

Discussion held on 2014/15 budget year



H.E. Ato Taddesse Haile

All workers, professionals and management staffs should exert their skills and knowledge in order to achieve the goals and targets set in annual plan of 2014/15 said the State Minister.

H.E. Ato Taddesse Haile said that the institute has accumulated a number of best practices for over the past four concrete implementation of GTP and these benchmarking and best practices achieved through those years would help the institute to fully apply the annual plan.

The FDRE Government has been conducting a lot activity to attract



Ato Wendu Legesse

investment. In addition, the government is committed and doing much to expand all the projects and build the competitiveness of our product in the world market.

Ato Taddese explained that searching for new market for the products, interlinking of these new markets with producers and traders and promoting the products in the markets are some of the indentified key issues that we have been working on.

The 2013/14 budget year report has been presented by Tesfaye Berehanu, Director to Planning and Information Directorate to LIDI's staff.

As he said in 2012/13 budget year 123.4 million USD foreign currency has

achieved from exporting leather and leather products and in 2013/14 it was planned to get 347 million USD by exporting leather and leather products but only 132 million USD has been realized.



Tesfaye said that when we evaluate the 2012/13 and 2013/14 reports the 2013/14 leather and leather products exports is by far better in any measurement.

Out of the leather and leather products exported to the world market, 97.6 million USD from finished leather, 30.5 million from shoe 4.3 million from glove and 396.2

thousand USD has been incurred in these particular years. When we compare these figures with that of the 2012/13 budget year export, it would be easily observable.



In 2012/13 finished leather has dropped by 3.29 percent but the rest i.e. shoe, glove and goods and garments increased by 59, 40 and 163 percents respectively. Of all the products exported in 2013/14 export Year, shoe, finished leather glove and goods and garments are some of the products in which a large amount of value addition is made on. These products constitute 26.5 percent share when they are compared with other products. This shows that when we compare value added products with that of last year's exports, we can see that it shows that this year's exports exceeds by 57.24 percent.

In 2013/14 budget year finished leather, from goats, and sheep skins and cow hides has shown the growth of 7.2percent. In addition, shoe, 124.6%, upper shoe 21.4% and glove has grown up to 85.7%.



Ato Tesfaye Berhanu

The application of new institutional structure, BSC, KAIZEN, ISO and QMS in coordinated and organized manner are some of the major activities that have been implemented in this budget year.

To insure good governance, transparency and participatory form of administration in the institute, many activities such as creating awareness on regulations, directives and governmental policies and strategies to LIDI's staffs were some of the issues that have been worked on. The report indicated that the uniformity and commonness of the yearly plan which was

open for discussion to all the staffs of the institutions are some of the key points that enable us to settle the problems raised by the investors.

In this budget year chronic problems such as rent seeking, contraband, logistic and others are some of the main issues that may involve different governmental and nongovernmental organizations. To resolve these and other export related problems, LIDI has been closely working and played the role of leading to minimize serious problems mentioned above.

In twinning program which had been carried out in coordination with LIDI, CLRI and Addis Ababa University Science and Veterinary faculties, 32 students graduated in MSC degree and 6 students are attending their Ph.D program in leather technology. Ato Tesfaye has also clarified that 1077 short term training provided to workers engaged in different department of LIDI.

Regarding investment project supports, two companies supported in various manners; zhiang zin zang has begun fully producing finished leather and George



Shoe Company started producing shoe in its limited capacity.

The institute has conducted 6 feasibility studies and transfer to the owners in this

budget year. Besides this, the institute has prepared project profile for goods and garments.

Concerning technical support, machine

erection for three TVETs, three machines sample studies, machine maintenance for two factories, energy auditing for two companies, are some of the support activities provided to companies in technical support, as the report indicated.

Other than these; technical support has been provided to shoe factories especially for SME. For instance, for 3 MSE producing shoe, has been designed and transferred to the MSE. On the other hand, support has been provided to 10 companies which may help them produce line items spare parts. Introducing a new Intranet that may accommodate 50 persons/users at a time and introducing and expanding WIFI are some of the technical support that have been provided in this budget year.

In the past year in productivity, in Research and Development(R and D), in goods and garments, in Environmental protections, Laboratory testing, a fruitful activities and supports were made according to the report.

As to Tesfaye, 357.7 million USD is the plan of the institute in 2014/15 budget year to be achieved. In this budget year enabling those companies which are under construction to enter operation, and enabling those which are already active in production to produce in their full capacity as much as possible and working seriously on environmental issues are the three poles on which the institute would focus.

Ato Wendu Legesse, DG of the institute said that government has planned to see a developed country and that is why manufacturing sector is prioritized and leather sector is one of the manufacturing sectors and therefore, it has given priority.

The 2013/14 budget year was a year in which useful global market systems have been studied and information been gathered that can be used in this year marketing system. Therefore, we have to organize ourselves and our institute to utilize what the global market offers to our commodities and products, and with this we would be able to make the nation step for word in producing quality products and commodities so that Ethiopia shall become one of the best well known country in supplying quality leather products which benefits the country.

LIDI's staffs on the other side have promised that they will exert all their skills,

knowledge and potential to let the institute achieve the target set in the 2014/15 budget year plan.

In conclusion, Ato Tadesse, State Minister said that, as the government has given special priority and focus on the manufacturing sector on one and since it is the last year of GTP on the other hand, we all should commit for and indorse this plan and work for its realization.