some locations, the flaying is more likely to be the responsibility of the apprentice than the butcher himself. This could increase the risk of damage. A more serious problem for the sector is the limited number of butchers and sub-collectors who practice recommended procedures at the first stage of processing.

Butchers sell both green (fresh) and dried hides and skins to sub-collectors and collectors. In a few instances, especially in villages only a short distance from the border with Nigeria, butchers sell green hides and skins to an exporter. In some instances, a butcher will receive an advance from the collector. The funds provide the butcher with the working capital he needs to purchase animals for slaughter. Sometimes, the collector fixes the prices at which he will buy skins, at other times the price is set at the time of delivery.

It is difficult to estimate the number of individuals who are employed as butchers. The number of butchers working at the sites visited ranged from as few as 4 to as many as 20. The low end of this range can be used to conservatively estimate that there are at least 1,000 butchers[7] in Niger. For the most part, it is a profession that is handed down from father to son, as are the other positions in the marketing system.

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[7]The consultants estimate there are 250 operating slaughter slabs in the country, each employing a minimum of 4 butchers.

3.5.3 Sub-Collectors

Sub-collectors link butchers to collectors. The primary role of a sub-collector is to transport the hides and skins to a collector. This usually does not involve storage of the products. For the most part, sub-collectors are employees of larger collectors. They may receive an advance of funds from a collector and use these funds to purchase hides and skins in nearby villages on market day. In general, the sub-collector who gets funds in the morning is supposed to return in the evening with the day's purchase and to reimburse any unspent funds. Although data were limited to a few instances, it generally seems that the collector fixes the price at which he expects his sub-collector to buy. The sub-collector can then make money for his own account by bargaining down the purchase price below this level.

Large collectors interviewed for this study employed between three and seven sub-collectors at any given time.

3.5.4 Collectors

For the purposes of this report, a collector is any intermediary who handles a hide or skin within the domestic market. He differs from a sub-collector in that he delivers either directly to an importer or to an exporter, who then delivers the goods to an importer. By this definition, a collector might purchase directly from a butcher or through the intermediation of a sub-collector. Collectors may use varying amounts of preservation, grading and packaging for hides and skins. On the sales side, collectors' principal clients are Nigerien exporters, both registered and unregistered, as well as importers who have crossed the border from Nigeria.

The profession the collector practices is as much an art as it is science. Basically, collectors buy hides and skins by the piece and may sell them either by the piece or by weight. At least that is what appears to be happening on the surface. In some cases, the collector (or sub-collector acting on a collector's behalf) estimates the weight of a hide or skin and negotiates a price according to his estimation. This can result in inconsistencies in quantity and quality, which has a negative impact on the marketing system as practically every piece that moves through the system is evaluated in this manner.

The degree of intermediate processing done by a collector varies. Some collectors who buy dry hides and skins do nothing more than bundle them up for sale. Few treat their product with insecticides or bactericides. Such treatment is more likely in the rainy season, but even then is not likely to be done with a product specifically produced for the treatment of hides and skins.

More than one collector reported that they actually preferred to buy fresh rather than dried product. Their explanation was that suppliers often did not know the correct way to dry the skins and hides. Masters of the art use a mixture that might include sand, sugar, and/or arabic gum worked into the hair side of the skin to increase its weight. Although the claim may be a bit exaggerated, one forty year practitioner of the art claimed that he could increase the weight of a 500 gram goat skin by 300 grams. Even a 100 gram increase would have a substantial impact on transactions at levels further up the marketing chain.

Although any individual who seeks employment as a hides and skins collector is supposed to register and be licensed, there is some evidence to suggest that this is not a widely followed practice. In the department of Zinder, for example, the Chamber of Commerce provided a list with the names of twenty-seven individuals who worked as collectors. Of this group, only seven appeared on the list of registered collectors. (The subject of licensing and registration is treated in more detail in the next section of the report.)

3.5.5 Exporters

It is easy to classify exporters into two categories: those who export, either legally or illegally, to Nigeria and those who export to Europe. The former are considerably more numerous than the latter. The AMIS survey results suggest that most exports are made on an unofficial basis (without registering as exporters). According to official records of the Ministry of Economic Promotion, there are currently twenty-two registered exporters of hides and skins. See Annex X for the complete list.

The mechanics of exporting to Nigeria take several different forms. The most popular system is for the exporter to accumulate a sufficient quantity of raw skins and then to hire transport to take the merchandise to a village just across the border. The exporter sells the merchandise for Naira, and either exchanges them on the parallel market or uses them to buy merchandise at much less than it would cost on the Niger side of the border. For example, high octane gasoline, which sells for 245 F CFA per litre in Niger, costs 62 kobo (100 kobo = 1 Naira) or less than 19 F CFA per litre at the current parallel market rate of 32 Naira per 1,000 F CFA.

There were at least two other variations on this theme. One exporter interviewed said that he used his own vehicle to take his merchandise over the border. After stocking it in a warehouse, he drove on to Kano to find his importer. He would return to the border warehouse in caravan with the buyer and conclude the deal. When asked why he did this, the explanation was direct. This particular exporter expressed concern about the risks involved in driving his own vehicle all the way to Kano to make delivery. Simply put, there are too many police and customs check points along the way. Therefore, he managed to shift the transportation and customs risk to the importer.

Finally, there are exporters who sell to Nigerian middleman inside Niger. It was reported, for example, that some exporters were selling directly to Nigerian buyers in the Zinder market. Apparently, this is one way that exporters avoid paying any applicable customs taxes. Taking delivery in Niger makes this the buyer's responsibility.

Almost all the exporters interviewed, who were selling to Nigeria, claimed to pay the three percent statistical tax levied on the export of raw hides. However, there is some evidence to indicate this is not widely done. For example, none of these exporters mentioned or complained about the two percent B.I.C. (Bénéfices Industriels et Commerciaux) which some customs points were also collecting.

The sample of exporters used in this study shipping directly to European customers, included a single individual and two firms: SNCP and SONICOM. The predominant practice at the current time is to sell f.o.b. Niamey. The advantage is that it reduces the

exporters' working capital requirements. Transport and insurance expenses get shifted over to the buyer.

The standard practice appears to involve filling a forty-foot trailer which is then sent by truck to the port of Cotonou. From there it goes by ship to Europe. With proper handling and packaging, an exporter can fit about 11 metric tons of hides into a forty-foot container.

3.5.6 The Formal Sector

The formal sector participants, which will be discussed in some detail, are limited to three[8] agencies: SNCP, SONITAN and SONICOM. The formal sector is in some disarray at the present time. Reasons for this disorganization are discussed, followed by a description of the current status of the three agencies.

The General Secretary of the Ministry of Economic and Commercial Promotion (Ministère de la Promotion Économique et Commerciale) has explained to the AMIS team the concerns of the Nigerien authorities about the disorganization of exports of raw and semi-tanned skins since the privatization of this sub-sector in the country's economy. This disorganization has undoubtedly been brought about by several factors, including lack of capability on the part of the private sector and the inability of the parastatal entities to adapt to privatization.

At the time of the privatization, entrepreneurs were not prepared to take on export of hides and skins to Europe. They were unable to fill the gap left by the disorganized formal sector mainly because export requires knowledge of the markets and in-depth technical knowledge of processing. Prior to privatization, the collection, preparation and conservation of raw skins rested solely in the hands of SNCP which exported part of the production to Europe and delivered to the Maradi tannery (SONITAN) all the skins they needed. SNCP was a shareholder at SONITAN. Since privatization, these firms have been experiencing internal management problems.

SNCP - Niamey

SNCP has several installations in addition to its abattoirs in Niamey. These installations can process hides and skins according to recommended procedures, i.e. immediately following slaughter, skins are washed then soaked in a tank containing a 5 percent solution of sodium arsenate. Immediately after, they are framed and placed in a shed to dry. Once dried and protected from bacteria, termites, etc., skins are selected, wrapped following the procedures used by the profession, and readied for expedition to local tanneries or for export to market, essentially the Mediterranean market.

SNCP had organized several collection centres in the country's main cities. These centres were set to pick up skins, have them go through the conservation, classification and wrapping procedures, and then dispatch them according to instructions given by the head office in Niamey. At present, activity is minimal, since it is indebted to the State and the

[8]There are 22 exporters who are formally registered but have been discussed previously.

BDRN, and it is operating like a business in receivership. It is barely functioning with 24 paid workers, down from 120 when it was operating at full capacity. It can neither reimburse its debts nor provide normal maintenance of the premises. This situation has reached a crucial point, and urgent measures must be taken to allow for a rapid reopening, or else the activities still in operation will cease to function.

SONITAN Maradi

This tannery, built in 1969, started its activities in 1972. Early difficulties resulted from insufficient working capital. Production was on the order of 85,000 skins per month over a period of 11 months, of which approximately 65 percent were wet-blue, 34 percent stain, and 1 percent for local sales.

As it stands now, the factory has been closed for over six months because of financial problems, and the remaining executives hope for a rescue to resume activities.

The factory was well-designed and is built on a 79,000 m^2 piece of land. It is made up of two well-constructed buildings still in very good general condition. The main building is rectangular and covers an area of approximately 2,000 m^2. The second one is "L"-shaped and covers about 650 m^2.

The main building houses the tannery. It is divided into 2 halls, each about the same area; they include the installations and the processing machines, etc. The hall on the right includes processing machines (13 tanks, each having a capacity of about 4,500 litres). There are 5 fleshing machines for processing, of which 4 are Turner-made and one Mercier-made to remove double "chers", in short, to flesh the skins.

The hall on the left includes the machines for the following steps: pickles-wet-blue, stain and even 'suede" finishing and colouring. The following is a list of machines:

2 paddle wheels
6 barrels of about 1,500 litres for pickling
2 smaller barrels to go on to the wet blue step
3 barrels for the stain finishing and eventually for the dyeing
4 sorting machines, of which there are 3 Mercier and one Turner
4 shaving machines, 3 of which are Moenus, and a smaller Mercier
4 stacking machines of various makes
2 smoothing machines (thickness) of various marks
1 polishing machine
1 dust remover
2 measuring machines (one is out-of-order)

The back of the building contains the offices and outbuildings along its width and, on the other side, a testing laboratory, including finishing facilities for samples. Since activities have resumed, all of this material has been kept in good condition by the maintenance personnel (3 persons), but without financial means, maintenance will not be able to continue much longer.

The equipment was complete for tanning goats and sheep up to the wet-blue and stain steps, with the capability to dye a small quantity. Daily production was around 4,000 sheep

skins and goat skins. This equipment was not made for tanning cattle skins. All the equipment is old and timeworn; some had been taken from Zinder's tannery when it closed.

It is worth noting that the tannery has abundant water supplies (wells and city's water) which is essential for a tannery. When activities recommence, a thorough examination of the machines will have to be made and, if necessary, replacement considered if the factory hopes to upgrade its production capacity while improving the quality.

It should be noted that the piping which brings water to the machines seems to be in poor condition. It will need a complete check and most certainly some maintenance work to seal leaks and to change certain pipe parts which are severely damaged by rust before the factory reopens.

The factory has two settling and decanting tanks which process liquid waste, which is later dumped. When activities are resumed, it will be necessary to review this device and to consider another plan in order to prevent further ground water pollution.

The <u>second building</u> includes:

- a storage room for raw skins;
- a storage room for chemicals used for tanning;
- a small generating set, with automatic starting for the processing work only;
- a boiler to supply water to the tannery;
- a workshop.

Unlike SNCP, the tannery had to stop all activities over six months ago. If the tannery is to continue operations, it is essential that shareholders take rapid measures to restart this industry which should comprise an important part of the Nigerien economy. This resumption of activities might well require the shareholders to make serious financial sacrifices which they may be unable to assume. Any assistance package would have to provide for long-term restructuring of debt.

A draft agreement was signed on 12-02-90 between a French merchant and the administration board of SONITAN for the establishment of a free management. A contract was to be written, and according to clauses in the treaty, it was to be signed within a month's time. It is believed that this agreement has since fallen apart.

SONICOM

This enterprise is directed by Elhadji Salisu Ahmed who heads various companies some of which are listed below.

Niamey: SONICOM Nigerian Company of Industry and Commerce (branch in Maradi)
Capital: 2,500,000
SONICOM Printing

Nigeria: YAPIC NIGERIA LTD: head office in Kano; 2 branches in Lagos, 1 in Kaduna

Benin: YAPIC BENIN S.A.R.L.
Capital: of 20,000,000 F.CFA

In Niamey, when the president is absent, Elhadji Adamou is responsible for the operation of SONICOM.

SONICOM has many activities, of which the main one is buying and exporting raw hides and skins. They export large quantities of dried goat skins and sheep skins to Europe and Nigeria, which they estimate, for 1989, at close to 80 tons[9] per month, of which about 40 percent is goat and 60 percent is sheep. They also export dried hides, approximately 2,000 per month, from Niamey's abattoirs to the Mediterranean basin, Nigeria and Egypt.

At present, this Company is experiencing some problems with its two main Italian purchasers. They were very upset about the quality of the last shipments and have apparently stopped purchasing. This could very well be one of the reasons why this Company is now looking towards Nigeria to export raw hides and skins, all the more so, since they have sister companies in that country.

3.6 Government Regulation and Support

The GON, at the federal and lower levels, is involved in many ways in regulating and promoting the production, processing and export of hides and skins. It has done this in a general way through its general economic policies and through its fiscal and administrative procedures. Specific programs and procedures, such as the provision of information on world prices to exporters and the provision of inputs, also exist. This discussion will try to elucidate the major programs and policies by describing the general economic policies, fiscal and administrative procedures, complementary licensing procedures, input from the Directorate of Animal Resources and The Nigerien Centre for Export Promotion.

9This figure is somewhat elevated over the month of February 1990 in which SONITAN shipped a single twenty-foot container, approximately 5 metric tons.

3.6.1 General Economic Policies

Since 1986, the general economic policies of the GON which directly and indirectly affect private business sector operations have shifted markedly. Public finances have been brought under control through budget cuts and cost recovery measures (user charges), the parastatal sector has been partly privatised (such as the SNCP and SONITAN in the skins and hides sector) or restructured; and markets are being liberalised and price controls slackened. The whole system of regulations and tax measures for starting up and undertaking different commercial activities is now under review.

These efforts are designed to facilitate growth of the private sector. These initiatives should create the appropriate environment for the growth of private business and exports, especially to nearby markets, based on Niger's comparative advantage in natural and other resources. Financially, the GON policies are being supported by the international donor community, including a World Bank structural adjustment credit program and the USAID Economic Policy Reform Program.

3.6.2 Fiscal and Administrative Procedures

3.6.2.1 Permits for Trading and Export of Hides and Skins

In addition to the regulations and the procedures that all exporters must follow to operate within a legal framework, hides and skins exporters (and traders) must apply for and obtain a special permit to do business.

According to previous legislation, Legislative Act No. 72-14 of April 6, 1972 concerning the trade in hides and skins, the SNCP enjoyed a monopoly. In reality, the monopoly was never effective and significant volumes were sold through unofficial channels, especially to Nigeria which was often in a position to offer higher prices. In 1986 the SNCP, a parastatal, was privatised, its special privileged position was abolished, the market was liberalised, and price controls removed. As a corollary, however, a set of legal measures of somewhat less interventionist nature was adopted to regulate the trade, namely Government Order No. 86-015 and Decree No. 86-040 of April 3, 1986 as well as Ministerial Orders No. 20 of April 1986 and No. 25 of September 1986. The full texts can be found in Annex XI.

The primary declared purpose of this set of regulatory measures is the wish to safeguard the good quality of Nigerien skins and hides. Therefore, all collectors and exporters should be authorised and registered by the appropriate authorities. A secondary objective stated is the desire to see more value added to the raw hides and skins within Niger.

The above-mentioned decree provides the Minister of Commerce with a mandate to take all the measures necessary to assure regular supplies to the country's industrial tanneries. Whatever the merit of this provision, it is not in the spirit of the Government's effort to liberalize the economy. The fact that the clause exists constitutes a disincentive to serious traders attempting to establish a solid reputation in skins and hides exports. Such operators are rare, if present at all. Their presence could have an immensely positive effect by setting standards for the entire hides and skins trading system right down to the level of butchers.

The salient points of the laws are:

a) The applicant should have the necessary technical competence to carry out the preliminary treatment, grading and weighing of skins and hides as well as the required installations and equipment for storing and transportation of those commodities.

On the surface, it is certainly desirable that operators fulfill these conditions. However, from an economic perspective, it is necessary to evaluate the content of these conditions based on the signals provided in the marketing system. If there are compelling reasons of a non-economic nature for applying these conditions, and there don't appear to be any, then the market system should provide sufficient incentives to the actors in the system to obtain the appropriate capabilities and infrastructure. To achieve the desired skills, the provision of education and training support to the sector, both to the benefit of private operators and government agents, is likely to have more effect than a law that is likely to be ignored.

b) Skins and hides that have serious defects (on one quarter of surface) cannot be exported.

In practice, this provision is difficult to enforce and is undesirable from an economic point of view. If a blemished skin or hide has an international market then let it be sold on that market for what it is -- a blemished product. The problem occurs when a sub-standard product is promoted as being of a higher standard. This can happen in a system that has inexperienced buyers. The inexperience of those buyers should not be grounds to punish the sellers. The long-term solution will have to include improving both the buyers' and sellers' knowledge of the international market.

c) Sanctions are foreseen for non-compliance with the law, i.e., carrying on collection and exportation without authorization. Fines are between F CFA 100,000 and 2,000,000 for collectors and 500,000 to 10,000,000 for illegal exporters.

The fines are somewhat draconian. Overall, it may be questioned if sanctions are necessary at all. In practice, they have only been applied in a few cases and will continue to be very difficult to implement.

d) The local authorities are responsible for the management and maintenance of the abattoirs-sechoirs. They supply to each of those units the necessary chemical agents for the preservation of the skins and hides. For each skin and hide treated, the authorities are responsible for collecting F CFA 50 and F CFA 100, respectively.

e) The agents of the Ministry of Animal Resources are responsible for ensuring that all skins and hides at public slaughter installations are duly treated and dried on site and that the removal of skins and hides is done according to required conditions. They are also responsible for sanitary control, drying and preservation treatment of the hides and skins. A certificate is issued accordingly.

The AMIS mission team observed that these last two stipulations (d & e) are not being adhered to in most places in the field.

The permit is valid for 3 years at which time it should be renewed. The application should be submitted to the Prefect, but authorization to export hides and skins is granted only by the Ministry of Economic Promotion (formerly the Ministry of Commerce). According to Ministry officials processing time would be two months, possibly longer. The authorization is (in principle) issued free-of-charge, but a number of other requirements must be met which involve additional costs both in money and time spent. These preconditions are described below.

3.6.2.2 Taxation

The tax law and regulations in Niger are cumbersome. Both the federal government and local authorities raise taxes at a number of different levels. This is particularly so in the hides and skins sector. The butcher pays a fee at the abattoir or slaughter slab. The fee for the slaughter of a head of cattle ranges from 100 to 400 F CFA. The fee for smaller ruminants ranges from 100 to 250 F CFA. Since the local government, arrondissement or commune technically owns the facilities and receives the money collected, fees vary from location to location. At the locations that are equipped to do so, there is also a fee for the treatment of the freshly flayed hide or skin. Sometimes, this is collected separately; sometimes, it is already included in the slaughter fee. In addition, the butcher normally has to pay a fee to enter the local market to sell his product.

Like butchers, the law requires operators at all levels of the sub-sector to pay taxes that are essentially based on income, either actual or projected. There are currently five general tax schedules. Schedule A covers merchants who trade in general merchandise and is applicable to butchers, sub-collectors, and collectors. Schedule B covers industry and the professions, including merchants who import and export.

The amount of tax due at the beginning of the government's fiscal year is a function of the size of the merchant's operations. Table 3.20 summarizes the tax schedule applied to Importers/Exporters. The total payment includes the "Patente" and, for merchants whose estimated turnover is less than 1.2 billion F CFA ($4.2 million), a fixed fee on anticipated income (Impôt forfaitaie sur bénéfice). Above the 1.2 billion F CFA level, it is presumed the operators will pay income tax based on their actual profits.

Table 3.20 Summary of Tax Schedule Applied to Importers and Exporters

Estimated Turnover (Millions FCFA)	Total Tax Due (Thousands FCFA)
30 to 60	435.0
60 300	906.3
300 1,200	1,268.8
1,200 3,600	1,324.2
3,600 6,000	1,462.5
6,000 9,000	1,950.0
9,000+	2,437.5

Source: Tax Schedules, Ministry of Economic Promotion, Government of Niger, 1990.

3.6.3 Complementary Licensing Procedures

Additional procedures which must be completed in order to obtain a general export licence, valid for any merchandise, are numerous, time-consuming, and costly.

In Figure 3.4, the different steps required are described in some detail, including the cost involved and time needed. This figure is an adaptation of information presented in previous reports by Wilcock (1987) and Cook (1988) and information collected firsthand from the Directions des Contributions Diverses.

The whole application procedure involves seven different steps, considerable paper work and an estimated minimum processing time of 4 months. Cost for the Patente[10] and different fees can be significant. Even before any exports have been made, the preliminary administrative procedures constitute a considerable obstacle to legal transactions and modern, larger-scale operations and trading practices. Added to those costs are the various taxes, sometimes including the B.I.C. (Bénéfices Industriels et Commerciaux),[11] which apply to the export of raw hides and skins.

[10]The Patente as it applies to exporters and importers is explained in more detail in Annex XII.

[11]There was a great deal of confusion at the various customs points as to the application of the B.I.C. Two of the three customs points visited indicated that they were still requesting payment of the B.I.C.

Figure 3.4 Administrative Steps to Legally Export Hides and Skins

Procedural Step	Issuing Authority	Application Requirements	Cost (FCFA)	Time Required	Frequency of Renewal
1. Initial Authorization	Prefecture	- proof of nationality - certificate of non-criminality - proof of solvency from a bank	0	Up to several months	Once
2. Registered Trader	Ministry of Justice (Regional Capital)	Above mentioned documents	2500		Once
3. Patente					
a) Forfeit tax	Diverse Contributions	Registered as a Trader	240000	A few days (for most traders)	Annually
b) Patente (business permit)	Diverse Contributions		195000		
4. Subscription to the Chamber of Commerce	Chamber of Commerce	Payment of Patente	50000		Annually
5. Subscription to CNUT	CNUT (Counseil National des Utilisateurs des Transport	Payment of Patente	30000		Annually
6. Export Licence	Prefecture or Ministry of Economic Promotion (Commerce)	All previous steps accompanied	10500		3 months
7. Export Premit for Skins & Hides Promotion	Ministry of Economic - Declaration issued by Animal Resources Regional Authority concerning the applicant's technical capabilities and material resources.	- Payment of Patente - Valid Export licence	0		3 years
Total			528,000		

Source: CNUT, 1990; Ministry of Economic Promotion, 1990

The taxes, including the B.I.C. tax levied on raw hides and skins, are calculated on the basis of the mercurial value, at present fixed at 555 F CFA/kg by the authorities. The B.I.C. for cow hides corresponds roughly to the present market price while for sheep and goats skins export prices are around 1,050 and 1,450 F CFA, respectively, so the real rate of statistical tax is only 1.57 percent and 1.14 percent, respectively, for these products.

For tanned skins and hides, the real export value forms the basis for taxation. This puts the products to which more value has been added at a relative disadvantage as does the additional exit tax (droit de sortie) of 7 percent. Obviously, this is not in the best interest of supporting value added efforts in Niger.

The B.I.C. tax supposedly applies to the exports of all economic operators, except those modern-sector enterprises keeping regular financial records. For them, the tax rate is 50 percent on business profits. However, collection of the B.I.C. from all exporters has been a policy of Customs since the beginning of the fiscal year in October, 1989 (Secretary General, 1990; and Customs, Niamey, 1990). The apparent justification is that Customs believes that the exporters systematically under-declare their revenues. Customs policy is contrary to the policy stated by the Directions des Contribution Diverses which claims the B.I.C. is not applied if the exporter maintains adequate records (Interview, 1990). This confusion was reflected in the field interviews at the Customs offices in Maradi, Zinder and Tahoua, where two of the three Customs officials interviewed indicated they were collecting the B.I.C. and one did not include it in the list of taxes being applied to the export of hides and skins. Other elements of confusion arose over the variation in the method of calculating the value of the hides and skins. Some Customs offices used a declared value while others used a mercurial value. It is obvious that there is a great deal of confusion within Customs with respect to the application of the B.I.C.

Table 3.21 Taxes Applied on the Export of Raw Hides and Skins

Tax	Exit Tax	Statistical	B.I.C Tax
Product			
Raw Hides and Skins	-	3%	2%
Tanned Hides and Skins	7%	3%	2%

Source: Ministry of Economic Promotion, Ministry of Finance, Government of Niger, 1990.

Application and Effects of Licensing and Fiscal Regulations.

Following a drive by the Ministry for Economic Promotion that started in April, 1989, a number of skins and hides collectors and exporters (22)[12] have been officially registered according to the 1986 law. It is possible, however, that the registered exporters do not always fulfill the capital and technical competence requirements. Apparently, some skins and hides licences have been granted without the applicant possessing an export licence.

As the estimates of this report indicate, significant volumes of skins and hides are being exported illegally to Nigeria. Only two cases have been reported in which sanctions were applied according to the 1986 law. However, the risk of being caught for illegal exporting seems minimal due in part to the small volume of each consignment and the extensive border.

The regulations concerning the licensing of skins and hides traders and exporters may not quite have served their stated purpose, that is: "To safeguard and promote the quality of Niger hides and skins by way of financially and technically capable operators in Niger." The complicated registration and licensing procedures and fiscal regime for skins and hides exports act as disincentives for stronger-based exporters to emerge. Complying with financial requirements represents a significant barrier to entry, diverting scarce funds away from working capital requirements in order to satisfy regulations. The legal exporter, exporting to overseas markets face a disadvantage compared with the informal trade with Nigeria carried out by a number of small exporters.

Scale economies become more difficult to achieve under these conditions. Further, as the marketing system on the Niger side is fragmented, the Niger operators are in a relatively weaker trade bargaining position vis-à-vis their Nigerian counterparts.

3.6.4 Directorate of Animal Resources[13]

The Directorate of Animal Resources is involved in supporting the hides and skins industry directly and indirectly through training provided at the Kollo School of Livestock Production (École des Cadres de l'élèvage de Kollo), The Goat Centre at Maradi (Centre Caprin de Maradi) and formerly at the Maradi School.

Kollo School of Livestock Management: This school has been closed since March 1989. It has been transferred to the National Institute for Agronomic Research (Institut National des Recherches Agronomiques). Livestock managers are now trained at the Kollo School of Agriculture Management located in another part of that city. L'Institut Pratique du Développement Rural (IPDR) is the new name of the institute, grouping agriculture and livestock production.

Training for hides and skins managers is completed in two academic cycles. The first cycle is a two-year course; degree recipients become Training Breeding Officers. The second cycle is a four-year course with recipients becoming Technical Breeding Assistants. Courses are oriented mainly towards improvement and livestock development. Training on hides and skins is given during the Technical Breeding Officer cycle. Managers are provided with a practical training component at SNCP in Niamey. Dr. Amadou Garba,

[12]According to the Ministry of Economic Promotion.

[13]Previously called the Ministry of Animal Resources.

assistant director of IPDR, is in favour of upgrading courses in Kollo, lasting two or three weeks, in order to stimulate certain livestock managers to improve control of flaying and preservation of skins.

Since the closing of the Maradi School, no livestock officers have been trained. Mr. Garba suggests that reopening this school would be a good solution. The school would train technicians (D2 Category) for abattoirs where they are needed.

Maradi Goat Centre

This centre was set up to promote the breeding of the famous Maradi Red goat. The centre has been successful in raising healthy animals. However, it finds it difficult to sell the animals. Raising an animal for its skin is difficult given the greater relative value of the meat to the skin.

Maradi School

This school has been closed for many years. It trained "Breeding Supervisors". Schooling was divided into six months of theory and three months of practice. To be admitted, one needed to be only at the Certificate of Studies level. These breeding employees were trained to accompany breeding officers who carried out sanitary control of meats.

The task of the Breeding Supervisor was to check the following:

- flaying;
- work of the butcher and mainly that of the apprentice;
- preservation procedures, including the arsenic treatment;
- framing of skins;
- drying in the drying sheds.

Moreover, the practical knowledge that the Breeding Supervisors gained helped them to efficiently assist Collectors and Assistant-Collectors in their grade classification work.

The closing of this school meant an end to the training of these technicians at the beginning of their careers and now they are very much needed. Among the measures under consideration for improving preparation and preservation of skins in the abattoirs, it would be important to once again train technicians qualified at the D2 level. It would be useful to increase the level of studies without increasing the length of training in order to train technicians between the D2 and C1 levels.

3.6.5 The Nigerien Centre for Export Promotion (CNCE)

The CNCE is the foreign trade branch of the Chamber of Commerce of Niger. Subscription to the Chamber is a precondition for obtaining an export licence. The CNCE, with a staff of 9 professionals, offers various management consulting services and coordinates Nigerien trade promotion efforts through trade fair participation, etc. A weekly Bulletin dealing with general trade issues is distributed to members.

Perhaps of greatest interest to hides and skins operators is the provision of market information such as the price reports for hides and skins export that the CNCE receives

bi-weekly. Specific data includes prices at export points for the major hides and skins exporting countries. Nigerien prices are often quoted but data is not always available. Prices paid by importers for a variety of types and qualities of hides and skins are reported. This data is prepared by the Market News Service of the International Trade Centre (UNCTAD/GATT) based in Geneva. The material, corresponding to about 20 pages per report, is sent from Geneva within a few days of publishing. A hard copy for storage in the CNCE library is mailed and arrives in Niamey a few weeks later. In turn, a copy of the telex version of the price report is distributed, by ordinary mail, to the registered[14] skins and hides exporters who live outside of Niamey.

The CNCE also endeavours to keep an up-dated register of potential importers of hides and skins in the most important markets. This information is used as a reference when member-operators approach the CNCE in search of export contacts.

As suggested by the CNCE, dissemination of market information could be enhanced through regular radio or television programming. The ITC material for the export prices and the price data collected by livestock service agents in local markets should be readily available.

A daily or weekly broadcast of hides and skins prices would allow for easy dissemination of price information to all the various components of the hides and skins marketing chain: producers, butchers, sub-collectors, collectors and exporters. This could also be an effective vehicle for transmitting the message that a well-treated skin should command a significantly higher price than a skin of poor quality.

[14]At time of writing, there were twenty-two registered exporters. There are many exporters who are not registered who could also benefit from this service.

4.0 HYPOTHETICAL SUBSYSTEM FINANCIAL PERFORMANCE AND CONSTRAINTS TO ACHIEVING IT

This section of the report analyzes the dynamics of the marketing system described in Part III. This is a trouble-shooting process which identifies key constraints to the marketing system. By implication, identifying the problem will suggest areas of opportunity where intervention can improve the system. The focus here is on the export segment of the sub-sector. If the sub-sector is going to maximize its contribution to the country's overall economy, it will have to increase the quality and quantity of hides and skins it exports to Europe and other export markets.

Table 4.1 suggests that as at February 1990, a Nigerien exporter could recognize a slight increase in price by shifting exports of raw skins from the relatively lower quality, lower value Nigerian market to the relatively higher value, higher quality European market. In late February 1990, the average price for raw goat skins exported to Nigeria from seven different export markets at or near the border was 1,383 FCFA per kilogram. The prices for goat skins sold to European buyers f.o.b. Niamey was reported at 29 to 30 French francs per kilogram, 1,450 to 1,500 FCFA. These prices represent a premium of 4.8 to 8.5 percent. The data show that prices for raw sheep skins were approximately the same in the two export markets.

The rest of this section addresses the financial performance of the sub-sector participants and then discusses key factors which influence their performance. Also discussed are some of the more important constraints such as credit, undesirable handling and processing practices, market information, government policies and lack of physical infrastructure and other constraints.

4.1 Financial Performance of Sub-Sector Participants

The export of raw goat and sheep skins to Europe has the potential to be a very profitable venture. To analyze the financial dynamics of the sub-sector, this report contains an interactive financial model of a theoretical, small exporting company. Table 4.2 uses this model and shows what the financial results of such a theoretical venture might be under a "base case" set of assumptions. It is important to understand how the model works and what the base case shows.

The base case examines the financial performance of a Maradi-based operation shipping 11 tons of raw hides and skins per month. The base case assumes that goat skins comprise 60 percent of each monthly shipment, sheep skins 40 percent. Both the purchase and sales prices used in the base case were prices prevailing in late February and early March 1990.

The model assumes that this operation is a modestly capitalized, start-up venture. There is a limited budget for capital investment including equipment for treating and packing raw skins, a vehicle, capital improvements to leased warehousing space, and other miscellaneous items. The company owns no other fixed assets. Instead, it rents or leases

Table 4.1 Hides and Skins Export Prices Along the Nigerian Border, January, 1990

Location	Type of Skin	Price/Unit Unit	Price/Unit as Sold	Price/Unit FCFA/kg
Magaria	Goat	kg	N 30	938
	Sheep	kg	N 20	625
Matameye	Goat	kg	N 38	1,188
	Sheep	kg	N 40	1,250
Zinder	Goat	kg	N 42	1,313
	Sheep	kg	N 32	1,000
Tessaoua	Goat	piece		944
	Sheep	piece		667
Birni N'Konni	Goat	piece	N 30	2,083
	Sheep	piece	N 45	1,875
Madaoua	Cattle	kg		400
Tibiri	Goat	kg		1,500
	Sheep	kg		1,500
Average Price	Goat	kg		1,328
	Sheep	kg		1,153

For purposes of comparison, current (late February 1990) prices for raw skins for export to Europe are 1,450 FCFA for goat skins and 1,100 FCFA for sheep skins.

Source: AMIS, A Rapid Appraisal of the Hides and Skins Sub-Sector in Niger, 1990.

Table 4.2 Financial Model of Theoretical Goat and Sheep Skins Export Company

	Base Case
Assumptions:	
Shipment size:	11.0 MT
Sales price, goat skins:	1,450 FCFA/kg
Sales price, sheep skins:	1,050 FCFA/kg
Percent goat skins:	60.00%
Percent sheep skins:	40.00%
Purchase price, Maradi: goat skins	1,100 FCFA/kg
sheep skins	800 FCFA/kg
Labor (for selecting, baling, etc.)	3,000 FCFA/MT
Customs Payments, Rate:	3.00%
Base:	550 FCFA/kg
Tax (B.I.C.) Payments, Rate:	2.00%
Base:	Full Value of Shipment
Finance Charge, Annual Interest Rate:	30.00%
Total Capital Requirements:	2X Working Capital + Capital Costs
Debt as a Percent of Total Capital Needs:	90.00%
Minimum Cash Balance Acceptable:	One and One Half Month's Cost of Goods Sold
Variable Costs:	
Transportation: Maradi - Niamey	200,000 F CFA
Handling Charge	30,000 F CFA Per Shipment
Labor	3,000 F CFA Per Ton
Insecticides, bacteriacides	300 F CFA Per Ton
Utilities	1,000 F CFA Per Ton
Fixed Costs:	
"Patente"	435,000 F CFA Per Year
Chamber of Commerce Subscription	50,000 F CFA Per Year
CNUT Subscription	30,000 F CFA Per Year
Export Licenses	10,500 F CFA Per Quarter
Warehouse rental (100 sq. meters)	100,000 F CFA Per Month
Vehicle Operating Expenses	100,000 F CFA Per Month
Owner's Draw	250,000 F CFA Per Month
Results:	
Cumulative Cash Flow at End of Month 37:	
Exchange Rate: $1 =	275
Cumulative Cash Flow at End Month 37:	$61,687
Annualized Return on Investment:	60.94%

Table 4.2 (Continued)

Financial Model of Theoretical
Goat and Sheep Skins Export Company

Base Case

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37
CASH IN																																					
Paid In Equity	4 070																																				
Debt	38,627	0	0	0	0	0	0	0	0	0	0	0	1 041	0	0	0	0	0	0	0	0	0	0	0	0 400	0	0	0	0	0	0	0	0	0	0	0	0
Sales Revenue	0	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100
TOTAL CASH IN	42,697	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	16,131	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	23,670	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100
CASH OUT																																					
Capital Costs																																					
Sprayer	50																																				
Baler	37																																				
Vehicle	10 000																																				
Miscellaneous	2 000																																				
Variable Costs																																					
Cost of Goods Sold	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700
Transportation Expense	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Handling Charge	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Labor	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33
Insecticides, etc	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Utility	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Customs Payments	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162	162
B.I.C.	0	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394	394
Interest Expense	0	910	880	847	823	790	753	710	670	640	601	561	520	500	427	465	441	397	352	306	357	299	198	107	54	391	343	194	144	92	39	0	0	0	0	0	0
Fixed Costs																																					
Patents	435																																				
C. of C. Subscription	50												435																								
CMUT Subscription	30												50												435												435
Export Licenses	11			11			11			11			30												50												50
Warehouse rental	100	100	100	100	100	100	100	100	100	100	100	100	11			11			11			11			30												30
Vehicle Expenses	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	11			11			11			11			11
Owner's Draw	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	100	100	100	100	100	100	100	100	100	100	100	100	100
Income Taxes													250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
													3,114												11,127												
Sub-Total	24,614	12,900	12,943	12,840	12,790	12,781	12,736	12,690	12,652	12,624	12,574	12,534	16,131	12,541	12,490	12,488	12,414	12,370	12,326	12,270	12,230	12,182	12,131	12,080	23,670	12,304	12,210	12,177	12,116	12,064	12,022	11,973	11,973	11,883	11,973	11,973	38,680
Monthly Cash Flow Before																																					12,680
Debt Amortization	15,663	1,362	1,327	1,360	1,394	1,430	1,464	1,501	1,538	1,580	1,616	1,660	0	1,640	1,691	1,722	1,770	1,820	1,866	1,912	1,980	1,980	2,060	2,110	0	1,980	1,974	2,013	2,074	2,120	2,160	2,217	2,217	2,267	2,217	2,217	(10,000)
Debt Amortization	0	1,014	1,327	1,360	1,394	1,430	1,464	1,501	1,538	1,580	1,616	1,660	0	1,640	1,691	1,722	1,770	1,820	1,866	1,912	1,980	1,980	2,060	2,110	0	1,980	1,974	2,013	2,074	2,120	1,546	0	0	0	0	0	0
Net Cash Flow, Month	15,663	347	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	623	2,217	2,217	2,267	2,217	2,217	(10,000)
Cumulative Cash Flow	15,663	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,170	15,793	18,011	21,228	23,495	25,712	27,929	15,929
Balance Outstanding Debt	38,627	36,613	34,286	32,886	31,542	30,113	28,650	27,149	25,620	24,063	22,437	20,751	22,722	21,073	19,382	17,660	15,904	14,084	12,200	10,288	8,308	6,328	4,270	2,160	11,057	9,722	7,757	5,744	3,671	1,546	0	0	0	0	0	0	0
Cumulative Cash Flow in $	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	61	69	77	86	93	101	62

warehouse space in Maradi where it processes and packages raw hides for transshipment to Niamey by local truckers. The model also assumes that the company will be selling to European buyers f.o.b. Niamey.

The export of hides and skins is a working capital intensive business. It requires a large amount of cash to assure adequate resources to procure raw materials. In this light, the model sets the company's minimum level of cash equal to one and one-half month's cost of goods sold (raw skin purchases). In the model presented here, we assume that the company will receive payment at the beginning of the month for the skins it began purchasing at the start of the previous month.

The base case assumes an interest rate of 30 percent. It also treats all borrowing as a working capital loan despite the fact that about a third of the initial borrowing is for the purchase of fixed assets. The model shows the venture paying back its debt as quickly as the funds are generated, as long as it meets or exceeds the minimum cash requirements, as is normal for working capital loans.

Finally, the model takes a very conservative approach to the payment of taxes, licenses, and other statutory payments. The model shows the company paying its patente, Chamber of Commerce, and other official fees at the start of each fiscal year. It also shows the company paying the B.I.C. at a rate of 2 percent of the total value of the shipment. Finally, the model has the company paying income tax at the corporate rate of 45 percent of net income in the first month after the end of each fiscal year. (Net income tax is slightly overstated in that the model does not include depreciation expense.) The careful reader will note that in the base case, the company has to borrow additional funds in month 13 and month 25 to meet its tax obligations and still maintain the minimum cash requirements.

Despite this conservative approach, the base case shows impressive results. An entrepreneur who was able to borrow 90 percent of the start-up capital required to run this theoretical operation would realize a 61 percent annualized return on investment by the beginning of the fourth year of operation. Under the scenario presented here, the company would have paid off all of its debt midway through its third year of operation. This would be in addition to a monthly salary or draw of 250,000 F CFA which the model permits the owner to take.

Table 4.3 provides a brief summary of the expected financial performance of our theoretical venture under 10 different scenarios. Each of the 10 cases presented shows the impact of a change of one or more of the key variables -- purchase prices, sales prices, interest rates -- from the base case. For example, under the most optimistic scenario, Case 1, where the purchase prices the venture pays fall 10 percent and sales prices rise 10 percent, the rate of return is nearly three times that in the base case. Cases 2 through 5 also present scenarios more favorable than the base case.

Potential Profitability of Raw Goat and Sheep Skins Exports

Table 4.3 Financial Summary

CASE	ASSUMPTIONS									RESULTS		
	Purchase Prices			Sales Prices			Interest Rates					
	10 %	Base Case	– 10 %	+ 10 %	Base Case	– 10 %	20 %	30%	50%	Loan Balance at end of Month 37 (000 FCFA)	Loan Paid Off By End of Month	Return on Investment
1			X	X				X		0	14th	167.20%
2		X		X				X		0	17th	128.93%
3			X		X			X		0	17th	124.39%
4	X			X				X		0	28th	75.28%
5		X			X		X			0	30th	70.27%
BASE		X			X			X		0	31st	60.94%
6			X			X		X		4,170		39.39%
7		X			X				X	9,180		19.76%
8	X				X			X		32,685		
9		X				X		X		38,130		
10	X					X		X		72,276		

But not all the scenarios presented in Table 4.3 render favourable results. Investment in the hides and skins sub-sector is not without risk. Case 10 shows that a company would not be able to sustain concurrently a ten percent increase in the purchase prices it pays to suppliers and a ten percent decline in sales prices it receives from buyers for very long. Case 9, wherein the sales prices decline ten percent while the purchase prices remain at base case levels, shows the company is able to make its interest payments (assuming an interest rate of 30 percent) but unable to generate sufficient funds to amortize its debt. Case 8, wherein the purchase prices the company pays increase 10 percent while sales prices remain at base levels, shows the same results. Finally, Case 7 shows that at base case purchase and sales prices, the venture could remain marginally profitable even if it had to pay interest of 50 percent on its borrowing.

In general, the financial model presented here shows that under most scenarios the investment in a hides and skins trading company should be profitable.[15] If the model is accurate, and investment in the hides and skins sub-sector is so potentially lucrative, why then are not more Nigerien business people actively involved in this trade? The section that follows examines this very question.

4.2 Key Factors Influencing Performance

This sub-sector analysis looks for the key factors or constraints that inhibit the performance of economic operators. These constraints may be climatic, regulatory, infrastructural, or commercial in scope. For example, the drought of the mid-eighties put an enormous strain on the hides and skins sub-sector. The slaughter of animals increased dramatically as the drought brought about a deterioration in range land and the ability to feed and water livestock. During the rebuilding phase after the drought, slaughter and the subsequent production of hides and skins fell off, creating shortage problems. Although the drought of the mid-eighties is an extreme example, operators in the hides and skins sub-sector should expect fluctuating supply conditions as a matter of course.

The factors identified that constrain the effectiveness of the hides and skins sub-sector are: infrastructural (transport routes and facilities, communications and extension services, warehouses, processing facilities, etc.); financial institutions and instruments (credit); human capital development (training); and cultural. The paragraphs that follow look briefly at each of these.

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[15]Readers of this report who have access to a computer and the LOTUS 1-2-3 spreadsheet software can use the model to analyze the performance of our theoretical company under any set of assumptions they choose. To do so, simply retrieve the file named BASECASE.WK1 and type in revised assumptions for sales prices, purchases prices, and other variables in the appropriate cell.

4.3 Finance and Credit Constraints

By far and away, the greatest problem cited by the operators interviewed for this study was the lack of financing. Exporters, in particular, bemoaned the fact that despite having a letter of credit in hand, they were unable to get the banks to lend them the working capital required. Traditionally, the smooth functioning of the sub-sector has required a system of pre-financing: exporters forwarding funds to collectors, collectors to sub-collectors, and sub-collectors to butchers, in order to assure a steady stream of supply. With the curtailed operations of SONITAN and the drastically scaled down operations of SNCP this system has broken down.

In fact, in some places the dynamics of the system have switched one hundred and eighty degrees. There are now butchers selling hides and skins to their collectors on credit. Typically, under this system, collectors take delivery of the product on market day and make payment the following market day, a week later. Since most markets are small and monopsonistic, the butchers have little alternative but to accept this arrangement.

The crux of the problem revolves around the exporter's inability to obtain working capital financing from the banking system. This problem is aggravated by an apparent lack of sophistication or knowledge on the part of exporters about the workings of the banking system. Several exporters we talked to could not understand why their banks would not make working capital loans against their letters of credit. The bankers' explanation is simple. The typical letter of credit in Niger calls for payment upon presentation of documents: certificate of origin, veterinary health attestation, and the relevant shipping documents. A letter of credit provides the banker no security at all for a working capital loan. The banks in Niger, as in many developed countries, require collateral in excess of 100 percent of the amount borrowed in such circumstances.

To a large extent in Niger, the problem appears to be that potential exporters either do not have the assets to pledge to provide the bank with satisfactory collateral, or they are unwilling to do so. One of the reasons that the hides and skins move through Nigeria is that the financing requirements are much smaller. The Nigerian collectors and re-exporters provide the financing to the Nigerien exporter. This is done on a much smaller scale which is of the size that the current Nigerien collectors can handle.

4.4 Undesirable Handling and Processing Practices

There are some undesirable practices that occur during collecting and processing that are the result of inconsistencies in the marketing chain. Collectors often buy hides and skins by the piece and sell by weight. Incentives and traditional practices are, in some cases, to adulterate the product in order to make it weigh more than it actually does. There is a long tradition of mixing sugar, sand, and arabic gum into the hair of the skin to increase weight. The inexperienced buyer will then buy the overweight skin and be penalized when he re-sells it. In the long run this has served to drive the price down because buyers expect extra weight to be added and must therefore compensate for it. The practice is reputed to be widespread and, therefore, represents a disincentive to produce a higher quality product that has been properly cleaned, treated and dried.

This type of activity results in pervasive mistrust amongst the collectors and buyers. It is a contributing factor which increases the transaction costs of marketing the hides and

skins. It also points to a lack of marketing infrastructure such as widely accepted grades and standards, inspection services and contractual enforcement procedures. The problem is two-fold: first, poor techniques in cleaning, drying and storing the hides and skins; and second, inconsistency in the price feedback chain which encourages the sale of an adulterated product instead of a quality product.

4.5 Market Information

Deficient and uneven market information is often a serious constraint to the smooth marketing of hides and skins in Niger. The information available to the butchers and collectors is not always consistent, timely or readily useable. The CNCE has made efforts to supply international price data to the exporters, but this is just one step in the marketing chain.

The atomistic nature of hides and skins marketing at the butcher-collector level normally allows them to assess the local market conditions -- price, quality, etc. However, knowledge of price and volumes in other markets is not readily available or may be available to only a few people who closely guard that information. The butcher or collector who has access to market prices in more than one location can realize sizeable gains from arbitrage opportunities. There is a potential to improve the market performance in the hides and skins sector through better price and quality communications at all levels of the hides and skins marketing chain.

Another constraint is the quality of market information. Because of the inconsistency in the grades and standards for hides and skins, the process of collecting and disseminating price, volume and quality data is hindered. To be of high quality, market information must also be delivered in a timely way. The CNCE's efforts to distribute the ITC Market News Service international price data is commendable and provides a base on which to build an effective system of disseminating marketing information.

4.6 Government Policies

In Part III, several areas of government support and regulation were identified and an attempt to measure the effect they have on the marketing system was made. Moves by the GON to liberalize the marketing system, particularly with respect to the export agencies, are expected to result in considerable improvements. Some remaining areas of constraint related to government regulation and support involve the export registration system, the export tax system, and the government's support of related educational and research institutions.

Complicated and time-consuming registration procedures result in delays of up to six months in obtaining a licence for hides and skins export. Combined with an inconsistent application of export taxes by Customs, these result in serious constraints in the export of hides and skins.

4.7 Physical Infrastructure and Other Constraints

The problems with the physical infrastructure, particularly at the butcher level have been well-documented in Part III of this report. The lack of well-maintained slaughter, cleaning and storage facilities is indeed a serious constraint to the smooth functioning of the hides and skins sub-sector.

The provision of qualified butchers and, where applicable, collectors well-versed in the art and science of skinning and processing is another area of limitation in the marketing system.

The geographic dispersion of slaughtering (production of hides and skins) creates difficulties for the collection, storage and transportation of the product. Hides and skins production is distributed among most regions of Niger where small abattoirs produce limited quantities on a weekly basis. Unfortunately, this dispersion, which is seemingly unavoidable because of the by-product nature of hides and skins, leads to high transaction costs due to excessive transport, collection and storage costs.

Another force which causes inefficiency in the hides and skins marketing channel is the tendency toward monopsonistic competition in the rural markets. Partly as a consequence of the geographical dispersion of production discussed above, the butcher and sub-collectors often have access to only one or a few rural collectors to whom they sell their products. Moreover, given the small amounts sold by each butcher or sub-collector and a lack of access to suitable transport, it is probably not profitable for them to take their hides and skins to a larger market where they could get better prices. Despite these problems, the situation does not seem to have resulted in the widespread creation of artificial barriers to entry (i.e., no one is prevented from becoming a collector) or excessive monopsonistic profits. In this case, both the collectors and the butchers tend to be caught in a situation of great market uncertainty, small volumes, high unit transport and transaction costs, and likely low profits.

5.0 CONCLUSIONS AND RECOMMENDATIONS

The discussion of the dynamics of the Nigerien hides and skins marketing system and the corresponding constraints, presented in Part IV, have led to the following conclusions and recommendations. An overriding concern in formulating these recommendations is the need for the marketing system to be profitable and financially viable. In this spirit, as much as possible, actions have been recommended which lead to self-financing solutions that rely mainly on the capabilities of the actors at various points in the system. Concurrently, where applicable, the intention is to build on needs which have been identified by the various Nigerien and international groups who have experience in the sub-sector.

5.1 Provision of Inputs

The timely provision of inputs, important in the conservation and transformation of hides and skins, is a serious problem. The important first processing step of washing the freshly flayed hide or skin in a five percent solution of sodium arsenate is not widely practised. This omission is detrimental to the sub-sector as it results in a lower quality product at each stage of the marketing system. Part of the problem is the lack of demand for this service, and it is unreasonable to expect attitudes to change quickly. As noted earlier in the report, there is a long-established tradition to adulterate skins, particularly during the drying stage. However, for sub-sector participants who realize the value of early and proper treatment, this service should be made readily available. To make sure that this happens, this report recommends that the following actions be taken:

* the Directorate of Animal Resources or other appropriate GON authorities need to mount an education campaign to inform the local authorities, who control slaughter and drying facilities, of the importance of keeping these facilities adequately supplied with sodium arsenate. These local authorities need to budget for proper supplies from the slaughter fees they collect. They should insure that the current "tax" collected at the arrondissement level is used to purchase these inputs.

* The Directorate of Animal Resources needs to constantly remind its employees working at the slaughter slabs that it is their responsibility to keep the local authorities informed of the supply situation and provide ample notice to these authorities when additional stock should be purchased;

* The Directorate of Animal Resources, SONITAN, or other competent authority, should either (a) encourage private sector importers to assure a reliable supply of sodium arsenate within the country, or (b) study the feasibility of ordering this essential input in large quantities to assure a continual supply.

* The fees charged for all services should cover costs.

5.2 Infrastructure Rehabilitation

In order to improve the quality of raw hides available for export from Niger, the processing infrastructure needs to be expanded and refurbished. Recommendations to carry this out include:

* Construction of adequate drying facilities at the country's four refrigerated abattoirs.

* Rehabilitation of the drying sheds adjacent to those slaughter slabs in locations[16] that meet the following criteria:

  - have an adequate source of water, preferably from a faucet, but a closed well would be acceptable; or

  - be located at a site where water can be supplied relatively inexpensively, i.e, the water table is not so deep as to make the drilling of a well prohibitively expensive;

  - there is sufficient and regular livestock slaughter, a minimum monthly slaughter of 500 small ruminants seems a reasonable base;

  - be a location that is not too close to, nor adversely affected, by trade of lower quality hides and skins with Nigeria.

A possible source of funding for this rehabilitation may be The World Bank component of the Programme d'Amélioration des Coûts de l'Ajustement Structural (PACAS).

5.3 Train Livestock Agents

There is a shortage of adequately trained personnel to work closely with hides and skins sub-sector participants, particularly at the primary processing stage. The primary responsibility of livestock agents assigned to monitor slaughter facilities is to control the production of meat. To address the problem, this report recommends that:

* training be given to livestock agents whose responsibilities will be to supervise and provide guidance in the handling and treatment of hides and skins at the slaughter facilities. Alternatively, training could be offered to private sector buyers.

* training could be incorporated into the curriculum of the Livestock School at Kollo or by reopening the training facility at Maradi and would be at the intermediate level, that is for livestock agents at the C1 to D2 level.

Funds for training may possibly be pursued under such programmes as the UNDP Regional Training Project.

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[16]The Ministry of Plan has already identified several locations which are in need of improvement. These criteria can be applied to this list (see Annex XIII).

5.4 Review Customs Regulations

The current Customs regulations that affect the hides and skins sub-sector create disincentives for any value-added processing and are not universally applied, thus causing some confusion. The Customs service appears to be buried in detail and under-equipped to adequately gather, control and analyze important statistics. To alleviate these problems, it is recommended that:

* The seven percent export tax "droit de sortie" applicable to semi-tanned hides and skins be rescinded immediately.

* The three percent export tax "taxe statistique" on raw as well as tanned hides and skins should be lifted.

* Private sector processors, notably SONITAN, should be made aware that according to the Directorate des diverses Contributions, no import duties should be applied to the imported products required.

* It is necessary that Customs agents receive timely and reliable information concerning the latest regulations. This will help ensure consistent application of the laws.

The NEPRP may be an appropriate program to assist Customs in improving its operations.

5.5 Simplify Export Regulations

It appears that the majority of the participants in the hides and skins sub-sector operate outside of current regulations. To operate within these regulations and licensing requirements is expensive, cumbersome and time-consuming. To simplify these regulations this report recommends that:

* The present requirement for a special licence to operate as a collector and exporter of hides and skins should be abolished. Instead, a simple registration needing no approval by the authorities should suffice. This could be done at the level of the arrondissement according to a streamlined, but uniform procedure for the whole country.

* All forms of export taxes should be lifted according to GON export promotion strategy.

* In consultation with the Government of Nigeria, the GON should pursue the transportation of Nigerien hides and skins through Kano. This will allow the Nigerien hides and skins exporters to take greater advantage of the relatively inexpensive transport costs.

5.6 Formal Sector Restructuring

The private sector is weak. There are few professionals (i.e., individuals who have a formal background in hides and skins) working in the sub-sector. This is particularly true of the export segment of the market. There are no private exporters who are shipping significant volumes of hides and skins to European markets on a regular basis. Part of the problem is attributable to the poor handling of the privatization of SNCP and, to a lesser extent, SONITAN. Although the World Bank recommended a three-year time frame, the privatization of both companies was done precipitously. Part of the problem must be attributed to poor management. The fact that the businessmen who took control of these companies paid too much for them is but one example. Poor financial and management controls, especially at SNCP, is another factor. In summary, the private sector merits some special consideration given its importance to the sub-sector and the sub-sector's importance to the economy. Since SONITAN appears to be close to completing an agreement that will permit the tannery in Maradi to reopen, the recommendations that follow concern SNCP To revitalize the "formal" sector, it is recommended that:

* SNCP's owners and management move quickly to complete its request for a rescheduling of its debt. (The only element left to complete is the proforma financial projection.)

* The SNCP should propose rescheduling of debt to the B.D.R.N. A two-year grace period, during which no interest charges accrue and no principal payments are due, is reasonable. After which, SNCP should pay off its debt of approximately 270 million FCFA in seven years.

* If SNCP is unable to complete its rescheduling dossier by the 30th of June 1990, the B.D.R.N. should force the company into bankruptcy, lease the company's remaining assets, and put the company up for sale to the highest bidder. If this draconian measure has to be taken, the bank should not discriminate against offers from joint venture -- Nigerien and foreign partners -- but should make sure that any offers do indeed have the technical skills and financial resources to manage a resurrected SNCP successfully. To promote a liquidation, the bank should consider converting some of the debt it currently holds into equity in a new company. Finally, on this point, the donor community should honour any requests from the B.D.R.N. for outside assistance to evaluate SNCP, as well as the abilities of potential buyers to manage the company.

* In the event that SONITAN is unable to complete the agreement it is currently negotiating, it too should be forced to submit a completed debt reconciliation proposal to the B.D.R.N. by the 30th of June 1990. In this case the same measures as recommended for SNCP should apply.

As for other private sector operators, this recommends that:

* Efforts proposed last year by the "Comité de réflexion sur les problèmes rencontres actuellement dans le circuit de commercialisation des cuirs et peaux au Niger" and currently under way are to be encouraged and perhaps expanded. Of special importance is the effort to form departmental-level associations of hides and skins professionals. Specifically, it would be helpful to study the possibility of forming associations at the various levels of the marketing chain. This type of an association can be used to generate expertise and funds that can be channelled back into the industry in the way of inputs (sodium arsenate, etc.), credit, and perhaps even self-regulation through the setting of standards and enforcement of these self-imposed regulations. This type of organization is likely to be helpful, particularly at the levels where dispersed actors in the marketing chain: butchers, sub-collectors and collectors, could be organized to engage in collective efforts such as storage, transport and, eventually, export of hides and skins.

  The financing for the management of this type of organization would eventually come from a check-off system where for each hide and skin sold there would be a small percentage contributed to the operation of their organization. This type of group would bring economies of scale to the purchase of inputs and the administration of credit. Theoretically, the further down the marketing chain, or the closer to the butcher or producer that the groups were organized, the more unnecessary and costly steps in the current marketing system could be eliminated.

  Initially, such a group would likely depend on outside expertise to get started. In this regard there are two potential sources of funds: a) the ASDG (Agriculture Sector Development Grant) second phase which may have a counterpart fund component for which such a group may be eligible (although initial indications are that this may take some time and current organizational issues may slow down the process of securing funds); and b) the CLUSA project which aims at developing cooperatives.

* Financial data collected on the costs and returns of exporting hides and skins are scarce. Information presented in this study could be reconciled and elaborated on. A work shop which would bring a number of exporters and potential exporters to Niger would provide valuable information to refine a cost and return model.

5.7 Improve Marketing Information System

Deficient and uneven market information is often a serious constraint to the smooth marketing of hides and skins in Niger. The information available to the butchers and collectors is not always consistent, timely or readily useable. The CNCE's efforts to supply international price data to the exporters is a good first step in providing essential information needed throughout the marketing system.

* Recommend that the Chamber of Commerce in collaboration with the Ministry of Animal Resources initiate on a regular basis the broadcast, by radio, of the price data collected from various sources at different levels in the marketing system. This would include the broadcast of export prices collected from the Market News Service in Geneva and other local market data collected by the Ministry of Animal Resources.

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ANNEX I

TERMS OF REFERENCES

I. Purpose

The purpose of this procurement is to recruit a two-person team to conduct a rapid reconnaissance study of marketing and processing of livestock skins and hides in Niger. The team will focus on the operation and structure of the informal market, constraints to more efficient marketing in the formal sector and to increased processing in Niger, and the relation of formal and informal traders. The team should include an agricultural marketing/agribusiness expert, and an expert in skins and hides processing. Both experts should have previous experience with hides and skins marketing and processing, as well as knowledge of the international market, particularly Europe, for those commodities. One expert should have previous experience in management of a firm in the skins and hides sector, and be able to evaluate Nigerian firms with respect to management, equipment, marketing, cost of production, number and quality of personnel, and other factors that affect firm performance.

Prior to, or upon arrival in Niger, the team will assess the need for locally hired assistance, and recruit individuals as needed. While the mission can provide assistance in identifying possible candidates, the two consultants will be responsible for preparing job descriptions, supervision, and payment, subject to budgetary limitations and USAID payment and per diem rules and policies.

The study is expected to last 9 weeks and is scheduled to begin in late October or early November 1989.

II. Background

One of the most promising private sector opportunities in Niger would appear to be skins and hides. It produces a large volume, and the quality of the skin of the Maradi Red Goat is widely recognized. The trade in this commodity has been liberalized to reduce difficulty in trading. Nonetheless, the sub-sector is not performing satisfactorily. The modern sector skins and hides traders and tanning firms are having considerable problems in meeting the new challenges brought about through liberalization. A recent study of the sub-sector cited lack of organization and chaotic marketing conditions as the cause of this failure to capture more value added in Niger. This study will offer an opportunity to examine the informal sector trading channels and how they interact with formal firms and Nigerian companies. Verifying and building upon the recent marketing study financed by UNDP, the experts should develop a strategy for maximizing processing in Niger and export possibilities of skins, hides and tanned leather. The strategy should include more than one option, and each option should contain pragmatic and specific recommendations. The finished study should present a guide to investors in this sub-sector for making proposals for financing.

III. Scope of Work

Consultants evaluate the marketing and processing of skins and hides in Niger, and prepare a report on their findings. The report will include a narrative and statistical description, a discussion and analysis of the problems and constraints, statistical support, and a strategy that includes options and recommendations aimed at improvement and development of this sector of the economy. When appropriate, the consultants should use the Agricultural Marketing Improvement Strategies Project (AMIS) Rapid Appraisal (RA) methodology.

Description of Industry - Using the UNDP study as a point of departure, the report will provide an overview of the current and historical state of the hides and skins sector. This should include descriptions of marketing and processing; an inventory of "abattoir-sechoirs"; number and size of firms; relationship to the livestock industry and methods of slaughter; types of products and end uses; principal markets and competitors; GON laws; regulations, policies, and types and amounts of taxes pertaining to skins and hides; price structure and methods of payment; and the roles of the formal and informal sectors (e.g., traditional tanning as compared with modern methods used at SONITAN). The descriptive section will start where the UNDP study leaves off and will develop a testable methodology for estimating the number of skins and hides produced annually outside of official abattoirs and the number of skins and hides exported unofficially to Nigeria each year.

Statistical Presentation - Again, using the UNDP study as a base, the report will provide a statistical presentation of the skins and hides industry. The presentation should include annual price, production, consumption and export data for the past 10 years. The data should include information on types of skins and hides and geographic source (i.e., department), domestic consumption and principal export markets. Since considerable numbers of animals are slaughtered and skinned in a family setting and not recorded in official statistics at abattoirs, consultants should use available official data, as well as estimates based on the AMIS Rapid Appraisal methodology. An analysis should accompany the data, including an explanation of the methodology used to devise estimates.

The statistical section will also provide considerably more price data than the UNDP study It will focus on prices and trade flows via official and unofficial channels. This section will also describe in detail, skins and hides prices and trade margins in both the formal and informal sectors, as well as considering skins and hides trade in relation to the fluctuating value of the naira. This section will focus on production costs and quality issues and the relationship of the Nigerien trade to the world market, the Nigerian market and the traditional market. This will include detailed accounts and/or estimates of operating costs for collecting and processing skins and hides in Europe, Niger and Nigeria.

Firm Evaluation - Using the UNDP study, and other studies, the experts will evaluate the two principal firms in the hides and skins industry, SONITAN and SNCP. The evaluation will include an examination of the cost of production, the break even point of the firm, cash needs and cash flow, levels and types of debt, credit needs and ability to qualify for credit, age and quality of equipment, production quality, sourcing and methods of supply. overall management, number and adequacy of personnel, training needs, and other factors affecting performance of the firms. The firm assessments will depend on the cooperation of the firms. In the absence of cooperation, experts will make their evaluation using available documentation

Problems and Constraints - This section should review and analyze the constraints and problems facing the industry, whether real or perceived. These should include such issues as taxes, employment and other state policies; the effects of privatization; lack of industry integration and organization; problems linked to operation of "abattoir-sechoirs"; limited domestic demand and transformation of hides and skins into finished products; barriers to entry; reasons for the decline in exports from the formal sector and inability to retain traditional export markets; affects of the devaluation and nonconvertibility of the naira; lack of effective industry standards; unreliability of and difficulty in estimating skins and hides production; collection of hides and skins and quality control as all levels; and weakness in management and technical skills. In examining problems and constraints, the consultants should take into account previous studies of this sector.

Summary and Recommendations - Consultants will prepare a section that reviews the major findings and conclusions, and describes a plan to address the primary obstacles to development of the industry. The plan should have more than one option to address these obstacles. Options should include recommendations that are specific, with an emphasis on maximizing processing for skins and hides, and export possibilities for semi-tanned leather.

ANNEX II

LIST OF PERSONS CONTACTED IN NIGER AND NIGERIA

USAID, Niamey

Mr. Michael Kerst, Bureau du développement général

Mr. George Callen, Bureau du développement général

M. Hararou Djibo, Bureau de programmation

USAID

Mr. Frank Martin, Économiste

Société Nigérienne de Collecte des Cuirs et Peaux (SNCP)

Dr. Ali Dan Kintafo, Directeur général

SONICOM

M. Moussa Adamou

Centre Nigéien du Commerce Extérieur

M. Idrissa Seydou Megagi, Secrétaire général adjoint

SONICOM

M. Abdoulahi Mengapoho

Ministère de la Promotion économique

M. Maliki Barhouni, Directeur du commerce intérieur

Centre National de Commerce Extérieur (CNCE)

Mme Aissa Diallo, Directrice

Ministère de l'Agriculture et de l'élèvage

M. Seydou Oumarou, Directeur de la production et des industries animales

M. Abba Malem Boukar, Directeur des études et de la programmation

M. Hassoymi Garba, Chef, Études et Statistiques

M. Mani Yahaya, Chef, Service d'Évaluation

M. Djariri Babamasei, Directeur

Dr. Boubacar Boubacar, Directeur Adjoint

Direction départementale des ressources animales de Zinder

M. Coffi François, Inspecteur général, Direction régionale des douanes

Dr. Maman Ousman, Directeur, Abattoir frigorifique de Zinder

M. Maman Boulama, Adjoint technique de l'élevage, Bakin-Birgi, Arrondissement de Tanout Zinder

M. Idi Mallam, Surveillant de l'élevage, Sabon Kafi, Arrondissement de Tanout

M. Adamu Bassaou, Adjoint technique de l'élevage, Gasaoua, Département de Maradi

M. Fouza Oysmane, Surveillant de l'élevage, Tchataoue, Maradi

Dr. Sido Souley, Directeur, Abattoir frigorifique de Maradi

Dr. Seyni Aboubacar, Directeur, Direction départementale des ressources animales, Maradi

Mme Bachard Aichatou, Directrice adjointe, Direction régionale des douanes de Maradi

M. Moussa Amadou Modi, Responsable, Service de l'élevage, Madaou, Chef-Lieu d'arrondissement, Tahoua

M. Omaron Abubacar, Surveillant de l'élevage, Bouza, Chef-Lieu d'arrondissement, Tahoua

M. Alassane Dan Bezo, Directeur adjoint, Responsable de la santé animale

M. Boubacar Hamidou Hama, Chef, Service des études et statistiques

Direction départementale des ressources animales, Tahoua

M. Djibo Donguey, Adjoint technique de l'élevage, Birni n'Konni

M. Barke, Souley Amadou, Section BIC

M. Boubacar Mamadou Coulibaly, Chef, Section de la patente

M. Hamidou Saley, Chambre de Commerce

M. Issaka Gamatche, Directeur adjoint, Direction départementale de la promotion économique

M. Siddi Zakari, Inspecteur régional, Direction régionale des douanes

M. Moussa Sama, Inspecteur des impôts

Abdou Aouta, Infirmier de l'élevage, Kaou

Direction des contributions diverses

Mr. Donald Mead, Professeur en économie agricole, Michigan State University, États-Unis d'Amérique

Nigeria

M. Alhaji Mamman Abdul Kamba, Chairman, Managing Director, Mamman's Company Ltd., Kamba, Sokoto State

Dr. S.D. Bello Aliya, Director of Livestock Services

M. Umar Faruk Adamu, Asst. Director, Hides and Skins and Livestock Services

M. Idrissa Ibrahim Magaji, Chief, Hides and Skins Superintendant

Sokoto State Ministry of Agriculture

M. Alhaji T.A. Tyson, Branch Controller

M. W. A. Oladapo, Senior Agricultural Credit Manager

Central Bank of Nigeria Sokoto

M. I.F. Adu, Professor, Small Ruminant Production, National Animal Production Research Institute, Shika, Zaria

M. Uba S. Mohammed, Director, Small-Scale Industry Department Kano State Ministry of commerce, Industry and Coopératives

M. Ahmed Idris, Nigerian Export Promotion Council, Kano Office

M. B.A. Adetimirin, Statistician 1/C, Ministry of Budget and Planning, Federal Office of Statistics, Kano

M. Mahmoud Dadaji Moh, Head for Livestock Sub-sector, Federal Ministry of Agriculture, Water, Resources and Rural Development, Kano

Mr. John U. Idakwo, Assistant Manager, Nigeria Bank for Commerce and Industry, Kano

Bouchers, Collecteurs, Commerçants, Exportateurs, Tanneurs

M. Soule Kaibu, Zinder

M. Malam Omeru Naiboserki Shamu, Tessaoua

M. Omaru Yahaya, Gassaoua

M. Elhadj Abdan Tabararan, Tibiri

M. El Asdou Labaran, Madaoua

M. Seidou Adarmou, Tahoua

M. Mamma Ellagamo, Tahoua

M. Elhadj Aboubacar, Tahoua

M. Mahaman Nouhou, Birni-Konni

M. Alhadji Ilo Alsou, Birni-Konni

Sokoto

Muhamed Skeikh, Leather Research Institute

M. Dahiru I. Magaji, Accountant, Sokoto Leather & Tanning Industries, Ltd.

Zaria

Dr. A.S. Mshelbwala, Director, National Research Institute for Chemical Technology (NARICT) (Ex. Leather Research Institute of Nigeria)

Faiye E.A. Olaniyau, Production Officer, National Research Institute for Chemical Technology

Aboubakar Mohammed Abdul, Fils de Alhaji Mamman, a fait études à L'École de Zaria

Kaduna

Mr. Brooke C. Holmes, Consul General, U.S. Consulate General

Kano

Alhaji Salisu Ahmed, Chairman, YAPIC (NIG.) Limited; Ideal Tannery of Nigeria Ltd.; Société Nigérienne de l'Industrie et de Commerce (SONICOM)

Mr. D. Hocke, General Manager, International Tanners Limited (INTRATAN)

Mr. Joseph Selaboy, General Manager, Tanarewa Nigeria (TWL) Limited

Mr. Legziel, Principal Stockholder, TWL

Engr. H.M. Ibrahim, Commissioner, Kano State Ministry of Animal Health and Forestry

Dr. Mohammed Nasir Musa, Deputy Director, Veterinary Services, Kano State Ministry of Animal Health and Forestry

Niamey

M. Idrissa Mahamadou, Secretary General, Ministry of Economic Promotion

M. Idrissa Saidou, CNCE

M. Halsane Mchamadou Almoctar, Chef Service Études Juridiques et Fiscales, Chambre de Commerce, d'Industrie et d'Artisanat

Dr. Ali Dankintafo, Directeur général, Société Nigérienne de Collecte des Cuirs et Peaux (SNCP)

M. Fadel Sherif, Actionnaire principal, SONITAN

M. Abdoulahi Mongapohe, Administrateur, Société Nigérienne d'Industrie et de Commerce (SONICOM)

Dr. Seydou Oumarou, Directeur de la production et des industries animales, Ministère de l'Agriculture et des Ressources animales

M. Abba Malem Boukar, Directeur des études et de la programmation, Ministère de l'Agriculture et des Ressources animales

M. Mani Yahaya, Attaché au directeur des études et de la programmation, Ministère de l'Agriculture et des Ressources animales

Tanout

Dr. Bickou, Vétérinaire

Maradi

Mamani Noma, Agent technique de l'élevage, Post Vétérinaire

Dan Issa, Service de l'élevage, Madarounfa

Ibrahim Boubi Magi, Vétérinaire, Service de l'élevage, Dakoro

El Madji Mamman Zinder, Actionnaire principal, S.N.C.P.

Dr. Siddo-Souley, Directeur de l'abattoir

Dr. Lawal, Directeur du Centre caprin

Tessaoua - Chef Lieu

M. Soulemane, Agent vétérinaire

Gfazaoua - Asst.

M. Adamou Bassarou, Adjoint technique de l'élevage

Aguei - Asst.

M. Laminou Zabeyrou, Agent technique de l'élevage

Tchadaoua - Asst.

M. Fouza-Ousmane, Surveillant de l'élevage

Tahoua - Chef Lieu

Dr. Amaguirguiss Abdoulaye, Directeur de l'abattoir

M. Salissou Aboubacar, Adjoint technique de l'élevage

M. Seidou Adamou, Ancien chef de l'agence SNCP à Tahoua

Kao

M. Agdou Aouta, Infirmier vétérinaire

Birni-Konni - Asst. Tahoua

Alhadji Djibo Donguey, Adjoint technique de l'élevage, responsables des agents-surveillants de la viande

ANNEX III

GEOGRAPHICAL DISTRIBUTION OF LIVESTOCK BY DEPARTMENT, 1987

DEPARTMENTS	BOVINS	OVINS	CAPRINS	CAMELINS	EQUINS	ASINS
AGADEZ	8.996	66 255	142 769	21 093	-	11 960
DIFFA	268 926	1 189 965	1 028 964	535 179	32 512	90 272
DOSSO	260 768	37 380	109 201	3 057	2 134	6 344
MARADI	220 915	162 435	254 292	16 862	1 118	7 280
NIAMEY	396 643	350 355	848 895	34 952	7 417	59 384
TAHOUA	168 720	425 985	872 348	266 672	1 930	143 936
ZINDER	170 080	443 625	1 047 531	412 185	30 175	62 608
TOTAL 87	1 495 000	2 676 000	4 315 000	1 290 000	76 000	382 000
TOTAL 86	1 429 300	2 548 600	4 113 600	1 265 200	74 100	367 100

* LES CHIFFRES 1987 ONT ÉTÉ TOUS ARRONDIS.

Source: Ministère de Ressources Animales, Gouvernement du Niger, 1987.

ANNEX IV

THE LIVESTOCK SECTOR'S CONTRIBUTION TO EXPORTS, 1975-1986

Unit: Tonne

PRODUIT	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
JRANIUM	1.192	1.47	1.976	2.28	3.521	4.36	4.911	4.018	3.636	4.748	3.856	3.484
'RODUIT DE L'ELEVAGE ET DE LA PECHE	18.595	36.768	16.953	25.584	29.406	16.161	48.964	22.426	72.378	51.465	45.32	3.396
Bovins	13.017	31.239	14.274	20.831	23.990	13.827	33.680	17.715	48.263	40.183	33.781	1.180
Ovins et caprins	3.708	708	708	2.87	1.231	1.506	13.053	3.747	22.792	9.776	7.555	62
Cuirs et peaux	194	2.113	796	1.536	1.345	812	2.151	943	1.315	963	2.913	1.799
Viande fraîche, congelée	476	2.702	113	-	-	4	-	21	8	530	1.033	332
Poissons	1.200	6	1.062	347	2.840	12	80	-	-	13	38	23
RODUITS DE L'AGRICULTURE	22.400	58.022	41.759	8.080	8.066	70.962	14.690	16.200	27.238	19.29	19.27	9.146
Arachide décortiquée	245	7.246	-	-	-	-	109	-	15	-	10	4
Huile d'arachide	6.219	4.58	915	1.039	-	-	3	56	4	-	0	
Tourteaux d'arachide	7.036	10.482	7.577	2.372	6.036	1.267	1.502	14	14	147	1	391
niebe	2.748	31.716	21.175	4.082	62	64.582	2	2.296	15.818	3.974	31	833
Oignons	6.084	2.250	10.629	177	1.431	4.998	13.074	13.834	11.387	15.054	18.967	7.482
Coton en masse, égréne	68	1.748	1.461	410	537	115	-	-	-	115	261	286
UTRES PRODUITS	8.783	18.200	8.395	7.080	11.289	19.153	17.295	42.187	42.241	73.855	18.879	28.540
OTAL	50.970	114.46	69.075	43.024	52.282	110.63	85.860	84.831	150.49	149.35	87.325	44.566

ource: Centre National du Commerce Extérieur.

ANNEX V

RECENT PRICE DATA

SKINS AND HIDES

REGION	IN FCFA PER PIECE	
Cattle	December 1988	December 1989
Zinder	3100	2283
Maradi	4375	3854
Tahoua	3639	3869
Sheep		
Zinder	892	789
Maradi	1131	912
Tahoua	1192	1070
Goats		
Zinder	496	507
Maradi	711	738
Tahoua	643	822

LIVE ANIMALS

REGION		
Cattle	December 1988	December 1988
Zinder	76396	73850
Maradi	73833	71257
Tahoua	61236	73696
Sheep		
Zinder	9003	8280
Maradi	9801	8952
Tahoua	10560	11018
Goats		
Zinder	5617	4716
Maradi	5720	5821
Tahoua	5020	7584

Note: Livestock agents monitor price developments on market days in selected markets, 8, 6 and 9 each in the Regions of Zinder, Maradi, and Tahoua, respectively.

Source: Centre National du Commerce Extérieur, gouvernement du Niger.

ANNEX VI

HIDES AND SKINS PRODUCTION IN NIGER, 1980 TO 1989

	Cuirs de Bovins				Peaux de Moutons				Peaux de Chevres			
Annee	BAV	BS	AB	TOTAL	BAV	BS	AB	TOTAL	BAV	BS	AB	TOTAL
1980	78,133	9,862	109,128	197,123	139,211	44,852	371,230	555,293	371,410	222,045	874,823	1,468,278
1981	77,729	12,462	122,028	212,219	127,610	48,083	440,216	656,909	347,822	235,756	959,958	1,543,576
1982	74,149	20,342	108,850	203,341	128,567	82,776	469,926	681,268	307,694	265,624	849,173	1,422,691
1983	16,748	28,096	146,810	251,654	148,824	102,182	469,739	720,745	245,925	339,227	1,023,132	1,608,284
1984				372,425				922,408				1,698,665
1985	85,060	35,061	158,260	275,381	168,621	142,205	520,769	831,595	174,904	398,027	1,001,247	1,574,178
1986	38,666	27,775	73,004	139,445	65,595	96,880	364,655	531,130	65,068	392,873	737,833	1,155,186
1987	43,618	20,135	81,820	145,573	61,331	127,278	423,940	612,549	100,741	514,828	813,329	1,428,898
1988	57,457	24,383	74,187	156,027	105,388	138,959	452,556	696,903	141,145	487,980	899,875	1,529,000
1989	14,604	24,717	70,284	109,605	46,469	176,232	504,603	727,304	110,645	529,572	884,109	1,524,326

BAV: Boucherie Arséniquée Verte
BS: Boucherie Séchée
AB: Apprêtées-Brousse

Pour 1989 les chiffres sont extrapolés à partir des sept premiers mois.
1984, l'année de la grande sécheresse, est sans chiffres détaillés.

Source: Ministère de Ressources Animales, gouvernement du Niger, 1980-1989.

ANNEX VII

HIDES AND SKINS EXPORTS, 1982, 1983, 1985, 1986, 1987 AND 1988

Year	Cattle Hides	Sheep Skins	Goat Skins
		-- pieces --	
1982	51,405	209,000	1,317,800
1983	42,750	220,000	1,018,800
1985	88,307	848,062	1,289,105
1986	40,590	259,815	607,622
1987	49,091	80,103	548,274
1988	21,342	149,952	258,420

Source: Centre National du Commerce Extérieur, gouvernement du Niger.

ANNEX VIII

SUMMARY OF CONDITIONS AT ABATTOIRS AND DRYING SHEDS BY DEPARTMENT

Arrondissement	Abattoir	Eau	État	Usage	État	Usage
Goure	Gouré	non	bon	oui	bon	oui
	Kazoé	non	bon	oui	bon	oui
	Guidiguir	non	passable	oui	passable	oui
	Soubdou	oui	passable	oui	passable	oui
	Gamdou	oui	passable	oui	passable	oui
	Chargouna	oui	fair	oui	passable	oui
	Karamba	oui	très mauvais	oui	très mauvais	non
	Kilakinna	oui	mauvais	oui	mauvais	oui
	Wodo	non	bon	oui	bon	oui
	Badddam	non	passable	oui	passable	oui
	Gazabalé	1	mauvais	oui	mauvais	oui
	Abbari	1	mauvais	oui	mauvais	non
	Zagari	1	passable	oui	passable	oui
Magaria	Magarior	oui	bon	oui	bon	oui
	Bandé	oui	mauvais	oui	mauvais	oui
	Dungass	non	bon	oui	bon	oui
	Sassoumbroum	non	bon	oui	bon	oui
	Koaya	non	bon	oui	bon	oui
	Dantchiacu	non	bon	oui	bon	oui
	Yehoua	oui	bon	oui	bon	oui
	Bangaya	non	0	1	bon	oui
	Malarva	oui	bon	oui	bon	oui
	Goueri	non	mauvais	oui	mauvais	oui
	Gocholo	non	bon	oui	passable	oui
	Sawaya	non	mauvais	non	mauvais	non
	Rouboniyi	oui	mauvais	non	mauvais	non
	Atchibado	non	mauvais	non	mauvais	non
	Gahi	non	bon	oui	passable	oui
	Maijamona	non	0	1	mauvais	oui
Zinder						
Commune	Ville de Zinder	oui	passable	oui	passable	oui

Arrondissement	Abattoir	Eau	État	Usage	État	Usage
Matameya	Matamèye	oui	mauvais	non	mauvais	non
	Moiwando	non	bon	oui	bon	oui
	Kantché	non	bon	oui	bon	oui
Mirriah	Mirriah	non	bon	oui	bon	oui
	D.Takaya	non	bon	oui	bon	oui
	Doufoufouk	non	bon	oui	bon	oui
	Kassamor	non	bon	oui	bon	oui
	Raffa	non	bon	oui	bon	oui
	Daganou	non	bon	oui	bon	oui
	Guidimouni	non	passable	oui	mauvais	oui
	Zermou	non	passable	oui	mauvais	oui
	Kaouboul	non	passable	oui	mauvais	oui
	Mazamni	non	passable	oui	mauvais	oui
	Takita	non	mauvais	oui	mauvais	oui
	Koundoumawa	non	passable	oui	passable	oui
	Toudoun Agoua	non	mauvais	oui	bon	oui
	Dogo	non	mauvais	oui	mauvais	oui
	Dnoam	non	bon	oui	bon	oui
	Gogo	non	bon	oui	bon	oui
	Berberkia	non	passable	oui	bon	oui
	Goda	non	bon	oui	bon	oui
	Kadi	non	bon	oui	bon	oui
Tanout	Tanout	oui	bon	oui	bon	oui
	G.Marma	non	±bon	oui	±bon	oui
	Guinia	non	bon	oui	bon	oui
	Chirorra	non	bon	oui	bon	oui
	Bakin Birji	non	bon	oui	bon	oui
	Sabon Kafi	non	passable	oui	passable	oui
	Gagaoua	non	bon	oui	bon	oui
	Belbegi	non	bon	oui	bon	oui
	El Dawayé	non	bon	oui	bon	oui
	G.Ango	non	0	1	bon	oui
	Yagagi	non	bon	oui	bon	oui

Source: AMIS, A Rapid Appraisal of the Hides and Skins Sub-Sector in Niger, 1990.

ANNEX IX

ASSESSMENT OF REFRIGERATED ABATTOIRS

LOCATION OF ABBATOIRS

Refrigerated Abattoirs
Niamey abbatoirs
Zinder abbatoirs
Maradi abbatoirs
Tahoua abbatoirs

NIAMEY REFRIGERATED ABATTOIRS

In operation since 1968.

Director: Dr. Alou Oumaron
Former assistant director of the Livestock Service and former technical consultant for the Ministry of Livestock.

Personnel Director: Mr. Batouré Chaibou
Head of Production Department: Mr. Moutari Garba
Head of Mechanics: Mr. Dovi Koffi

Theoretical Production:

- Approximately 10,000 T a year.

Present Production:

- Approximately 160 bovines and camels a day.
- Approximately 4,000 hides a month.
- Approximately 280 small ruminants a day.
- Approximately 7,280 skins a month.

Equipment:

- Six cold rooms: total capacity approx. 40 T
- One freezing tunnel, capacity approx. 6 T
- Four freezer rooms, total capacity approx. 24 T
- Fast freezing room: three compartments, total capacity approx. 13 T
- Six isothermal freezer trucks, very old but still functional, consisting of:
  - 1 Fiat truck, capacity: approx. 4 T
  - 3 Fiat trucks, capacity: approx. 3 1/2 T
  - 1 404 truck, capacity: approx. 1 T
  - 1 Toyota truck, capacity: approx. 1 T
- Three slaughter production lines in working condition, but they are the original ones and need thorough examination. One is for bovines and camels, one for small ruminants, with a compressor for flaying, and a third one for hogs.

Production Comments:

Flaying of bovines is performed partly with a knife, partly by "tearing" which is relatively adequate.

Some skins were cut directly on the ground by apprentice butchers leading to quality concerns.

Flaying of sheep and goats is performed by inflating them with air using a compressor and by hand. The consultants assessed this as a satisfactory process.

Hides & Skins Handling & Preparation:

No processing is done at the abattoirs. Approximately one quarter is taken by SNCP to its own premises for the washing, the arsenic curing and the framing. Observed quality could be improved.

Three quarters of the production is taken by butchers, who prepare the skins in the old drying shed behind the abattoir; hides and skins are washed, some are framed, the rest are hang-dried. No preservation treatment is performed because of the lack of arsenic.

Drying Shed:

One is at SNCP which needs restoration; the other is located at the abattoir. It is much too small, and needs extension and restoration.

ZINDER FREEZER ABATTOIRS

In operation since October 1989.

Director: Dr. Ousmane Maman

Present Production:

- Approximately 20/25 bovines and camels (1 to 2) a day or total of approx. 750/month.
- 110/110 sheep and goats a day or a total of approx. 3,500/month.

Cold Room:

Freezing capacity is approx. 7 T and expansion is possible. Two slaughter production lines are in operation -- one for bovines and camels, the other for goats and sheep. Flaying of bovines is well-done with a knife. Flaying of camels could be improved. Flaying of goats and sheep is done by inflating with air using a compressor and is satisfactory.

Preservation:

Hides are cured with arsenic for large animals. Small ruminants are not treated as the owners refuse to treat with arsenic even though they pay the taxes.

A drying shed is located behind the old abattoir, thus far from the presently used building. It is owned by SNCP, but maintenance is not performed.

Production Comments:

It is essential to plan the immediate construction of a drying shed beside the new abattoir. It will have to be big enough for the arsenic treatment and the drying of the total production of the abattoir. It is estimated that it should be able to hold 70 to 80 bovine skins and approx. 300 goat skins and sheep skins.

MARADI FREEZER ABATTOIRS

In operation since 1986.

Director: Dr. Siddo Souley

Present Production:

- Approx. 15 bovines and camels (1) a day; approx. 450 a month.
- Approx. 90 goats and sheep; 2,700 a month.

Cold Room:

One is for bovines and camels; one is for goats and sheep.

Freezing capacity approx. 7,500 kg; two slaughtering production lines, one day for bovines and camels, one day for goats and sheep.

Flaying of bovines is performed correctly with a knife; camels are more difficult to flay and are more damaged by cuts.

Flaying of goats and sheep is performed with the hand after inflating with air using a compressor. It is done in a satisfactory manner.

Preservation:

No treatment is performed because sodium arsenate is lacking. This chemical has apparently been lacking for several years at the abattoir.

Hides are dried without any treatment directly on the ground. It is the same for goats and sheep.

Drying Shed:

It is in very good condition, but much too small and badly designed: it can only hold approx. 7 bovines and 20 small ruminants at the maximum. The old drying shed, beside the old abattoir was three time the size. It appears it has been demolished to build an administration building.

A request was made almost a year ago to the Ministry of Agriculture and Livestock for the construction of a new drying shed. The shed should be large enough to hold approx. 80 bovines and 300 small ruminants, with a functional design.

TAHOUA FREEZER ABATTOIRS

In operation since 1986.

Director: Director: Dr. Amaguirguiss Abdoulaye

Livestock Technical Assistant: Mr. Salissou Aboubacar

Production Capacity:

- 50 bovines and 600 small ruminants a day.

Present Production:

- Approx. 10 bovines + 1 camel a day; approx. 250 a month total
- Approx. 90 sheep and goats a day; approx. 2,250 a month total

Cold Room:

Freezer capacity: approx. 7,000 kgs.

One refrigerated truck of a capacity of 3,500 kgs.

Two slaughtering production lines, one for bovines and camels, the other for goats/sheep.

Flaying is performed with a knife for bovines. For small ruminants, it is performed with the hand following air inflation with a compressor.

The management of this abattoir has considered gun slaughtering, and mechanical flaying for bovines. This is a very good initiative which should be strongly encouraged since it is a step towards improving the flaying process.

Preservation:

During construction of this abattoir, no drying shed has been considered, thus no treatment for preservation or drying is performed.

Hides and skins are brought from the abattoir to the market where butchers process as follows: bovine are dried on the ground and covered with sand; goats and sheep are hang-dried.

Therefore, no arsenic treatment is performed. After drying butchers and/or collectors spread an insecticide powder to kill insects. This is done a little late, therefore the efficiency is limited.

Drying Shed

This very modern well-equipped abattoir lacks a drying shed which is essential for better skin preservation. Therefore, it is essential to plan very rapidly for the construction of this building which should be big enough to treat and dry all the production. There should be room for 80 bovines and 300 goatskins and sheepskins.

ANNEX X

LIST OF REGISTERED EXPORTERS IN NIGER AS OF JANUARY 1990

- M. Harouna Moussa (Niamey)
- M. Hassane Garba (Niamey)
- Ets SONICOM (Niamey)
- El Hadj Mamane Issa (Niamey)
- Mme Fakimaka Suzanne Gaye (Niamey)
- M. Illiassou Issoufou (Niamey)
- M. Moussa Yahaya Pjimrao (Niamey)
- M. Laouly Dan Azonmi (Zinder)
- M. Fadel Sherif (Maradi) SONITAN
- M. Hassane Maina (Zinder)
- El Hadj Mallam Harouna dit Kalaih (Maradi)
- El Hadj Souley Tankari (Tahoua)
- El Hadj Abdou Tabaran (Tahoua)
- M. Zarbirnen Adarnou (Tahoua)
- El Hadj Sabo Dan Falke (Diffa)
- Boubacon Morri dit Bonba (Diffa)
- Nouhou (Niamey)
- El Hadj Mamam Issa Matameye (Zinder)
- Abdoulkarim Barba (Niamey)
- Hassouimi Yacouba (Niamey)
- Issoufou Moustaphac (Diffa)
- Mahaman Abdou dit Tarzan (Niamey)

ANNEX XI

GOVERNMENT ORDERS REGULATING HIDES AND SKINS TRADE

REPUBLIQUE DU NIGER

CONSEIL SUPERIEUR D'ORIENTATION NATIONALE

Copie conforme à l'original

ORDONNANCE N° 89-27

du 8 décembre 1989

Modifiant les articles 77, 88, 89 et 90 de la Loi n° 61-17 du 31 mai 1961 déterminant le régime douanier de la Républiqu du Niger.

LE PRESIDENT DU CONSEIL SUPERIEUR D'ORIENTATION NATIONALE,

CHEF DE L'ETAT

VU la Charte Nationale ;

VU la Consititution du 24 septembre 1989

VU la Loi n° 61-17 du 31 mai 1961 déterminant le régime douanier de la République du Niger et les modificatifs subséquents ;

LE CONSEIL DES MINISTRES ENTENDU ;

O R D O N N E

ARTICLE PREMIER : Les articles 77, 88, 89 et 90 de la Loi n° 61-17 du 31 mai 1961 déterminant le régime douanier de la République du Niger reçoivent les nouvelles rédactions ci-après :

Article 77 (nouveau) :

1 - l'entrepôt réel est concédé par arrêté du Ministre des Finances

2 - l'acte règlementaire de concession détermine les conditions imposées au concessionnaire, fixe les frais de magasingge qu'il est autorisé à percevoir et, le cas échéant, la part initiale de frais d'exercice devant être supportée par lui.

Article 88 (nouveau) :

L'admission temporaire, en suspension totale ou partielle des droits, des produits destinés à être transformés ou à recevoir un complément d'ouvraison sur le territoire douanier, est accordée par arrêté du Ministre des Finances.

.../...

MINISTERE DU COMMERCE DE L'INDUSTRIE ET DE L'ARTISANAT
CONTROLE MINISTERIEL D.D.I.
N° D'ENREGISTREMENT 08
DATE 21/1/90

Article 89 (nouveau)

L'importation en franchise totale ou partielle des droits de peut être accordée par arrêté du Ministre des Finances aux produits de espèce que ceux pris à la consommation, qui ont été utilisés à la fabri de marchandises préalablement exportées.

Article 90 (nouveau)

Le remboursement total ou partiel des droits supportés par le produits entrant dans la fabrication des marchandises exportées peut êt accordé par arrêté du Ministre des Finances.

ARTICLE 2 : Sont abrogées toutes les dispositions antérieures et contrai la présente ordonnance qui sera exécutée comme loi de l'Etat.

Fait à Niamey, le 8 décembre 1989

SIGNE : LE GENERAL DE BRIGADE

ALI SAIBOU

Pour Ampliation :

Le Secrétaire Général
du Gouvernement

ADAMOU SEYDOU

REPUBLIQUE DU NIGER

CONSEIL SUPERIEUR D'ORIENTATION NATIONALE

MINISTERE DES FINANCES

DECRET N°_____/PCMS/MF
du

portant application de l'article 88, (nouveau) du Code des Douanes modifiant et complétant le décret n° 61-211/MF du 14 octobre 1961

LE PRESIDENT DU CONSEIL SUPERIEUR D'ORIENTATION NATIONALE, CHEF DE L'ETAT ;

VU la Proclamation du 15 avril 1974 ;
VU L'Ordonnance n°89-01 du 18 mai 1989 portant organisation des pouvoirs publics ;
VU l'Ordonnance 89-01 du 18 mai 1989 fixant la composition du Gouvernement ;
VU la Loi n°61-17 du 31 mai 1961, déterminant le régime douanier de la République du Niger et notamment son article 88 ;
VU l'Ordonnance n° du modifiant les articles 77, 88, 89 et 90 de la loi n° 61-17 du 31 mai 1961 déterminant le régime douanier de la République du Niger ;
VU le décret n°61-211/MF du 14 octobre 1961, fixant les conditions d'application de la loi n° 61-17 du 31 mai 1961 ;
VU le décret n° 74-74/PCMS/MF du 7 mai 1974, déterminant les attributions du Ministère des Finances, modifié par le décret n° 74-131/PCMS/MF du 7 juin 1974 ;
VU le décret n° 88-240/PCMS/MF du 30 juin 1988, portant réorganisation du Ministère des Finances ;
VU le décret n° 83-140/PCMS/MF du 13 octobre 1983, portant organisation et attributions de la Direction Générale des Douanes du Ministère des Finances, modifié par le décret n° 83-145/PCMS/MF du 10 novembre 1983 ;
SUR Rapport du Ministre des Finances ;
LE CONSEIL DES MINISTRES ENTENDU ;

D E C R E T E :

Article 1er : En application des dispositions de l'ordonnance n° du susvisée le régime d'Admission Temporaire de produits destinés à être ouvrés ou à recevoir un complément de main d'oeuvre, ou admission temporaire pour ouvraison, permet d'importer sur le territoire douanier de la République du Niger, en suspension totale des droits et taxes d'importation à l'exclusion de la taxe de statistique et sous réserve de la réglementation du Commerce Extérieur, et des relations financières avec l'Etranger, les marchandises de toutes espèces et de toute origine en vue de :

- leur ouvraison, y compris le montage ;
- leur transformation ;
- ou leur mise au point ;

et de réexporter dans un délai déterminé, les produits issus de ces opérations ;

Article 2 : Le régime de l'Admission Temporaire pour Ouvraison est normal ou occasionnel :

- il est dit normal lorsqu'il est concédé à titre permanent à une entreprise ou à des personnes travaillant essentiellement pour l'exportation ;
- il est dit occasionnel lorsqu'il est concédé pour une opération ponctuelle, ou pour un programme industriel limité dans le temps.

Article 3 : Le bénéfice du régime de l'admission temporaire pour ouvraison est réservé aux entreprises ou aux personnes qui disposent des installations et de l'outillage nécessaires à l'ouvraison, à la transformation ou la mise au point des produits importés et qui en font la demande.

Article 4 : Une commission "ad hoc" présidée par le Directeur Général des Douanes ou son représentant et comprenant comme membres le Directeur de l'Industrie, le Directeur du Commerce Extérieur, le Directeur des Finances Extérieures, le Secrétaire Général de la Chambre de Commerce et toute autre personne dont la participation est jugée nécessaire, examine les demandes et formule les avis.

.../...

Après avis de la commission, le Ministre des Finances accorde par arrêté les autorisations permanentes ou ponctuelles d'admission temporaire.

Article 5 : Les personnes ou entreprises titulaires d'une autorisation prévue à l'article 4 ci-dessus doivent déposer lors de l'importation des marchandises bénéficiant du régime de l'admission temporaire, un acquit-à-caution dans les conditions de fond et de forme définies par la règlementation en vigueur.

Article 6 : Le délai d'apurement des comptes d'admission temporaire est fixé à douze mois.

Article 7 : Des prorogations exceptionnelles du délai fixé pour l'apurement des comptes peuvent être accordées pour une drée de un (1) an : par le Directeur Général des Douanes sans que cette prorogation ne puisse excèder six (6) mois. Lorsqu'elles portent sur une durée supérieure à six (6) mois, les prorogations relèvent de la compétence du Ministre des Finances.

Article 8 : Toute prorogation de délai s'accompagne d'un renouvellement des engagements souscrits par le soumissionnaire lors de la création de l'acquit-à-caution à proroger.

Article 9 : La liquidation des droits et taxes applicables aux mises à la consommation de produits compensateurs est effectuée en considérant la valeur des matières premières mise en oeuvre et le tarif en vigueur à la date d'enregistrement des acquits de mise en admission temporaire. Un intérêt de crédit est calculé pour tenir compte du paiement différé des droits et taxes exigibles normalement au moment de l'importation. Le taux de l'intérêt de crédit est fixé par arrêté du Ministre des Finances.

Article 10 : Sans préjudice des pénalités encourues par application des dispositions du Code des Douanes, le souscripteur de l'acquit d'admission temporaire et sa caution sont solidairement redevables des droits et taxes frappant les marchandises constituées sous le régime et qui ne peuvent être représentées au service.

.../...

Toutefois peuvent être admis en franchise :

- les déficits résultant de causes liées à la nature des marchandises ;
- les pertes de marchandises dues à un cas fortuit ou à un cas de force majeure dûment constaté. Il est précisé à cet égard que les déficits provenant de vol, même si la preuve du vol est dûment établie, ne peuvent être admis en franchise.

Article 11 : Toute personne ou entreprise convaincue d'avoir abusé du régime d'admission temporaire pour ouvraison ou qui prêterait son nom pour soustraire une autre personne ou entreprise des pénalités encourues, peut être exclue temporairement du bénéfice du régime.

Article 12 : Les modalités d'application du présent décret seront fixées par arrêté du Ministre des Finances.

Article 13 : Les dispositions antérieures non contraires au présent décret sont et demeurent applicables.

Article 14 : Les Ministres des Finances, du Commerce et de l'Industrie sont chargés, chacun en ce qui le concerne de l'application du présent décret qui sera publié au Journal Officiel de la République du Niger

Fait à Niamey, le

Signé : LE GENERAL DE BRIGADE

REPUBLIQUE DU NIGER

CONSEIL SUPERIEUR D'ORIENTATION NATIONALE

MINISTERE DES FINANCES

DIRECTION GENERALE DES DOUANES

ARRETE N°_____/MF/DGD

du

portant modalités de fonctionnement du régime douanier de l'Admission Temporaire pour Ouvraison

LE MINISTRE DES FINANCES ;

VU la Proclamation du 15 avril 1974 ;

VU l'Ordonnance n°89-01 du 16 mai 1989 portant organisation des pouvoirs publics ;

VU l'Ordonnance n° 89-01 du 18 mai 1989 fixant la composition du Gouvernement ;

VU la Loi n°61-17 du 31 mai 1961, déterminant le régime douanier de la République du Niger et notamment son article 88 ;

VU l'Ordonnance du modifiant les articles 77, 88, 89 et 90 de la Loi n° 61-17 du 31 mai 1961 déterminant le régime douanier de la République du Niger ;

VU le décret n°61-211/MF du 14 octobre 1961, fixant les conditions d'application de la loi n°61-17 du 31 mai 1961 ;

VU le décret n° 74-74/PCMS/MF du 7 mai 1974, déterminant les attributions du Ministère des Finances, modifié par le décret n° 74-131/PCMS/MF du 7 juin 1974 ;

VU le décret n° 88-240/PCMS/MF du 30 juin 1988, portant réorganisation du Ministère des Finances ;

VU le décret n° 83-140/PCMS/MF du 13 octobre 1983, portant organisation et attributions de la Direction Générale des Douanes du Ministère des Finances, modifié par le décret n°83-145/PCMS/MF du 10 novembre 1983 ;

VU le décret n° du portant application de l'article 88 (nouveau) du Code des Douanes et modifiant le décret n° 61-211/MF du 14 octobre 1961;

SUR Proposition du Directeur Général des Douanes.

.../...

A R R E T E ;

Article 1er : Les modalités de fonctionnement du régime douanier de l'admission temporaire pour ouvraison sont fixées conformément aux dispositions ci-après :

CHAPITRE 1 : DE LA PROCEDURE D'AGREMENT

Article 2 : Les demandes d'admission temporaire pour ouvraison sont rédigées sur papier à en-têtes commerciales du réquérant, conformément à un modèle défini par l'Administration des Douanes et adressées au Ministre des Finances.

Les demandes doivent être accompagnées d'un dossier en si (6) exemplaires comportant notamment :

- la localisation de l'unité industrielle ;
- un inventaire du matériel de fabrication et de l'outillage ;
- les renseignements détaillés sur la nature des fabrications ;
- les caractéristiques, quantités, qualités des matières premières importées ;
- les diverses fabrications envisagées ;
- les rendements escomptés (rapport entre produits compensateurs et matières premières) ;
- les déchets.

Article 3 : Les avis de la Commission "ad'hoc" créé par décret n° du susvisée portent sur :

- les produits admissibles au régime ;
- le pourcentage des produits compensateurs et des déchets par rapport aux matières premières à mettre en oeuvre ;
- la nature des transformations ou fabrications autorisées ;
- le pourcentage des produits susceptibles d'être versés à la consommation ;
- les dispositions particulières retenues pour chaque produit en fonction des transformations.

CHAPITRE 2 : DES FORMALITES A L'ENTREE DU REGIME

Article 4 : Préalablement à la première mise de marchandises sous le

.../...

régime, le bénéficiaire d'une autorisation ponctuelle ou permanente doit souscrire un engagement cautionné de se conformer aux lois et règlements régissant ce régime et aux conditions particulières auxquelles peut être subordonnée la réalisation de l'opération. Cet engagement comporte notamment les obligations suivantes :

- domiciliation dans un même bureau de douane de l'ensemble des opérations d'admission temporaire attachées à l'autorisation obtenue ;
- transport des marchandises dans les locaux ou sur les lieux désignés ;
- représentation des marchandises en l'état, en cours de transformation ou transformées, à toute réquisition du service des Douanes ;
- mise en oeuvre des marchandises pour les seules opérations ou transformations autorisées ;
- réexportation dans les délais autorisés ou constitution en entrepôt fictif. Dans les cas dûment justifiés le Directeur Général peut autoriser la mise à la consommation sur demande de l'industriel après avis du comité ad hoc .

Article 5 : La déclaration d'admission temporaire doit comporter des indications particulières à chaque produit exigées par l'autorisation d'admission temporaire et nécessaires pour l'apurement des comptes. Les produits destinés à des fabrications différentes doivent être repris sur des déclarations séparées.

Article 6 : Les soumissionnaires sont tenus d'indiquer le lieu et l'adresse des établissements où cette ouvraison doit être effectuée. Une copie de l'autorisation d'admission temporaire sera jointe à la déclaration.

Article 7 : Les marchandises déclarées pour l'admission temporaire doivent être directement transportées sous escorte douanière si le service l'exige, dans les locaux désignés par l'importateur sur l'acquit-à-caution.

Le service des Douanes peut exiger la justification de l'arrivée à destination des marchandises.

.../...

CHAPITRE 3 : DE LA DUREE DE L'ADMISSION TEMPORAIRE

Article 8 : Le délai d'apurement des comptes d'admission temporai est fixé à douze (12) mois.

Article 9 : Des prorogations exceptionnelles du délai fixé pour l'apurement des comptes peuvent être accordées, pour une durée de 1 an : par le Directeur Général des Douanes sans que cette prorog tion ne puisse excéder six (6) mois. Lorsqu'ellesportent sur une durée supérieure à six (6) mois, les prorogations relèvent de la compétence du Ministre des Finances.

Article 10 : Toute prorogation de délai s'accompagne d'un renouvel lement des engagements souscrits par le soumissionnaire lors de la création de l'acquit-à-caution à proroger.

CHAPITRE 4 : DES OBLIGATIONS DU SOUMISSIONNAIRE PENDANT LA DUREE DE L'ADMISSION TEMPORAIRE

Article 11 : Les marchandises déclarées pour l'admission temporaire ne peuvent recevoir d'autres ouvraisons ou destinations que celles prévues par l'autorisation délivrée.

Article 12 : Les marchandises constituées sous le régime de l'admis sion temporaire doivent être représentée, sous forme de produits de base, de produits intermédiaires, ou de produits compensateurs, à toute réquisiton du service.

Article 13 : Les personnes ou les entreprises bénéficiant du régime d'admission temporaire pour ouvraison doivent tenir une comptabilit matière dans un registre. Ce registre sera produit à toute réquisition du service qui peut à tout moment se rendre à l'usigne pour contrôler les fabrications, vérifier la composition des produits fabriqués et s'assurer de la régularité des opérations.

Article 14 : Le service des douanes peut prélever des échantillons aux fins d'analyse et d'identification des produits obtenus.

CHAPITRE 5 : DES FORMALITES A LA SORTIE DE L'ADMISSION TEMPORAIRE

.../...

Article 15 : La réexportation des produits compensateurs ou leur constitution en entrepôt fictif est le mode normal d'apurement des comptes d'admission temporaire pour ouvraison.

Toutefois, les destinations ci-après peuvent exceptionnellement être assignées aux produits compensateurs présentés à la décharge d'acquit-à-caution d'admission temporaire :

- la mise à la consommation, dans la limite des quantités prévues sur l'autorisation d'admission temporaire, avec paiement des droits et taxes sur les matières premières correspondantes mises en oeuvre ;
- mise à la consommation avec paiement des droits et taxes sur la valeur des déchets récupérables ;
- la destruction ou la dénaturation sous surveillance douanière sans paiement des droits et taxes sur les déchets non récupérables.

Article 16 : Les déclarations de réexportation, de mise en entrepôt ou de mise à la consommation doivent indiquer ;

- les numéros et dates des acquits d'admission temporaire en apurement desquels les produits compensateurs sont déclarés ;
- pour chacun des produits déclarés, l'espèce de la matière première mis en oeuvre, la valeur taxable et tous autres éléments nécessaires pour assurer l'apurement des comptes d'entrée.

La destruction ou la dénaturation sous surveillance douanière donne lieu à l'établissement d'un procès-verbal signé conjointement par les représentants de la douane et du soumissionnaire.

Article 17 : Lorsque des déchets de fabrication ont été alloués, les déclarations doivent indiquer par catégories distinctes selon le taux de déchets accordé, les produits bénéficiant de cette allocation. Le service peut exiger la représentation des déchets.

CHAPITRE 6 : DE L'APUREMENT DES COMPTES ET DE LA DECHARGE DES ACQUITS D'ADMISSION TEMPORAIRE

../...

CHAPITRE 7 : DES DISPOSITIONS REPRESSIVES

Article 24 : Tout détournement des produits visés ci-dessus de leur destination privilégiée et toute inobservation des dispositio précitées seront punis et réprimés conformément au Code des Douane

CHAPITRE 8 : DES DISPOSITIONS FINALES

Article 25 : Le Directeur Général des Douanes est chargé de l'application du présent arrêté qui sera publié au Journal Officiel de la République du Niger.

- WASSALKE BOUKARI -

ANNEX XII

EXPLANATION OF THE PATENTE

Taxes

Patente: 5 Barèmes A) Commerce général
B) Industrie professionelle
C) En ambulance
D) Bétail, non exporte
E) Licence pour la ventedes boissons alcoolisées

Barème B4 - Importateurs/Exportations, y compris cuirs et peaux

Calcul de la patente:

Patente = Droit fixe + droit Proportionel + centime
1/4 30%
additionel + I.F.B.
I.M.F.
2 x Droit fixe

Barème B4

Chiffre d'Affaires	Patente
30 M - 60 M[17]	435 000 FCFA
60 - 300	906 250
300 - 1 200	1 268 750
1 200 - 3 600	975 000 +
3 600 - 6 000	1 462 000 +
6 000 - 9 000	1 950 000 +
9,000 +	2 437 500 +

Source: Inspection des impôts, direction du Département des Finances à Tahoua, Niger.

[17]Companies with sales in excess of FCFA 693,750 are assumed to have adequate records and therefore, they do not pay the IMF (or IFB).

LJ/MF

ANNEX XIII

LIST OF ABBATOIRS TO BE REHABILITATED

13 NOV. 1989

p.1

8 - 1 1 5 0 /DPIA

MONSIEUR LE MINISTRE DU PLAN
ET DE LA PLANIFICATION REGIONALE
NIAMEY

Objet : Transfert stabex cuirs et peaux
réhabilitation et construction de sechoirs.

Réf : V/L N° 00875/MP/DFI.

En réponse à votre lettre ci-dessus référencée, j'ai l'honneur de vous transmettre en annexe, la liste des localités dont les séchoirs sont proposés pour la réhabilitation ou construction.

AMPLIATION

2 - MCI/A.

2274
21 - 11 - 89

4557
14 - 11 - 89

—

70 SECHOIRS A REHABILITER

10 - Diffa
10 - Tahoua
10 - Zinder
10 - Maradi
8 - Agadez
8 - Dosso
10 - Tillabéry
3 - Communauté Urbaine

10 CONSTRUCTION

Extension à l'Abattoir de Niamey
" " S N C P

2 Tahoua

2 Tillabéry

2 Diffa

2 Dosso

1 Agadez.

CONSTRUCTION

DIFFA

- Bosso
- Maïné
- Tate Koutou
- Diffa Commune (Transfert)

TILLABERY

- Tchiguein (Filingué)
- Yelwani (Téra)

NIAMEY

Extension à l'Abattoir de Niamey
" " l'S M C P

AGADEZ

- Tchirozerine.

TAHOUA

- Tahoua ville
- Tamaské Commune

DOSSO

- Commune Doutchi
- (Dosso) petakan.

REHABILITATION

DIFFA

Isari
Kadi
Goudoumaria
Eoutti
Kilakam
Keragou
Nguigmi
Kaslawa
Diffa Commune

TAHOUA

Bousaa)
Karofane } Bouza

ILLELA

Bagaroua
Badaguicheri
Ibouamane (Keita)
Sabonka (Konni)
Takarka)
Manzou } (Madaoua)
Bounou)
Guillay } (Tahoua)
Tchintabaraden.

MARADI

Aguié Tranfert
Gazaoua
Dakoro ville
Hawantchi
Cargom
Tessaoua Transfert
Sakabal)
Damaro } Mayahi
Issaouane)
Guidanrou
Danhissa
Intouila

NIAMEY COMMUNE

Kambia
Gourjel
Liboré

DOSSO

BOBOYE { Guilladjé
Kouringuen
GAYA { Bengou
Malgorou
LOGA { Mousaday
Tchangalla
DOUTCHI { GUIdchémé
Bagagi

REHABILISATION (suite)

TILLABERY

KOLLO ZONGO	(Kollo)
BOUBON	"
MAKALONDI	(Say)
SAY	"
ABALA	(Filingué)
BANDIO	(Téra)
OUALLAM	(OUALLAM)
MANGAIZE	"
TILLABERY	(Tillabéry)
AYOROU	"

LISTE SECHOIRS

NECESSITANT REFECTION

DEPARTEMENT DE ZINDER

MIRRIAH

- MAZAMNI
- DAMAGARAM TAKAYA

MATAMEYE

- MATAMEYE VILLE
- KANTCHE

TANOUT

- GAMARAM
- KELLE KELLE

GOURE

- GADORI
- CHERGOUNA

MAGARIA

- RANDE
- DUNGASS

ANNEX XIV

INTERVIEW GUIDELINES

GUIDE D'ENTRETIENS AVEC LES COMMERCANTS

Date:

Localité:

Région:

1. Nom du Commerçant:

2. Ethnie:

3. Catégorie de Commerce (Boucher, Collecteur, Exportateur, Tanneur)

4. Depuis quand êtes-vous dans le Commerce des Peaux?
   Comment avez-vous appris le métier?

5. Traitez-vous d'autres produits? lesquels?

6. Quel est la production?

	1988	1989
Chèvres		
Moutons		
Bovins		

Période de Production la plus forte:

Période de Production la plus faible:

7. Les lieux d'Achats:

8. Les Prix d'achats moyen par catégorie:

	1988	1989
Chèvres		
Moutons		
Bovins		

9. Faites-vous des Avances? à qui?
Recevez-vous des Avances? de qui?
Dans quelles proportions?
Si vous avez plus de fonds, pourriez-vous acheter plus?
A qui vendez-vous?
Pratiquez-vous un prix different s'il s'agit de Peaux "Boucheries" ou "Brousses"

10. Achetez-vous tout venant?

Sinon quel est le pourcentage des rejets?

Sont-ils vendus à l'artisanat Local?

11. Pouvez-vous énumerer vos frais?
Quels sont-ils?

12. Quels sont vos difficultés?
   - manque de débouchés?
   - prix insuffisants?
   - Problèmes des transports?
   - qualité?
   - Problèmes avec les autorités?
   - d'autres, à préciser?

13. A quel niveau est effectué le traitement?

14. Quel produit vous utilisez pour le traitement?

    Comment est effectué le séchage?

Pour Exportateurs:

1. Quel moyen de transport utilisez-vous?
   Avions ou maritimes?
   Quels Port ou Aéroport?
   Prix du transport au kg ou à la tonne

2. Si vous avez une réclamation sur le Poids ou la qualité, que faites-vous?

3. Vers quelles destinations exportez-vous?

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