

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4361

ANSWERED ON:29.08.2011

LEATHER EXPORTS

Alagiri Shri S. ;Choudhary Shri Harish;Mahto Shri Baidyanath Prasad;Mithlesh Shri

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of the steps being taken by the Government to promote exports of leather goods, diamond and jewellery goods, industry-wise;
- (b) whether leather sector, which is amongst the top ten foreign exchange earners for the country is likely to play an important role as India aims to double its exports in the next three years;
- (c) the total estimated exports from these sectors during the next three years;
- (d) whether Indian leather industry is gaining expertise and moving towards high-end products;
- (e) if so, the details thereof and the action taken by the Government in this regard and if not, the reasons therefor; and
- (f) whether any steps have been taken by the Government to reduce the cost of exports of various articles and if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

- (a) To promote exports from leather sector, the Government is implementing several Schemes which, inter-alia, include allowing duty free import of notified inputs under Duty Free Import Scheme to the extent of 3% FoB value of export realization in the previous year; Zero Duty import of Capital Goods under EPCG Scheme; 4% Duty Credit Scrip Scheme for notified leather products, footwear; 2% Duty Credit Scrip Scheme for finished leather under Focus Product Scheme. Similarly for Gems & Jewellery Sector, Government has given a number of incentives such as duty draw back scheme for gold & silver jewellery; abolition of import duty on rough diamonds, cut & polished diamonds and rough corals; abolition of Fringe Benefit Tax etc. In addition Government provides grant to Export Promotion Councils for export promotion activities like participation in exhibitions abroad, conducting trade specific shows etc. through MDA and MAI Schemes.
- (b) Yes, Madam.
- (c) Export performance depends on a multitude of factors including demand in importing countries and the global economic scenario. These factors remaining conducive, it is anticipated that these sectors will continue to perform well on the export front.
- (d) & (e) Yes, Madam. With the time, Indian Leather industry has turned from supplier of raw material to supplier of value added products. Many popular overseas brands which cater to high end of the market, are now sourcing their leather products and footwear from India. In order to enhance the capacity in the area of designing and skilled manpower, Government is providing financial support to establish more branches of Footwear Design and Development Institute (FDDI), Noida.
- (f) Competitiveness measures are indicated in Part (a) above.