

## **Report on Nigeria Leather infrastructure**

The leather industry in Nigeria is an important sector with significant economic potential. It has a rich history and is one of the country's most valuable non-oil export commodities. Nigeria is known for producing high-quality leather from a variety of sources, including cattle, goats, and sheep. The country is home to Africa's largest leather hub in Kano, where raw hides and skins are processed into leather. This industry spans across different regions, particularly the northern parts of Nigeria, with Kano and Sokoto serving as major centers for tanning and leather processing. It is estimated that the leather sector of Nigeria is capable of generating USD 17 billion worth of business in coming five years.

Nigeria is one of the largest producers of hides and skins in Africa, with exports to Europe, Asia, and North America. Goat and sheep leather, known for their fine quality, are widely produced. Bovine (cattle) leather is also a significant part of the industry. The leather industry in Nigeria contributes significantly to employment and economic growth, especially in rural areas. It's also an important source of foreign exchange. The sector employs hundreds of thousands of workers directly and indirectly in farming, collection of raw hides and skins, tanning, processing, and trade.

Nigeria exports a significant portion of its leather production, primarily as semi-processed or fully processed leather. However, the country imports finished leather goods, such as shoes and bags, indicating potential for local value addition. Europe (Italy, Spain), Asia (India, China), and North America are important export markets. Although exact figures may vary, the sector contributes to Nigeria's GDP through exports, adding diversification to the economy beyond oil.

There is immense potential for growth of this industry in Nigeria. There are several challenges for realisation of true untapped potential of the leather sector.

1. Many of the tanneries and processing units operate with outdated technology, reducing the competitiveness of Nigerian leather in the global market.
2. Poor waste management in the tanning process has led to environmental degradation in key production areas like Kano.
3. While Nigeria exports significant amounts of raw and semi-processed leather, it imports most finished leather goods. This represents a missed opportunity for the domestic economy to benefit from value-added production.
4. The industry is highly dependent on livestock production, which can be affected by factors such as disease outbreaks, grazing land availability, and conflicts (such as the farmer-herder crisis).
5. There is a need for better quality control standards to ensure Nigerian leather remains competitive internationally.

The Nigerian government has recognized the leather sector as a priority area for development within its broader industrialization strategy. The Federal Government launched the Nigerian Leather Policy in 2019, aiming to improve the value chain, increase exports, and promote local manufacturing of leather products. Following key initiatives were prescribed to achieve development in this sector:-

1. Support for SMEs - Small and medium-sized enterprises (SMEs) in the leather sector are being supported with grants and loans through programs like the Bank of Industry (BOI) to help improve processing and manufacturing capacities.
2. Curbing the consumption of raw hides and skin (ponmo) by incorporating ponmo dealers into other means of livelihood.
3. Training of the teachers and incorporation of leather trade in curriculum of secondary schools.
4. Promotion of made in Nigeria leather products and development of adhesives from locally available materials.
5. Export Promotion - The Nigerian Export Promotion Council (NEPC) has been working to promote leather and other non-oil products in international markets.
6. Local Manufacturing - Developing a stronger local leather goods manufacturing industry, including footwear, bags, and other accessories, could reduce reliance on imports and create more jobs.
7. Sustainability and Eco-Friendly Practices - There is a growing demand for sustainable leather processing practices globally, and Nigerian tanneries have an opportunity to invest in cleaner technologies that reduce environmental impact.
8. Investment in Modern Tanning Technology - Upgrading the aging infrastructure of Nigerian tanneries and improving the quality of locally processed leather can make the sector more competitive.
9. Training and Capacity Building - Enhancing the skills of local artisans, tanners, and manufacturers through training programs will help increase productivity and the quality of products.
10. International Collaborations - There are opportunities for collaboration with foreign firms for technology transfer, improved quality control, and expanded market access.

In conclusion, the Nigerian leather industry holds significant potential for growth, particularly in terms of value addition. By addressing the current challenges related to infrastructure, quality control, and sustainability, Nigeria can strengthen its position in the global leather market while creating more jobs and contributing to economic diversification. Nigeria's leather industry has substantial untapped potential, particularly in value addition and manufacturing. National Leather and Leather

Products Producers Association in Nigeria (NALPAN) an amalgamated body for all practitioners has been registered to bring all stakeholders on one platform.

Apart from the sectoral view of the leather industry, it would be important to consider the economic condition of the country which has issues related to regulatory stability, electricity deficit and forex issues before making business proposition.

Important coordinates:-

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Further reading

1. <https://sciencenigeria.com/nigerias-leather-industry-potential-17-5bn-market-annually-nilest/>

2. <https://faolex.fao.org/docs/pdf/nig229169.pdf>