



# Rwanda Green Leather Tannery Opportunity





# The Government of Rwanda recognizes the country's leather value chain as a **priority sector for investment**



The sector benefits from **high-quality raw hides and skins**, thanks to its natural/zero-grazing and no identification marking policy

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The sector is well positioned to place Rwanda as a global competitor in the luxury finished leather niche

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The sector presents strong potential for employment generation and foreign currency earnings



# The problem



The leather supply chain in Rwanda is highly fragmented with a focus mainly on **production of raw hides and skins**



Raw hides and skins produced in Rwanda are currently exported in their raw form with **no value addition**



The sector currently lacks **transformation capacity** as there are no tanneries operating in Rwanda



# The solution



The proposal recognizes an opportunity to transform Rwanda's high-quality raw hides and skins through the **establishment of a modern green leather tannery plant**



The Tannery will produce **high quality Made-in-Rwanda finished leather** primarily for the export market as well as to serve the domestic market



The Tannery will operate in line with **LWG's green leather certification** requirements and audit protocols, and seek to obtain LWG certification





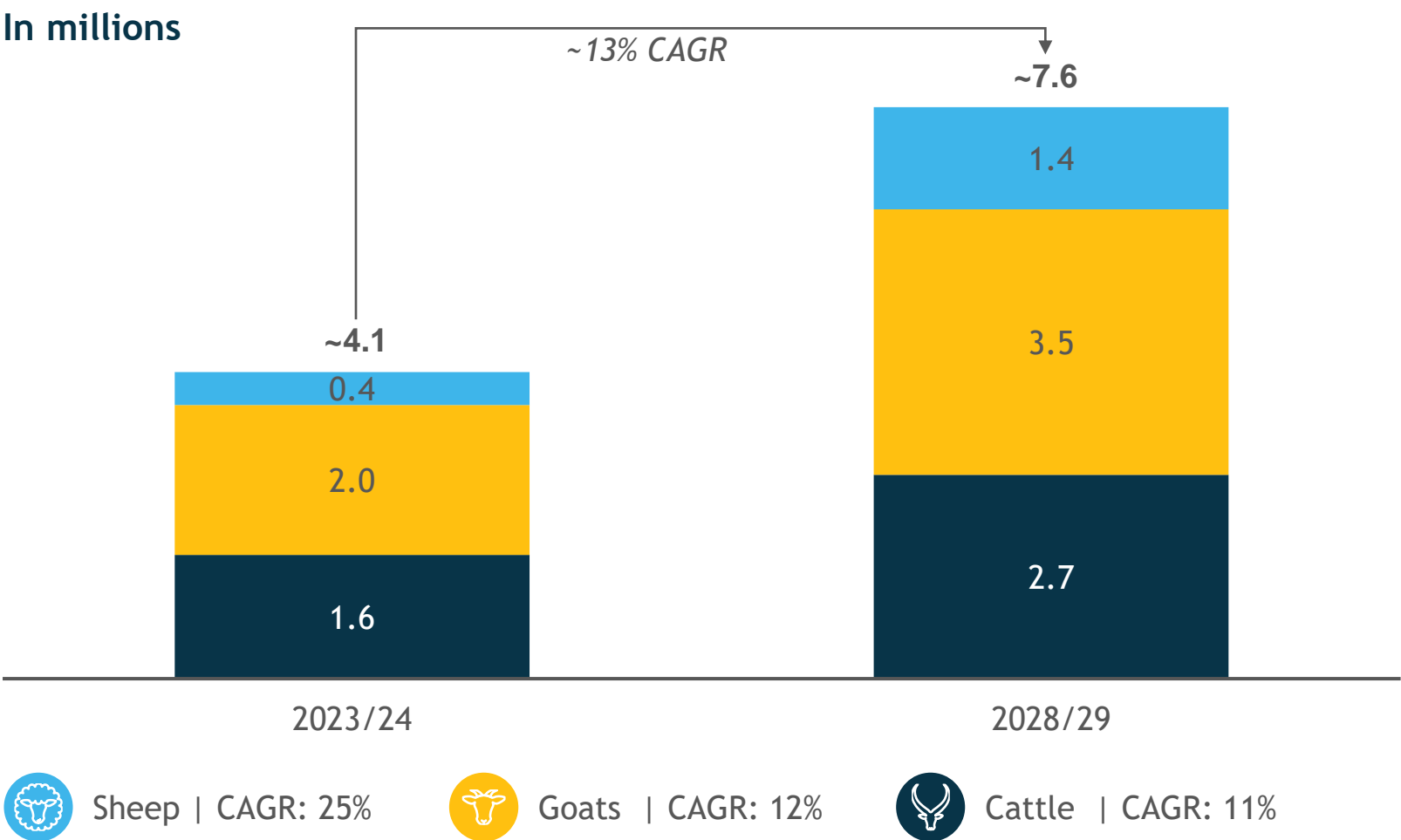
## Project proposal



Rwanda's livestock sector presents opportunities for the development of high value green leather due to its competitive advantages



# Total livestock population in Rwanda



Whilst Rwanda does not possess a large livestock population, it is considered **a source of premium quality natural raw hides and skins** due to the prevalence of zero-grazing practices and no identification marking policy



# Distribution of modern slaughterhouses in Rwanda

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There are 12 modern abattoirs/ slaughterhouses that specialize in cattle, goats and sheep across Rwanda

60-70%

These account for 60-70% of total RHS collected in the country



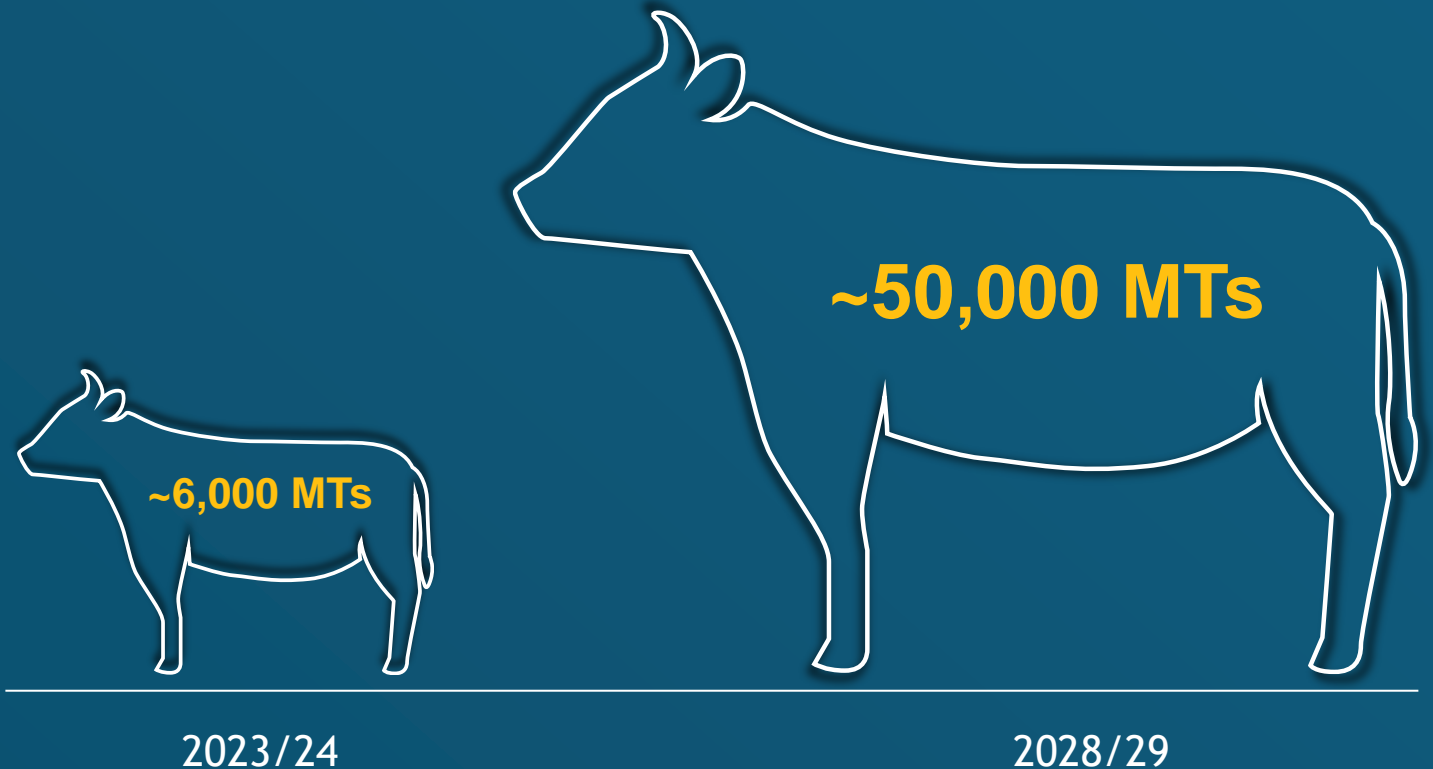


# Production of Raw Hides and Skins



Production of RHS is estimated to **increase by more than 8x** in the next five years driven by targeted government-led interventions designed to enhance livestock quality and RHS yields

## Volume of RHS produced in Rwanda



# The market opportunity

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Global demand for finished leather is estimated to be worth around

**US\$4.4**  
**BILLION**



Demand for **green leather** is expected to grow at a **faster rate** than the overall leather market given the **growing trend in sustainability** and environmental awareness





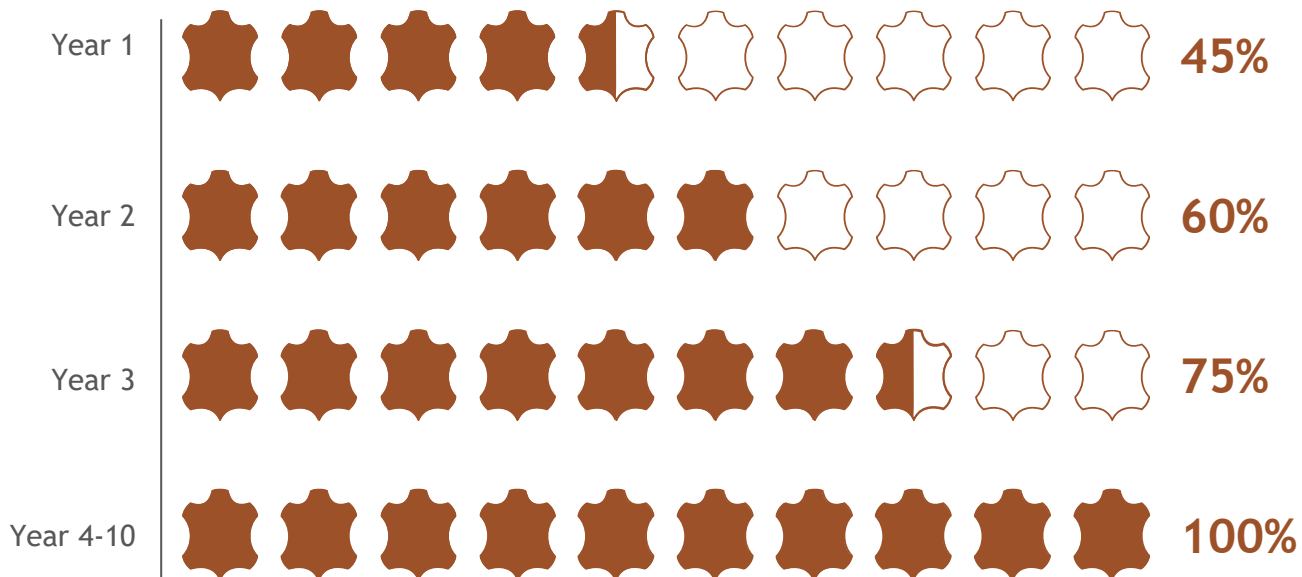
Business model





# Production capacity

## Forecast growth in the Tannery's production capacity



The Tannery intends to produce **9 million square feet** of finished leather per annum at full production capacity



# Marketing and sales strategy



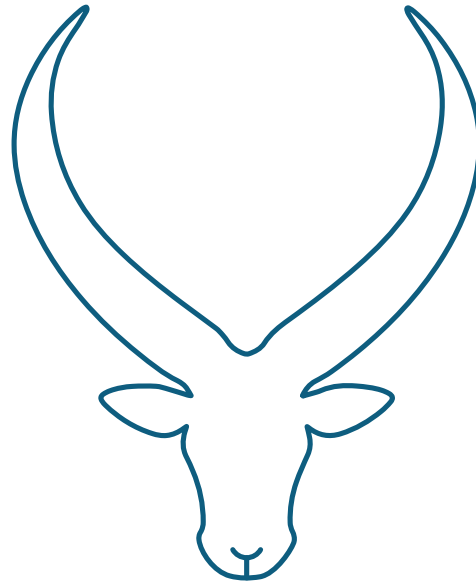
## Export markets

The Tannery will primarily target international leather markets, with a focus on buyers in **Europe and Asia**

Target customers include:

- Upholstery manufacturers
- Manufacturers of leather furnishings and fittings for the Automotive sector
- Manufacturers of footwear, bags, gloves and belts

## The Tannery



## Domestic market

The Tannery will also sell finished leather to footwear and small leather goods manufacturers in Rwanda

# Participation at international leather trade fairs

International trade fairs attract a targeted audience of over 2,000 potential buyers and trade partners

## LINEAPELLE

**Largest** international leather fair for tanners and finished leather sourcing

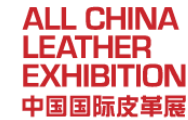
Attracts

**>1,160 exhibitors**

715 Italian and 445 foreign companies



Asia Pacific Leather Fair attracts  
**>800 exhibitors**



Includes exhibitions from  
**tanneries, suppliers, designers and buyers**  
from across the globe



Platform for the promotion of **African leather sectors** within the continent and globally



# Environmental impact

Use of cleaner production technologies across the value chain

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Installation of a Common Effluent Treatment Plant, ensuring pollution reduction

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Traceability of all RHS back to their specific sources

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Adoption of cold chain solutions







## Social impact

**Job creation** - The tannery will employ 114 FTEs in year 1, growing to 125 at full production capacity

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**Wider economic empowerment** across the entire value chain (smallholder farmers, slaughterhouse workers, logistics providers, etc)

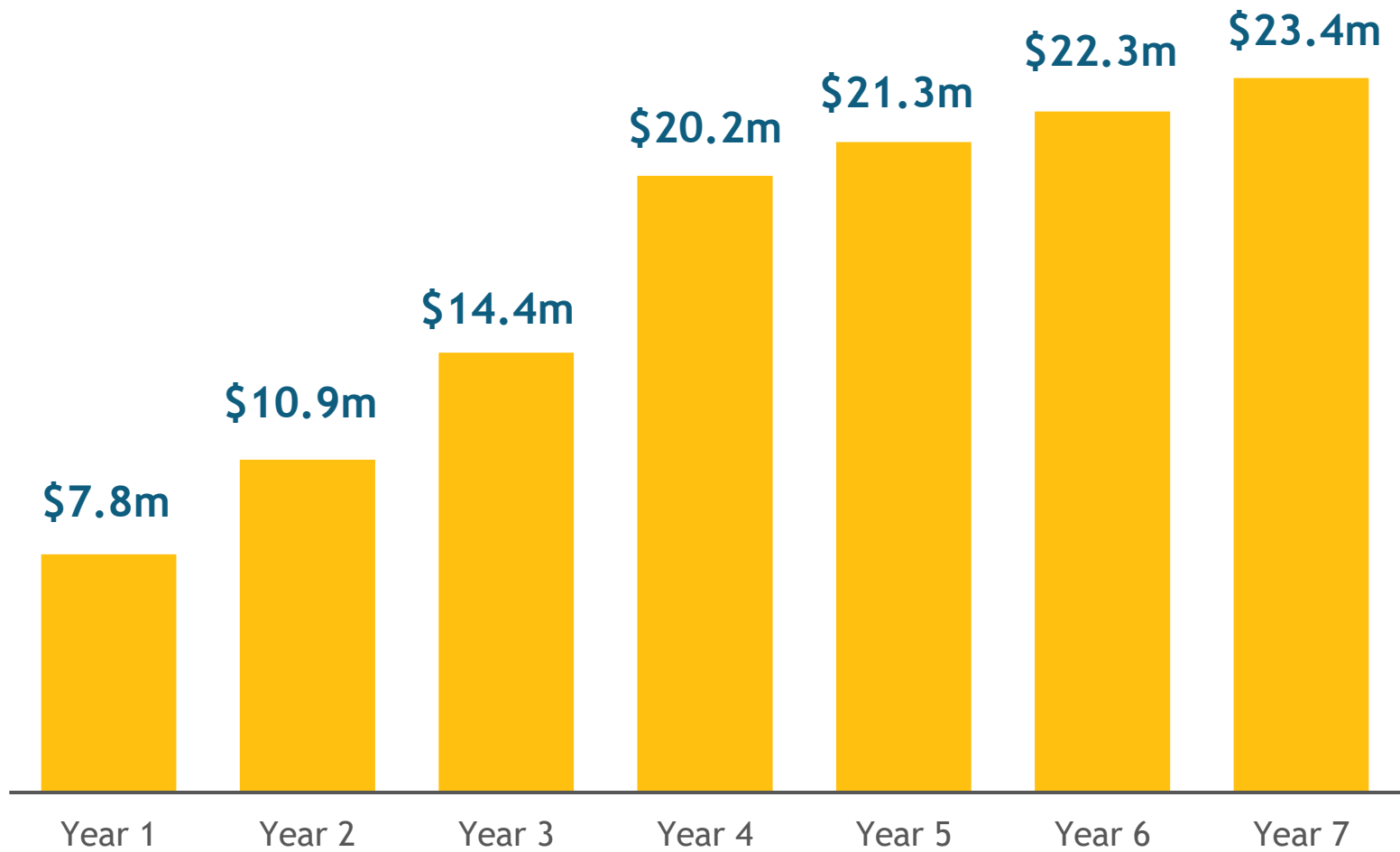
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High animal welfare with ethical and humane treatment



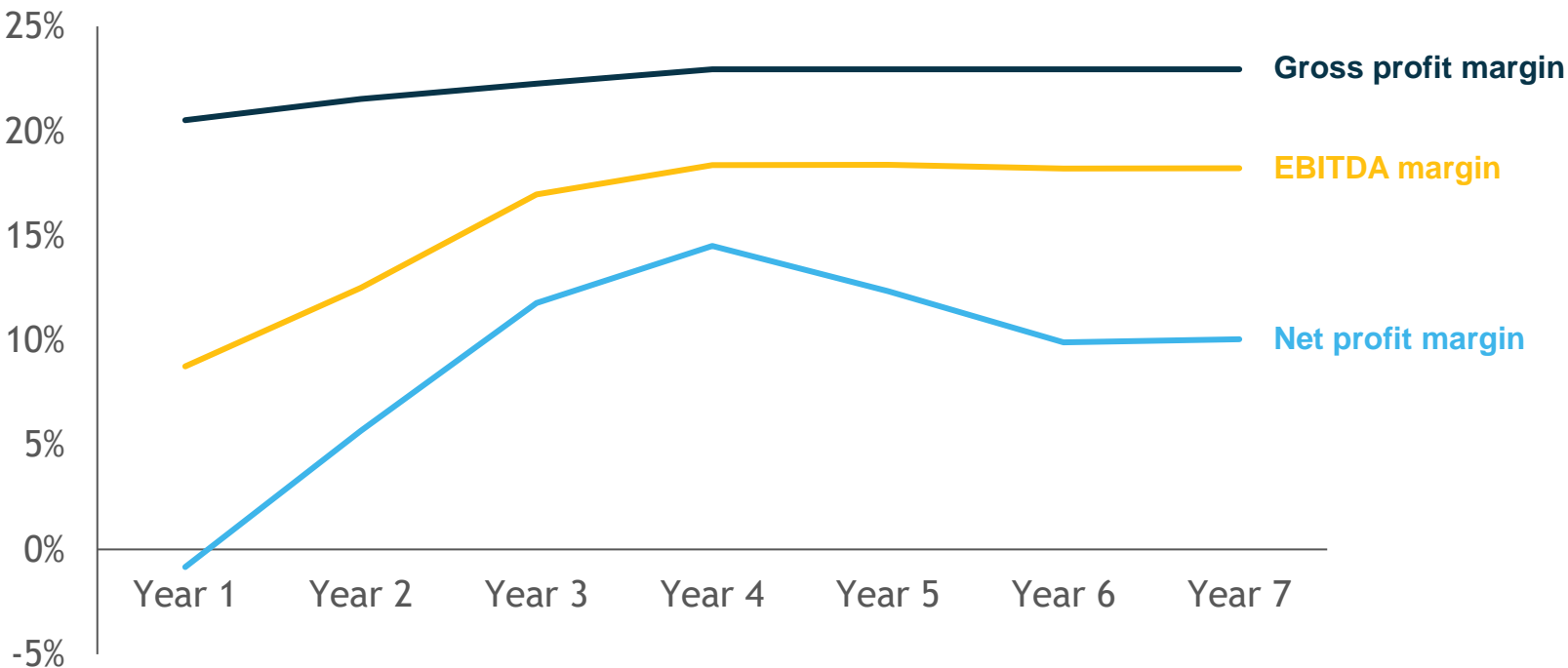
# Revenue projections

US\$ millions




# Profitability ratios and investor returns

## Profitability ratios



## Investor returns

 **21.5%**  
IRR

 **8.1%**  
Average ROE  
over 10 years

 **7 years**  
Payback period

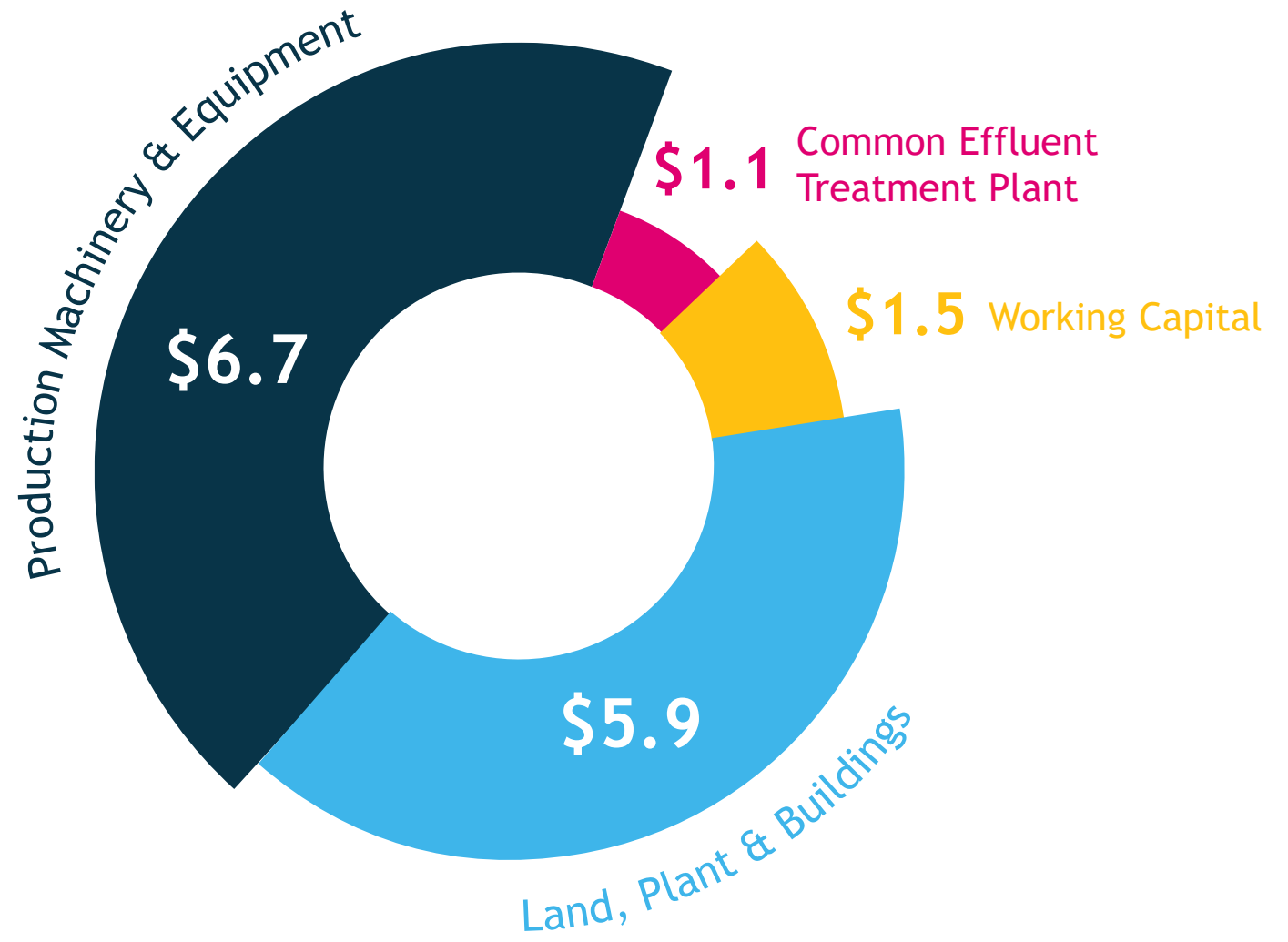


# Financing requirements

The Tannery is seeking to raise

**US\$15.1m**

equity capital to set up the factory and for working capital to commence operations







▶ Thank you

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BRITAIN & NORTHERN IRELAND



Manufacturing Africa

This study has been funded by UK aid from the UK Government; however, the views expressed do not necessarily reflect the UK government's official policies