

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

UNSTARRED QUESTION NO:358

ANSWERED ON:11.07.2014

. GROWTH OF LEATHER BASED INDUSTRIES

Simha Shri Prathap

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

- (a) whether there is a great potential for the growth of the leather based industries in the country;
- (b) if so, the details thereof along with the steps taken by the Government to tap it;
- (c) the present share of Indian leather based industries in the world market; and
- (d) the incentives and facilities provided to leather based industries along with the facilities made available to labourers engaged in the said sector, at present, State/UT- wise?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE & INDUSTRY (SHRIMATI NIRMALA SITHARAMAN)

(a): Yes, Madam.

(b): (i) The Leather Industry holds a prominent place in the Indian economy. This sector is known for its consistency in high export earnings and it is among the top ten foreign exchange earners for the country. The overall size of India's leather sector is estimated to be Rs.25,000 crore. With an annual turnover of over US\$ 10 billion, the export of leather and leather products increased manifold over the past decades and touched US\$ 5.91 billion in 2013-14, recording a cumulative annual growth rate of about 14.77 % (5 years).

(ii) Domestic market for leather, leather products and footwear has also increased from US \$ 2.2 billion to US \$ 5 billion in 2013-14. The per capita consumption of footwear which was less than 1 pair a decade ago, has increased to 1.8 pairs per annum in 2011 and about 2 pairs at present.

(iii) The Government of India has identified the Leather Sector as a Focus Sector in the Foreign Trade Policy in view of its immense potential for export growth prospects and employment generation. Planning Commission has also identified the Leather Sector as Employment incentive sector for 12th Plan period. National Manufacturing Policy has further identified leather and footwear as special focus sector. Accordingly, the Government is providing various incentives to the Leather Industry in Foreign Trade Policy and allowing concessional Duty for import of Machinery. Department of Industrial Policy and Promotion (DIPP) is implementing 'Indian Leather Development Programme (ILDPP)' consisting of six sub-schemes viz. (Human Resource Development, Support to Artisan, Mega Leather Cluster, Integrated Development of Leather Sector, Leather Technology-Innovation and Environmental Issues and Establishment of Institutional Facilities) for the overall development of leather sector. Financial assistance is being provided to organize overseas marketing activities to promote exports from the country under Marketing Development Assistance (MDA) scheme and for enhancement of export through accessing new markets or through increasing the share in existing markets under Market Access Initiatives Scheme (MAIS).

(c): India holds a share of 3.05% in global leather trade of US\$ 159.89 billion as per information available for the year 2011.

(d): The incentives and facilities to leather based industries are made available as per details in enclosed Annexure.