

Expression of Interest for Phase II and III of the Leather Industry Park

BACKGROUND

The Government of Botswana is promoting industrial development. Through the Ministry of Entrepreneurship (MoE), under the Local Enterprise Authority a government Agency mandated with promoting and facilitating entrepreneurship and business development, the Leather Value Chain has been identified as one of the sectors with potential for growth and employment creation.

As a benefactor of the Cattle Value Chain which forms a big part of the livelihood of Batswana, the industry can leverage on the existing meat infrastructure and add value to the resultant hides and skins which are currently exported in raw state for food and leather purposes regionally.

Since the collapse of the commercial leather processing facilities in 2010, there has been no value addition on local hides and skins other than small quantities of Artisanal Tanned Leathers. Therefore, to revitalize the sector, the government took the decision to facilitate the development of the Leather Value Chain, through creating a conducive industrial platform by funding the primary infrastructure with high waste content for the leather industry. This infrastructure is capital intensive and has been the stumbling block in securing investments for the sector.

The Local Enterprise Authority (LEA) a Parastatal in Botswana under the MoE is in the process of establishing a Modern & Sustainable Leather Industry Park (LIP) with a capacity to process up to 60 tonnes per day. The envisaged LIP project is to be situated in Lobatse, in the South-Eastern part of Botswana, in a Special Economic Zone designated as "Meat and Leather City", covering approximately 34 hectares.

CONCEPT

The park will be established in Phases. Phase I will be 100% government funded and its components will comprise of; One Tannery processing hides and skins from raw to tannage (20-60 tonnes per day), One Pilot Tannery Plant capable of processing small batches of a variety of hides & skins (bovine, ovine, caprine game and exotic) from raw to finishing with Testing and Analytical Capabilities, Solid and Liquid Waste Facilities. Phase 1 will offer tanning as a service to the private sector. Phases II and III will be from tannage to finishing and leather products manufacturing respectively. The last two phases will be realised through the involvement of the private sector.



Special Economic Zone (Meat and Leather City)

The park will deploy the use of green sustainable technologies to meet and or surpass current International Leather and Environmental Audit Protocols (ISO14000); LWG and SLF as well as the local standard for effluent discharge BOS 93-2012 and BOS 463.

The aim is to minimise the carbon footprint where possible as well as to limit and or eliminate the use of harmful chemicals according to ZDHC Protocol. The holistic green process approach will position hide and skins processed in Botswana as competitive in the global market.

FOCUS AREA

The LEA therefore calls for prospective investors for LIP Phase II and Phase III, processing from tannage to crust (Semi Finished), Finished Leather and the manufacturing of leather goods respectively.

BENEFITS AND INCENTIVES

Investing in the Leather Park attracts both fiscal and nonfiscal benefits. These includes but not limited to:

- Benefits from the Leather Park's Solid and Liquid Waste Infrastructure
- Benefits associated with being in the Special Economic Zone
- Other general incentives associated with investing in Botswana such as:
 - o Low general tax rate:
 - o Tax holiday can be made available to QUALIFYING investors for a period of 5 to 10 years.

- o There are no foreign exchange controls in Botswana – hence free repatriation of profits, dividends and capital.

ELIGIBILITY

To be considered a Phase II candidate, the prospective investor should:

- Be a company ready to invest in the LIP
- Have the technical capability to process material from tannage to crust or finishing.
- Be knowledgeable on tannery waste handling, hazardous and prohibited substances and clean technologies.
- Ready to deploy the use of sustainable technologies (environmentally friendly processes)
- Have an existing marketing portfolio for finished leather.
- Be willing to support the local market.
- Provide evidence of involvement in the leather industry



Proposed Leather Industry Park Site

To be considered for Phase III, the prospective investor should:

- Have the technical capability to manufacture leather products (bags, shoes, upholstery, belts, gloves etc)
- Have an existing marketing portfolio for leather products.
- Be willing to support the local market.

Investors are free to show interest in both Phase II and III with each phase as a standalone or as a package. Suppliers of accessories such as, buckles, zippers, leather tools, chemicals, etc and allied service providers will also be considered as potential investors in the Leather Industrial Park.

General Selection Criteria

Selection will be amongst other things be based on:

- Value addition, that is benefits to be derived from setting up in the park

- o Job creation
- o Import substitution
- o Export revenue
- Level of Sustainability – use of environmentally sustainable solutions and local resources
- Market Access – readily available market for products

Application Process

Submission of a proposal showing interest in investing in the park should show

- Executive summary of planned business
- Proof of capability and capacity (technical and financial)
- Products of choice and volumes intended for production.
- Space requirements for the intended investment

Clarifications regarding this expression of interest should be addressed to:

Procurement Department
tendersecretary@lea.co.bw, and copied to
tmasibi@lea.co.bw and sdintwe@lea.co.bw
Contacts +267 3644000

Deadline for submission: 16 June 2023

Proposal should be submitted in Protected Document Format (PDF) and email to tendersecretary@lea.co.bw

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to start and grow their business*