

Project Summary

Rehabilitation programme for the tannery, shoe factory and leather goods production of Lhasa Leather Factory. The goal of the programme was to upgrade the product quality on all levels including buildings, machinery, energy and effluent treatment systems.

In its initial phase the project installed Tibet's first and only industrial water purification plant. In pursuit of a better environment a chrome recycling plant was also built to recover and reuse chrome in the production process (this also contributed to productivity improvements). Waste collection systems were instituted, as well as a tip for industrial refuse. Production was improved by installing new and used machinery, as well as by improving the product quality by the assignment of short-term consultants. Therefore, the Project also concentrated on training the personnel in charge of repairing and maintaining the machinery. All this contributed to higher production capacities and safeguarding local employment.

As a result, the factory was awarded joint-venture status in 1995, and has formed close relationships with representatives of the German leather industry since then. As a result collections of small leather articles have been exported using the label "YAK". Today approx. 10% of the leather production is being exported to Germany and other countries.

The most important structural reorganisation resulted in the formation of a holding company with several independent subsidiaries. The administrative staff was considerably reduced. At the same time, performance-related salaries were introduced. The decentralisation of responsibility showed immediate results with three of the four subsidiaries showing a profit.

The project was concluded by the end of 1997. A post-evaluation of the German Ministry for Economic Co-operation and Development (BMZ) expressed that the project "was implemented professionally. The technical equipment for the production and waste management is state of the art. The local personnel are trained well and can use machinery and equipment properly. In view of the difficult Tibetan environment this is a remarkable success of the consultant's work".

Study tours in South-Asia (India, Thailand 1992) and Europe (Germany, Austria 1996) were carried out by INTEGRATION.

Services Provided

- Safeguarding the plant's operations and procurement of equipment
- Introduction of environmental sound technology
- Improvement of productivity and working conditions
- Development of marketable leather and products for the local and export market
- Integrated technical rehabilitation, marketing and production advice as part of a privatisation strategy
- Management and marketing training

PR China (A.R. Tibet)

Rehabilitation of Lhasa Leather Factory

Client

German Agency for Technical Cooperation (GTZ),
Ministry of Water Resources (MoWR)

Duration

1989 - 1997

Personnel

- 1 long-term advisor
- 5 short-term experts
- 2 national experts

