A PROFILE OF THE SOUTH AFRICAN HIDES, SKINS AND LEATHER MARKET VALUE CHAIN

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1. DESCRIPTION OF THE INDUSTRY.

Hides, skins and leather are by-products of farming stock and wild animals bred primarily for meat consumption. Thus, hides and skins are mainly recovered from slaughterhouses and farms. Because the leather industry depends on the recovery of hides and skins of the farming stock and wild animals, availability of raw material directly depends on the size of the animal population, the take-off ratio and the weight/size of the hide/skin recovered.

The quality of South African hides has been positively influenced by the rise in the number of feedlots operating in the meat industry, with animals thus spending less time in the open veldt. These hides are rated to be superior to other sub-Saharan African and most Asian hides, but inferior to most hides from Australia, Argentina, the US and Europe. Their relatively small size compared with the last two origins (3.5 to $4m^2$) and the use of non-hump breeds that produce large panels renders them just marginally suited for upholstery and automotive leather. Over 65% of South African hides are regarded as suitable for automotive leather.

In South Africa skins and hides are given the following status types when they leave the abattoir:

a. Gold status.
This is the skin or hide that had been sourced from an approved registered abattoir where ante– and post–mortem examinations are routinely performed. These skins and hides must not originate from OIE recognized foot and mouth disease controlled areas of the Limpopo, Mpumalanga, KwaZulu–Natal or the Kruger National Park

b. Silver status.
This is the skin or hide that had been sourced from an approved registered abattoir anywhere in South Africa where ante– and post–mortem examinations are routinely performed.

c. Bronze status.
This is the skin or hide that had been sourced from an unapproved or unregistered abattoir without veterinary health certificate and/or original status has been compromised and/or exposed to contagion.

Skins and hides are derived mainly from livestock and to a lesser extent from wild animals and reptiles. The following are the main categories of skins or hides according to species.

- **Bovine (cattle) hide.**
Bovine hides dominate the supply of leather in South Africa. They are mainly by-product of meat production supplied by feedlots.

- **Sheep skin.**
It is produced with or without wool mainly for export market.

- **Pig skin.**
South Africa does not have significant supply of pig skin as this tends to be part of the meat.

- **Goat and kid skin leather.**
The supply of goat and kid skins is low as the majority of goats are slaughtered outside the abattoirs.

- **Ostrich skins.**

Unlike bovine, ostrich is bred primarily for its skin; and ostrich meat becomes a by-product. Ostrich leather is unique with its feather quill pattern. This gives it extra strength and durability which is 7 times stronger than bovine (cattle) hide. Ostrich leather is used to produce handbags, wallets, shoes, clothing etc.

- **Skins of wild animals.**

Many wild animals including elephants and buffalo are main sources of leather.

- **Skin of reptiles.**

Crocodiles and snakes are bred for their skins.

2. PRODUCTION, PRICES AND CHANGES IN EMPLOYMENT IN HIDES, SKINS AND LEATHER INDUSTRY

Hides and skins are inputs to the leather industry. The bulk of hides and skins are recovered from abattoirs. South Africa slaughters over 2 million cattle and over 4 million sheep every year. The availability of these products depends on the size of the slaughter facility and the species involved. Ostrich skins are mainly produced in Western Cape.

Prices of hides are higher in South Africa than in other countries. This is because of the increase in demand of local hides caused by the Motor Industry Development Program (MIDP) which was introduced in 1995 and it was scheduled to come to an end in 2012. The key component of the MIDP with regards to automotive upholstery is that it contained an import-export complementation scheme that gave credits to component manufacturers and assemblers for any exported goods. These credits, which are transferable, could then be used by assemblers to offset the duty on parts or vehicles that they wanted to import. Export of stitched leather seat covers responded positively to this incentive and increased the demand for local hides and skins.

2.1 Production bovine (cattle) hides

Hides are by-products of the livestock (cattle) industry. The availability of hides and skins depends on the number of cattle slaughtered. Both in beef and dairy businesses, hides and skins are recovered and taken to firms for further processing. Interestingly Eastern Cape is the biggest producer of livestock but the bulk of the hides come from Mpumalanga, Gauteng, Free State and Kwazulu–Natal as they have big abattoirs.

2.2 Prices of skins, hides and leather (2015)

Table 1 below indicates different types of skins, hides and leather and unit prices of different products as indicated in the first column and second column. The prices indicates the 2014 and 2015 marketing season but are subject to change due to the fluctuations in terms of the rand, demand and supply forces.

Table 1: Prices of skins, hides and leather (2017 marketing season)

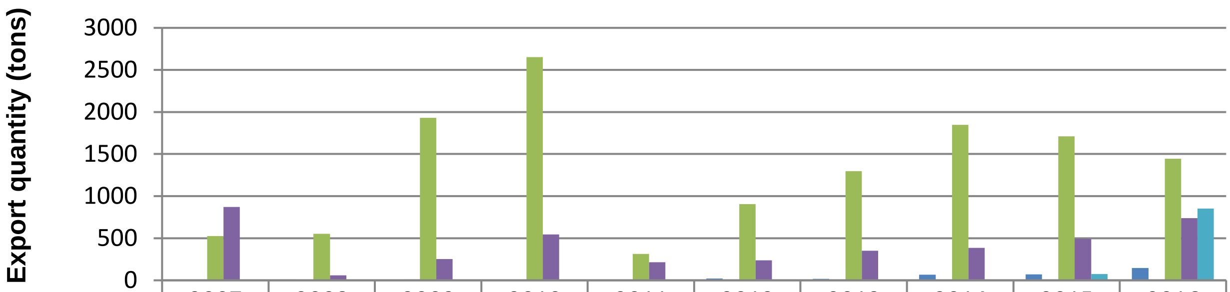
Type of Skins, Hides & Leather	Prices per skin
Merino dry sheep skin	R15.00 – R20.00 /skin
Short wool skin	R10.00 – R15.00/skin
Sheared wool skin	R25.00 - 30.00/skin
Cattle dry skin	R7.00 - R8.50 per kilogram
Ostrich skins	R1000-R1500 / kilogram
Goat dry skin	R15.00 – R20.00/skin
Goat skin after tanning	R40.00 / skin
Impala (grade 1)	R15.00 – R20.00/skin
Bless Bok / Springbok (grade 1)	R15.00 – R20.00/skin

Sources: Skin, Hides & Leather Council, Klein Karoo International Ltd, IMPEC (Integrated Meat Processors of the Eastern Cape)

3. EXPORT VOLUMES OF RAW HIDES AND SKINS

The raw skins, hides and leather industry is an important earner of foreign exchange through the export of raw leather and tanned leather. The industry exports mainly to Europe (Italy, Turkey and Germany) and to Asia (Japan, Republic of Korea, Hong Kong and China). Leather articles are classified as luxury goods and thus by definition it follows that consumers' demand for leather products is related to their disposable income. This implies that the absolute demand for leather products is greater, but also, the market for leather products is broadly based in developed compared to developing countries. The developing nations mainly produce under license from developed countries' retailers/ buyers in accordance to their specifications. Figure 1 below indicates export volumes of raw hides and skins from South Africa to various regions of the world between 2007 and 2016.

Figure 1: Export volumes of raw hides and skins to the world



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Africa	0	11	4	0	0	21	15	65	71	148
Americas	0	0	10	0	1	0	2	1	1	0
Asia	528	553	1932	2651	312	906	1297	1846	1710	1443
Europe	873	59	253	545	214	239	353	384	491	739
Oceania	0	0	0	0	0	0	0	0	74	852

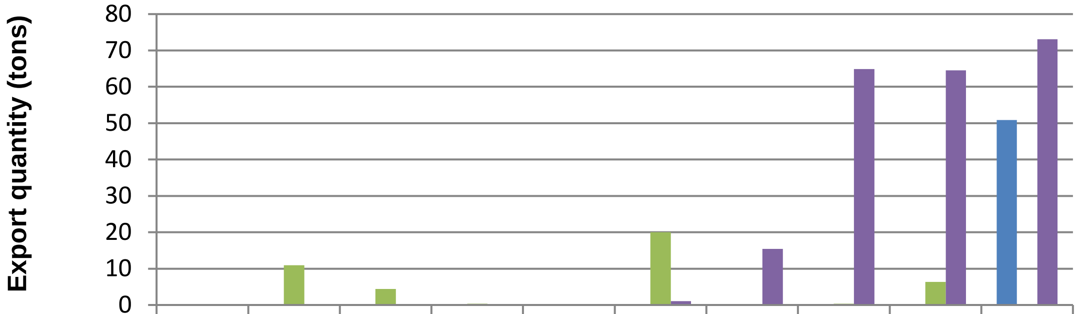
Years

Source: Quantec EasyData

During the period under scrutiny, the major export market for raw hides and skins from South Africa to the world was Asia, followed by Europe. Africa and Americas experienced very low levels of exports of raw hides and skins from South Africa of between 1 and 65 tons per annum. On average, South Africa exported 1 590 tons to the world over the past decade. Exports of raw hides and skins from South Africa to Asia started to increase substantially in 2009 until a peak was attained in 2010 at an export quantity of approximately 2 651 tons. Exports to Europe peaked at 873 tons in 2007. There was a 7.3% increase in export volumes of raw hides and skins from South Africa to Asia in 2015 as compared to 2014.

Figure 2 below depicts export volumes of raw hides and skins from South Africa to Africa between 2007 and 2016. Most of raw hides and skins exports from South Africa to Africa went to the SACU region excluding RSA over the past decade. Exports to the SACU region excluding RSA started to increase substantially in 2014 to 2017 and at the same time attained a peak at an export quantity of about 73 tons. Between 2007 and 2011, there were no exports of raw hides and skins from South Africa to SACU region excluding RSA, while there were no export volumes of raw hides and skins from South Africa to SADC in 2007 and again between 2010 and 2011 of the period under examination. Export volumes of raw hides and skins from South Africa to SADC were not more than 20 tons per annum.

Figure 2: Export volumes of raw hides and skins to Africa



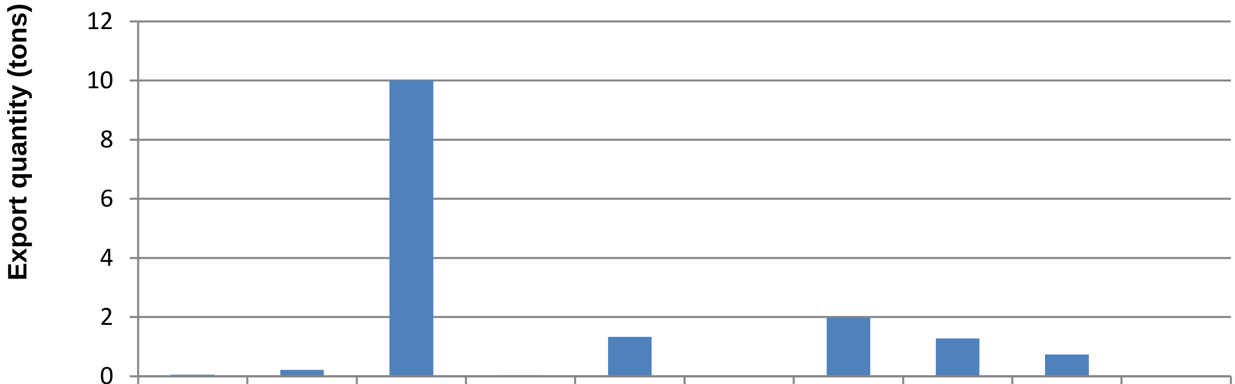
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Eastern Africa Rest	0	0	0	0	0	0	0	0	0	51
SADC (excluding SACU)	0	11	4	0	0	20	0	0	6	0
SACU (Excluding RSA)	0	0	0	0	0	1	15	65	65	73

Years

Source: Quantec EasyData

Figure 3 below illustrates export volumes of raw hides and skins from South Africa to the Americas between 2007 and 2016.

Figure 3: Exports of raw hides and skins to Americas



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
NAFTA	0	0	10	0	1	0	2	1	1	0

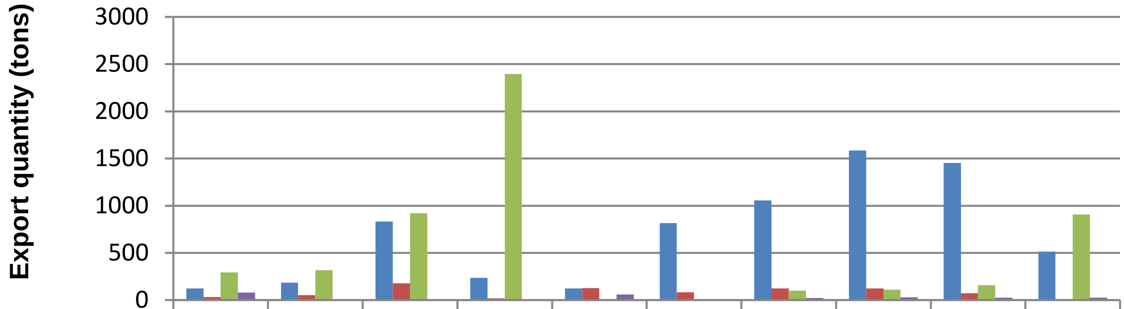
Years

Source: Quantec EasyData

Most of raw hides and skins exports from South Africa to Americas went to NAFTA, followed by very intermittent volumes from South America over the past ten years. Exports to NAFTA increased substantially in 2009 and at the same time attained a peak at an export volume of about 10 tons. It is also evident that in 2011 and 2015, exports of raw hides and skins to NAFTA declined dramatically to levels of about 1 ton per annum. Between 2006 and 2008 and again in 2010 and 2012, there were no export volumes of raw hides and skins from South Africa to NAFTA. There was no growth in export volumes of raw hides and skins from South Africa to NAFTA in 2016 as compared to 2015.

Figure 4 below shows export volumes of raw hides and skins from South Africa to Asia between 2007 and 2016. The major export market for raw hides and skins from South Africa to Asia was Eastern Asia, followed by South-eastern Asia over the past decade. South-central Asia and Western Asia had very low and intermittent exports of raw hides and skins from South Africa between 2007 and 2016. Exports to Eastern Asia were from a high base during the second half of the ten year period (2012-2016) attaining a peak in 2014 at approximately 1 585 tons. Exports to South-eastern Asia attained a peak in 2010 at an export quantity of about 2 396 tons. There was a 65% decrease in export volumes of raw hides and skins from South Africa to Eastern Asia in 2016 as compared to 2015.

Figure 4: Export volumes of raw hides and skins to Asia



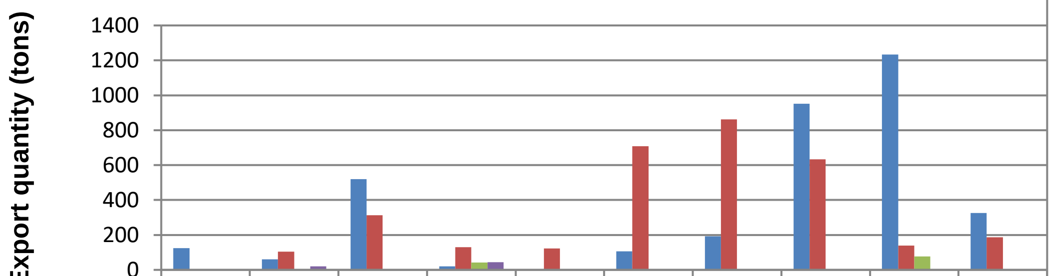
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Eastern Asia	125	185	833	237	123	815	1054	1585	1452	513
South-central Asia	33	51	177	18	128	83	122	124	73	0
South-eastern Asia	292	317	919	2396	0	0	100	109	159	905
Western Asia	78	0	4	0	61	8	20	28	26	24

Years

Source: Quantec EasyData

Figure 5 below depicts export volumes of raw hides and skins from South Africa to Eastern Asia between 2007 and 2016.

Figure 5: Export volumes of raw hides and skins to Eastern Asia



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
China	125	61	519	21	0	106	193	951	1234	326
Hong Kong Special Administrative Region of China	0	104	313	130	123	708	861	634	140	186
Taiwan Province of China	0	0	0	43	0	0	0	0	77	0
Republic of Korea	0	20	0	44	0	0	0	1	0	0

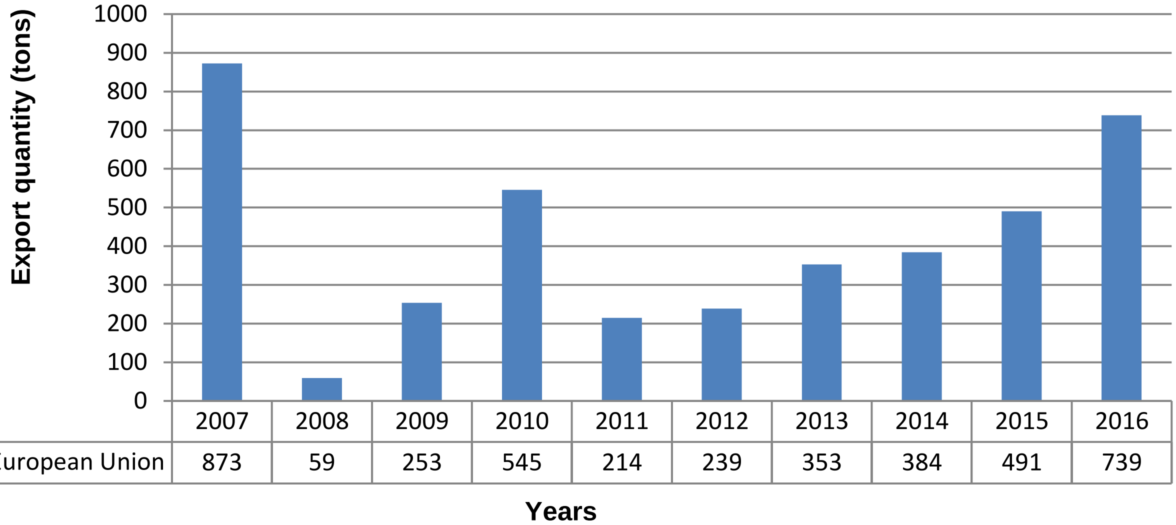
Years

Source: Quantec EasyData

Most of raw hides and skins exports from South Africa to Eastern Asia went to Hong Kong Region of China, followed by China over the past decade. Exports to Hong Kong Region of China were from a high base during the second half of the ten year period (2012-2016) attaining a peak in 2013 at approximately 861 tons. Exports to China were from a high base during the second half of the ten year period (2012-2016) attaining a peak in 2015 at approximately 1 234 tons. There was an increase of 33% in export volumes of raw hides and skins from South Africa to Hong Kong Region of China in 2016 as compared to 2015. There was a 74% decrease in export volumes of raw hides and skins from South Africa to China in 2016 as compared to 2015.

Figure 6 below indicates export volumes of raw hides and skins from South Africa to Europe between 2007 and 2016.

Figure 6: Export volumes of raw hides and skins to Europe



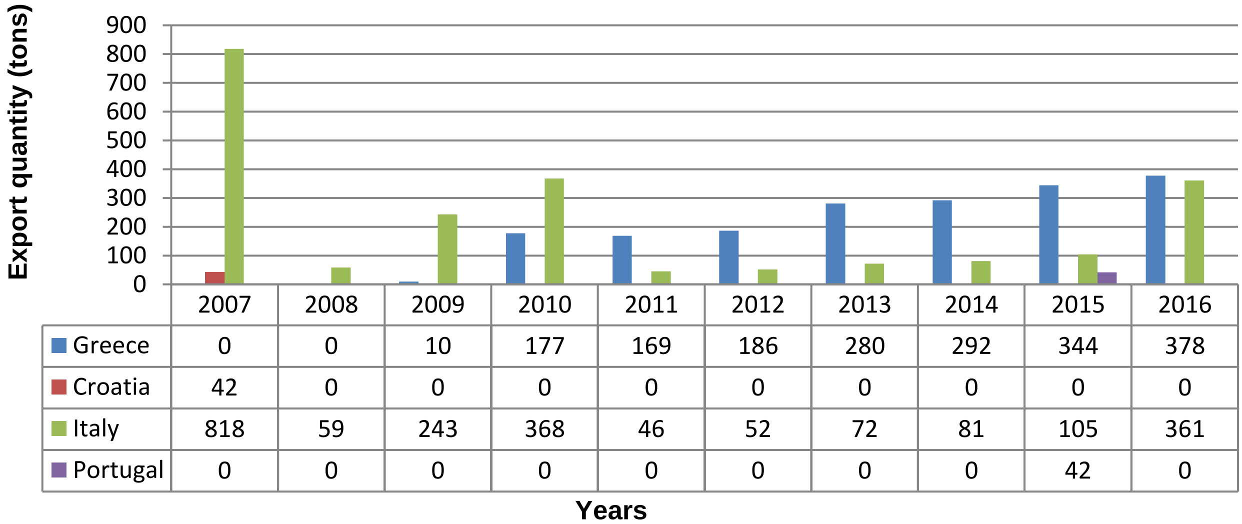
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
European Union	873	59	253	545	214	239	353	384	491	739

Source: Quantec EasyData

Figure 6 indicates that during the period under observation, most of raw hides and skins exports from South Africa to Europe went mainly to the European Union with no competition from other European regions. Exports to the European Union started higher in 2007 and at the same time attained a peak at an export quantity of 873 tons. During the ten year period under review, export volumes of raw hides and skins from South Africa to the European Union experienced a dramatic decline to lower levels of about 59 tons in 2008. Although exports of raw hides and skins from South Africa to the European Union were declining, there was a notable increase in 2010 of about 545 tons. There was a 51% increase in export volumes of raw hides and skins from South Africa to the European Union in 2016 as compared to 2015.

Figure 7 below depicts export volumes of raw hides and skins from South Africa to the European Union over a ten year period (2007-2016).

Figure 7: Export volumes of raw hides and skins to European Union



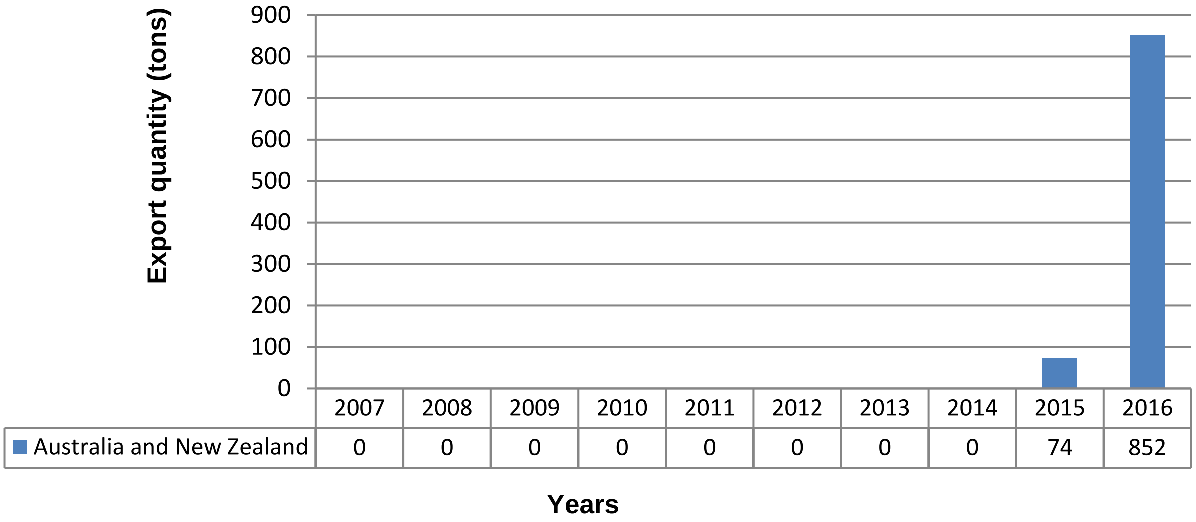
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Greece	0	0	10	177	169	186	280	292	344	378
Croatia	42	0	0	0	0	0	0	0	0	0
Italy	818	59	243	368	46	52	72	81	105	361
Portugal	0	0	0	0	0	0	0	0	42	0

Source: Quantec EasyData

The major export destination for raw hides and skins from South Africa to the European Union was mainly Italy, followed by Greece and the United Kingdom over the past ten years. Exports to Italy started higher in 2007 at approximately 818 tons. Between 2008 and 2015, exports of raw hides and skins from South Africa to Italy dropped to below 369 tons per annum. There was a 243% increase in export volumes of raw hides and skins from South Africa to Italy in 2016 as compared to 2015.

Figure 8 below shows export volumes of raw hides and skins from South Africa to Oceania between 2007 and 2016.

Figure 8: Export volumes of raw hides and skins to Oceania



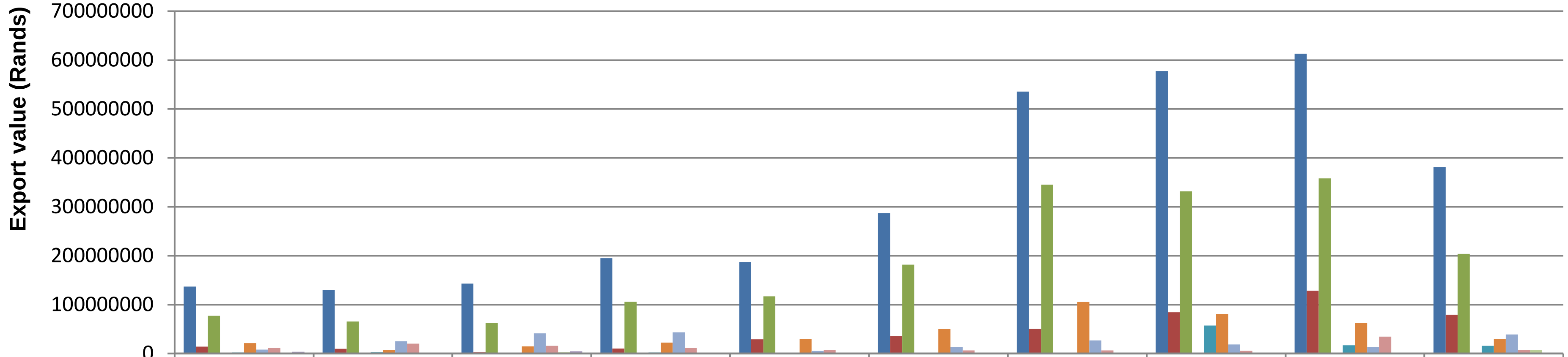
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Australia and New Zealand	0	0	0	0	0	0	0	0	74	852

Source: Quantec EasyData

Most of raw hides and skins exports from South Africa to Oceania went mainly to Australia and New Zealand with no competition from other Oceania regions. Exports to Australia and New Zealand were from a high base during the second half of the ten year period, attaining a peak in 2016 at approximately 852 tons. Between 2007 and 2014, there were no export volumes of raw hides and skins from South Africa to Australia and New Zealand. There was 1051% increase in export volumes of raw hides and skins from South Africa to Australia and New Zealand in 2016 as compared to 2015.

Figure 9 below illustrates values of raw hides and skins exports by provinces of South Africa to the world between 2007 and 2016.

Figure 9: Value of raw hides and skins exports by Provinces



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
RSA	136812200	129588020	142794511	195085930	186929821	287381947	535765092	577462207	612953153	381346006
Western Cape	13837173	9570838	2480129	10425637	28748297	35774709	50684785	84131610	128750226	79241752
Eastern Cape	76903571	65401913	61891080	105715941	116752086	181635662	345280079	331270316	357989068	203555128
Northern Cape	0	0	0	0	0	0	4240	0	0	0
Free State	1972578	2291132	0	2051036	0	0	1203773	57008533	16688343	15485543
KwaZulu-Natal	21459400	6896482	14729843	22225310	29560223	50008601	105465912	80698966	62413984	29254983
North West	8207483	25162833	41035801	43224909	5018521	13701807	26652168	18357514	12828702	38837815
Gauteng	11018648	20045184	15682563	11268975	6850694	6261167	6469996	5995268	34282830	7580626
Mpumalanga	0	12042	2250263	0	0	0	3975	0	0	7390159
Limpopo	3413346	207597	4724831	174122	0	0	164	0	0	0

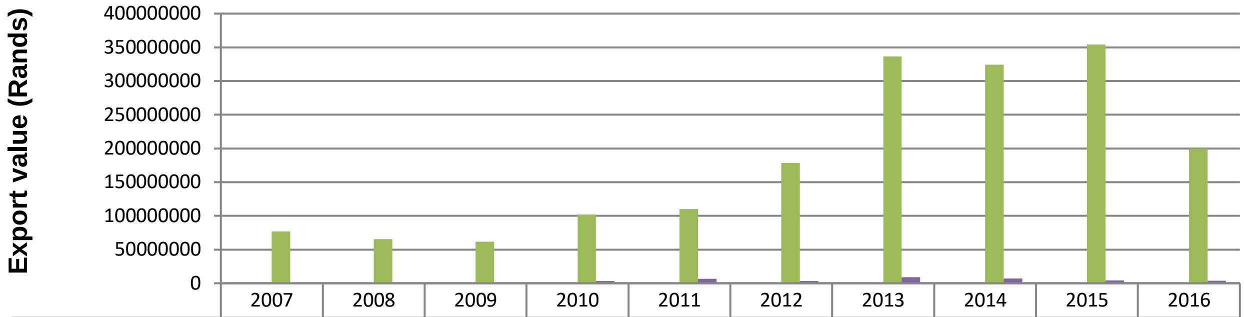
Years

Source: Quantec EasyData

Figure 9 illustrates that over the past decade, most of raw hides and skins exports from South Africa to the world were from the Eastern Cape province, followed by KwaZulu-Natal, Western Cape and North West provinces. Exports from the Eastern Cape started to increase in 2012 at about R181 million until a peak was attained in 2015 at an export value of R358 million. Exports from KwaZulu-Natal attained a peak also in 2013 at an export value of R105 million, while Western Cape province attained a peak in 2015 at an export value of approximately R128 million. Exports from North West attained a peak in 2010 at an export value of R43.2 million. All the other remaining provinces had very low or minimal levels of exports of raw hides and skins from South Africa to the world of not more than R58 million per annum during the same period under scrutiny.

Figure 10 below indicates values of raw hides and skins exports from Eastern Cape province to the world between 2007 and 2016.

Figure 10: Value of raw hides and skins exports by Eastern Cape Province



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cacadu	7375	41787	0	337098	0	0	0	161000	0	0
O.R.Tambo	0	0	0	0	0	0	0	0	0	768
Nelson Mandela Bay	76896196	65360126	61732849	102236290	109962420	178441420	336301378	324227003	353949025	199886345
Buffalo City	0	0	158231	3142553	6789666	3194242	8978701	6882313	4040043	3668015

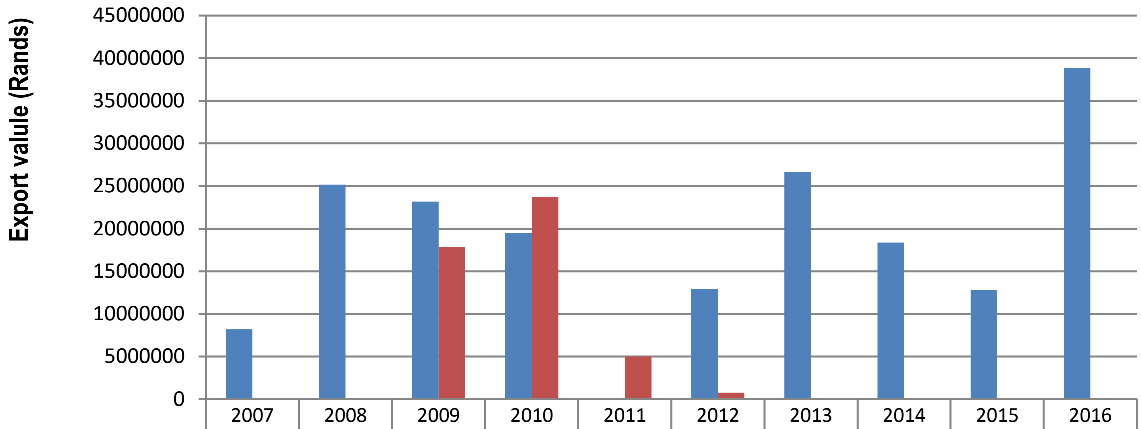
Years

Source: Quantec EasyData

Most of raw hides and skins exports in value from Eastern Cape province to the world were mainly from the Nelson Mandela Metropolitan Municipality during the period under examination, with very intermittent exports from Cacadu District and Buffalo City Metropolitan Municipalities. It is also evident that during the period under observation, exports the Nelson Mandela Metropolitan Municipality were from a high base during the second half of the ten year period (2012-2016) attaining a peak in 2015 at approximately R353 million. Between 2007 and 2015, exports from the Nelson Mandela Metropolitan Municipality experienced significant growth. There was a decline of 44% in exports value of raw hides and skins from Nelson Mandela Metropolitan Municipality to the world in 2016 as compared to 2015.

Figure 11 below depicts values of raw hides and skins exports from North West province to the world between 2007 and 2016. During the period under examination, Bojanala District Municipality was the main exporter of raw hides and skins in value from North West province to the world, followed by Dr. Ruth Segomotsi Mompati District Municipality. Exports from Bojanala District Municipality to the world were generally high throughout the period under scrutiny attaining a peak in 2015 at an export value of approximately R38.1 million. Exports from Dr. Ruth Segomotsi Mompati District Municipality to the world started to increase in 2009 at about 17.8 tons until a peak was attained in 2010 at an export value of about R23.7 million. In 2011, there were no export values for raw hides and skins from Bojanala District Municipality to the world, while in 2007 and again between 2013 and 2016, there were no exports of raw hides and skins from Dr. Ruth Segomotsi Mompati District Municipality.

Figure 11: Value of raw hides and skins exports by North West Province



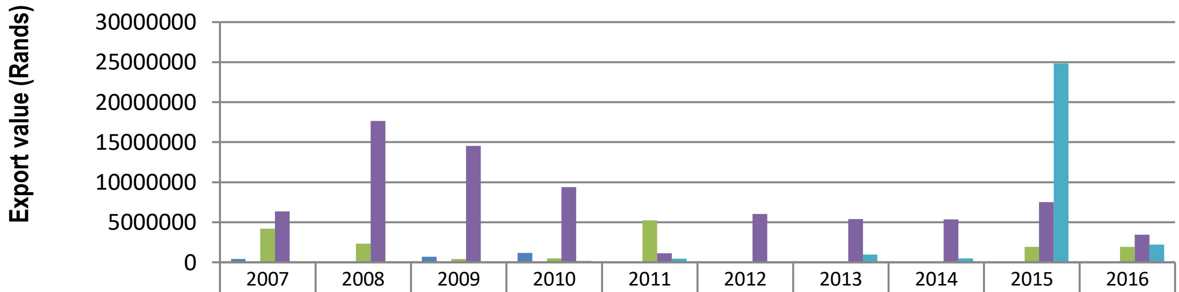
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bojanala	8207483	25162009	23174471	19512071	0	12931627	26652168	18357514	12828702	38837815
Dr Ruth Segomotsi Mompati	0	824	17861330	23712838	5018521	770180	0	0	0	0

Years

Source: Quantec EasyData

Figure 12 reflects values of raw hides and skins exports from Gauteng province to the world between 2007 and 2016.

Figure 12: Value of raw hides and skins by Gauteng Province



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sedibeng	432421	0	688826	1161686	0	0	0	0	0	0
West Rand	0	52814	9990	65743	20127	51458	54997	52353	0	0
Ekurhuleni	4200659	2338510	392960	479496	5250237	91897	43634	74626	1932822	1922719
City of Johannesburg	6339549	17653860	14527279	9401558	1141187	6054472	5393068	5358740	7521089	3464051
City of Tshwane	46020	0	63508	160492	439143	63340	978297	509549	24828919	2193856

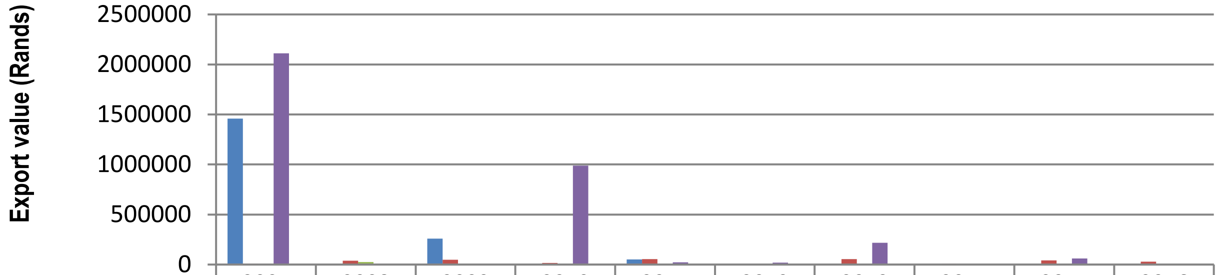
Years

Source: Quantec EasyData

During the period under observation, most of raw hides and skins exports in value from Gauteng province to the world were mainly from the City of Johannesburg Metropolitan Municipality, followed by Ekurhuleni and City of Tshwane Metropolitan municipalities. Over the past decade, export values of raw hides and skins from the City of Johannesburg Metropolitan municipality to the world attained a peak in 2008 at an export value of approximately R17.7 million, while export values of raw hides and skins from Ekurhuleni Metropolitan Municipality attained a peak in 2007 at R4.2 million and the City of Tshwane Metropolitan municipality attained a peak in 2015 at export value of about R25 million. Exports from other districts (Sedibeng and West Rand) to the world were very low and not more than R1.2 million per annum.

Figure 13 indicates values of raw hides and skins exports from Western Cape province to the world between 2007 and 2016.

Figure 13: Value of raw hides and skins exports by Western Cape Province



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
West Coast	1459735	0	260374	0	51000	0	0	0	0	0
Cape Winelands	10995	39860	48375	17322	55336	2532	54027	8780	40575	29156
Overberg	0	23893	0	0	0	0	0	0	0	0
Eden	2111297	0	0	989692	22353	20570	218129	0	59443	0

Years

Source: Quantec EasyData

During the period under examination, the main exporter of raw hides and skins in value from Western Cape province to the world was Eden, followed by very low or minimal levels of exports from the West Coast and Cape Winelands District Municipalities. Exports from the West Coast and Eden peaked at R1.5 million and R2.1 million respectively during 2007.

Figure 14 shows values of raw hides and skins exports from the Northern Cape province to the world between 2007 and 2016. During the period under examination, all raw hides and skins exports from Northern Cape province to the world were from the Frances Baard District Municipality, with no competition from other district municipalities. The municipality only exported hides and skins with a value of R4 240.00 in 2013.

Figure 14: Value of raw hides and skins exports by Northern Cape Province

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Frances Baard	0	0	0	0	0	0	4240	0	0	0

Years

Source: Quantec EasyData

Figure 15 illustrates values of raw hides and skins exports from Mpumalanga province to the world between 2007 and 2016. Most of the raw hides and skins exports from Mpumalanga province to the world were mainly from Gert Sibande District Municipality, followed by low or intermittent exports from Ehlanzeni District Municipality. The Gert Sibande District Municipality only exported hides and skins in 2009 and 2016, attaining a peak at an export value of approximately R2.2 million in 2016.

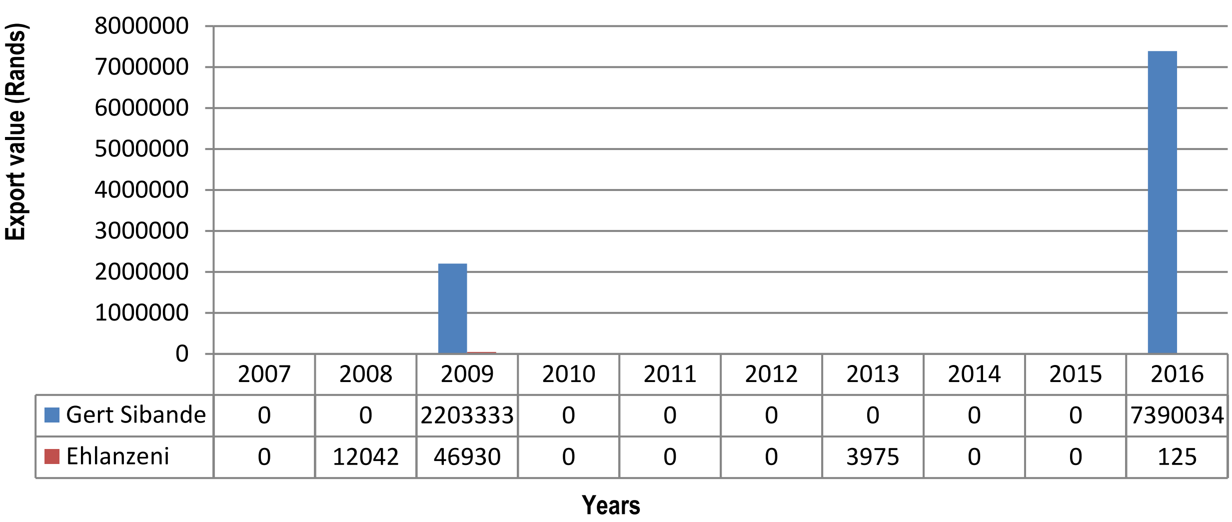


Figure 15: Value of raw hides and skins exports by Mpumalanga Province

Source: Quantec EasyData

Figure 16 below depicts values of raw hides and skins exports from Limpopo province to the world between 2007 and 2016.

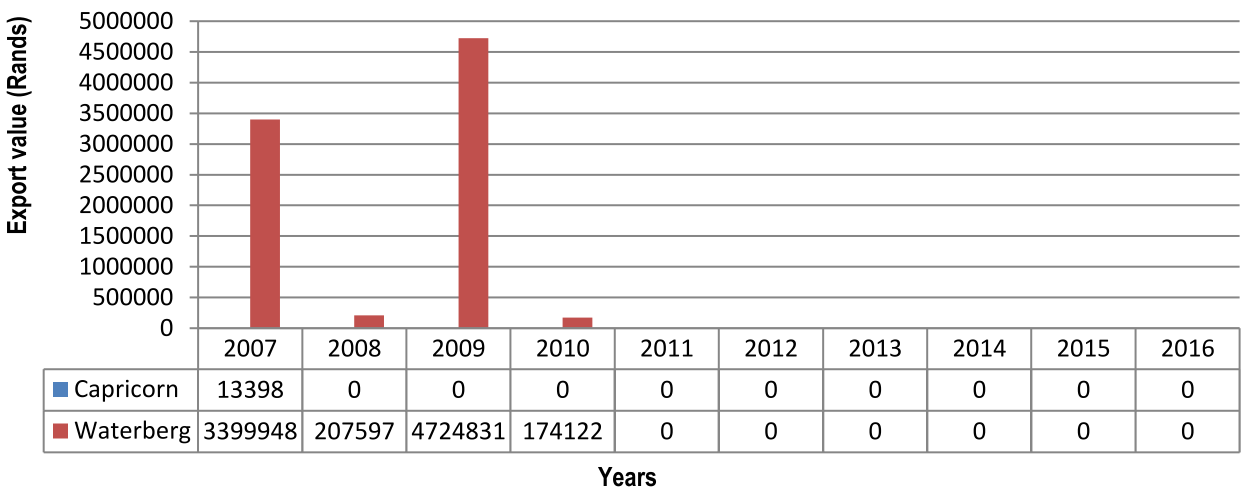


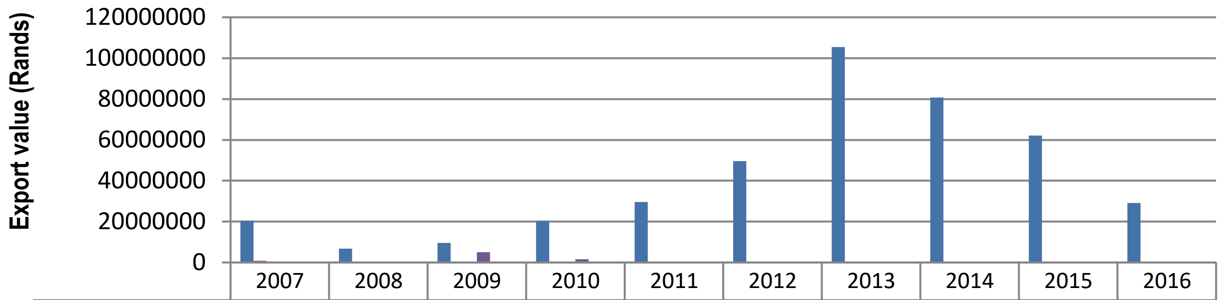
Figure 16: Value of raw hides and skins exports by Limpopo Province

Source: Quantec EasyData

The major exporter of raw hides and skins from Limpopo province to the world was mainly the Waterberg District Municipality, followed by very low levels of exports from Capricorn District Municipality over the past ten years. It is evident that during the period under scrutiny, exports of raw hides and skins from Waterberg District municipality were only recorded between 2007 and 2010 while exports from the Capricorn district were only recorded in 2007.

Figure 17 illustrates values of raw hides and skins exports from KwaZulu-Natal province to the world between 2007 and 2016. Most of raw hides and skins exports in value from KwaZulu-Natal province to the world were mainly from UMgungundlovu District Municipality, followed by intermittent exports from Zululand, UThukela District Municipalities and eThekwini Metropolitan Municipality. Exports from UMgungundlovu District Municipality to the world were from a high base during the second half of the ten year period (2012-2016), attaining a peak in 2013 at an export value of approximately R105 million. Exports from Zululand District to the world attained a small peak in 2009 at approximately R5.0 million.

Figure 17: Value of raw hides and skins exports by KwaZulu-Natal Province



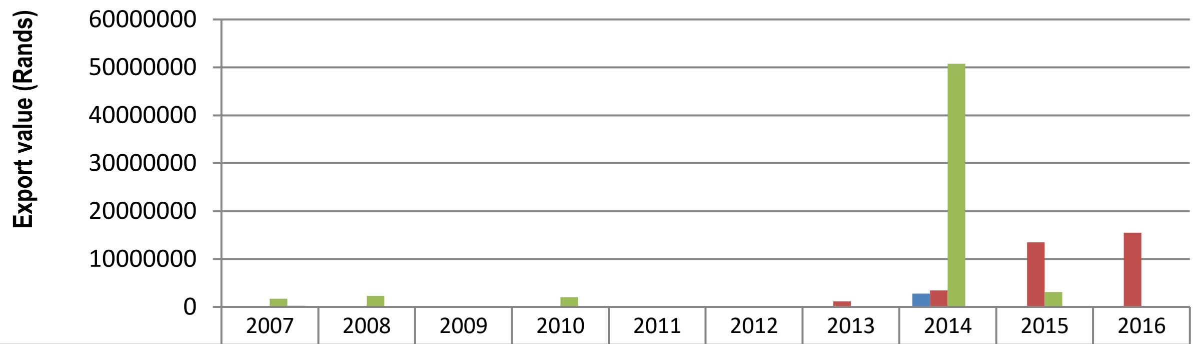
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
UMgungundlovu	20316809	6831203	9643886	20234138	29520099	49636547	1,05E+08	80667251	62046052	29166942
Uthukela	761519	51966	6435	0	0	0	0	0	0	0
Umzinyathi	0	0	0	0	40124	0	0	0	355513	47750
Zululand	0	0	5076941	1626957	0	0	0	0	0	0
Uthungulu	0	0	0	0	0	0	0	29084	0	0
eThekwini	381072	13006	2581	364215	0	372054	0	2631	12419	40291

Years

Source: Quantec EasyData

Figure 18 shows values of raw hides and skins exports from the Free State province to the world between 2007 and 2016.

Figure 18: Value of raw hides and skins exports by Free State Province



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Lejweleputswa	0	0	0	0	0	0	0	2767539	49500	0
Thabo Mofutsanyane	0	0	0	0	0	0	1203773	3466624	1,4E+07	1,5E+07
Fezile Dabi	1744681	2289932	0	2051036	0	0	0	5,1E+07	3132609	0
Mangaung	227897	1200	0	0	0	0	0	0	0	778

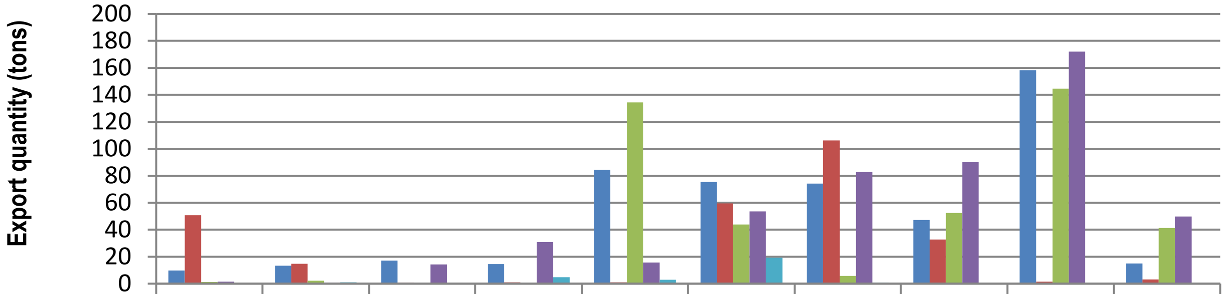
Years

Source: Quantec EasyData

Most of raw hides and skins exports in value from Free State Province to the world were mainly from Fezile Dabi District Municipality, followed by very low or intermittent exports from Lejweleputswa, Mangaung and Thabo Mofutsanyane District Municipalities over the past decade. Exports from Fezile Dabi District Municipality to the world were from a high base during the second half of the ten year period (2012-2016), attaining a peak in 2014 at approximately R49.6 million. Lejweleputswa, Mangaung and Thabo Mofutsanyane District Municipalities had very low or intermittent levels of exports of raw hides and skins of not more than R3.4 million per annum.

Figure 19 below depicts export volumes of leather (further prepared) from South Africa to various regions of the world between 2007 and 2016.

Figure 19: Export volumes of leather (further prepared) to the world



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Africa	10	13	17	14	84	75	74	47	158	15
Americas	51	15	1	1	1	60	106	33	1	3
Asia	1	2	0	0	134	44	6	52	145	41
Europe	1	1	14	31	16	54	83	90	172	50
Oceania	0	1	1	5	3	19	1	0	0	0

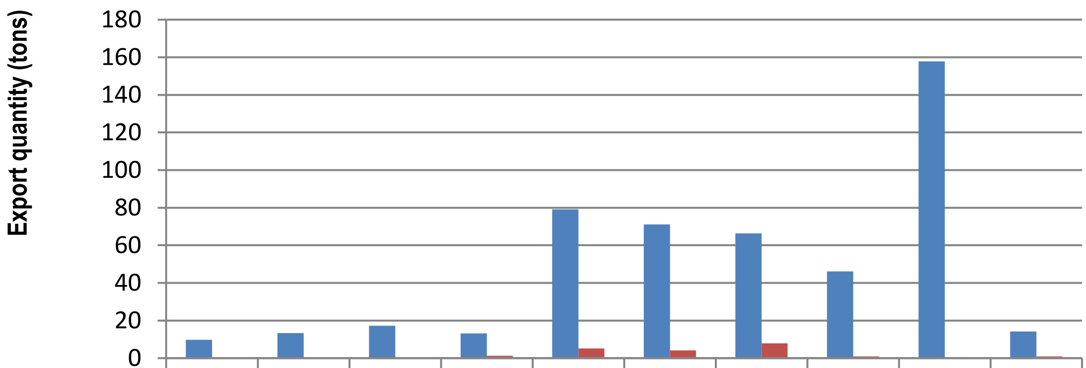
Years

Source: Quantec EasyData

Most of the leather (further prepared) from South Africa to the world went mainly to Africa, followed by Americas, Europe and Asia during the past decade. Exports to Africa were from a low base during the first half of the ten year period (2007-2011), reaching a maximum of about 84 tons in 2011. During the second half of the same ten year period under scrutiny, export volumes of leather (further prepared) from South Africa to Africa were from a high base, attaining a peak in 2015 at approximately 158 tons. Exports to the Americas attained a peak also in 2013 at approximately 106 tons. Exports to Europe attained a peak in 2015 at approximately 172 tons, while export volumes of leather (further prepared) from South Africa to Asia attained a peak in 2015 at approximately 145 tons.

Figure 20 below illustrates export volumes of leather (further prepared) from South Africa to Africa between 2007 and 2016.

Figure 20: Export volumes of leather (further prepared) to Africa



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
SADC (excluding SACU)	10	13	17	13	79	71	66	46	158	14
SACU (Excluding RSA)	0	0	0	1	5	4	8	1	0	1

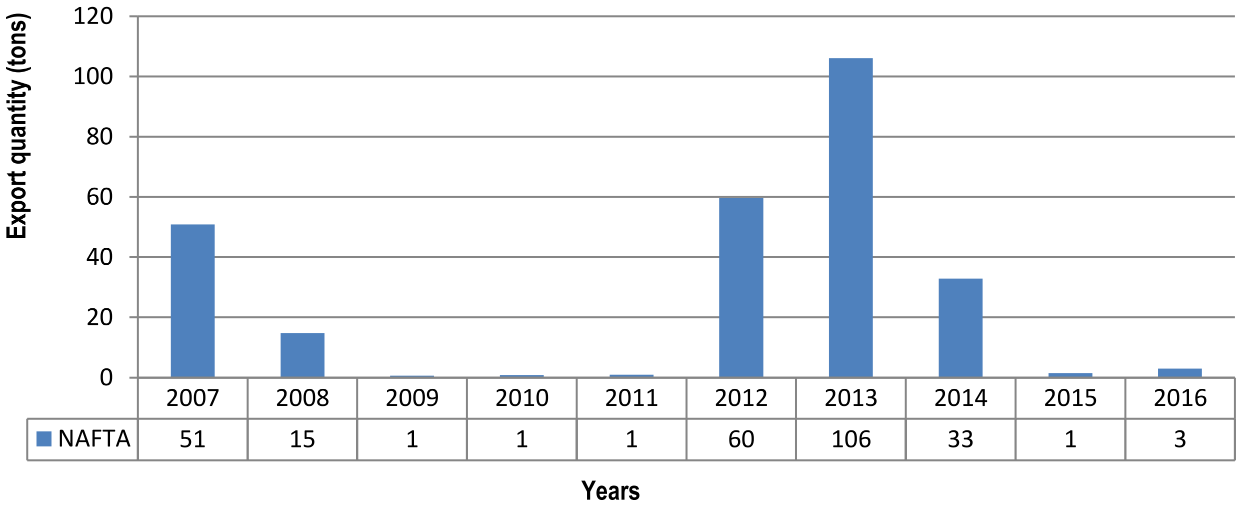
Years

Source: Quantec EasyData

Export volumes of leather (further prepared) from South Africa to Africa went mainly to SADC excluding SACU, followed by very intermittent exports to SACU excluding RSA. Exports from South Africa to SADC excluding SACU attained a peak in 2015 at an export quantity of about 158 tons over the past decade. Between 2007 and 2010, export quantities of leather (further prepared) from South Africa to SADC excluding SACU were very low and not more than 17 tons per annum. Exports to SACU excluding RSA attained a peak in 2013 at an export quantity of about 8 tons. Exports to SADC dropped from 158 tons in 2015 to 14 tons during 2016.

Figure 21 below shows export volumes of leather (further prepared) from South Africa to the Americas between 2007 and 2016.

Figure 21: Export volumes of leather (further prepared) to Americas



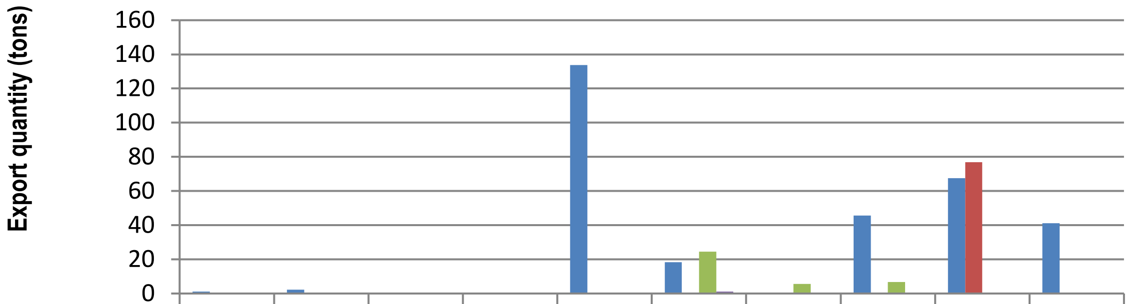
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
NAFTA	51	15	1	1	1	60	106	33	1	3

Source: Quantec EasyData

Export volumes of leather (further prepared) from South Africa to the Americas went mainly to NAFTA. Exports to NAFTA started higher in 2007, and then declined between 2008 and 2011 before rising in 2012. Exports to NAFTA attained a peak in 2013 at approximately 106 tons. There was an increase of 200% in export volumes of leather (further prepared) from South Africa to NAFTA in 2016 as compared to 2014.

Figure 22 below indicates export volumes of leather (further prepared) from South Africa to Asia between 2007 and 2016. Most of leather (further prepared) exports from South Africa to Asia landed mainly in Eastern Asia, followed by export volumes of leather (further prepared) to South-eastern Asia and South-central Asia over the past decade. Exports to Eastern Asia were from a very high base attaining a peak in 2011 at an export quantity of about 134 tons. During the period under scrutiny, export volumes of leather (further prepared) from South Africa to South-eastern Asia attained peak in 2012 at approximately 245 tons. Exports to South-central Asia attained a peak in 2006 at approximately 36 tons. There was 40% decrease in export volumes of leather (further prepared) from South Africa to Eastern Asia in 2016 as compared to 2014.

Figure 22: Export volumes of leather (further prepared) to Asia



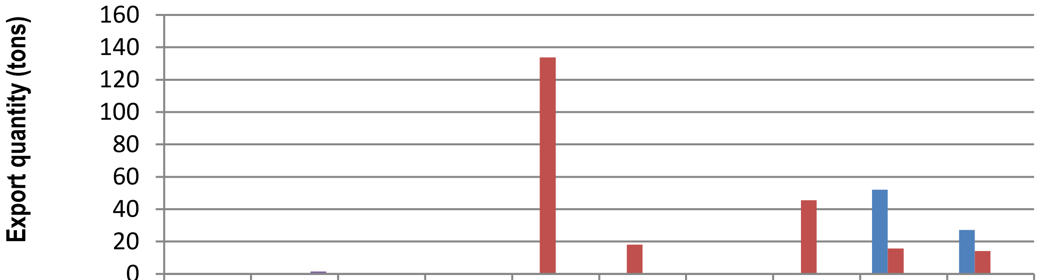
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Eastern Asia	1	2	0	0	134	18	0	46	68	41
South-central Asia	0	0	0	0	0	0	0	0	77	0
South-eastern Asia	0	0	0	0	0	25	6	7	0	0
Western Asia	0	0	0	0	0	1	0	0	0	0

Years

Source: Quantec EasyData

Figure 23 depicts export volumes of leather (further prepared) from South Africa to Eastern Asia between 2007 and 2016.

Figure 23: Export volumes of leather (further prepared) to Eastern Asia



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
China	0	0	0	0	0	0	0	0	52	27
Hong Kong Special Administrative Region of China	0	0	0	0	134	18	0	46	16	14
Japan	1	1	0	0	0	0	0	0	0	0
Republic of Korea	0	1	0	0	0	0	0	0	0	0

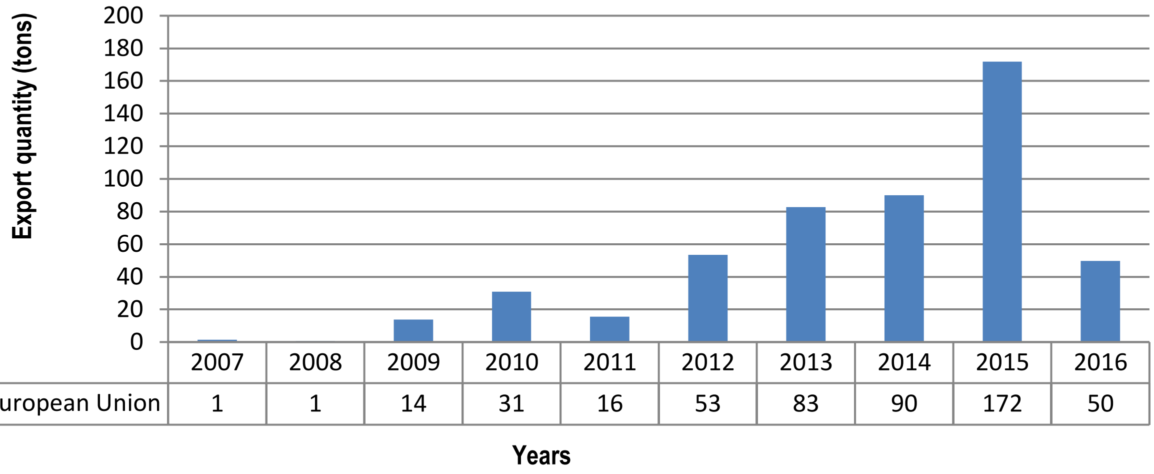
Years

Source: Quantec EasyData

Hong Kong commanded the greatest share of leather (further prepared) from South Africa to Eastern Asia, followed by low volumes of leather to Japan and Republic of Korea over the past ten years. Exports to Hong Kong started to increase substantially in 2011, and at the same time a peak was attained at approximately 134 tons. Between 2007 and 2010, there were no exports to Hong Kong. There was a decline of 13% in export volumes of leather (further prepared) from South Africa to Hong Kong in 2016 as compared to 2015.

Figure 24 shows export volumes of leather (further prepared) from South Africa to Europe between 2007 and 2016. The European Union commanded the greatest market share of leather (further prepared) from South Africa to Europe over the past decade. Exports to the European Union were from a low base during the first half of the ten year period (2007-2011), reaching not more than 32 tons per annum. Exports to the European Union were from a high base during the second half of the ten year period (2012-2016) under review, until a peak was attained in 2015 at about 172 tons. There was a drop of 71% in export volumes of leather (further prepared) from South Africa to the European Union in 2016 as compared to 2015.

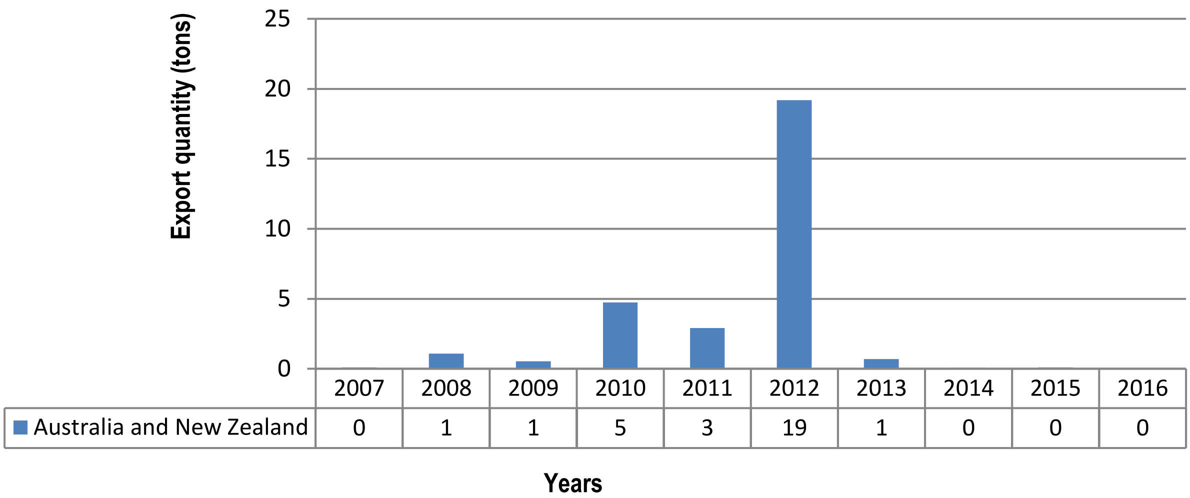
Figure 24: Export volumes of leather (further prepared) to Europe



Source: Quantec EasyData

Figure 25 illustrates export volumes of leather (further prepared) from South Africa to Oceania between 2007 and 2016.

Figure 25: Export volumes of leather (further prepared) to Oceania

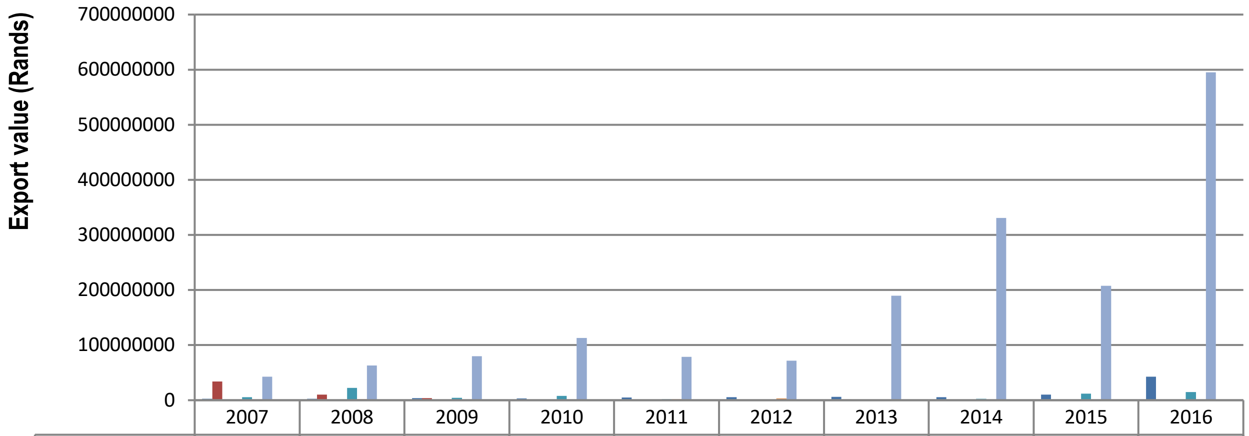


Source: Quantec EasyData

Export volumes of leather (further prepared) from South Africa to Oceania landed mainly in Australia and New Zealand over the past decade. Exports to Australia and New Zealand were very low during the first half of the ten year period (2007-2011) and not more than 5 tons per annum. During the second half of the ten year period (2012-2016), export volumes of leather (further prepared) from South Africa to Australia and New Zealand attained a peak in 2012 at approximately 19 tons. There were no exports recorded to Oceania since 2014.

Figure 26 depicts values of leather (further prepared) exports by provinces of South Africa to the world between 2007 and 2016

Figure 26: Value of leather (further prepared) exports by Provinces



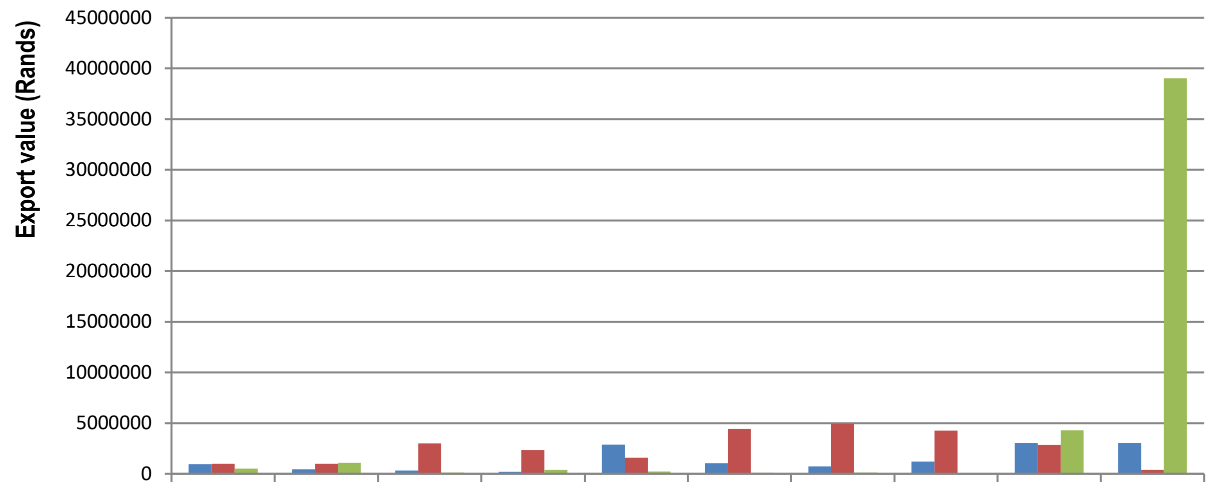
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Western Cape	2434258	2492041	3495269	2919441	4682040	5577855	5806745	5479823	10204143	42443235
Eastern Cape	34103970	10181951	3879353	858195	37275	4797	1267977	119541	409866	502584
Northern Cape	0	0	0	0	0	230	14243	27952	64945	6010
Free State	0	0	0	2070	282345	0	64433	27444	92827	91334
KwaZulu-Natal	5582614	22085116	4424882	8055644	1927280	224166	616490	2373884	11988461	14755288
North West	0	2276000	0	3144	1976602	3028862	11314	99834	4326	832131
Gauteng	42521158	62986757	79591996	112844758	78693178	71519226	189793714	330816712	207863518	594902852
Mpumalanga	77160	166640	136964	124890	104168	76886	64254	245131	191952	398607
Limpopo	35464	50258	42354	29639	29253	13380	79738	73596	175792	184257

Source: Quantec EasyData

Exports of leather (further prepared) from South Africa to the world originated mainly from Gauteng province, followed by Eastern Cape, Western Cape and KwaZulu-Natal over the past decade. Mpumalanga, Northern Cape, Free State, North West and Limpopo provinces had very low or intermittent exports of leather to the world of not more than R3.1 million per annum. One of the reasons why Gauteng province was the biggest exporter of leather (further prepared) is because most processing factories are located in Johannesburg. Exports from Gauteng province to the world were from a low base during the first half of the ten year period (2007-2011) under scrutiny, reaching a maximum of R112.8 million in 2010. Exports from Gauteng were from a high base during the second half of the ten year period (2012-2016) under scrutiny, attaining a peak in 2016 at approximately R595 million.

Figure 27 indicates values of leather (further prepared) exports by Western Cape province between 2007 and 2016. Exports of leather (further prepared) from Western Cape province to the world were mainly from Cape Winelands District Municipality, followed by very low volumes of leather from the City of Cape Town Metropolitan Municipality and Eden District Municipality over the past ten years under observation. The Eden District has however overtaken the City of Cape Town as the exporter leader during the past two years, peaking at R39 million in 2016.

Figure 27: Value of leather (further prepared) exports by Western Cape Province



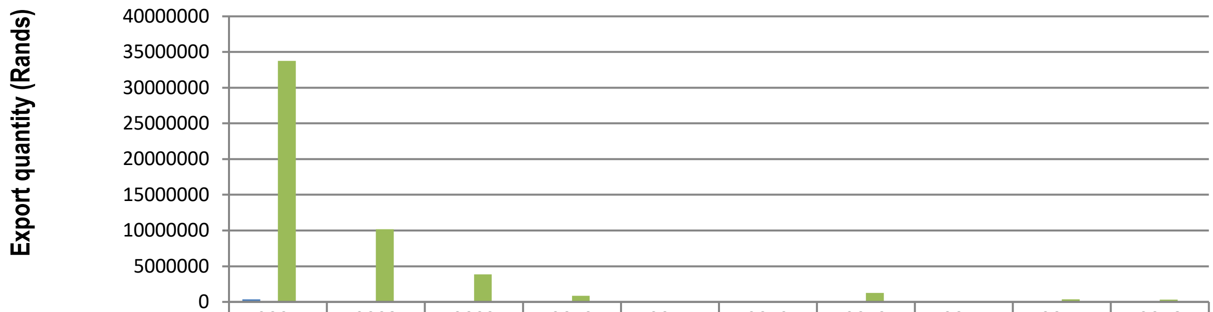
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City of Cape Town	960426	452834	329700	204843	2863473	1043322	741333	1214623	3044394	3032957
Cape Winelands	975735	974546	3020038	2335523	1584316	4417103	4937084	4265200	2851564	382162
Eden	498098	1064660	145531	379075	234251	117430	128328	0	4308185	39028116

Years

Source: Quantec EasyData

Figure 28 below shows values of leather (further prepared) exports from Eastern Cape province to the world between 2007 and 2016.

Figure 28: Value of leather (further prepared) exports by Eastern Cape Province



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cacadu	359276	0	0	0	4724	4797	347	4951	7027	78726
Chris Hani	0	0	0	0	0	0	0	13000	8635	0
Nelson Mandela Bay	33744694	10181951	3879353	858195	32551	0	1267630	101590	375710	331175
Buffalo City	0	0	0	0	0	0	0	0	18494	92683

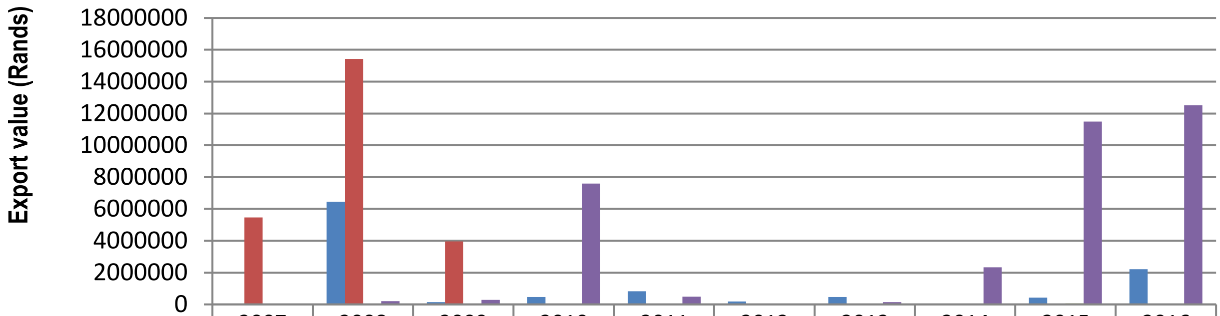
Years

Source: Quantec EasyData

The Nelson Mandela Metropolitan Municipality commanded the greatest market share of leather (further prepared) exports in value from the Eastern Cape province, followed by Cacadu and Chris Hani District Municipalities and very low or intermittent exports from Buffalo City Metropolitan Municipality. Exports from Nelson Mandela Metropolitan Municipality started higher in 2007 and declined until 2016. Exports from Cacadu District Municipality to the world attained a peak in 2007 at approximately R359 276. Exports of leather (further prepared) from Chris Hani District and Buffalo City Metropolitan Municipalities were low and not more than R13 000 and R9 302 per annum respectively.

Figure 29 below illustrates values of leather (further prepared) from KwaZulu-Natal province to the world between 2007 and 2016.

Figure 29: Value of leather (further prepared) exports by KwaZulu-Natal Province



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
UMgungundlovu	19435	6451923	150768	456723	822847	183031	464681	1724	424050	2217526
Uthukela	5473145	15429927	3963760	0	0	0	0	0	0	0
Umzinyathi	0	0	0	0	0	0	0	28620	67100	18000
eThekwini	40256	196484	294134	7595061	483392	37801	144709	2343540	11497311	12519762

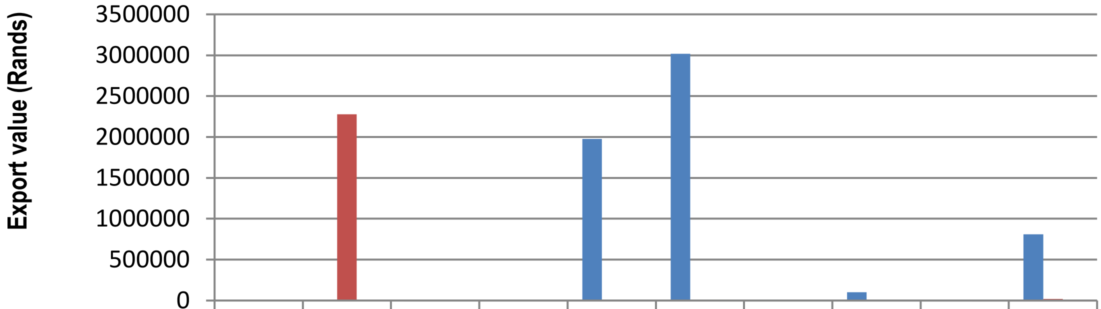
Years

Source: Quantec EasyData

The UThukela District Municipality commanded the greatest market share of exports of leather (further prepared) from KwaZulu-Natal province to the world, followed by eThekwini Metropolitan Municipality and UMgungundlovu District Municipality. Exports from UThukela District Municipality started higher in 2007 until a peak was attained in 2009 at approximately R3.9 million, while exports of leather (further prepared) from eThekwini Metropolitan Municipality attained a peak in 2015 at approximately R12.5 million. Exports from UMgungundlovu District Municipality to the world attained a peak in 2008 at approximately R6.4 million. The eThekwini Metropolitan Municipality has overtaken UThukela as the main exporter of leather in KwaZulu Natal over the past three years.

Figure 30 below depicts values of leather (further prepared) from North West province to the world between 2007 and 2016.

Figure 30: Value of leather (further prepared) exports by North West Province



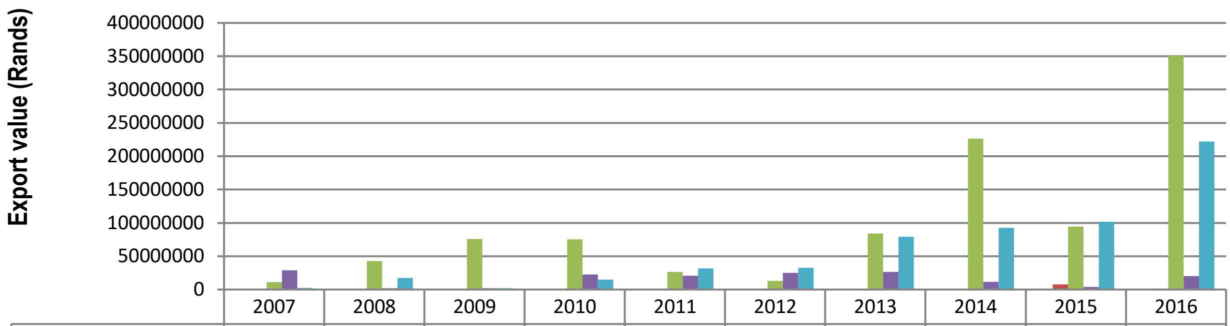
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bojanala	0	0	0	0	1976602	3017870	11314	99834	0	811761
Dr Ruth Segomotsi Mompati	0	2276000	0	0	0	0	0	0	0	20370
Dr Kenneth Kaunda	0	0	0	3144	0	10992	0	0	4326	0

Years

Source: Quantec EasyData

Exports of leather (further prepared) from North West province to the world were mainly from Bojanala District Municipality, followed by Dr. Ruth Segomotsi Mompati District Municipality and very low or intermittent levels of leather exports from Dr. Kenneth Kaunda District Municipality over the past decade. Exports from Bojanala District municipality to the world were from a high base during the second half of the ten year period (2012-2016) under review, attaining a peak in 2012 at an export value of R3.0 million. Exports of leather (further prepared) from Dr. Ruth Segomotsi Mompati District municipality to the world attained a peak in 2008 an export value of R2.2 million. Figure 31 indicates values of leather (further prepared) by Gauteng Province to the world between 2007 and 2016.

Figure 31: Value of leather (further prepared) exports by Gauteng Province



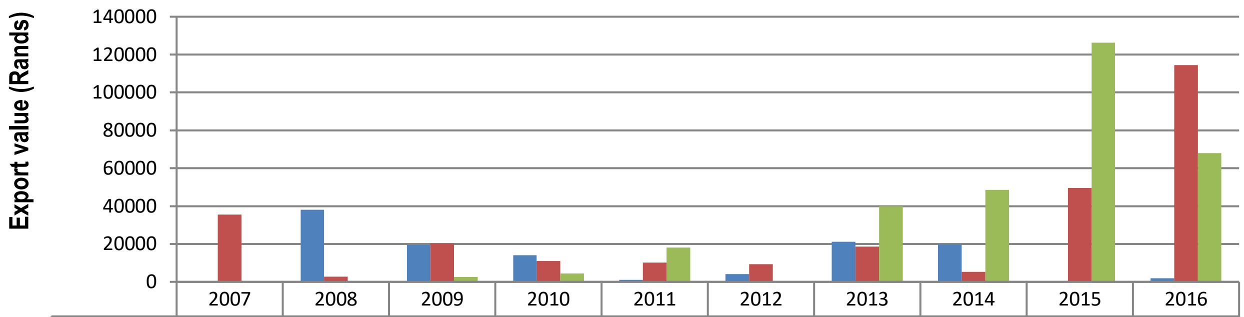
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sedibeng	13830	207510	40095	1992	0	0	3052	59464	52	5338
West Rand	202654	374096	19979	5332	18425	497964	353117	26508	7731821	1463688
Ekurhuleni	11053285	42941958	75860172	75374012	26502755	13183159	83849668	226394196	94473067	351096050
City of Johannesburg	28631941	2057161	1826671	22565101	20656422	24911787	26253914	11793484	3965373	20338777
City of Tshwane	2619449	17406033	1845079	14898321	31515576	32926316	79333963	92543060	101693205	221998999

Years

Source: Quantec EasyData

Leather exported by Gauteng province originated mainly from Ekurhuleni Metropolitan Municipality, followed by the City of Tshwane Metropolitan and City of Johannesburg Metropolitan Municipalities over the past ten years. Exports from Ekurhuleni Metropolitan Municipality were from a high base during the second half of the ten year period (2012-2016) under review, attaining a peak in 2016 at an export value of approximately R351 million. Exports from the City of Tshwane Metropolitan Municipality to the world attained a peak in 2016 at an export value of approximately R222 million. Exports from the City of Johannesburg Metropolitan Municipality to the world attained a peak in 2007 at an export value of R28.6 million. Figure 32 shows values of leather (further prepared) from Limpopo Province to the world between 2007 and 2016.

Figure 32: Value of leather (further prepared) exports by Limpopo Province



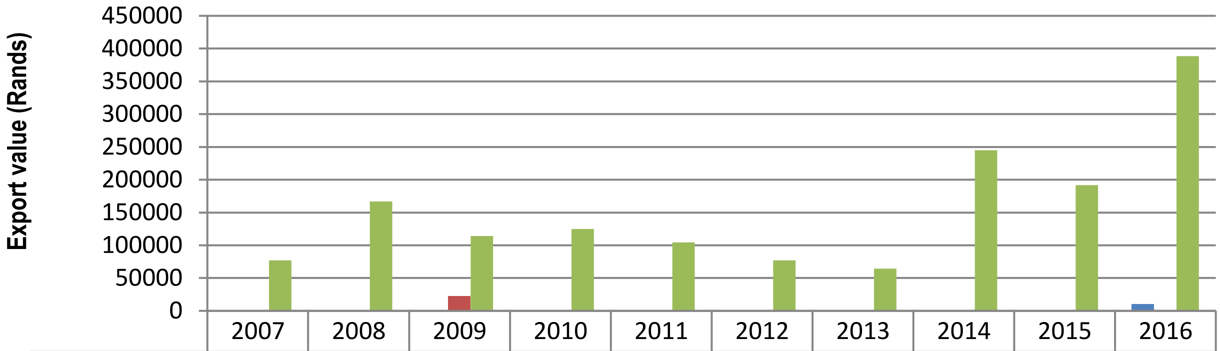
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vhembe	0	38075	19480	14078	1016	4098	21240	19761	0	1827
Capricorn	35464	2721	20259	11061	10156	9282	18604	5320	49480	114458
Waterberg	0	0	2615	4500	18081	0	39894	48515	126312	67972

Years

Source: Quantec EasyData

Exports from Limpopo province to the world were mainly from Vhembe District Municipality, followed by Waterberg and Capricorn District Municipalities during the period under examination. Exports from Vhembe District Municipality to the world started to increase substantially in 2008 and at the same time attained a peak at approximately R38 075. Exports from Waterberg District Municipality to the world attained a peak in 2015 at approximately R126 312, while exports from Capricorn District Municipality to the world attained a peak in 2016 at approximately R114 458. Figure 33 below illustrates values of leather (further prepared) exports from Mpumalanga province to the world between 2007 and 2016.

Figure 33: Value of leather (further prepared) exports by Mpumalanga Province



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gert Sibande	0	0	0	0	0	0	0	0	0	9968
Nkangala	0	0	23000	0	0	0	0	0	0	0
Ehlanzeni	77160	166640	113964	124890	104168	76886	64254	245131	191952	388639

Years

Source: Quantec EasyData

Exports of leather (further prepared) from Mpumalanga province to the world were mainly from Ehlanzeni District Municipality, followed by very intermittent levels of leather exports from Nkangala District Municipality over the past decade. During the period under review, the Gert Sibande District only recorded leather exports in 2016 while the Nkangala district only recorded exports in 2009. Leather exports from Ehlanzeni District grew from R77 160 in 2007 to R388 639, an increase of 404% in ten years.

3.1 Share Analysis

Table 2 below depicts that in South Africa, the Eastern Cape province commanded the greatest market share of raw hides and skins exports between 2007 and 2016.

Table 2: Share Analysis of provincial raw hides and skins exports to the total RSA raw hides and skins exports (%)

Years:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Provinces										
Western Cape	10.1	7.39	1.74	5.29	15.3	13.2	9.46	14.5	21.0	20.7
Eastern Cape	56.2	50.5	43.3	54.3	63.3	63.8	64.6	57.1	58.4	53.4
Northern Cape	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free State	1.44	1.77	0.00	1.04	0.00	0.00	0.23	9.84	0.00	0.00
KwaZulu-Natal	15.7	5.32	10.3	11.7	15.4	17.5	19.8	14.2	10.2	7.71
North West	6.00	19.4	28.7	22.5	2.36	4.87	4.99	3.16	2.09	10.2
Gauteng	8.05	15.5	11.0	4.40	3.67	0.59	1.01	1.03	5.59	1.99
Mpumalanga	0.00	0.01	1.58	0.61	0.00	0.00	0.00	0.00	0.00	1.94
Limpopo	2.49	0.16	3.31	0.09	0.00	0.00	0.00	0.00	0.00	0.00
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

Table 3 below shows that in the Western Cape, the greatest market share of raw hides and skins exports came from the City of Cape Town Metropolitan Municipality over the past ten years.

Table 3: Share of district raw hides and skins exports to the total Western Cape provincial raw hides and skins exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
City of Cape Town Metro	88.9	99.3	87.6	99.7	99.6	99.9	99.72	99.98	99.99	0.00
Cape Winelands	0.08	0.67	1.95	0.27	0.19	0.01	0.00	0.01	0.00	0.00
Eden District	0.46	0.00	0.00	0.00	0.08	0.05	0.28	0.01	0.01	0.00
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**0.00**

Source: Quantec EasyData

Table 4 below indicates that in Eastern Cape province, the greatest market share of raw hides and skins exports came from Nelson Mandela Metropolitan municipality over the past ten years.

Table 4: Share of district raw hides and skins exports to the total Eastern Cape provincial raw hides and skins exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
Cacadu District	0.01	0.06	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00
Buffalo City	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.08	1.12	1.80
Nelson Mandela	99.99	99.9	98.6	96.9	94.1	98.3	21.65	97.87	98.8	98.2
Total	**100**	**100**	**100**	**100**	**0.00**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

Table 5 below illustrates that in Free State province, the greatest market share of raw hides and skins exports was mainly from Fezile Dabi District Municipality during the period under review.

Table 5: Share of district raw hides and skins exports to the total Free State provincial raw hides and skins exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
Lejweleputswa	0.00	0.00	0.00	0.00	97.99	0.00	0.00	4.85	0.3	0.00
Thabo Mofutsanyane	0.00	0.00	0.00	0.00	0.00	0.00	100	6.08	80.9	100
Fezile Dabi	0.00	0.00	0.00	0.00	0.00	0.00	69.83	89.06	18.8	0.00
Mangaung District	0.00	0.00	0.00	0.00	0.46	0.00	2.76	0.00	0.00	0.00
Total	**100**	**100**	**0.00**	**0.00**	**100**	**0.00**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

Table 6 below shows that in KwaZulu-Natal province, the greatest market share of raw hides and skins exports was mainly from UMgungundlovu District Municipality during the period under scrutiny.

Table 6: Share of district raw hides and skins exports to the total KwaZulu-Natal provincial raw hides and skins exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
UMgungundlovu	94.7	99.1	65.5	91.2	100	100	100	100	100	99.7
Uthukela District	3.55	0.75	0.06	0.00	0.00	0.00	0.00	0.00	0	0.00
eThekwini Metro	1.78	0.19	0.00	1.61	0.00	0.00	0.00	0.00	0	0.13
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

Table 7 below depicts that in North West province, the greatest market share of raw hides and skins exports was mainly from Bojanala District Municipality during the period under review.

Table 7: Share of district raw hides and skins exports to the total North West provincial raw hides and skins exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
Bojanala District	100	99.99	56.5	45.4	7.01	94.4	100	100	100	100
Dr. Mompati	0.00	100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

Table 8 illustrates that in Gauteng province, the greatest market share of raw hides and skins exports was mainly from the City of Johannesburg Metropolitan Municipality during the period under review.

Table 8: Share of district raw hides and skins exports to the total Gauteng provincial raw hides and skins exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
Sedibeng District	41.6	11.1	4.39	0.04	0.00	0.13	0.00	0.00	0.00	0.00
West Rand District	0.01	0.26	0.06	0.95	2.54	22.9	15.62	0.87	0.00	0.00
Ekurhuleni Metro	0.42	0.59	2.48	5.53	72.7	27.6	0.81	5.98	5.6	25.4
City of Joburg	57.5	88.1	92.7	93.3	24.6	49.3	80.09	84.67	21.9	45.7
City of Tshwane	0.41	0.00	0.40	0.13	0.10	0.12	0.00	8.47	72.4	28.9
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

Table 9 below shows that in Mpumalanga province, the greatest market share of raw hides and skins exports was mainly from Ehlanzeni District municipality during the ten year period.

Table 9: Share of district raw hides and skins exports to the total Mpumalanga provincial raw hides and skins exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
Gert Sibande	0.00	0.00	97.9	100	0.00	0.00	0.00	0.00	0.00	100
Nkangala District	0.00	0.00	2.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ehlanzeni District	0.00	100	0.00	0.00	0.00	0.00	100	0.00	0.00	0.00
Total	**0.00**	**100**	**100**	**0.00**	**0.00**	**0.00**	**100**	**0.00**	**0.00**	**100**

Source: Quantec EasyData

Table below 10 reflects that in Limpopo province, the greatest market share of raw hides and skins exports came from Waterberg District Municipality during the period under examination.

Table 10: Share of district raw hides and skins exports to the total Limpopo provincial raw hides and skins exports (%)

Years	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Districts										
Capricorn District	0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Waterberg District	99.6	100	100	100	0.00	0.00	0.00	0.00	0.00	0.00
Total	**100**	**100**	**100**	**100**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Source: Quantec EasyData

Table 11 below shows that in South Africa, Gauteng province commanded the largest market share of leather (further prepared) exports from South Africa between 2007 and 2016 under observation.

Table 11: Share Analysis of provincial leather (further prepared) exports to the total RSA leather exports (%)

Years	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Provinces										
Western Cape	2.87	2.49	3.82	3.11	6.66	10.3	3.50	1.59	4.3	6.49
Eastern Cape	40.2	10.2	4.24	0.83	0.06	0.04	0.75	0.06	0.2	0.08
Kwazulu-Natal	6.59	22.0	4.83	8.17	2.76	0.44	0.37	3.15	5.3	2.26
North West	0.00	2.27	0.00	0.00	2.90	5.39	0.01	0.03	0.0	0.13
Gauteng	50.2	62.8	86.9	87.7	86.6	83.7	95.24	95.04	89.9	90.95
Mpumalanga	0.09	0.17	0.15	0.12	0.14	0.15	0.04	0.07	0.2	0.06
Limpopo	0.04	0.004	0.04	0.03	0.51	0.03	0.05	0.02	0.1	0.03
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

Table 12 below depicts that in the Western Cape province, the greatest market share of leather (further prepared) exports originated mainly from the City of Cape Town Metropolitan over the past ten years.

Table 12: Share of district leather (further prepared) exports to the total Western Cape provincial leather exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
City of Cape Town Metro	77.7	53.8	89.8	85.2	93.7	97.5	97.58	19.38	28.6	7.14
Cape Winelands District	1.85	3.52	4.16	12.0	1.67	0.58	0.29	80.62	28.4	0.90
Eden District Municipality	20.5	42.7	4.16	12.0	4.67	1.92	2.13	0.00	42.9	91.9
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

In the Eastern Cape province, the greatest market share of the export came from Cacadu District Municipality during the ten year period under examination (see Table 13 below).

Table 13: Share of district leather (further prepared) exports to the total Eastern Cape provincial leather exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
Cacadu	97.9	94.2	99.2	99.4	98.5	100	96.33	2.38	1.7	15.7
Nelson Mandela Metro	2.11	5.83	0.82	0.00	1.51	0.00	3.67	91.36	91.2	65.9
Chris Hani	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.25	2.1	0.00
Buffalo City	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.51	18.4
Total	**100**	**100**	**100**	**100**	**100**	**0.00**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

In KwaZulu–Natal province, the greatest market share of leather exports came from eThekwini Metropolitan Municipality during the period under review (see Table 14 below).

Table 14: Share of district leather (further prepared) exports to the total KwaZulu-Natal provincial leather exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
uMgungundlovu	0.35	29.2	3.41	5.35	63.0	77.1	74.92	0.02	3.5	15.0
UThukela	98.0	70.5	89.6	0.00	31.9	10.6	0.01	0.00	0.0	0.00
UMzinyathi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.21	0.56	0.12
eThekwini Metro	1.62	0.26	6.65	94.6	5.08	12.3	25.06	99.98	96.5	84.8
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

In the North West province, Bojanala District Municipality commanded the greatest market share of leather exports (further prepared) during the period under scrutiny (see Table 15 below).

Table 15: Share of district leather (further prepared) exports to the total North West provincial leather exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016

Districts										
Bojanala	0.00	0.00	0.00	0.00	100	99.6	100	100	0.0	97.5
Dr. Ruth Segomotsi Mompati	0.00	100	0.00	0.00	0.00	0.00	0.00	0.00	0.0	2.45
Dr Kenneth Kaunda	0.00	0.00	0.00	100	0.00	0.36	0.00	0.00	100.0	0.00
Total	**0.00**	**100**	**0.00**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

In Gauteng province, Table 16 shows that the City of Johannesburg Metropolitan Municipality commanded the greatest market share of leather exports (further prepared) during the past ten years.

Table 16: Share of district leather exports to the total Gauteng provincial leather exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
Sedibeng District	25.9	68.3	95.3	82.7	32.7	7.76	0.00	0.02	0.0	0.00
West Rand District	1.22	3.54	1.31	15.1	51.2	69.2	15.61	0.01	3.7	0.25
Ekurhuleni Metro	0.05	0.21	0.06	0.61	11.3	21.1	0.81	70.26	45.5	59.0
City of Johannesburg	67.4	3.27	2.30	1.28	4.60	1.15	80.09	1.01	1.8	3.42
City of Tshwane Metro	5.42	24.7	1.04	0.31	0.26	0.78	0.00	28.7	49.0	37.3
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

Table 17 below shows that in Mpumalanga province, the greatest market share of leather (further prepared) exports originated mainly from Nkangala District Municipality between 2006 and 2015.

Table 17: Share of district leather (further prepared) exports to the total Mpumalanga provincial leather exports (%)

Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Districts										
Gert Sibande	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50
Nkangala District	99.7	100	100	99.8	100	100	98.75	0.00	0.00	0.00
Ehlanzeni District	0.34	0.00	0.00	0.20	0.00	0.00	1.25	100	100	97.5
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

Table 18 below depicts that in Limpopo province, the greatest market share of leather (further prepared) exports originated mainly from Vhembe District Municipality over the past ten years.

Table 18: Share of district leather (further prepared) exports to the total Limpopo provincial leather exports (%)

Years Districts	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vhembe District	0.00	93.3	46.0	47.1	0.29	30.0	26.64	26.9	0.00	0.99
Capricorn District	100	6.67	47.8	37.6	0.00	70.0	23.33	7.2	28.1	62.11
Waterberg District	0.00	0.00	6.17	15.3	96.8	0.00	0.00	65.9	71.9	36.89
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Quantec EasyData

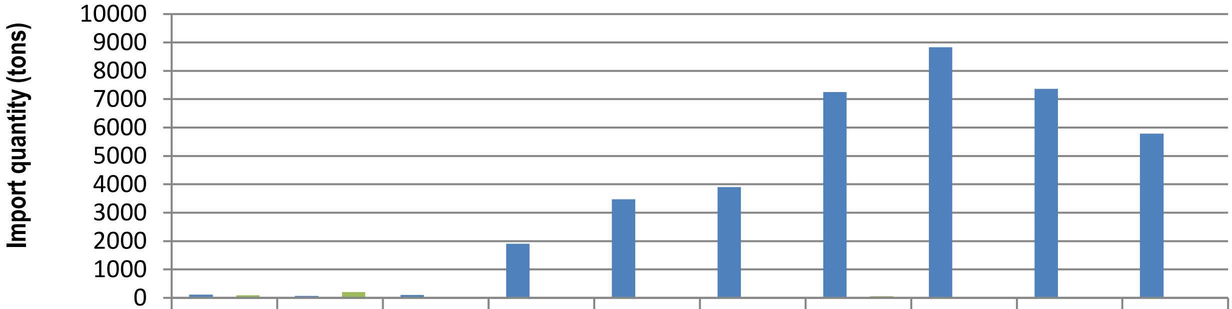
4. IMPORT VOLUMES OF RAW HIDES AND SKINS

The demand for hides by the automotive sector out-strips the number of cattle slaughtered locally and 60-70% of the hides produced are suitable for use in automotive upholstery. Yet this is inadequate for automotive needs, which is why the shortfall of high quality wet-blues has to be imported (Ballard, 2001).

South Africa imports hides and skins from all over the world, in particular imports from Brazil, India and Argentina are processed into value added products.

Figure 34 below depicts import volumes of raw hides and skins from various regions into South Africa between 2007 and 2016.

Figure 34: Import volumes of raw hides and skins from the world



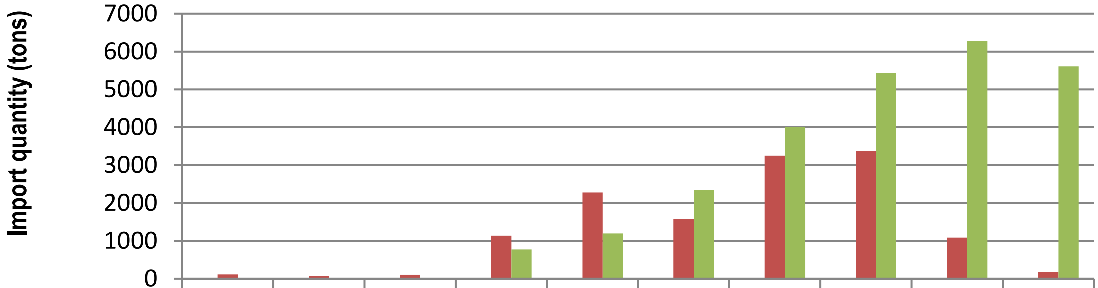
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Africa	112	68	104	1909	3473	3904	7256	8827	7361	5783
Americas	0	2	2	2	2	0	0	0	0	0
Europe	91	202	1	0	0	0	53	0	0	0

Years

Source: Quantec EasyData

Import volumes of raw hides and skins from the world into South Africa were mainly from Africa, followed by Europe and very minimal or low levels from the Americas over the past decade. Imports from Africa increased dramatically between 2009 and 2014 before declining in 2015 and 2016 by 20% and 21% respectively. Figure 35 below indicates import volumes of raw hides and skins from Africa into South Africa between 2007 and 2016.

Figure 35: Import volumes of raw hides and skins from Africa



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Eastern Africa Rest	0	0	0	0	0	0	0	18	0	0
SADC (excluding SACU)	112	68	104	1135	2274	1572	3245	3372	1085	176
SACU (Excluding RSA)	0	0	0	774	1198	2332	4011	5436	6276	5607

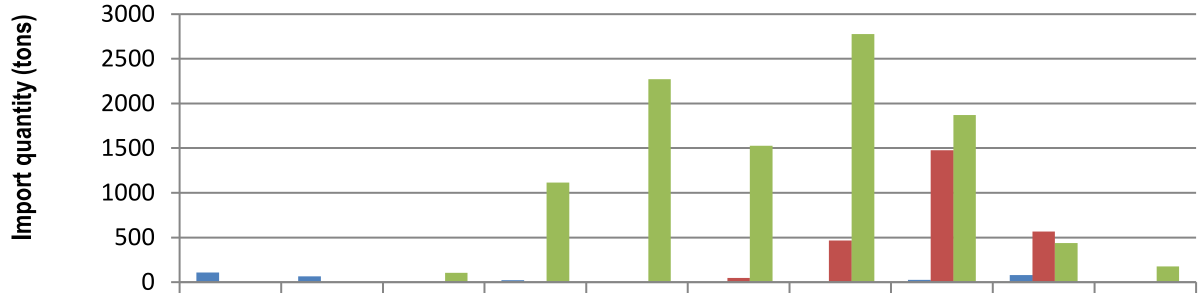
Years

Source: Quantec EasyData

Imports of raw hides and skins from Africa into South Africa were mainly from SACU excluding RSA, followed by SADC excluding SACU and very intermittent import volumes from Eastern Africa over the past decade. Imports from SACU excluding RSA into South Africa started to increase substantially during the second half of the ten year period attaining a peak in 2015 at an import quantity of approximately 6 276 tons. Imports from SADC into South Africa attained a peak also in 2014 at approximately 3 372 tons. Between 2006 and 2009, there were no imports of raw hides and skins from SACU into South Africa during the period under review.

Figure 36 below illustrates import volumes of raw hides and skins from SACU region into South Africa between 2007 and 2016.

Figure 36: Import volumes of raw hides and skins from SADC



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mozambique	108	64	0	21	4	0	0	25	78	0
Zambia	0	0	0	0	0	46	468	1478	568	0
Zimbabwe	0	0	104	1114	2270	1526	2777	1869	438	176

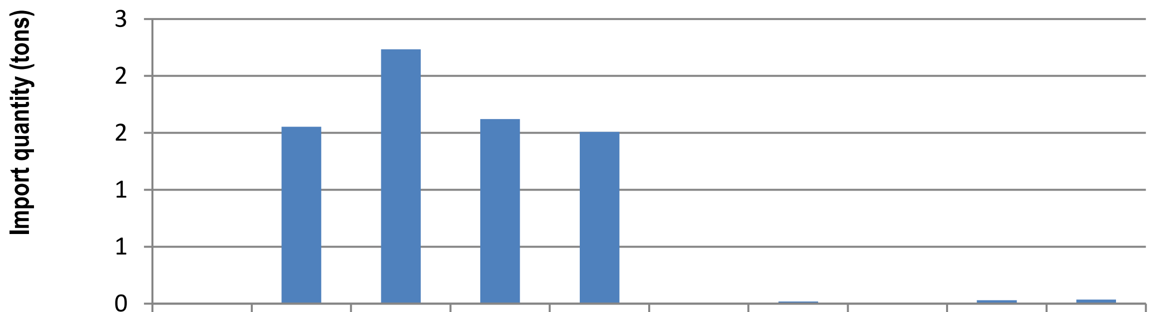
Years

Source: Quantec EasyData

Imports of raw hides and skins from SADC into South Africa originated mainly from Zimbabwe, followed by Zambia and very low volumes from Mozambique into South Africa over the past decade. Imports from Zimbabwe into South Africa were from a high base during the second half of the ten year period attaining a peak in 2013 at about 2 270 and 2 777 tons. Between 2006 and 2009, imports volumes of raw hides and skins from Zimbabwe into South Africa were low and ranged between 0 and 104 tons per annum. Imports from Zambia attained a peak in 2014 at about 1 478 tons. Imports from Zimbabwe declined from 438 tons in 2015 to 176 tons in 2016.

Figure 37 below shows import volumes of raw hides and skins from the Americas into South Africa between 2007 and 2016. South Africa imported no hides and skins from the Americas since 2012.

Figure 37: Import volumes of raw hides and skins from America

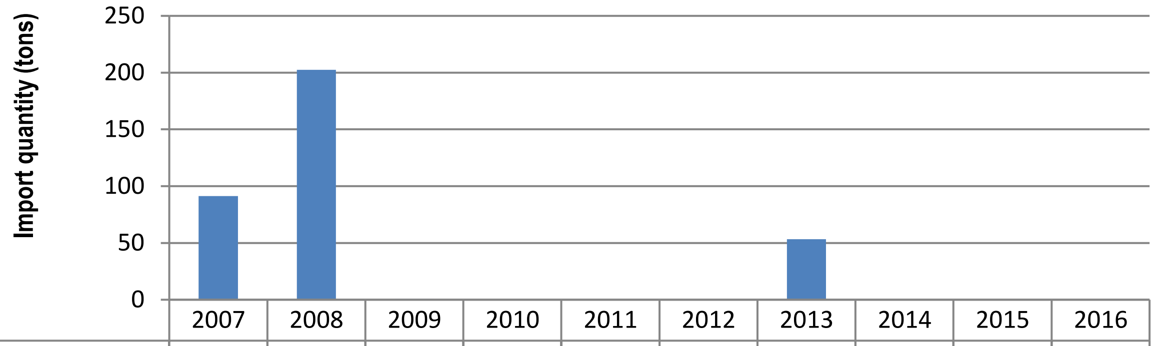


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
South America	0	2	2	2	2	0	0	0	0	0

Years

Source: Quantec EasyData

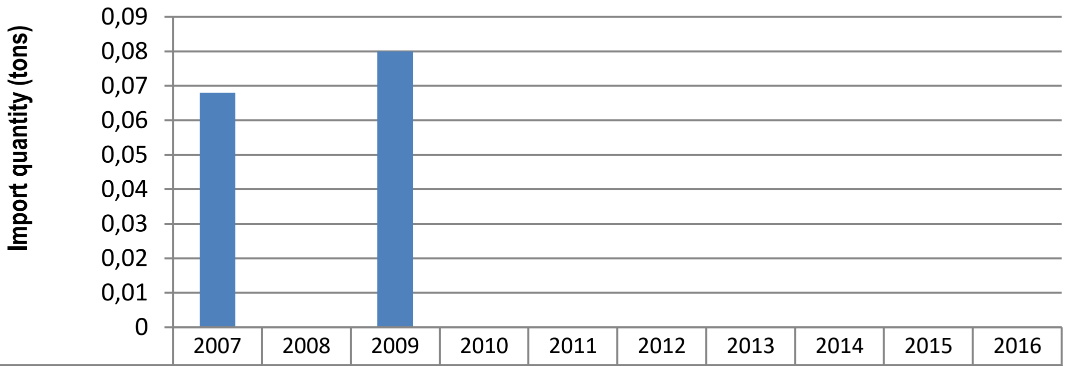
Figure 38 below indicates import volumes of raw hides and skins from Europe into South Africa between 2007 and 2016.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
European Union	91	202	1	0	0	0	53	0	0	0

Source: Quantec EasyData

The European Union was the main supplier of raw hides and skins from Europe into South Africa during the period under review with no competition from other European regions. Imports from the European Union into South Africa were from a high base during the first half of the ten year period attaining a peak in 2008 at approximately 202 tons. During the second half of the ten year period, The European Union only exported 53 tons of hides and skins to South Africa in 2013. Figure 39 below shows import volumes of raw hides and skins from Oceania into South Africa between 2007 and 2016.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Australia and New Zealand	0,068	0	0,08	0	0	0	0	0	0	0

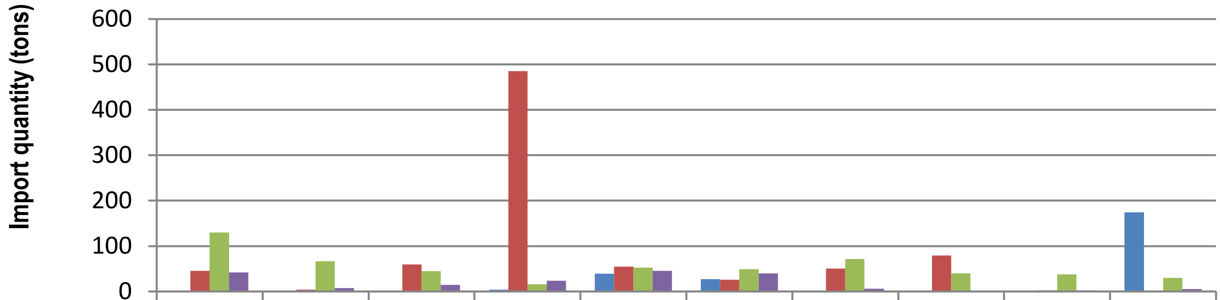
Source: Quantec EasyData

Imports of raw hides and skins from Oceania into South Africa originated mainly from Australia and New Zealand during the period under observation. No imports of hides and skins from Oceania were recorded by South Africa since 2009.

4. IMPORT VOLUMES OF LEATHER (FURTHER PREPARED) INTO SOUTH AFRICA

Figure 40 below depicts import volumes of leather (further prepared) from various regions of the world into South Africa between 2007 and 2016.

Figure 40: Import volumes of leather (further prepared) from the world



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Africa	1	0	1	4	39	27	0	1	0	174
Americas	46	4	60	486	55	26	50	80	3	1
Asia	130	66	45	16	52	49	71	40	37	30
Europe	42	7	14	24	45	40	6	1	2	5

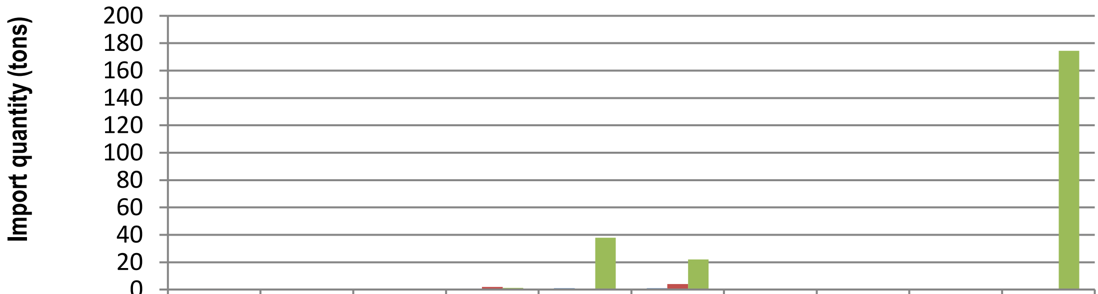
Years

Source: Quantec EasyData

The major import supplier of leather (further prepared) from the world into South Africa was the Americas, followed by Asia and very intermittent imports from Europe Africa over the past decade. Imports from the Americas into South Africa were from a low base during the first half of the ten year period, reaching a maximum of approximately 486 tons in 2010. Imports of leather (further prepared) from Asia into South Africa started higher in 2006 and at the same time attained a peak at an import quantity of about 130 tons. From 2007 to 2016, import volumes of leather (further prepared) from the Americas into South Africa consistently declined until low levels of about 1 ton were reached in 2016.

Figure 41 illustrates import quantities of leather (further prepared) from Africa into South Africa between 2007 and 2016. All imports of leather reported by South Africa from the African continent came from SACU during 2016.

Figure 41: Import volumes of leather (further prepared) from Africa



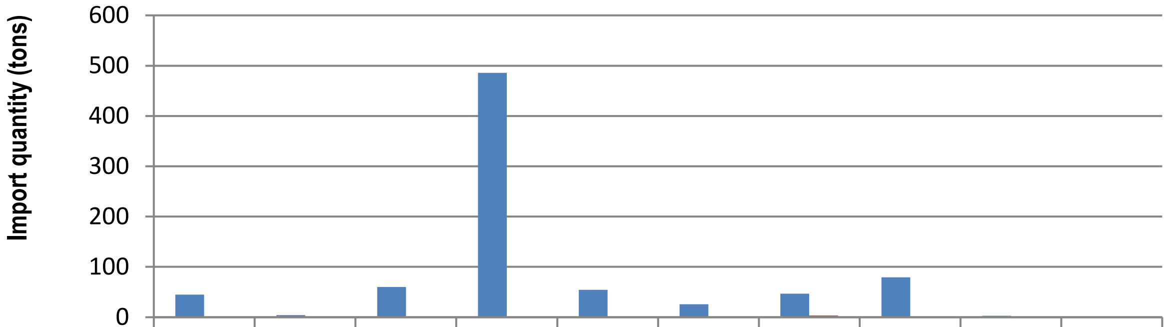
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Northern Africa	0	0	1	1	1	1	0	0	0	0
SADC (excluding SACU)	1	0	0	2	0	4	0	0	0	0
SACU (Excluding RSA)	0	0	0	1	38	22	0	1	0	174

Years

Source: Quantec EasyData

Figure 42 illustrates import quantities of leather (further prepared) from the Americas into South Africa between 2007 and 2016.

Figure 42: Import volumes of leather (further prepared) from Americas



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
South America	45	4	60	486	55	26	47	80	3	1
NAFTA	1	0	0	0	0	0	3	0	0	0

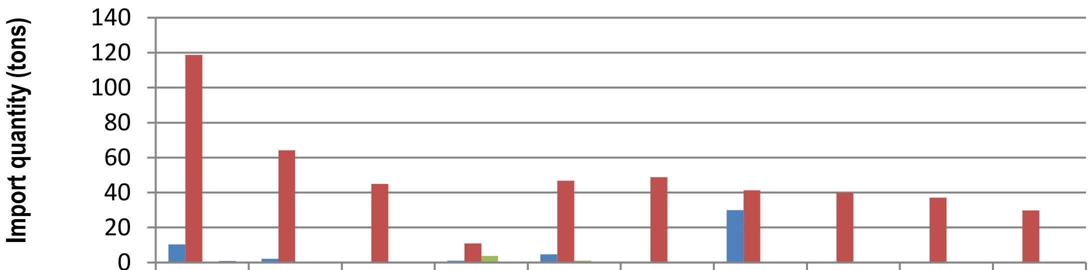
Years

Source: Quantec EasyData

Import volumes of leather (further prepared) from the Americas into South Africa came mainly from South America followed by low import volumes from NAFTA during the period under observation. Imports from South America into South Africa peaked at 486 tons in 2010 while those from NAFTA peaked at 3 tons in 2013. Only one ton of leather was imported by South Africa from South America during 2016.

Figure 43 shows import quantities of leather (further prepared) from Asia into South Africa between 2007 and 2016.

Figure 43: Import volumes of leather (further prepared) from Asia



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Eastern Asia	10	2	0	1	5	0	30	0	0	0
South-central Asia	119	64	45	11	47	49	41	40	37	30
South-eastern Asia	0	0	0	4	1	0	0	0	0	0
Western Asia	1	0	0	0	0	0	0	0	0	0

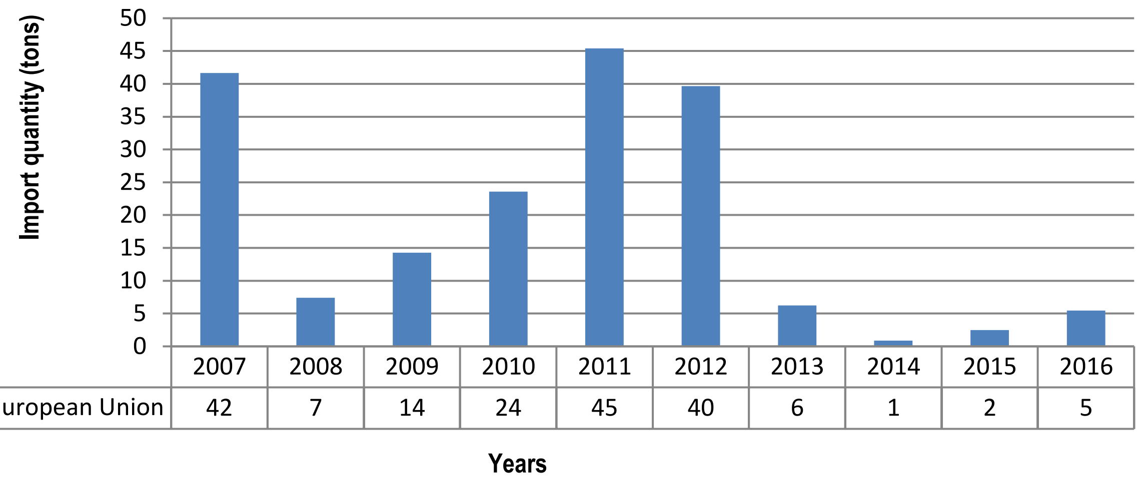
Years

Source: Quantec EasyData

Leather imports from Asia into South Africa came mainly from South-central Asia, followed by very low volumes of leather (further prepared) from other Asian regions during the period under observation. Imports from South-central Asia into South Africa were from a high base during the first half of the ten year period, attaining a peak in 2007 at approximately 119 tons. Imports of leather (further prepared) from South-central Asia into South Africa were from a low base during the second half of the ten year period and not more than 49 tons per annum. All the 30 tons of leather imported by South Africa from the Asian continent came from South-central Asia.

Figure 44 below depicts import volumes of leather (further prepared) from Europe into South Africa between 2007 and 2016.

Figure 44: Import volumes of leather (further prepared) from Europe

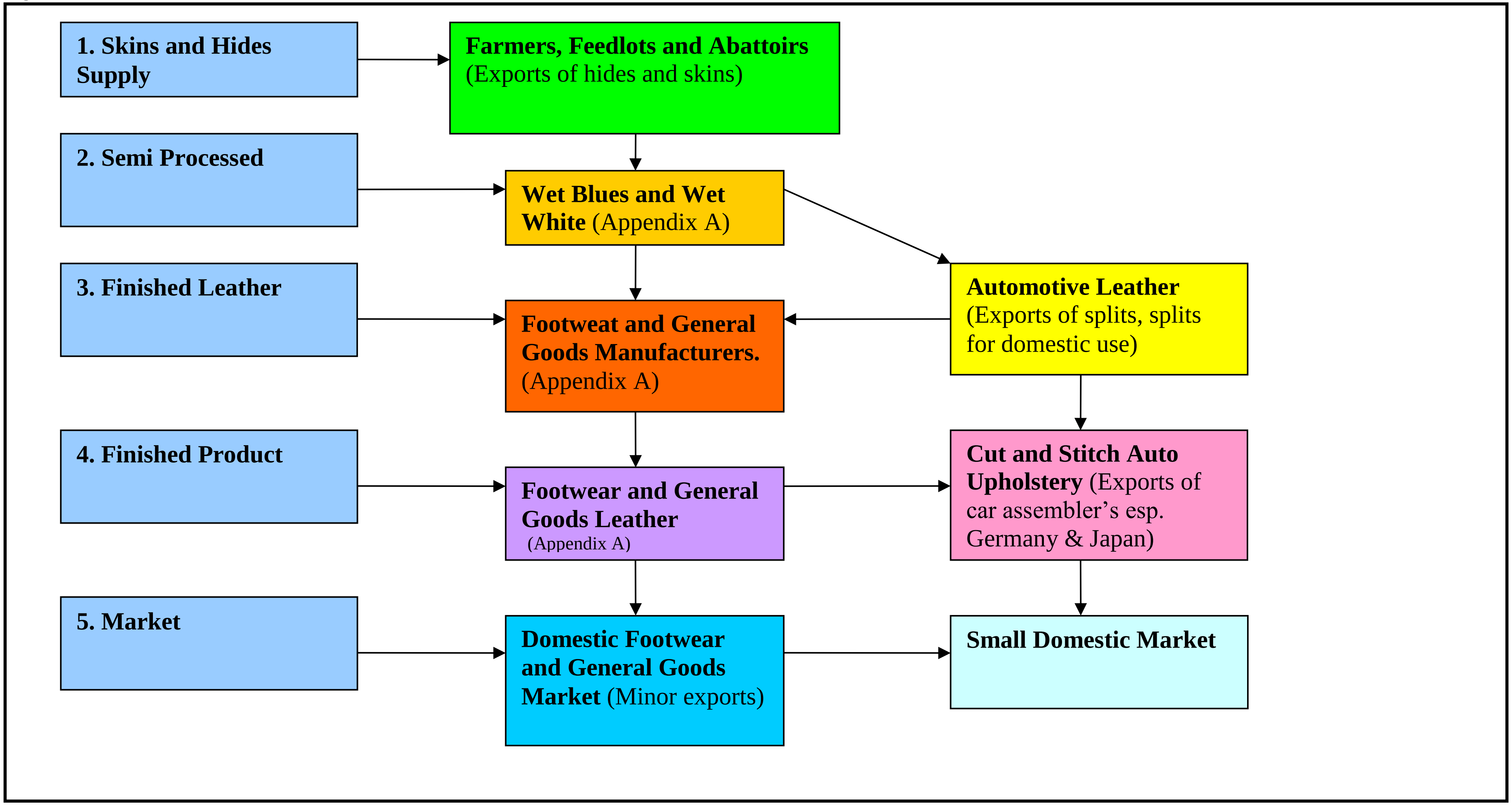


Source: Quantec EasyData

The major import supplying market for leather (further prepared) from Europe into South Africa was mainly the European Union during the period under observation. Imports from the European Union into South Africa were from a high base during the first half of the ten year period, attaining a peak in 2011 at approximately 45 tons. During the second half of the ten year period, imports of leather (further prepared) from European Union into South Africa peaked at 40 tons in 2012. In 2008, 2013, 2014, 2015 and 2016, imports of leather (further prepared) from European Union into South Africa ranged between 1 and 7 tons per annum.

5. SKINS, HIDES AND LEATHER VALUE CHAIN

Figure 45: Skins, Hides and Leather value chain



Source: Richard Ballard (UKZN)

Figure 45 shows that the value chain is divided into five stages:

- Skin and hide supply;
- Semi – processed leather;
- Finished leather;
- Finished products; and
- The market.

The various operations are linked by a series of arrows showing imports, exports and transfers down the value chain in South Africa.

Stage 1 in the diagram is skins and hides supply. This stage involves the recovery of hides and skins from farming stock bred primarily for meat consumption. Thus, hides and skins are mainly recovered from slaughterhouses and farms. Because the leather industry depends on the recovery of hides and skins of the farming stock, availability of raw material directly depends on the size of the animal population, the take-off ratio and the weight/size of the hide/skin recovered. The bulk of the skins and hides go onto the next stage of processing and a small percent do get exported. Many of the feedlots / abattoirs have structural links with hide traders and primary tanneries. Exports consist of hand–flayed dry salted and sun dried produced in rural areas outside of official abattoirs. Exporters argue that the reason to be exported is that they are low grade hides and have little use here at home. Some abattoirs export good quality hides rather than channelling them into domestic processing.

Stage 2 is the production of semi–processed skins and hides. Majority of the skins and hides are locally sourced and minority is imported. At this stage the skins and hides undergo the first stage of tanning which preserves the skins and hides as a semi– processed leather. This stage is also called the '***wet blue'*** because of the wet and a pale blue colour which comes from the chromium salt used to tan the skin or hide. Some tanneries use tannins from sources such as wattle trees to preserve the leather. This process is named vegetable tanning and the stage labelled '***wet white'***. It is interesting to note that several '***wet blue***, and '***wet white'*** processors are owned by local feedlots/abattoirs. From this stage the skin or hide can travel in one of the three directions: ① footwear and general goods tanning ② automotive tanning and ③exports. The better quality wet-blues are sold to automotive-tanners and the lower quality ones to tanneries that manufacture other leather products.

Stage 3 is the finished leather. At this stage of the leather chain the collected raw hides are converted into what consumers recognise as leather. The semi – processed leather that stay in the country either travel to automotive re-tanning or footwear / general goods re-tanning. Automotive re-tanners get access to the bulk of skins / hides (mainly high quality); automotive upholstery only uses part of the skin/hide. The part that they use is the outer layer of the skin / hide (called grain). The inner layer of the skin / hide (called the flesh or second split) is made available to footwear re-tanners or get exported.

Stage 4 is the finished product. In this stage there are factories involved in cut and stitching operations that manufacture leather seat covers for the automotive industry; and footwear and general leather products including fashion items like belts, leather clothing, wallets, handbags, filo-faxes, luggage, furniture gun accessories, sport goods, footwear and industrial protective clothing.

Stage 5 is the market. The automotive industry is export focused mainly to luxury car manufacturing assemblers in Germany and Japan. This is due to Motor Industry Development Programme (MIDP) of the Department of Trade and Industry. The MIDP contains an import-export complementation scheme that gives credits to car component manufacturers for any exported goods.

These credits are used to offset duty on car components that are imported. Export of stitched leather seat covers responded positively to this incentive and increased the demand for local hides and skins.

The footwear and general goods sector is domestically focused and their continued inward focus lent themselves to extensive penetration of cheap imports from China.

6. BLACK ECONOMIC EMPOWERMENT

In August, 2007 automotive upholstery sewing company Allied Trim Components (Pty Ltd) sold a 50% share in its business to a black-owned company, Isibizo Investments (Pty) Ltd. This is considered to be the first BEE deal of its kind in the automotive industry. The BEE deal was quickly followed by a joint venture with Mario Levi SPA to form a separate automotive upholstery sewing company, Mia Automotive (Pty) Ltd, in Uitenhage near Port Elizabeth.

7. MARKET ACCESS

7.1. Export tariffs of hides and skins during 2017

As can be seen in Table 19, in 2015 exports of skins and hides from South Africa received preferential treatment because of the free trade agreements between South Africa and SADC. Skins, hides and leather get free entry into many lucrative markets in some of the Asian countries such as Hong Kong and SADC except in China. Zimbabwe and China have high tariffs that range between 5% and 80.00% to protect their domestic production.

Table 19: Export tariffs of raw hides and skins of bovine originating from RSA during 2017

No.	Country	Trade regime description	Applied tariffs	Total ad valorem equivalent tariff (estimated)
1	Angola	MFN duties (Applied)	2.00%	2.00%
2	Mozambique	MFN duties (Applied)	2.50%	2.50%
		Preferential tariff for RSA	0.00%	0.00%
3	Mauritius	MFN duties (Applied)	0.00%	0.00%
4	Zimbabwe	MFN duties (Applied)	5.00%	5.00%
		Preferential tariff for (SADC) countries including South Africa	0.00%	0.00%
6	Canada	MFN duties (Applied)	0.00%	0.00%
7	Hong Kong	MFN duties (Applied)	0.00%	0.00%
8	China	MFN duties (Applied)	8.00%	8.00%

Source: Market Access Map

Skins, hides and leather from South Africa enjoy duty free access to the EU's market under African, Caribbean and Pacific Countries Trade Agreement (ACP) and to the US market under the African Growth and Opportunity Act (AGOA). South African hides and skins also receive preferential access in Turkey under the Generalized System of Preferences (GSP).

7.2 Non–tariff barriers (NTB)

Non-tariff barriers take the form of strict sanitary and phyto-sanitary measures or adherence to stringent, certification measures such as 1SO 9000 certification. These measures span a product's lifecycle: the raw material a product is made from, the manner the product is fabricated, the management of production process, labelling standards and packaging requirements.

Developed countries argue that NTBs are applied to products to ensure that imported products satisfy environmental, consumer health, consumer safely and social concerns.

NTB can either be statutory obligations or determined by the market. Market related NTBs are not compulsory but are growing in importance as consumers become more discerning about the impact their purchases have on society and the environment.

Non–tariff barriers potential to hinder exporters' ability to sell their products into foreign markets is greater than tariff barriers. Non–tariff barriers increase a producer's costs throughout the supply chain due to the complexity of the processes that s/he must adhere to and the bureaucratic cost of ensuring that procedures are documented.

In summary the following countries, which are the world's largest importers of skin, hides and leather place the following Non– tariffs barriers.

7.2.1 European Union

The exporter must satisfy the following standards in order for his/her product to be accepted in the EU.

Table 20: European Union Directives

No	Directive	Description
1	Directive (2002/61/EC)	Limits the use of dangerous substances and preparations (azocolourants) in textile and leather products. It should be noted that Germany and The Netherlands have stricter regulation pertaining to the usage of azo dyes Pentachlorophenol (PCP), chromium and disperse dyes.
2	Directive (94/27/EEC)	Restricts nickel and nickel compounds for metal products in direct contact with the skin.
3	Regulation (338/97 EC	Streamlines the implementation of CITES in the EU. CITES contains provisions to protect endangered species through controlling international trade in these species.
4	Directive (85/374/EEC)	Assigns liability to a manufacturer, or his representative in the EU, for compensation to person and property caused by a product that turns out to be not as safe as expected.
5	Social Market Requirements	Certification schemes have been developed for social management systems. Examples of such schemes are SA8000 which includes basic labour standards based on international ILO Conventions.
6	Environmental Market Requirements	Although countries have developed their own standards it would be simpler for an exporter to satisfy two general standards: BS 7750 and ISO 14001. These standards are based on the ISO 9000 series and stipulate the requirements for an environmental management system. Environmental issues pertaining to the production of leather occur in cleaning, tanning, finishing and waste treatment processes.
7	Quality Market Requirements	The most important quality management systems are those under the ISO 9000:2000 series. The SG label or Schadstoffgeprüfft label stands for "tested for dangerous substances".
8	Directive 94/62/EC	Establishes common objectives for member countries regarding the recovery and the recycling of packaging. Also the maximum concentrations of lead, cadmium, mercury, and chromium allowed in packaging are set at 250 ppm and 100 ppm, respectively. Given these regulations, exporters should package goods in re-usable and recyclable materials.
9	Directive 2004/102/EC	Lies down requirements for wooden packaging material that is imported in its function of packaging material or dunnage with the import of goods, must be

No	Directive		Description
			treated and marked according to the international ISPM 15 standard.

Source: TIPS

7.2.2. Japan

Export of skins, hides and leather in Japan are regulated under the following laws:

a. The Domestic Animal Infectious Disease Act

This law confirms that importation of the product is not prohibited and that proper inspection certificate is attached, carries out the inspection of the product to be imported and issues an import quarantine certificate if the quarantine officer agrees that there is no possibility of spreading any causative agent of infectious disease affecting domestic animals. However finished processed skin products are not subject to animal quarantine.

b. Washington Convention

Under this convention, animals are classified from Appendix I – III. Animals in Appendix I, no commercial trade is allowed including parts (bones, skins, etc.). Animals is Appendix II and III, commercial trade of parts is possible; but certificate of origin is required and an Advance Confirmation of METI (Ministry of Economy, Trade and Industry).

c. Wildlife Protection and Hunting Law

This law requires that the export of certain skins and hides of wild animals should be accompanied by certificate issued by the country of origin showing that these animals are properly captured.

7.2.3 China

The Chinese Government issues 'Public Information Notices' to inform of actual or impending policy changes and categories of goods. Many of these notices are issued in Chinese and are not translated into English. The preferred route to enter Chinese market is generally to find a Chinese partner, who knows the market and understands local requirements and expectations. South African exporters are encouraged to discuss relevant Chinese national standards with importers prior to shipment to ensure that their interpretation of the regulation is accurate. Some of the regulations are listed below:

a. Law of the Peoples Republic of China on the Entry and Exit Animal and Plant Quarantine

Animals and plants, their products and other quarantine objects, containers and packaging materials used for carrying animals and plants, their products or other quarantine objects, as well as means of transport from animal or plant epidemic areas shall, on entry or exit, be subject to quarantine inspection in accordance with this Law. Quarantine of import and export plants, plant products, import and export animals and import animal products shall be undertaken by the Animal and Plant Quarantine Service. Quarantine of export animal products shall be undertaken by the commodity inspection authorities.

b. General Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) 2004 Announcement 111.

It eliminated importers requirements to apply for a Quarantine Import Permit (QIP) for specified animal and plant commodities before contracts are signed and products are imported into China. The animal and plant products, however, are still subject to quarantine examination upon arrival in China. The report contains an

UNOFFICIAL translation of the announcement along with the list of designated commodities no longer requiring a QIP.

c. **AQSIQ 2002 Decree No. 40**, the *Provisions for the Administration of Risk Analysis on Entry of Animals and Animal Products,* was adopted on October 18, 2002 and approved on December 31, 2002 for implementation from February 1, 2003.

d. **AQSIQ 2002 Announcement Number 34,** *The Administrative Rules on Agencies Applying for Import and Export Inspection and Quarantine*, was published on the AQSIQ website on November 6, 2002 for enforcement from January 1, 2003. The "Rules" were published in Issue 17 of the China Foreign Trade and Economic Cooperation Gazette on March 18, 2003, also. The Announcement provides guidelines and requirements for agencies/business enterprises that use agents for importing and exporting commodities.

e. Regulation on Animal Origin Feed Products - CH3093

This Announcement regulates the importation of animal and animal products from BSE affected countries.

7.2.4 United States of America

- If the product is derived from exotic wildlife or endangered species, it must comply with Fish and Wildlife (FWS) and Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) license, permit, country of origin, import documentation and record keeping requirements.
- If the product is derived from domestic animals, it must comply with USDA Animal and Plant Health Inspection Service (APHIS) import, quarantine and permit and certification requirements.
- A veterinary certificate issued by a salaried veterinarian of the country of origin stating that the animal products is free from applicable animal diseases must accompany each consignment. The specific information required varies depending on the species.

7.3 Import tariffs of raw skins, hides and leather

Table 21 indicates that countries exporting hides and skins into South Africa were charged between 1% and 10% respectively during 2016. Those countries with trade agreements with South Africa exported their products free of charge during 2016 at 0.00%. The table further indicates that South Africa has a preferential trading agreement (PTA) with SADC countries and that means SADC countries exported hides and skins to South Africa free of charge during 2016.

Table 21: Import tariffs of raw hides and skins originating from various countries of the world during 2016

No.	Country	Trade regime description	Applied tariffs	Total ad valorem equivalent tariff (estimated)
1	Malawi	MFN duties (Applied)	10.00%	10.00%
		Preferential tariff for SADC countries	0.00%	0.00%
2	Zambia	MFN duties (Applied)	10.00%	10.00%
		Preferential tariff for SADC countries	0.00%	0.00%
3	Zimbabwe	MFN duties (Applied	10.00%	10.00%
		Preferential tariff for SADC countries	0.00%	0.00%
4	Brazil	MFN duties (Applied)	10.00%	10.00%
5	Germany	MFN duties (Applied)	10.00%	10.00%

No.	Country	Trade regime description	Applied tariffs	Total ad valorem equivalent tariff (estimated)
		Preferential tariff for SADC countries	0.00%	0.00%
6	Mauritius	MFN duties (Applied)	10.00%	10.00%
		Preferential tariff for SADC countries	0.00%	0.00%
7	Mozambique	MFN duties (Applied)	10.00%	10.00%
		Preferential tariff for SADC countries	0.00%	0.00%
8	USA	MFN duties (Applied)	10.00%	10.00%
9	India	MFN duties (Applied)	10.00%	10.00%
10	Pakistan	MFN duties (Applied)	10.00%	10.00%

Source: Market Access Map

7.3.1 Non – tariff barriers

South Africa formulated non–tariff barriers for the purpose of preventing infectious or parasitic diseases of animals and other harmful diseases from spreading into or out of the country, protecting the production of agriculture, animal husbandry and fishery as well as human health, and promoting the development of foreign economic relations and trade. The following is a summary of some of the requirements:

- All facilities (abattoirs, tannery, intermediate stores and export stores) must be approved annually and a notice prominently displayed at all entrances and exits stating “Approved Animal Health Export Store”.
- All premises should be properly fenced to prevent access of any livestock and must have secure lockable gates at all entrances and be locked when not manned to prevent access of unauthorized persons.
- Original Health Attestation certificate signed by a salaried veterinarian in the country of origin indicating that all the necessary inspections, certification and record keeping required to ensure the validity and traceability of these hides/skins and are sourced from the approved abattoir, and animals were not slaughtered to eliminate any epizootic disease must accompany the consignment.
- Original Veterinary Import permit must accompany the consignment.
- The hides/skins in the consignment should at all the time, be transported, handled and stored in such a manner so as to ensure that they are not exposed to hides / skins of a lower disease status.
- Hygiene status of premises and equipments must be maintained at all times.
- A complete register must be kept for all hides/skins that enter and leave the tannery.
- There must be one-way flow of production so that raw materials should not contaminate processed products. This includes between raw and salted material and material that is freshly salted and salted in excess of 14 days.
- Hides/skins must not leave the tannery for any further processes.
- The hides and skins should undergo all precautions to avoid recontamination with pathogenic agents and should not be in contact with any animal products or live animals presenting a risk of spreading a serious transmissible disease.
- Any other documentation specified, e.g. Rabies Vaccination Certificate, etc.
- If the product is derived from exotic wildlife or endangered species, the consignment must be accompanied by CITES permit from Conservation Authority in the country of origin.

8. MARKET INTELLIGENCE

Table 22 shows the list of importing markets for raw hides and skins of bovine exported by South Africa during 2016. During 2016, South Africa exported a total of 19 666 tons of raw hides and skins of bovine to the world. South Africa was a net exporter of raw hides and skins of bovine to the world, as the country imported only 9 474 tons during 2016. Exports of raw hides and skins of bovine from South Africa to the world have decreased by 9% in value between 2012 and 2016. The major export destination for raw hides and skins of bovine originating from South Africa was mainly China, followed by Italy and Thailand. China alone have absorbed 42% of the total raw hides and skins of bovine exports originating from South Africa, followed by Italy at 29.2% and Thailand at 12%.

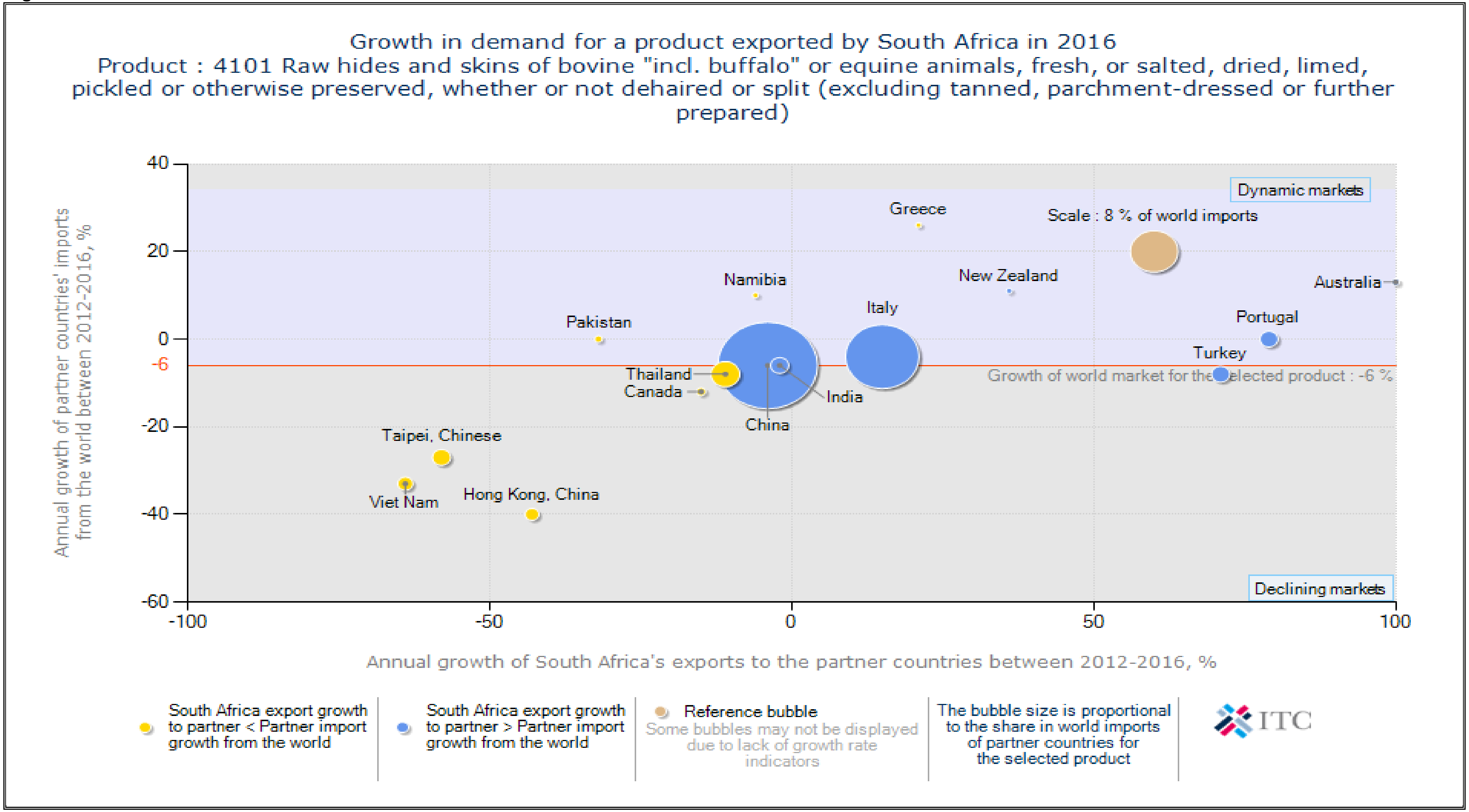
Table 22: List of importing markets for raw hides and skins of bovine exported by South Africa in 2016

Importers	Trade Indicators							Tariff (estimated) faced by South Africa (%)
	Exported value 2016 (USD thousand)	Share in South Africa's exports (%)	Exported quantity (tons) 2016	Unit value (USD/unit)	Exported growth in value between 2012-2016 (%, p.a.)	Exported growth in quantity between 2012-2016 (%, p.a.)	Exported growth in value between 2015-2016 (%, p.a.)	
World	25862	100	19666	1315	-9	0	-36	
China	10880	42.1	9894	1100	-4	7	-35	6.1
Italy	7551	29.2	5528	1366	15	27	-37	0
Thailand	3095	12	1644	1883	-11	9	-16	0
Greece	1295	5	378	3423	21	20	9	0
Hong Kong, China	1055	4.1	407	2592	-43	-52	-77	0
Australia	950	3.7	853	1114	253		636	
Namibia	261	1	153	1706	-6	101	63	0
Turkey	201	0.8	131	1534	71	91	41	0
Slovenia	107	0.4	80	1338		16	-55	0
Portugal	70	0.3	45	1556	79	22	-56	0
Poland	70	0.3	44	1591				0
Ethiopia	60	0.2	51	1176				0
Brazil	55	0.2	41	1341				
Pakistan	53	0.2	117	453	-32	-10	-88	
Viet Nam	39	0.2	33	1182	-64	-60	-35	
Taipei, Chinese	27	0.1	36	750	-58	-3		
Togo	23	0.1	216	106			109	
India	15	0.1	12	1250	-2	0		

Source: ITC Trade Map

Figure 46 indicates growth in demand for raw hides and skins of bovine from South Africa to the world during 2016. The bubble graph indicates that China and Italy were the largest import markets of raw hides and skins of bovine from South Africa to the world during 2016. South Africa has increased its exports of raw hides and skins of bovine to Greece between 2012 and 2016 by over 25%. The bubble graph also indicates that South Africa's raw hides and skins of bovine exports to the above-mentioned country have outgrown the major countries' growth in imports from the world between 2012 and 2016. Furthermore, South Africa has increased its exports to declining markets of Vietnam and Hong Kong between 2012 and 2016.

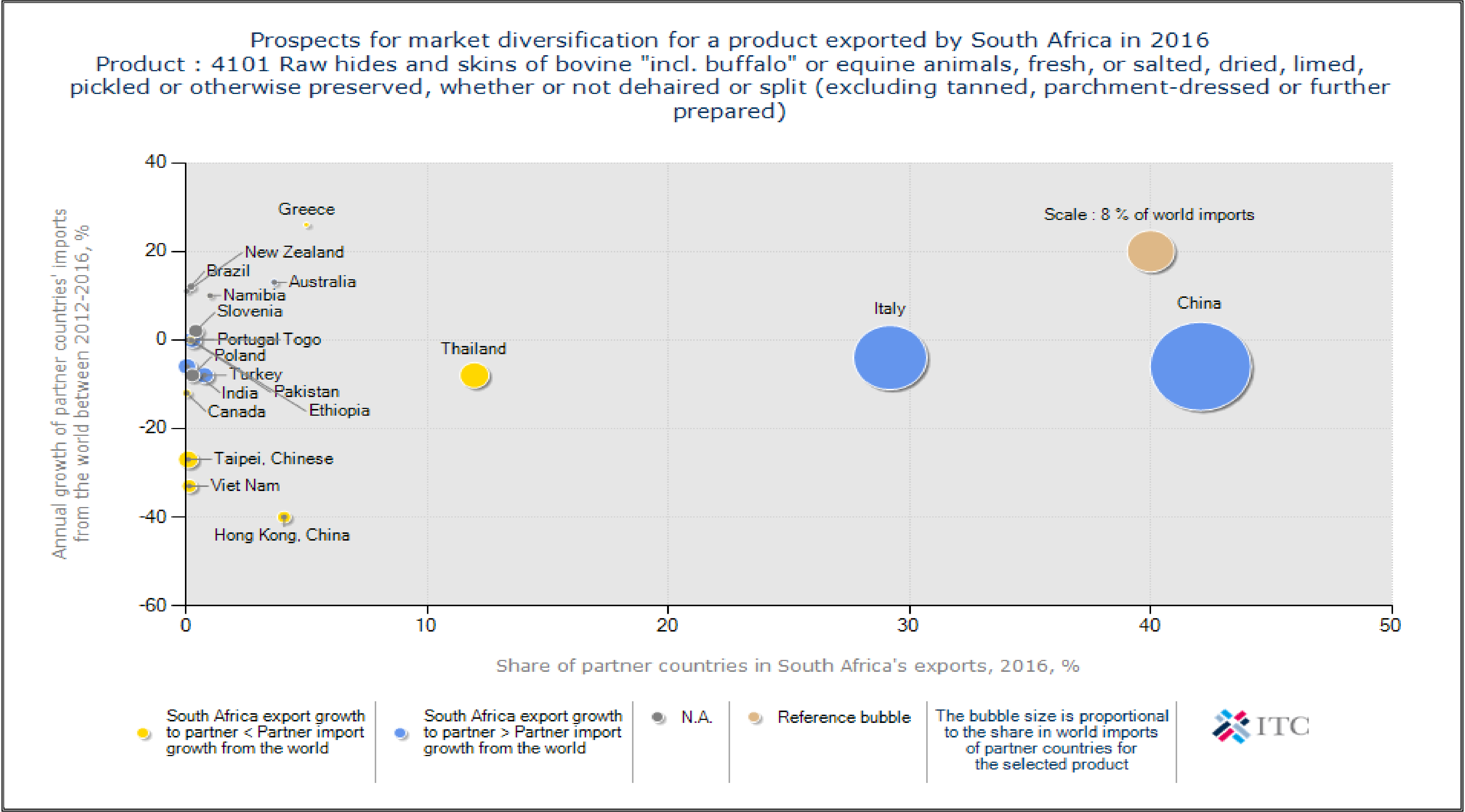
Figure 46: Growth in demand for raw hides and skins of bovine from South Africa in 2016



Source: ITC Trade Map

Figure 47 depicts prospects for market diversification for raw hides and skins of bovine exported by South Africa to the world during 2016. The bubble graph depicts that China and Italy were the biggest import markets for raw hides and skins of bovine from South Africa during the period under observation. If South Africa was to diversify its exports of raw hides and skins of bovine, small but attractive markets exist in Greece, New Zealand and Australia because these countries have increased their annual growth of partner countries imports from the world between 2012 and 2016. Over the same period, China alone managed to obtain a share 42% of South Africa's raw hides and skins of bovine exports, followed by Italy at 29.8%, and Thailand at 12% during the period under examination.

Figure 47: Prospects for market diversification for raw hides and skins of bovine exported by South Africa in 2016



Source: ITC Trade Map

Table 23 illustrates the list of supplying markets for raw hides and skins of bovine imported by South Africa during 2016. South Africa is a net exporter of raw hides and skins of bovine from the world into South Africa. During 2016, the country imported a total of 9 475 tons of raw hides and skins of bovine versus its exports of 19 666 tons over the same period. In world terms imports of raw hides and skins of bovine into South Africa have increased by an average of 1% in value and increased by 11% in volume terms between 2012 and 2016. Raw hides and skins of bovine imports originates mainly from Botswana, followed by Uganda, with Botswana commanding 69.2% share in South Africa's imports, while Uganda was at approximately 6% over the same period. Other small markets for raw hides and skins of bovine imports into South Africa are Australia and Mozambique.

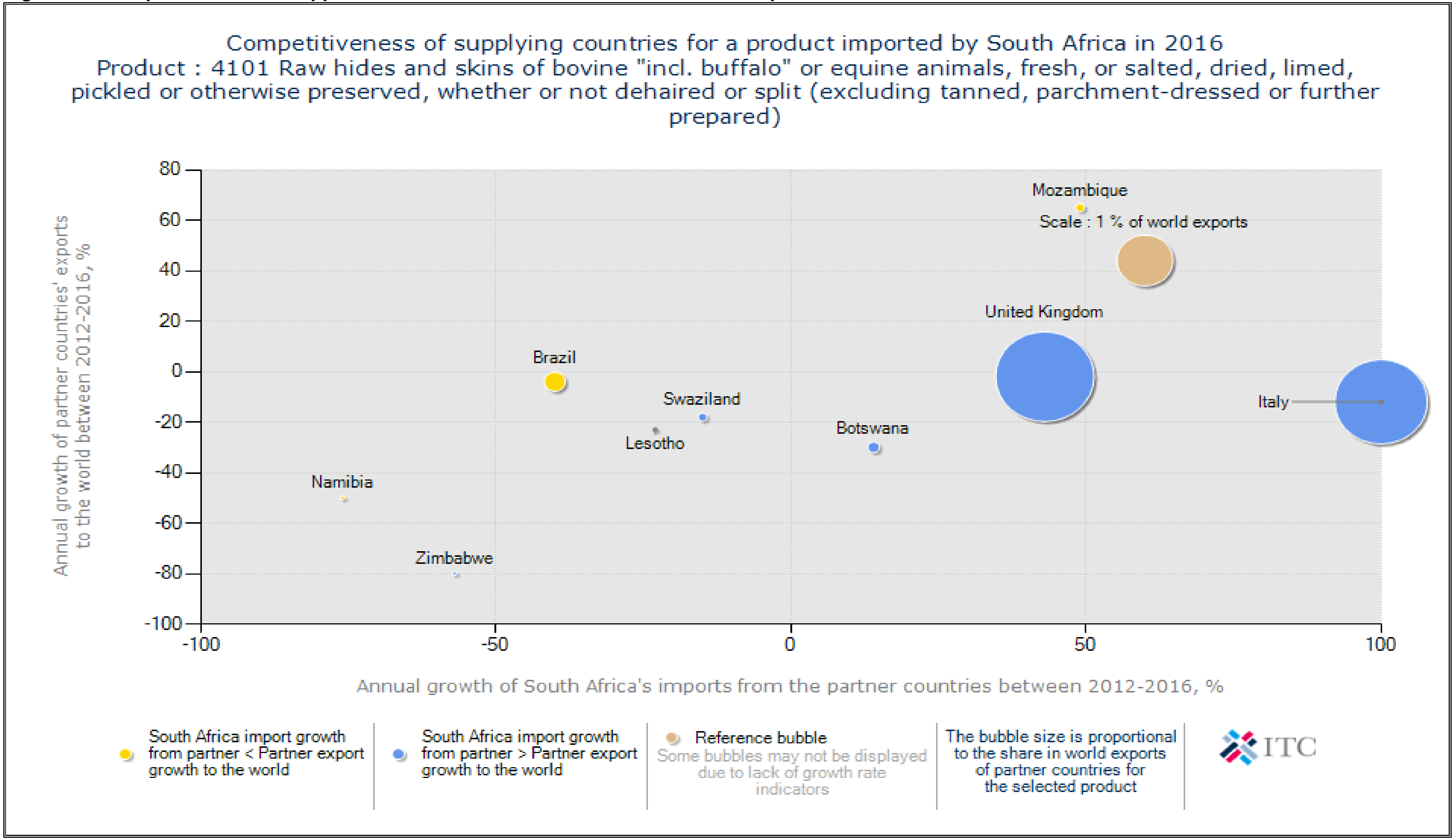
Table 23: List of supplying markets for raw hides and skins of bovine imported by South Africa in 2016

Exporters	Trade Indicators							Tariff (estimated) applied by South Africa (%)
	Imported value 2016 (USD thousand)	Share in South Africa's imports (%)	Imported quantity (tons) 2016	Unit value (USD/unit)	Imported growth in value between 2012-2016 (%, p.a.)	Imported growth in quantity between 2012-2016 (%, p.a.)	Imported growth in value between 2015-2016 (%, p.a.)	
World	6895	100	9475	728	1	11	-24	
Botswana	4772	69.2	6018	793	14	18	-16	0
Australia	413	6	348	1187			44	5
Mozambique	413	6	622	664	49	60	-22	0
Uganda	394	5.7	918	429	-15	0	61	5
Swaziland	250	3.6	301	831	-57	-7	68	0
Zimbabwe	97	1.4	186	522	176	-51	-60	0
Italy	82	1.2	284	289		41	165	0
Kenya	40	0.6	126	317			-79	5
Mauritius	20	0.3	25	800	43			0
United Kingdom	12	0.2	40	300				0
Ireland	12	0.2	64	188				0
France	4	0.1	19	211	-40			0
Brazil	3	0	0		-40		-75	3.8
USA	3	0	0					5
Lesotho	3	0	5	600	-23	-26	-87	0
Ethiopia	2	0	2	1000				5
Hong Kong, China	1	0	0					5
Namibia	1	0	1	1000	-76	-73		0
India	1	0	0					5
Sweden	1	0	0					0

Source: ITC Trade Map

Figure 48 shows competitiveness of suppliers to South Africa for raw hides and skins of bovine imports during 2016. During the period between 2012 and 2016, the United Kingdom and Italy were the biggest markets for raw hides and skins of bovine during 2016. Italy was the most competitive import market in terms of imports of raw hides and skins of bovine into South Africa in 2016 with an annual growth of South Africa's imports of about 100%.

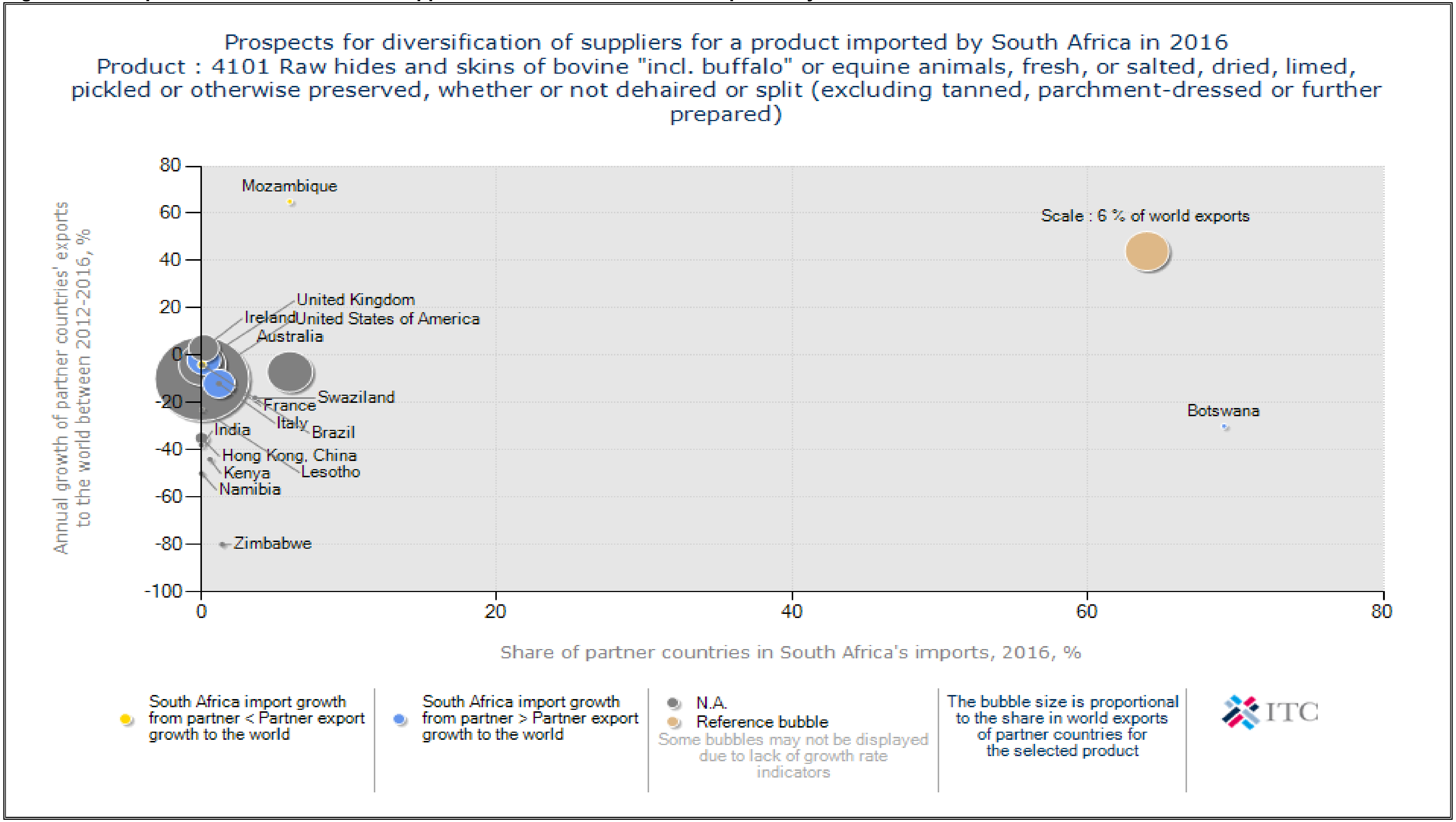
Figure 48: Competitiveness of suppliers to South Africa for raw hides and skins imports in 2016



Source: ITC Trade Map

Figure 49 depicts prospects for diversification of suppliers for raw hides and skins of bovine imported by South Africa in 2016. Italy was the biggest supplying market for raw hides and skins imported by South Africa in 2016. Over the same period, Botswana commanded the greatest market share in South Africa's raw hides and skins of bovine imports at approximately 69.2%, followed by Uganda at approximately 6%. If South Africa has to diversify its suppliers of raw hides and skins of bovine, small but attractive markets exist in Ireland and Mozambique during 2016.

Figure 49: Prospects for diversification of suppliers for raw hides and skins imported by South Africa 2016



Source: ITC Trade Map

Table 24 illustrates the list of importing markets for leather of other animals exported by South Africa to the world during 2016. South Africa exported a total of 2 838 tons of leather of other animals to the world during 2016 as compared to 2 160 tons that South Africa imported over the same period. This comparison clearly illustrates that South Africa is a net exporter of leather of other animals from the world during the period under observation. In world terms exports of leather of other animals from South Africa to the world have increased by 30% in value and by 42% in quantity between 2012 and 2016. The major export destinations for leather of other animals originating from South Africa during 2016 were Hungary, Germany, and Poland. During 2016, Hungary alone experienced a market share of 32.8% of the total leather of other animals' exports originating from South Africa, followed by Germany at 26.5% and Poland at 21.4%. In terms of access to various international markets for South African leather of other animals, countries such as China, Thailand, Cambodia and Brazil protect their leather of other animals industries with higher tariffs ranging from 5% *ad valorem* to 10% *ad valorem*.

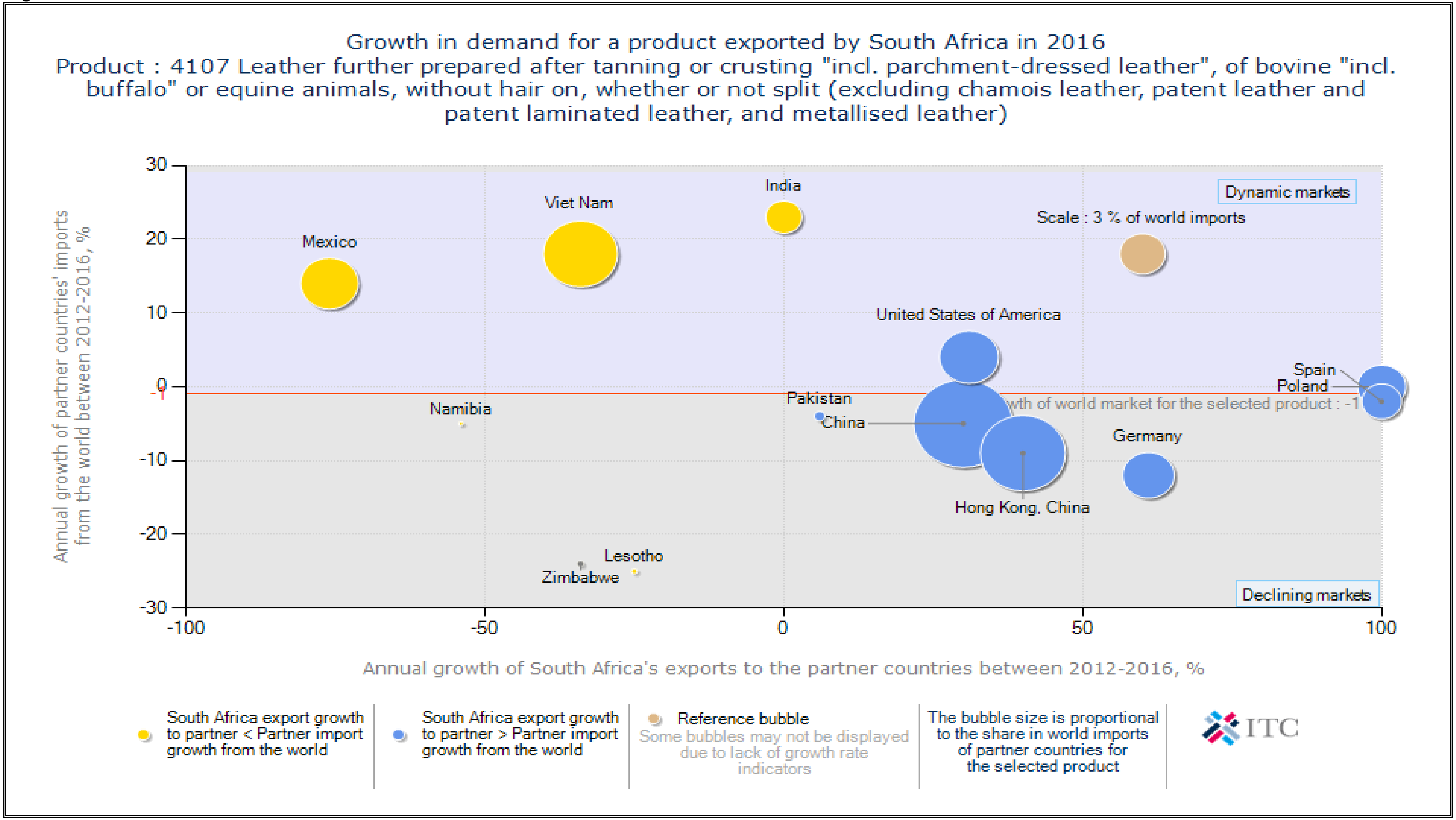
Table 24: List of importing markets for leather of other animals exported by South Africa in 2016

Importers	Trade Indicators							Tariff (estimated) faced by South Africa (%)
	Exported value 2016 (USD thousand)	Share in South Africa's exports (%)	Exported quantity (tons) 2016	Unit value (USD/unit)	Exported growth in value between 2012-2016 (%, p.a.)	Exported growth in quantity between 2012-2016 (%, p.a.)	Exported growth in value between 2015-2016 (%, p.a.)	
World	44485	100	2838	15675	30	42	218	
Hungary	14592	32.8	695	20996		43	1788	0
Germany	11775	26.5	574	20514	61	69	126	0
Poland	9528	21.4	343	27778	499	32	198	0
Romania	1728	3.9	42	41143		53	45	0
China	1560	3.5	154	10130	30	104	976	0
Netherlands	1279	2.9	84	15226				0
Hong Kong, China	1198	2.7	652	1837	40	89	250	0
Lesotho	805	1.8	68	11838	-25	-26	-26	5
India	541	1.2	103	5252	0	142		
Zimbabwe	268	0.6	17	15765	-34	-17	-75	9.6
Switzerland	254	0.6	6	42333				7
Slovenia	154	0.3	3	51333				5.8
Croatia	146	0.3	5	29200				0
Namibia	120	0.3	39	3077	-54	-16	3900	0
Mexico	95	0.2	3	31667	-76	-55		3
USA	65	0.1	4	16250	31	41	110	0
Pakistan	42	0.1	250	1680	6	90	200	5
Viet Nam	41	0.1	3	13667	-34	-41		0
Cambodia	40	0.1	3	13333			-79	
Spain	39	0.1	2	19500	101		680	
United Kingdom	36	0.1	2	18000	-43	-16	1100	

Source: ITC Trade Map

Figure 50 indicates growth in demand for leather of other animals from South Africa to the world during 2016. China, Hong Kong and Germany were the biggest import markets for leather of other animals from South Africa over the same period. However, South Africa's exports of leather of other animals to the Lesotho, Zimbabwe and Namibia beclined between 2012 and 2016. The United States was was a dynamic market for leather of other animals from South Africa, and South Africa has increased its exports of leather to the USA between 2012 and 2016 by approximately 35%.

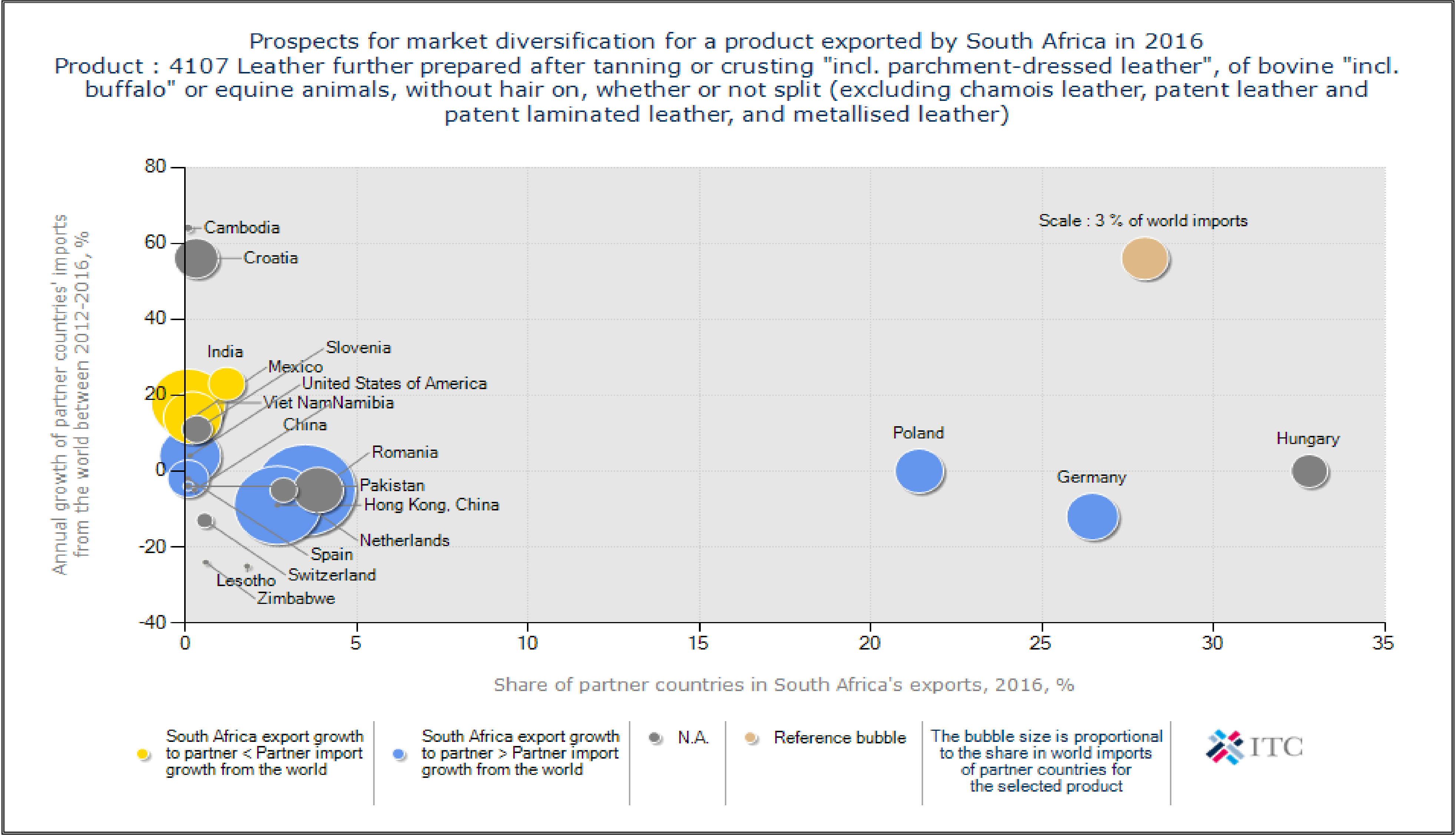
Figure 50: Growth in demand for leather of other animals from South Africa in 2016



Source: ITC Trade Map

Figure 51 illustrates prospects for market diversification for leather of other animals exported by South Africa during 2016. The bubble graph further illustrates that Hungary, Germany and Poland were the biggest import markets for leather of other animals from South Africa during the period under observation. If South Africa is to diversify its exports of leather of other animals, small but attractive markets exist in Cambodia and Croatia.

Figure 51: Prospects for market diversification for leather of other animals exported by South Africa in 2016



Source: ITC Trade Map

Table 25 depicts the list of supplying markets for leather of other animals imported by South Africa during 2016. South Africa is a net exporter of leather from the world as the country imported a total of 2 160 tons of leather of other animals versus its exports of 2 838 tons. In world terms imports of leather of other animals from the world into South Africa have decreased by an average of 8% in value and 10% in volume terms between 2012 and 2016. Leather of other animals imports originated mainly from India, Pakistan, Italy and Namibia. India command 25.7% market share in South Africa's imports, while Pakistan commanded 21,2%, Italy 19.1% and Namibia 14.9%. Of importance to note is that imports of leather of other animals originating from Brazil have increased by 116% in value and 142% in volume terms between 2012 and 2016. India, Pakistan, Singapore, China, Brazil, Australia and Indonesia apply higher tariff rates to South African leather of other animals market at an ad valorem tariff of 6.6% respectively.

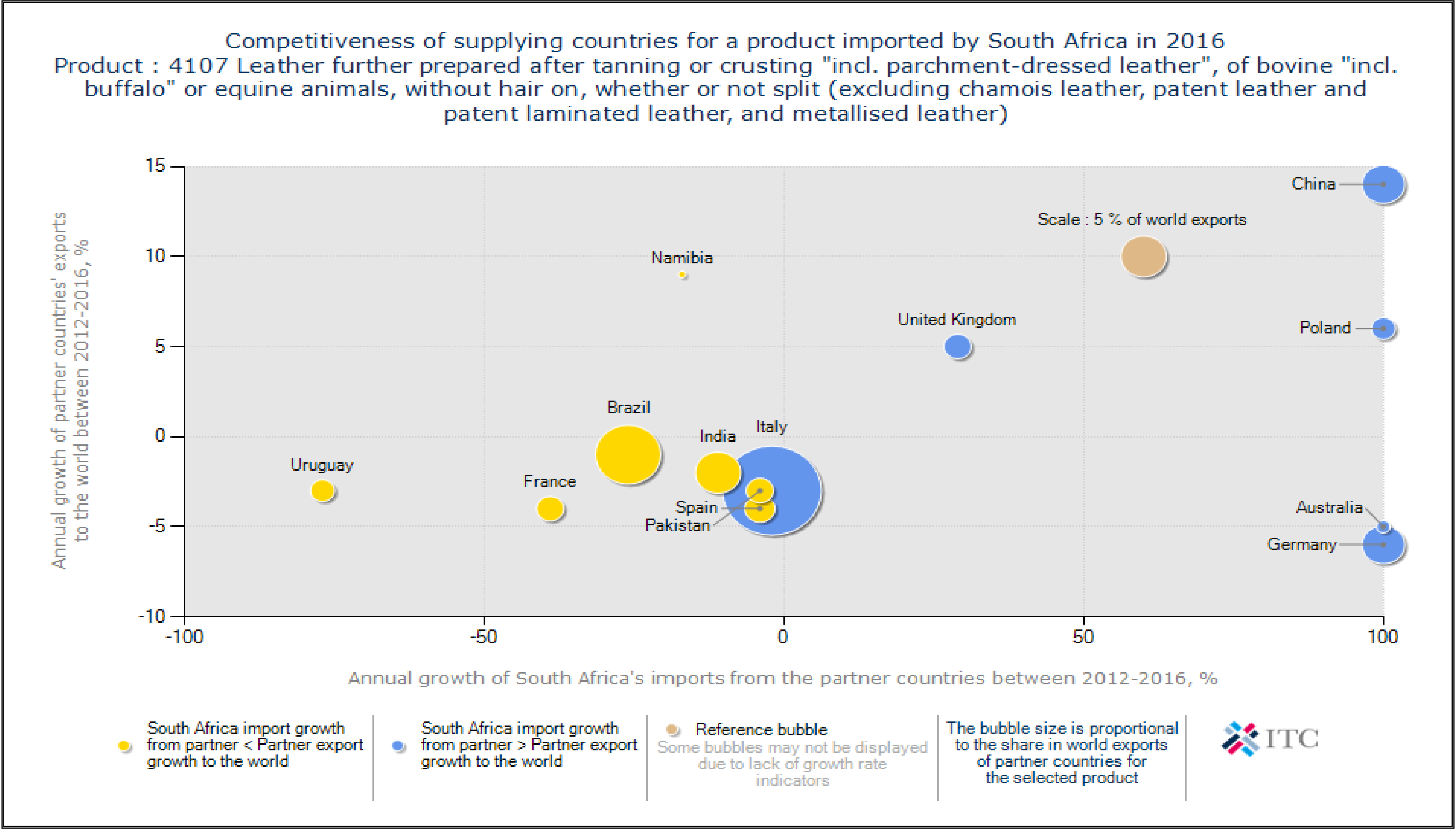
Table 25: List of supplying markets for leather of other animals imported by South Africa in 2016

Exporters	Trade Indicators							Tariff (estimated) applied by South Africa (%)
	Imported value 2016 (USD thousand)	Share in South Africa's imports (%)	Imported quantity (tons) 2016	Unit value (USD/unit)	Imported growth in value between 2012-2016 (%, p.a.)	Imported growth in quantity between 2012-2016 (%, p.a.)	Imported growth in value between 2015-2016 (%, p.a.)	
World	30987	100	2160	14346	-8	-10	-33	
India	7971	25.7	814	9792	-11	-10	-11	6.6
Pakistan	6561	21.2	291	22546	3	0	-37	6.6
Italy	5908	19.1	295	20027	11	9	-14	0
Namibia	4604	14.9	261	17640	-18	-20	-62	6.6
Brazil	2096	6.8	151	13881	116	142	66	6.6
China	918	3.0	107	8579	-37	-46	-31	0
Spain	761	2.5	50	15220				0
Austria	683	2.2	12	56917			26	6.6
Germany	550	1.8	19	28947	-14	-16	-74	0
Slovakia	124	0.4	1	124000	73	-7	203	0
France	89	0.3	1	89000				6.6
Uruguay	74	0.2	4	18500	1	-9	-33	6.6
Australia	71	0.2	41	1732	5	19		0
Swaziland	65	0.2	82	793	133		113	0
United Kingdom	63	0.2	2	31500	0		-25	0
Hungary	52	0.2	3	17333	-64	-63	33	6.6
Botswana	44	0.1	2	22000	118		-84	
Poland	43	0.1	4	10750	-8	-10	-33	6.6
Kenya	42	0.1	4	10500	-11	-10	-11	0
Bangladesh	30	0.1	2	15000				

Source: ITC Trade

Figure 52 indicates competitiveness of suppliers to South Africa for leather of other animals imports from the world during 2016. The bubble graph indicates that Italy and Brazil were the biggest suppliers for leather of other animals into South Africa during the period under scrutiny. Between 2012 and 2016, China, Poland and Germany were the most competitive suppliers of imports of leather of other animals into South Africa during the period under observation and their imports grew at a rate that is faster than these countries exports to the rest of the world at 100%. Conversely imports of leather of other animals from Brazil, India, France and Uruguay into South Africa have slightly declined while these countries exports of leather to the rest of the world experienced an increase of between 0% and 10% during 2012 to 2016.

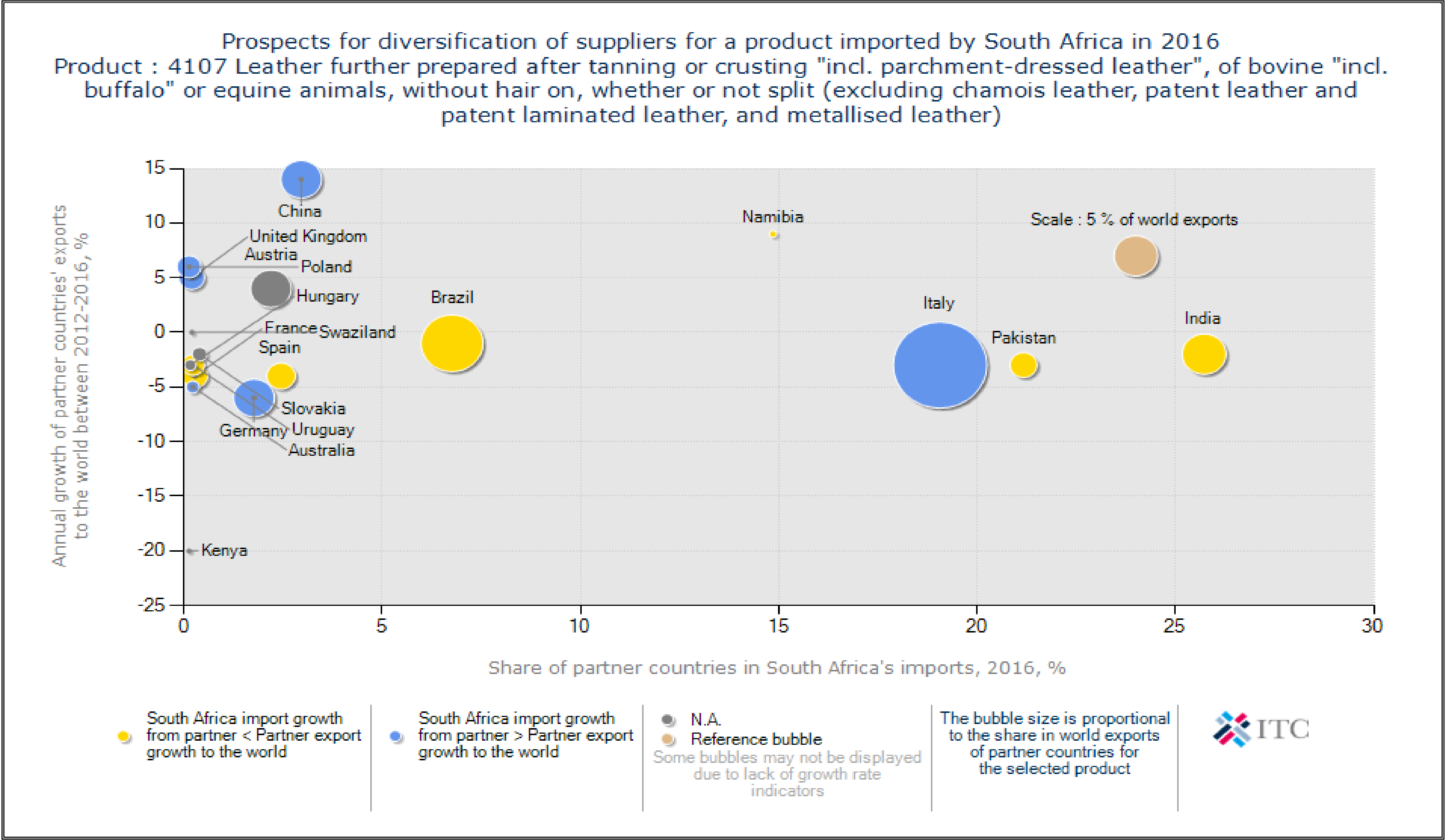
Figure 52: Competitiveness of suppliers to South Africa for leather of other animals imports in 2016



Source: ITC Trade Map

Figure 53 shows prospects for diversification of suppliers for leather of other animals during 2016. Italy, Brazil and India were the biggest suppliers for leather of other animals into South Africa during the period under scrutiny. The bubble graph also shows that India commanded the greatest market share of 27% in South Africa's leather imports, followed by Pakistan at 25%, Italy at 19.5% and Brazil at 8.6% respectively. South Africa applied a 6.6% tariff to leather of other animal's imports originating from India, Pakistan, Brazil, Singapore, China, Korea Republic, Kenya, Bangladesh and United States of America during 2016. If South Africa had to diversify its suppliers of leather of other animals from the world, small and attractive markets exist in China, USA, and Poland.

Figure 53: Prospects for diversification of suppliers for leather of other animals imported by South Africa in 2016



Source: ITC Trade Map

9. GOVERNMENT SUPPORT

Awareness: On the survey that was conducted, many respondents confirmed that they were inadequately informed about available schemes and programmes. It was also indicated that as firms run increasingly lean operations they have less time to spend investigating possible programmes which they qualify.

Competitiveness fund

One firm stated that it had made use of the competitiveness fund to support its Rural and Developmental activities. The amount awarded was only 16.6% of the amount the firm spent on product development. Therefore, while the amount was welcome, it did not make a fundamental difference to the firm's ability to undertake this kind of activity.

Trade fairs

Along with the use of South Africans living abroad, trade fairs appear to be a critical method of finding buyers for export contracts. The Dusseldorf and Manchester Fairs have both been responsible for a number of contracts which lead to exports. A firm that went to South America in August 2001 as part of the Department of Trade and Industry stand still had not been paid the agreed amount by March 2002.

Export promotion

Several firms suggested that a duty credit certificate type scheme would be worth investigating. This issue was raised and well debated in the footwear strategy workshop in Cape Town on the 07 March 2002 to a positive reception by the representatives of the industry. Elsewhere firms indicated that it would be a concrete contribution that the government could make to the sector.

10. APPENDIX A: GOODS AND FOOTWEAR LEATHER

a. **Apeco (Pty) Ltd** is one of the major suppliers to the footwear and associated industries with branches in Johannesburg, Cape Town and Port Elizabeth.

b. Gauteng Leather Works.

c. **Gringo Leathers** (Port Shepstone) Leather Goods Manufacturers & Merchants.

d. **Hannitan leather** (Springs) manufactures mainly semi-aniline furniture leather and a variety of specialty leathers including hunting jackets, handbags, decorative cushions etc.

e. **Kwiktan (Pty) Ltd** (Krugersdorp) is leather good manufacturer and merchants.

f. **Leather from Hart** (Pietermaritzburg).

g. **Mossop-Western** Leathers (Wellington, Western Cape) owned by Kolosus supplying bovine leathers to the footwear and leather goods and also exports leather to the UK, Spain, Portugal, India and the Far East.. The current production capacity is 1.2 million square feet per month. The company has at two plants, a wet blue operation at Hermon Road and crust and finishing plant at Hillcrest.

h. **Ostrich Emporium** (Port Elizabeth) is hides and skin broker.

i. **Ostrland** Import Export.

j. **Philippe Genuine Ostrich Products** in Grahamstown.

k. **Tan rite** (Uitenhage) is a leather good manufacturer and merchants.

l. **The Ing Thing** refinishes leather and supply chemicals to the shoe and leather industry.

11. APPENDIX B: AUTOMOTIVE LEATHER

a. **Allied Trim Components (Pty) Ltd),** has plants in Pretoria and Durban, supplying Toyota, BMW and Nissan, “with an array of products and services

b. **Bader (Bop) (Pty) Ltd** (Garankuwa) is leather goods manufactures and merchants.

c. **Eagle Ottowa** Multi-national manufacturers of top-grain finished upholstery leathers for the automotive industry. Also, cut leather parts, and full service seat ... The company began to diversify into leather for furniture, shoes, luggage, book binding, sports equipment, assorted novelties, valve packings and other industrial products.

d. **Feltex Automotive leather** (Ladysmith), produces leather for seating, door panels, gear boot covers, and gear lever covers. Leather is supplied to the automotive, aviation and furniture industry as either full hides or as cut-to-pattern kits, depending on customer requirements. FAL is fortunate to have an integrated supply of raw material through the KAP International feedlots and African Hide Trading (also owned by Daun Et Cie AG), which have dedicated procurement centres throughout Southern Africa and global networks to produce wet-blue hides/wet-white hides for automotive tanneries.

e. **Kolosus Automotive leather** is owned by Kolosus Holdings Limited

f. **Mario Levi** (Uitenhage) an Italian factory deals with automotive leather for domestic and export customers, as well as furniture upholstery and footwear upper leathers. It also has approval from international aviation regulatory authorities to produce fire- and smoke-retardant leather for the airline industry.

g. **Seton SA** (Nigel) is the USA producer of automotive leather most vertically integrated automotive leather manufacturer.

13. APPENDIX C: SOUTH AFRICAN TANNARIES

No.	Name	Type of Production	Address	Telephone	Fax
1	African Hide Trading	Wet Blue (bovine) Pickled Sheepskins	P.O. Box 2526 Port Elizabeth 6056	+27 (0)41 405 7063	+27 (0)41 461 1227
2	AfriTan Tannery	Gameskins and Nguni Hides	P.O. Box 728 Dundee 3000	+27 (0)72 186 1795	27 (0)34 212 3648
3	Bader SA	Automotive Upholstery	P.O. Box 911875 Rosslyn 0200	+27 (0)12 797 7100	+27 (0)12 797 7150
4	Beit Ore Tannery	Gameskins Hair-on and Nguni Hides	P.O. Box 627 Ladanna 0704	+27 (0)15 293 1259	+27 (0)15 293 2582
5	ERA Pellis CC	Wool-on Sheepskins	P.O. Box 22 Burgersdorp 9744	+27 (0)51 653 2000	+27 (0)86 663 2107
6	Feltex Automotive Leathers	Automotive Upholstery	P.O. Box 825 Ladysmith 3370	+27 (0)36 638 3000	+27 (0)36 638 3033
7	Gringo Leathers	Shoe Upper	P.O. Box 54160 Marburg 4252	+27 (0)39 685 5345	+27 (0)39 685 5343
8	Hannitan Leather CC	Furniture Upholstery	P.O. Box 3820 Springs 1560	+27 (0)11 817 2150	+27 (0)11 817 5259
9	Hidskin	Wet Blue (bovine) Pickled Sheepskins	P.O. Box 86350 City Deep Johannesburg 2049	+27 (0)11 613 6271	+27 (0)11 613 6708
10	Horne Tanning CC	Gameskins and Miscellaneous	P.O. Box 2211 Grahamstown 6140	+27 (0)46 622 8174	+27 (0)46 622 8174
11	Klein Karoo International	Ostrich	P.O. Box 241 Oudtshoorn 6620	+27 (0)44 203 8247	+27 (0)44 274 1588
12	Kwiktan	Ostrich and Game Skins.	P.O. Box 5307 West Krugersdorp 1742	+27 (0)11 660 3926	+27 (0)11 665 3633
13	Leather from Hart	Wet Blue (bovine) and Vegetable tanned	P.O. Box 94 Plessislaer 3216	+27 (0)33 398 5700	+27 (0)33 398 1272
14	Mario Levi Manufacturing	Automotive Upholstery and Furniture Upholstery	P.O. Box 3063 Uitenhage 6230	+27 (0)41 992 1160	+27 (0)41 992 1163
15	Midlands Tannery	Wet Blue (bovine)	P.O. Box 63323 Vaalpark 9573	+27 (0)16 972 1802	+27 (0)16 972 2282
16	Mossop-Western Leathers	Shop Upper	P.O. Box 501 Wellington 7654	+27 (0)21 864 9300	+27 (0)21 864 1272.
17	O&T Trading	Hair-on Tanning	PO Box 11005 Dorpspruit 3206	+27 (0)33 391 1341	+27 (0)33 391 3050
18	Oasis Tanning Company	Ostrich and Gameskins	P.O. Box 5577 Krugersdorp 1742	+27 (0)11 416 2270	+27 (0)11 416 2265

No.	Name	Type of Production	Address	Telephone	Fax
19	Ostriland Import Export	Ostrich and Gameskins	P.O. Box 345 Citrusdal 7340	+27 (0)22 921 2177	+27 (0)22 921 2157
20	Ostrimark SA (Pty) Ltd	Ostrich	P.O. Box 7074 Grahamstown	+27 (0)46 603 5300	+27 (0)46 603 5301
21	Pelts Products	Wet Blue (bovine) and Pickled Sheepskins	P.O. Box 323 Port Elizabeth 6000	+27 (0)41 461 1515	+27 (0)41 461 1203
22	Philippe Genuine Ostrich Products	Ostrich and Furniture Upholstery	P.O. Box 52 Grahamstown 6140	+27 (0)41 461 1515	+27 (0)41 461 1203
23	Prince Albert Tannery	Ostrich and Gameskins	PO Box 103 Prince Albert 6930	+27 (0)23 541 1411	+27 (0)23 541 1255
24	Rein Tanning	Ostrich and Miscellaneous	P.O. Box 10409 Dana Bay 6510	+27 (0)44 697 7041	+27 (0)44 697 7866
25	Richard Kane & Co	Wet Blue Pickled Sheepskins Wool-on Sheepskins Chamois	P.O. Box 222 Maitland 7404	+27 (0)21 535 1122	+27 (0)21 535 2244
26	Seton SA	Automotive Upholstery	P.O. Box 537 Nigel 1490	+27 (0)11 360 7500	+27 (0)11 814 6005
27	Skhumba Skins of Africa	Hair-on Tanning	P.O. Box 11005 Dorpspruit 3206	+27 (0)33 391 1341	+27 (0)33 391 3050
28	Southern Cape Ostrich Tannery	Ostrich	P.O. Box 2629 Mossel Bay 6500	+27 (0)44 606 4500	+27 (0)44 697 7105
	Swartland Tanning	Ostrich and Miscellaneous	P.O. Box 849 Wellington 7654	+27 (0)21 868 2426	+27 (0)21 868 2499
	The ING Thing cc	Shoe Upper and Miscellaneous	P.O. Box 264 Hilton 3245	+27 (0)33 330 7575	+27 (0)33 343 1445
	Woods Tanning cc	Ostrich and Gameskins	PO Box 1603 Uitenhage 6230	+27 (0)41 992 2179	+27 (0)41 992 2144
	Zenda SA	Automotive Leather	PO Box 158 La Montagne 0184	+27 (0)12 810 3500	+27 (0)12 810 3501

14. APPENDIX D: INDUSTRY ASSOCIATIONS

ORGANIZATION	CORE BUSINESS	CONTACTS
The Skins, Hides and Leather Council (SHALC):	A body representing all sectors of the South African leather industry from raw hides procurement to finished leather.	Chairman: Mr. van Niekerk Tel. 041 365 3131 or Email: oosthaw@intekom.co.za for more info.
The SA Footwear and Leather Export Council (SAFLEC)		Paul Theron (Executive Director) Tel. 031- 701 4206 saflec@saflia.co.za www.saflec.co.za
The International School of Tanning Technology (I.S.T.T.)	An institution whose core business activities are focused on the	P.O Box 2085 Grahamstown

	provision of world class training to the tanning industry. It offers courses from basic tanning (NQF level 2) to Advanced training (NQF level 5).	6140 SOUTH AFRICA Tel: 046 – 622 7310 Fax: 086 545 2723

15. ACKNOWLEDGEMENTS

Acknowledgement is given to the following sources:

1. Agriworld
www.agriworldsa.com.

2. Competition Commission
www.compcom.co.za.

3. Department of Agriculture, Forestry and Fisheries (Veterinary services)
www.daff.gov.za.

4. Department of Trade and Industry. (2008) Sector Development Strategy: Footwear and Leather Goods
www.thedti.gov.za.

5. FAO
www.fao.org.

6. Market Access Map
www.macmap.org.

7. Quantec
www.easydata.co.za.

8. Richard Ballard (2001). A preliminary study on the bovine leather value chain in South Africa
http://sds.ukzn.ac.za.

9. SAMIC
www.samic.co.za.

10. Trade Map
www.trademap.org

11. Klein Karoo International Ltd
Tel. 044-203 5234

12. IMPEC (Integrated Meat Processors of the Eastern Cape
Tel. 046-622 6567

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