

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

UNSTARRED QUESTION NO:787  
ANSWERED ON:19.03.2012  
LEATHER INDUSTRY  
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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) the steps taken to promote leather industry in the country ;
- (b) the share of Indian Leather based industries in the global market; and
- (c) the State-wise funds provided/utilized by the Government during the last three years to promote leather industry?

**Answer**

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

(a): The Department of Industrial Policy & Promotion (DIPP) is implementing Indian Leather Development Programme to promote the leather industry in the country by way of providing skilled manpower to the industry, addressing infrastructure & environmental concerns and modernization & up-gradation of the leather units.

Support from the Government to the Indian Leather Sector started in a limited way from the IX Plan period, when a provision of Rs.25 crore was made to modernize tanneries.

During the 10th Plan period (2002-07) a Plan Programme "Indian Leather Development Programme (ILDPP)" with an outlay of Rs.400 crore was initiated.

The Planning Commission had allocated Rs.1300 crore for implementation of the ILDP during the 11th Plan to strengthen the Indian Leather Industry. 13 sub-schemes with total outlay of Rs.1251.29 crore were approved for implementation. A break-up is given below:

(Rs. in crore)

S. No.	Sub-schemes ongoing during 11th Plan	11th Plan Outlay
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1	Integrated Development of Leather Sector (IDLS)	253.43
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2.	Human Resource Development (HRD)	60.00
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3.	Support to Artisan	40.00
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4.	Saddlery Development	10.00
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5.	Up-gradation/installation of infrastructure for environmental protection in leather sector	200.00
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6. Development of Leather Park/Mega Leather Cluster	300.00
7. Leather Complex, Nellore	29.00
8. Footwear Design & Development Institute, Fursatganj	7.17
9. Footwear Complex, Chennai	3.00
10. Mission Mode	10.00
11. Up gradation and Establishment of Institutional Facilities	300.07
12. Establishment of Training Centre in Madhya Pradesh	24.85
13. Additional Girls Hostel in FDDI Fursatganj	13.77
Total	1251.29

The outlays during the 12th Plan have been increased for the schemes related to skill development training viz. HRD and Support to Artisan, the schemes related to infrastructure development viz. IDLS, Mega Leather Cluster and Environmental issues. The outlay for R&D programme has also been enhanced. It will help to overcome the increasing demand of skilled persons in the leather industry and to address the infrastructure and environmental constraints. DIPP has proposed an outlay of Rs.2420 crore under the ILDP during the 12th Plan.

Department of Commerce is implementing several schemes for promotion of export sector of Leather Industry 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 Export Promotion Capital Goods (EPCG) Scheme; 4% Duty Credit Scrip Scheme for notified leather products, footwear; 2% Duty Credit Scrip Scheme for finished leather under Focus Product Scheme. In addition, financial assistance is provided to Council for Leather Exports (CLE) under Marketing Development Assistance (MDA) and Market Access Initiative Scheme (MAI) to participate in International Exhibitions, Fairs, Seminars, Buyer-Seller Meets, Business-to-Business Meets etc.

Department of Commerce is also implementing a Scheme called 'Assistance to States for Infrastructure Development of Exports' (ASIDE) with the objective to promote exports by creating export oriented infrastructure. The financial support was provided to Council for Leather Export (CLE) and Footwear Design & Development Institute (FDDI) under the Central Component of ASIDE Scheme. With a view to enhance training and designing and testing capacity for leather sector, financial support was also provided to FDDI during the 11th Plan period amounting to Rs.178.80 crore. An outlay of Rs.952 crore has been proposed for FDDI, other institutes and activities in the 12th Plan.

(b): The share of export of Indian Leather and Leather goods in total global import in the year 2009-10 is 2.95 %.

(c): The details of State wise funds provided/utilized by Ministry of Commerce & Industry during the last three years (i.e. 2008-09, 2009-10 & 2010-11) to the various implementing agencies executing the sub-schemes of ILDP are as under:-

For the financial year 2008-09

Name of State    Amount released (Rs. in crore)

Andhra Pradesh    15.25

Haryana    21.47

Karnataka    0.68

Kerala    0.85

Madhya Pradesh    4.97

Maharashtra    0.26

New Delhi    2.21

Punjab    1.39

Rajasthan    2.73

Tamil Nadu    40.66

Uttar Pradesh    11.91

West Bengal    25.74

**For the financial year 2009-10**

Name of State    Amount released (Rs. in crore)

Chandigarh 0.11

Gujarat 0.50

Haryana 25.30

Karnataka 0.03

Kerala 0.10

Madhya Pradesh 6.57

Maharashtra 0.76

New Delhi 2.76

Punjab 0.81

Tamil Nadu 55.87

Uttar Pradesh 14.17

West Bengal 28.95

**For the financial year 2010-11**

Name of State Amount released (Rs. in crore)

Andhra Pradesh 0.33

Arunachal Pradesh 0.11

Bihar 1.04

Chandigarh 0.26

Haryana 32.60

Himachal Pradesh 0.34

Karnataka 0.27

Kerala 0.09

Madhya Pradesh 12.12

Maharashtra 1.16

New Delhi 2.05

Orissa 0.37

Punjab 1.77

Rajasthan 3.58

Tamil Nadu 59.63

Uttar Pradesh 16.06

Uttarakhand 0.49

West Bengal 41.62

(An amount of Rs.0.94 crore has been disbursed to IL&FS, New Delhi for implementing the sub-scheme Human Resource Development (HRD) in the five states of Maharashtra, Andhra Pradesh, Orissa, Karnataka and Himachal Pradesh)