

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

UNSTARRED QUESTION NO:2844
ANSWERED ON:12.12.2011
EXPORT OF LEATHER PRODUCTS
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether there has been a huge decline in production and export of leather products during each of the last three years;
- (b) if so, the details thereof and the reasons therefor;
- (c) the steps taken by the Government to boost the production and export of leather products; and
- (d) the success achieved by the Government in this regard?

Answer

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

(a) As per available information the production and export of leather products during last three years is as follows:

Production:

Item	Unit	2007-08	2008-09	2009-10
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Finished leather	Th.Pcs	28248	27840	26300
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Leather footwear	Th.Pairs	6592	6819	8031
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Indian type (IPP)

Leather footwear	Th.pairs	192815	202331	210658
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Indian type (SSI)

Leather footwear	Th.Pairs	20471	19893	19457
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Western type

Shoe Uppers	Th.Pairs	10344	9334	9580
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Leather Garments	Rs. Mn	2856	3409	3719
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(Source: Website of Ministry of Statistics & Programme Implementation)

Export :
2008-09 2009-10 2010-11

Exports in 3599.46 3404.57 3844.86
Million US\$

(Source: Directorate General of Commercial Intelligence and Statistics (DGCI & S))

(b) The decline in exports during the year 2009-10 was due to the adverse impact of the global financial crisis

(c) The Government is implementing Indian Leather Development Programme (ILDPP) in the XI Five year plan with an outlay of Rs.1251.29 crore in order to promote the growth of the sector in critical areas namely capacity modernization & technological upgradation, environment management, human resources development etc., For promotion of exports, Government of India has identified leather sector as a Focus Sector in Foreign Trade Policy 2009-14 which, inter- alia, includes facilities such as a) allowing duty free import of critical inputs to the extent of 3% of FOB value of export realization in the previous year b) duty credit scrip of 4% for notified leather products and footwear & 2% duty credit scrip for finished leather under Focus Product Scheme c) Zero Duty Export Promotion Capital Goods Scheme (EPCG) to facilitate import of machinery d) 1 % duty credit scrip under Status Holders Incentive Scrip Scheme for status holders in leather sector (except finished leather segment) for import of capital goods under actual user condition.

(d) As a result of various steps taken by the Government, the export of leather products has increased in the year 2010-11.