

S&V Weekly Newsletter Vol.9 No.17, April 24 2023

THIS NEWSLETTER IS SPONSORED BY SAFLIA
 We help keep local footwear manufacturing alive - Click to find out how.

Please note: Click on any ad to go to the advertiser's website

POLO
MODERN CLASSICS
 Available all year-round.
 OFFICIAL LICENSED DISTRIBUTOR

Wage negotiations: Uncertainty over Footwear sector

The wage negotiation first rounds in all 3 sectors of the National Bargaining Council of the Leather Industry of SA (NBCL) have taken place - General Goods & Handbags on 04 and 05 April in Cape Town, Tanning on 12 and 13 April in Port Elizabeth, and Footwear on Tuesday and Wednesday last week in Durban.
 The second rounds are: General Goods & Handbags 03 and 04 May, Tanning 09 and 10 May, and Footwear 16 and 17 May.
 The Footwear sector negotiations take place in an atmosphere of some uncertainty following the resignations of some members of the Southern African Footwear & Leather Industries Association (SAFLIA) which apparently leave SAFLIA members employing less than half of the industry's workforce, and what that will mean in terms of extending an agreement between SAFLIA and the unions to non-parties.

SAY GOODBYE TO TEDIOUS PAGE-SCROLLING
 with ChillSourceSoftware's new quick search feature on enquiry applications

Our latest MRP software update makes finding critical information easier and faster than ever before. Get instant results and make informed decisions with ChillSourceSoftware.

CHILLI NOVA

NEW!

ChillSource SOFTWARE +44 (0)75 9100 7941 | info@chillsourcesoftware.co.uk
 www.chillsourcesoftware.co.uk

SA Government support for Putin 'threatens AGOA'

South Africa's exports of leather, leather goods and footwear to the US, which are among many products which benefit from the African Growth & Opportunity Act, are at risk because of the SA Government's support of Russia. The annual value of the export business to our industries, as at 14 February, is close to R559 million for leather, close to R29 million for leather goods, and over R24 million for footwear.
 By comparison, SA's exports of those categories to Russia are R337 000 for leather, R271 000 for leather goods, and R416 000 for footwear.

Below is an article in the Financial Mail on 16 March by **Francois Fouché**, an economist and research fellow at the Centre for African Management & Markets at the Gordon Institute of Business Science, which conducts academic and practitioner research and provides strategic insight on African markets.

The African Growth & Opportunity Act (AGOA) is a US statute that provides preferential trade terms to 35 countries in Sub-Saharan Africa. South Africa, however, is putting this relationship at risk by cosying up to Russia. There is no upside to this; the country will only be able to trade down with this move.
 South Africa has certainly not taken full advantage of AGOA since it was introduced in 2000, but the privilege has been used well by some sectors. Exports of cars made in South Africa are a big win, for example, and we also send wine and citrus to the US duty free.

Still, in 2021 South Africa exported \$15.7bn of goods to the US, of which only \$2.7bn met the criteria for AGOA's zero-duty policy. (Some metals and mineral exports are not eligible under AGOA.)
 Some of our major failures to take advantage of AGOA lie in agricultural products and clothing.
 For example, the government side of our farming systems simply has not met the necessary standards. Just look at the number of vacancies for state veterinarians and you'll understand why. They are required to verify that certain standards are met to allow exports to the fussy US. And, as it stands, we can't manage our domestic herds well enough to validate some clearances. This should be corrected.
 Our textile industry is just as disappointing. Other African nations sell clothing into the US under AGOA, but South Africa cannot compete with less developed nations on the continent.

Despite such notable failures, it makes no economic sense for South Africa to risk losing the privileges AGOA offers by forging stronger relations with Russia.
 South Africa needs Russia like a fish needs a bicycle. We trade very little with the country: in 2021, we exported only \$410m of goods to Russia against the \$15.7bn to the US. And our exports to Russia — mostly fruits, nuts and citrus — fell to \$282m in 2022.

In addition, while Russia accounts for just 1.3% of global goods imports, Uncle Sam remains the world's largest importer, at 13% in 2021.
 Were Joe Biden's government to revoke our special status, it wouldn't be without precedent. Other African nations that have earned Washington's ire have been given the boot. Just last year Ethiopia lost its designation under AGOA, chiefly because of evidence of human rights violations in the turbulent northern region of Tigray. This devastated industrial parks across the nation.

It dented the Horn of Africa country to the long list of African states that have faced suspension, including Cameroon, Guinea and Mali. Our troubled neighbour, Zimbabwe, has never been an AGOA beneficiary, and it won't be eligible until it makes real progress on human rights, electoral reform and more.
 If Zimbabwe is a cautionary tale, another neighbour offers us direction and inspiration. Late in 2019 Namibia became the first African country to gain permission to export beef to the US. If Namibia can do it, so can we.

The AGOA benefits are set to expire in 2025. There are two no-brainer steps we should take to best exploit them before then.
 First, no more military exercises with Russia; there is nothing to gain from these. In a context where much of the world sees Vladimir Putin's regime as the instigator of a war of aggression, all this does is alienate us from more important trading partners.
 Second, we need to focus on complementarity. Once the special trade treatment runs out, all that matters is supply and demand. What can South Africa produce that others will want to buy at an enticing price? US buyers of cars and wine have no sympathy for suppliers whose cost bases are elevated because of electricity constraints, busted railway lines and red tape. South Africa, in other words, has to get competitive.

This second step is hard work that will take years. But the former is quick and easy: no more military games with countries that start wars.

In case you missed it!

The April issue of S&V Footwear & Leather Goods Magazine

S&V FOOTWEAR & LEATHER GOODS
 Vol.89 No.4 April 2023
 - Minimum duty increase application turned down - so far
 - Boardriders: going back to the licensee model?
 - Dane SA green export programme

Leading adhesive specialist for the footwear and leather markets

With 30 years of experience in the footwear and leather markets, Royal Adhesive Industries has expanded its footprint to include South Africa with facilities in Cape Town.

Our team of technical sales staff offer you 2023 only the best quality and extensive range of adhesives, with expert advice and support. Give us a call, we'll get you around the corner tomorrow.

Durban | 031 700 8880
 Johannesburg | 011 888 2778
 Cape Town | 021 913 4864

CLICK HERE TO VIEW IT ONLINE

S&V FOOTWEAR & LEATHER GOODS MAGAZINE VOL.89 No.4 April 2023

IN THIS ISSUE:

- 03 Upfront**
 - A hard-fought campaign by SAFLIA to get the minimum duty on imported footwear increased has been stymied for now. **Jirka Vymetal** explains the lengths the association has gone to so far.
 - Boardriders: Going back to the licensee model? **Dane Patterson** says the likely new owners will probably look for the local distributors.
 - Revamped Lighthouse Shoes "is an example of black industrialists we're building from the bottom up", says Trade & Industry deputy minister **Nomalungelo Gina**.
- 07 Innovation**
 - Kenyan fish skin tannery develops banana stem-based material for shoes and upholstery. **Alisam Products' Newton Owino** finds another waste product to beneficiate.
- 08 Headlines with Tinashe Mandirahve**
 - The first net zero sneaker: Can Allbirds' MO.ONSHOT compete with leather shoes for profitability?
 - The rise of gender neutral shoes in America.
- 10 Technology**
 - Berzacks' Juki launch: 'Clear indication which machines to hold in stock,' says **Keith MacLachlan**.
- 11 Exports & Trade**
 - Nothing mythical about 'Project Wakanda' as Bata SA grows its export programme.
- 12 Notice Board**
 - Obituary: **Rob Pringle** - components, mentoring, birding, golf...in all things an expert.
 - Obituary: **Eros Sirilli** - a shoemaker's shoemaker.
- 15 Trade Statistics**
 - Frebruary imports and exports of footwear and accessories, provided by SARS.

Advertisers in this Issue
 Evolution Engineering (this page), Freestyle Genuine Handcrafted Leather (02), Royal Adhesive Industries (0FC), Saddler Belts (05), SAFLEC (13), S&V Directory (12), S&V Trade Fair Calendar (07).

CLICK HERE TO VIEW IT ONLINE

They Said It

"Work hard. That's very, very important." - Parting advice from Arsuritoria's **Stefano Migliavacca** to attendees at last week's footwear and handbag trend workshop in Durban, KZN, SA.

New subscribers last week

- Johan Shnyman**, Community Leather Projects, Pretoria, South Africa
- Hashmook Naran**, Director, Tika shoes, Zimbabwe
- Balvan Rishidaw**, Director, Smiley's Footwear, Durban, South Africa

Directory entries updated last week

- Acol Chemical Holdings, Bulawayo, Zimbabwe.
- African Leather & Skins, Paarl, W. Cape, SA.
- African Merno Trading, Ekandustria, Mpumalanga, SA.
- JFK Trading, Durban, KZN, SA.
- Lighthouse Footwear, Stanger, KZN, SA.
- Zetu Shoes, Durban, KZN, SA.

Got anything you'd like to share?

Do you have any suggestions, comments or experiences about the industry that you'd like to share with the industry? - tony@svmag.co.za

EVANS CULTURE
 BE A PART OF THE CULTURE
 BIRTHDAYS THIS WEEK

24/04/1958: **Mahomed Farhad Casoojee**, agent, Pietermaritzburg, Gauteng, SA.
 24/04/1958: **Presheem Jankees**, Leather Designer, Johannesburg, KZN, SA.
 25/04/1955: **Maryrose Lesalaisa**, Cee Dee Footwear, Johannesburg, Gauteng, SA.
 25/04/1961: **Marcelle Kurth**, emigrated to Australia, formerly Corbeau, Cape Town, W. Cape, SA.
 25/04/1963: **Neil Barnes**, Millbrook Trading, Durban, KZN, SA.
 25/04/1971: **Clinton Cloete**, BBF Footwear, Port Elizabeth, E. Cape, SA.
 26/04/1943: **Juan Lichnovsky**, retired back to Chile, formerly Futura Footwear (now Bata SA), Pinetown, KZN, SA.
 26/04/1953: **Rodney Hill**, left the industry, formerly Prime Leathers, Pinetown, KZN, SA.
 26/04/1964: **Dedmond Swartz**, DS Agencies, Johannesburg, Gauteng, SA.
 26/04/1965: **Faizel Jeewa**, Traford Footwear, Durban, KZN, SA.
 26/04/1982: **Keaton Quarmby**, Falke Eurosocks, Cape Town, W. Cape, SA.
 26/04/1982: **Gavin Roberts**, Freesurf Agencies, Scottburgh, KZN, SA.
 27/04/1944: **Kelly Smith**, agent, Pietermaritzburg, SA.
 27/04/1964: **Francois Strydom**, formerly Bolton Footwear, Great Brak River, Dick Whittington Kells, Pietermaritzburg, SA.
 27/04/1968: **Wyatt Brodie**, left the industry, formerly Polo SA, Johannesburg, Gauteng, SA.
 29/04/1951: **Elizabeth Loubser**, retired, formerly Bolton Group, Great Brak River.
 29/04/1980: **Mark Fraser**, Claw Boots International, Johannesburg, Gauteng, SA.
 30/04/1946: **Willi Angeloch**, retired, formerly Nakara, Windhoek, Namibia.
 30/04/1959: **Gustav Franzsen**, Vinaco, Cape Town, W. Cape, SA.
 30/04/1964: **Hartley Roberts (nee Caro)**, Retailability, Durban, KZN, SA.
 30/04/1985: **Gert Bosch**, TST Agencies, Cape Town, W. Cape, SA.

STOCKMAN
 Locally manufactured leather, canvas and mesh hats since 1935
 Contact us: office@supremeholdings.co.za

IN MEMORIAM THIS WEEK

26/04/2005: **Bryan Dean** (b. 09/01/1939), Amber Footwear [closed], Pietermaritzburg, KZN, SA.
 26/04/2012: **Roy Eckstein** (b. 22/10/1941), Jaguar Shoes, Amshoe [both closed], Pietermaritzburg, KZN, SA.
 25/04/2018: **Alan Hornby** (b. 16/08/1961), Topling Agencies, Johannesburg, Gauteng, SA.
 30/04/2012: **Abraham Aboob** (b. 07/08/1948), MG Shoes [closed], Pietermaritzburg, KZN, SA.

Have you let us know about your birthdate, or the birthdays of your colleagues? Our readers love this section, so please become part of it. This also applies to the In Memoriam section. Help us remember former colleagues.

S&V THE MONTHLY AT A GLANCE
 Trade Fairs Seminars
 Conferences
 Range Launches
 Do you have an event you want listed in the calendar?
 Email tony@svmag.co.za
 No charge for associations, R199 + Vat for all others

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

S&V THE ONLINE DIRECTORY
 PRESENTS THE ABRIDGED OPEN-TO-VIEW ONLINE DIRECTORY

Over 4500 entries, divided into:
 • Leather • Components & Services
 • Footwear & Leather Goods
 • Commission Agents • Retailers
 • Associations & Support Organisations
 • and much, much more

The abridged Directory lists business names and their principal phone numbers.

The comprehensive Directory, which lists the names of personnel, cell numbers, emails, descriptions of products & services, and much more, is also available by subscription only.
 Email tony@svmag.co.za

Exchange rates

Note: For previous rates, see [HERE](#)

- SA Rand (ZAR)/Lesotho Loti (LSL)/Namibian Dollar (NAD)/Swazi Lilangeni (SZL)

Source: <http://www.x-rates.com/calculator/>

	Euro €	GBP £	US \$	CNY ¥
18/03/2023	R19.78	R22.49	R18.47	R2.68
15/04/2023	R19.98	R22.47	R18.09	R2.63
22/04/2023	R19.94	R22.41	R18.02	R2.61

- Botswana Pula (BWP)

Source: <https://www.xe.com/currencyconverter/>

	Euro €	GBP £	US \$	CNY ¥
15/04/2023	14.46	16.26	13.10	1.90
22/04/2023	14.53	16.34	13.14	1.90

- Malawian Kwacha (MWK)

Source: <https://www.xe.com/currencyconverter/>

	Euro €	GBP £	US \$	CNY ¥
15/04/2023	1130.71	1271.44	1024.15	149.18
22/04/2023	1133.74	1274.49	1024.58	148.69

- Zambian Kwacha (ZMW)

Source: <https://www.xe.com/currencyconverter/>

	Euro €	GBP £	US \$	CNY ¥
15/04/2023	20.09	22.59	18.19	2.65
22/04/2023	19.41	21.82	17.54	2.54

- Zimbabwean Dollar (ZWL\$)

Source: <https://www.xe.com/currencyconverter/>

	Euro €	GBP £	CNY ¥	Official US\$
15/04/2023	399.55	449.28	52.71	969.01
22/04/2023	400.45	450.17	52.52	1000.00

Note: For previous rates, see [HERE](#)

ABSA Agri Trends: Hides & skins prices

Johannesburg, Gauteng, SA (13 April 2023) - The current average hide price decreased by 10.4% to R3.39/kg from R3.78/kg a week ago. The current price is 19.4% lower than the average price a month ago and 43.5% lower than the average price a year ago. The range of prices reported was as follows: Minimum price: R3.27 Maximum price: R5.00. Please note: Our methodology weighs the prices we collect according to the number of hides they sell in a month. This is done to make it more representative of the prevailing market price. NB* Hide prices are determined by the average of the RMAA (Red Meat Abattoir Association) and independent companies. - **Marlene Louw**, senior agricultural economist, and **Nkhensani Mashimbyi**, agricultural economist, and **Zama Sangweni**, agricultural economist, Absa group.

Note: For previous prices, see [HERE](#)

Have a look at these links

We invite businesses to send us links to websites, Facebook pages and the like which they feel would be of interest to others. The links below are from our database:
Jodam Manufacturers, Johannesburg, Gauteng, SA. Promotional goods manufacturer.
Joe Regal Taxidermy, Odendaalsrus, Free State, SA. Taxidermy.

Classified Adverts

Ostrimark Tannery for sale

Erff 6575, Rautenbach St, Grahamstown
 R 4 200 000 excl VAT

This 2800 m² property is zoned industrial and classified as a noxious industry in terms of the Town Planning Scheme.

Excellent potential for light and heavy industry, this high-ceiling building alone contains endless potential for conversion into diverse applications such as storage rental, as well as expansive grounds, parking and loading bays. High potential for conversion back into tanning purposes since partially fitted with cold-storage room, effluent plant, wooden dye drums, hot water boiler tanks, Aquamix / Hüni water system, toggle unit etc. Exceptional value for money.

Contact Paola +27 (0)44 203 3200 or 078 7661677.

Position required. In management / consulting

I am a qualified production manager. A very active 69.
 Extensive experience in the manufacturing of most types of footwear. British passport holder but expired.

Held the position of regional manager of Leather Industries Research Institute, Durban, responsible for:
 1 Training of management and operatives.
 2 Quality control evaluation and training. Conducted a SAQC for Woolworths.
 3 Factory survey and design of layout, and requirements.
 4 Selection testing and training.

I am available to relocate anywhere.
 I have a code 14 license. Don't smoke or drink.

Robert. A. Leith.
Aleith04@gmail.com
 0629328706

Contact us

News & Classifieds: **Tony Dickson**, +27 (0)31 209 7505, tony@svmag.co.za

Next newsletter: May 2, 2023.

SAFLIA enquiries: Tel 0800SAFLIA • Email info@safliia.co.za • Website <http://www.safliia.co.za>

Our website www.svmag.co.za