

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

UNSTARRED QUESTION NO:3922

ANSWERED ON:20.03.2015

PRODUCTION AND EXPORT IMPORT OF LEATHER LEATHER PRODUCTS

Chavan Shri Harishchandra Deoram;Kumar Shri P.

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

- (a) the production of leather/leather products in the country during each of the last three years and the current year, State/UT-wise;
- (b) the quantum and value of its export and import vis-a-vis achievements of target fixed therefor during the said period, country-wise;
- (c) India's share in world's production and export of leather/leather products along with the performance/share of States/UTs therein;
- (d) whether there is decline in export of leather/leather products and if so, the reasons therefor along with the reaction of the Government thereto;
- (e) whether the Government proposes an action plan to set up infrastructure facilities and to coordinate with States to set up more Micro, Small and Medium Enterprises (MSMEs) units to boost growth in the sector and if so, the details thereof; and
- (f) the other measures taken/proposed to be taken by the Government to boost production and export of leather/ leather products so as to promote/encourage leather industry in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) to (c) Madam, the details have been enclosed in Annexure A.

(d) No, Madam.

(e) The Government is implementing schemes such as National Manufacturing Competitiveness Programme (NMCP), Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, Cluster Development Programme, Market Development Assistance Scheme and Vendor Development Programme to increase production and exports of leather / leather products from Micro, Small and Medium Enterprises (MSMEs) units. The Government is supporting infrastructure development in various leather clusters through the ASIDE scheme. So far an assistance of Rs.74.55 crore has been sanctioned for 9 infrastructure projects for leather industry under ASIDE scheme.

(f) In order to further boost export of leather and leather products from India, Leather Sector has been included as one of the Focus Sectors under Make-in-India programme launched by the Government which includes short term and medium term initiatives like scaling up of availability of finished leather, skilled manpower and establishment of a technology mission. An outlay of Rs.990.36 crore has been allocated for technological modernization and up- gradation of production units, environment management, human resources development etc. under the Indian Leather Development Programme (ILDPP) during 12th FYP. Assistance is being provided for various marketing activities of leather industry under Marketing Development Scheme and Market Access Initiative Scheme. The Government has adopted various measures under Foreign Trade Policy, such as i) 4% Duty credit scrip under Focus Product Scheme for notified leather products and footwear, ii) 2% Duty Credit Scrip for Finished Leather under Focus Product Scheme, iii) Duty free import entitlement of specified items @ 3% of FOB value of exports realized during the preceding financial year, iv) Zero Duty Scheme implemented under Export Promotion Capital Goods Scheme (EPCG), v) 1% Duty Credit Scrip under Status Holders Incentive Scrip (SHIS) scheme for leather sector (excluding tanning sector) for import of Capital Goods, vi) Recognition of Kanpur, Ambur and Agra as Towns of Export Excellence for leather products and vii) Implementation of Incremental Exports Incentivization Scheme.