

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

UNSTARRED QUESTION NO:2877

ANSWERED ON:10.02.2014

LEATHER SECTOR

Thamaraiselvan Shri R.

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

(a) the details of funds allocated for leather sector during the current Five Year Plan; and

(b) the details of the schemes formulated by the Government during the 11th Five Year Plan being carried out during the current plan, scheme-wise?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. E. M. SUDARSANA NATCHIAPPAN)

(a): An outlay of Rs. 990.36 crore has been allocated under the scheme titled 'Indian Leather Development Programme (ILDLP)' for implementation during the 12th Plan period for overall development of Leather sector.

(b): Details of the sub-schemes under 'Indian Leather Development Programme (ILDLP)' being carried out during the current plan are as follows:

i) INTEGRATED DEVELOPMENT OF LEATHER SECTOR (IDLS): This sub-scheme is aimed at enabling tanneries, footwear, footwear components, leather goods and accessories, leather garments, harness & saddlery manufacturing units to upgrade themselves leading to productive gains, right-sizing of capacity, cost cutting, design and development including simultaneously encouraging entrepreneurs to diversify and set up new units. The scheme provides assistance in the form of Investment grant @ 30% to Micro and Small Units and 20% to other units within a ceiling of Rs. 2 crore for each product line for their modernization and technology upgradation.

ii) SUPPORT TO ARTISAN (STA): There are various clusters in India making traditional footwear and other leather goods. The aim of this component is to promote the clusters at various forums as they are an integral part of rural Indian economy and have potential for generating local employment and export. The artisan clusters (both urban and rural) are supported for providing Common Facility Centers, product development, marketing linkages and capacity building etc.

iii). HUMAN RESOURCE DEVELOPMENT (HRD): This sub-scheme targets potential leather work force all over India. This project trains and prepares individuals to work in industrial units. Assistance is provided for placement linked skill development training to unemployed persons, for skill up gradation training to employed workers and training of trainers. The placement of 75% of trained persons is mandatory for availing assistance related to skill development training component.

iv). ESTABLISHMENT OF INSTITUTIONAL FACILITIES: The objective of this sub-scheme is to provide infrastructure by way of establishing two new branches of FDDI to meet the growing demand of the Leather Industry for footwear technologists, designers, supervisors and mechanics.

v). LEATHER TECHNOLOGY, INNOVATION AND ENVIRONMENTAL ISSUES: Leather industry and tanning activity in particular is linked to environmental concerns and this sub-scheme envisages measures which are required to be put in place for industries to cope with the stringent norms.

Projects for installation/upgrading Common Effluent Treatment Plants are assisted upto 50% within a ceiling of Rs. 50 crore under this component. Assistance is also provided for Pilot Projects under Technology Benchmarking and environmental management for leather units, for organizing Environment Related Workshops and for Pilot projects for Solid Waste Management.

vi) MEGA LEATHER CLUSTER: This sub-scheme aims at providing infrastructure support to the Leather Industry by establishment of Mega Leather Clusters (MLC) which would assist the entrepreneurs to set up units with modern infrastructure, latest technology and adequate training and HRD inputs. Graded GOI assistance is provided depending on the total land area of the MLC ranging from minimum of 25 acres (for MLC without tanneries) and 40 acres (for MLC with tanneries) to MLC of more than 151 acres.