



A Study On Factors Affecting Exports Of Leather Footwear As A Strong Initiative Of Make In India

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ABSTRACT

“The world economy has become global in nature. Globalization has various manifestations. One of the hallmarks of globalization is the cross-border trade of products and services. India has ample opportunities in the Make in India campaign in the leather footwear sector. The availability of skilled manpower in this sector has motivated investors to manufacture at a large scale. Exports of Leather & Products in India decreased to 33.65 INR Billion in September from 34.05 INR Billion in August 2022. This sector also has the potential to produce approximate six million jobs. Indian leather industry is one of the principal producers of leather footwear globally. The major manufacturing centres in India are Tamil Nadu, Andhra Pradesh, Karnataka, Punjab, Delhi, West Bengal, Uttar Pradesh and Maharashtra. The key objective of this paper is to explore opportunities and challenges in Make in India, different factors affecting exports of leather footwear in the leather footwear sector, the initiatives by the government to boost growth in this sector, and emerging trends in this industry. It also focuses on different challenges that this industry faces. A conceptual overview will be understood based on secondary data and reports available. The observations will help in understanding the scope, improvement areas, and challenges to be circumvented to boost this industry and strengthen our Economy.”

Keywords: Leather industry, India, Footwear, Export, Economic growth.

INTRODUCTION

“International traded goods and services are important to most countries as their standards of living seem closely tied to these trade inflows and outflows. There is much debate on why some countries find their comparative advantages in certain commodities while others do not. Whereas other countries have different advantages and disadvantages. The Indian leather industry is an eminent industry both in the national and international markets. India's major production centres of leather and footwear products are located in the States of Tamil Nadu, Andhra Pradesh, West Bengal, Uttar Pradesh, Maharashtra, Punjab, Haryana and Delhi.”

“India is the 4th largest exporter of leather goods and accessories in the world. India's exports of leather, footwear, and leather products touched \$4.03 Bn during 2020-21, with footwear having the largest share of 46.2%, followed by leather accessories at 25.2%.”

“The units involved in manufacturing footwear are, generally, tanneries or big companies. The majority of the manufacturing units face many challenges as they belong to the unorganized sector of the industry. Some of them are the timely availability of raw materials, high labour cost, Poor product innovation and lack of existence in the global fashion market. The government of India has taken many initiatives to support the sector - decontrolling the sector, permitting 100% FDI and duty-free imports, providing financial support to the manufacturing units, promoting through industrial parks, and executing various programs for the development of the leather industry. Keeping in mind the past performance, the strength of the sector and backing from the government, the Indian leather industry is self-assured to grow manifolds.”

“The Indian leather industry has a high potential for exports, growth, and employment. It employs approx. 2.5 million people directly or indirectly. Almost 50% of the workers are skilled/ semi-skilled, and women constitute 30% of the total workforce. The emerging Indian market needs business-friendly policies and strategic initiatives.”

“India's youth have aspirations of living in a nation with infrastructure and development on par with international standards. The Indian government must establish specific, attainable economic development goals consistent with international standards through methodical planning and implementation.”

“The Modi government has given the Indian economy a new direction and begun a journey of inclusive development in which every Indian citizen will be able to realize their goals and aspirations. However, the Indian government faces numerous social and economic obstacles in a nation with high hopes and opportunities. The business community and general public laud the majority of the government's strategic actions and policy initiatives.”

"One of the promising policy initiatives of the Modi government is the Make in India campaign. The primary objective of the Make in India campaign is to promote India as a manufacturing hub by inviting international companies to invest in the country and boost GDP."

"The government has been focusing on eradicating unnecessary regulations, abbreviating bureaucratic processes, upgrading infrastructure, opening sectors to foreign direct investment (FDI), and most importantly, the government wants to be seen as a true business partner in order to realize the drive of the Make in India campaign to achieve maximum growth. These initiatives may fulfil the ease-of-doing business philosophy, which also contributes to solutions to leather industry issues."

"The Indian government has approved the Make in India campaign for participation in 25 industries. The Make in India campaign focuses on the leather industry, whose expansion is essential for accelerating India's GDP growth. One of this initiative's main goals is to increase leather industry revenue from the current \$12 billion to \$27 billion by 2020."

"Six million people will find work if the campaign in the leather industry is carried out well. With a 10% share of global leather production, India is now the world's second-largest leather clothing and footwear producer. The small and medium-sized enterprises (SMEs) that make up the Indian leather industry account for 80% of all transactions. With a turnover of \$11 billion, or nearly Rs 72,776 crore, the Indian leather industry relies heavily on manufacturing, which accounts for a significant portion of the country's exports. Over the next five years, it is anticipated that the exports of Indian leather goods will increase by 24% annually."

"Additionally, the leather industry is well-known for its labor-intensive manufacturing methods. The footwear industry has the potential for significant expansion and primarily employs women. The 'Make in India' campaign will empower women from economically disadvantaged groups if it is carried out flawlessly."

"Almost 2.5 million people are employed in the Indian leather industry, and 55% of the workforce is under the age of 35. As manufacturing is boosted, there will be an increase in demand for more skilled hands on the deck. As a result, the leather industry is one of the most important ones that could assist in addressing India's unemployment issue. Although the industry appears to be doing well overall, there are still a few obstacles to overcome."

"As per officially notified DGCI&S monthly export data, the export of Leather and Leather products for April-June 2021 touched US \$ 977.86 Mn as against the performance of US \$ 410.73 Mn in April-June 2020, recording a growth of 138.08%. In rupee terms, the export touched In Rs. 72317.76Mn in April-June 2021 as against in Rs. 31103.41 Mn in April-June 2020, registering a growth of 132.51%."

Export Of Leather And Leather Products From India During April-June 2021 Vis-À-Vis April-June 2020

CATEGORY	APR-JUN 2020	APR-JUN 2021	% VARIATION	%SHARE IN APR-JUN20	%SHARE IN APR-JUN21
FINISHED LEATHER	4250.79	8713.90	104.99%	13.67%	12.05%
LEATHER FOOTWEAR	12806.94	29840.92	133.01%	41.18%	41.26%
FOOTWEAR COMPONENTS	2255.58	3984.98	76.67%	7.25%	5.51%
LEATHER GARMENTS	2155.03	4619.54	114.36%	6.93%	6.39%
LEATHER GOODS	6844.7	18175.98	165.55%	22.01%	25.13%
SADDLERY AND HARNESS	1327.2	4186.55	215.44%	4.27%	5.79%
NON-LEATHER FOOTWEAR	1463.16	2795.89	91.09%	4.69%	3.87%
TOTAL	31103.41	72317.76	132.51%	100%	100%

Source: DGCI&S

Germany:

"After the UK in the European Union, the most important market for Indian exporter is Germany. It has the highest consumption of leather and leather products. It is the largest importer of leather garments from India. Germany is a typical buyers' market in which effective selling is only accomplished through continuous and systematic marketing."

"The economy and the political system are among the most stable in the world. High degree of technological advancement requires innovative ideas. Germans are tending to economize and spend less on consumer goods. Price workmanship are the primary consideration of the German consumers. These days Germans are forced to cut back their spending as a result of increased taxes and social contribution. Imports from Asian countries are confined mainly to low priced items. High quality and high priced Leather and Leather products are imported from Italy, France and other European countries. The Indian Exporter should try to develop leather garments market. The strategies could be by effective pricing and good quality with innovative designing. They should hire services of well known designers from Italy and Germany."

France:

"The share of Leather Footwear (64.06) among the total leather product imported from India is the highest. The Indian exporter should try to focus on this potential market. In order to capture leather footwear market in France the products has to be of the latest design and sold as lifestyle product. The share of France in total export of Indian leather product is ranked a fifth largest importer. France chiefly imports from Italy and China. The strategies could to: firstly to concentrate

onsupplying quality leather garments and leather goods, Secondly to supply low costshoes to priced conscious segment in France. ”

Italy:

“Italian leather industry is one of the most important industries of Italy and itsleather products including footwear are well known all over the world for deignand quality. The per capita consumption is low which is surprising in view ofItalian love for shoes and fashion. For a population of over 55 million thepurchase of shoes is less than 200 million in Italy. In comparison countries likeUK with same population consume 320 million pairs. Footwear components arethe chief import to Italy from India and also finished leather. Italy is well knownfor its latest designs. So it mainly imports finished leather to cast shoes upper.Italy requires good quality leather while India is known for raw leather and semifinished leather. Keeping all the above points in mind the Indian exporter shouldadopt strategy of focus. They should focus on supplying good quality finishedleather and footwear components, as it is less vulnerable to substitute. The Indianexporter may also cater to leather footwear requirements at lower end. ”

Sweden:

“Sweden’s GDP growth rate was only 2.5% and this was combined with falling interest rate have not encouraged consumer spending. The domestic side looks flatfor at least another year. Exports are quite opposite and hold the much optimismfor both the leather and manufacturing industry. The continued growth on theexport side is a demonstration of the recent climb in Sweden’s competitiveness.Sweden imports leather goods mostly from India. This sector needs attentionmore in comparison with leather export sectors. India could adopt costeffectiveness strategy for Sweden. The reason is that Countries like Italy andSweden supply highly competitive and fashionable leather products at lower costas compared to India. Shoemakers like Nike and Reebok export in large quantityto Sweden. East Asian nations like China, Taiwan and Indonesia are majorcompetitor in Swedish market. China being granted most favored nation status. ”

OBJECTIVES OF STUDY

- a) “To understand the emerging trends in Indian Leather Industry and Government Initiatives. ”
- b) “To understand factors affecting exports of leather footwear in India. ”
- c) “To understand various challenges in leather footwear industry. ”

RESEARCH DESIGN

“A self-administered questionnaire was used to collect data from 40 Indian exporters. Various variables, such as the average marketing cost of raw materials, technical manufacturing expertise, and concentrating on personal design collections, were viewed as independent variables, and the export value of leather footwear was viewed as a dependent variable.The response was assessed using a Likert scale, various tests were used to check multi-co linearity, variable inflation factors were used, and multiple regression analysis was used to determine the relationship.Descriptive research with convenience sampling was used.

RESULTS AND DISCUSSION

Emerging Trends in Indian Leather Industry and Government Initiatives

“Understanding the scope and significance of the export industry was the first objective.The following conceptual description aids in comprehending the unavoidable contribution that this sector makes to economic expansion. ”

“India’s leather industry handles a robust annual production of approximately 3 billion square feet and accounts for approximately 13% of the world’s leather production of hides and skins.ft.from leather. The sector is one of the nation’s top ten earners of foreign currency and is known for its consistent high export earnings.With access to 20% of the world’s cattle and buffalo population and 11% of the world’s goat and sheep population, India has an abundance of raw materials. ”

“More than 4 million people, most of whom come from lower socioeconomic backgrounds, are employed in the leather industry, which relies heavily on employment.With about 30% of employment, women dominate the leather products industry.With 55% of employees under the age of 35, India’s leather industry has one of the youngest workforces. ”

“The major markets for Indian Leather & Footwear Products are USA, Germany, U.K, Italy, France, Spain, Netherlands, U.A.E, China, Hong Kong, Belgium, and Poland. ”

“The nation is the world’s second-largest footwear producer and consumer and produces 9% of the world’s footwear.The sector has the potential to create 425 jobs in manufacturing, allied industries, and retail for every 1,000 pairs produced and sold daily in India.By 2024, India is expected to produce almost 3 billion units, growing at a rate of more than 10% annually. ”

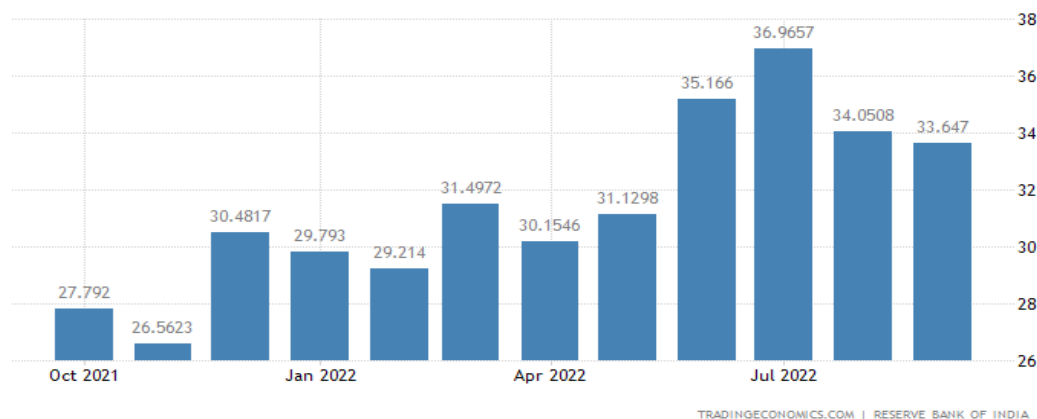
“According to the Council for Footwear Leather & Accessories, the footwear industry has the potential to grow to \$80 billion by 2030, or eight times its current size. In 2019, the Indian footwear market was valued at \$9.70 billion.It is estimated that India’s footwear consumption per capita increased from 1.7 pairs in 2016 to 2 pairs in 2019. ”

“In 2019, the non-leather footwear market accounted for approximately 59% of the total footwear market in India, with a market size of \$ 4.3 billion. By 2024, that number is expected to rise to \$ 6 billion. ”

“India is the second largest producer of footwear after China, accounting for 13% of overall global footwear production of 16 billion pairs. India produces 2065 million pairs of different categories of footwear which includes leather footwear

of 909 million pairs, leather shoe uppers of 100 million pairs and non-leather footwear of 1056 million pairs. India exports about 115 million pairs. Hence, nearly 95% of its production goes to meet its own national demand. Out of the total exports of USD 4,868.71 million 42.67% constitutes of footwear followed by leather goods, which constitutes 22.35% and is far below the footwear segment. Exports of Leather & Products in India decreased to 33.65 INR Billion in September from 34.05 INR Billion in August of 2022. The Footwear Segment is driving the growth, the chart below shows the percentage wise contribution of each product segment in India's export of leather and leather products for Oct 2021-July 2022 (Fig:1) ”

Fig 1 :Leather exports for Oct 2021-July 2022



Source: <http://leatherindia.org>

“The leather goods industry has undergone significant transformations over the past 25 to 30 years as a result of recent developments such as: ”

"The rising cost of living and labor in the majority of countries that produce leather goods; ”

"The breaking down of activities through production outsourcing and the transfer of knowledge to developing countries; " "The exposure of marketing and brand strategies at the national and international level, primarily due to new advertising instruments (e.g., television);"86 Leather goods and other leather goods • "The expansion of air travel and tourism; ”

- "A significant advancement in process technology;
- "An increase in productivity;
- "The development of the auto industry.

"The leather industry is de-licensed and de-reserved—100% foreign direct investment (FDI) and joint ventures (JVs) are allowed through the automatic route—and the Government of India (GoI) has taken numerous initiatives to maintain the growth of the domestic leather industry.100% repatriation of dividends and profits from convertible foreign currency investments. ”

"Under a specific scheme, duty-free importation of raw materials, such as raw skins, hides, semi-finished leather, and finished leather, as well as embellishments and parts. Duty neutralization or remission scheme for the implementation of leather footwear initiatives in India.Concessional duty on the import of listed machinery for use in the leather industry. ”

"Due to the ongoing support of the government, the domestic leather and footwear industry has undertaken substantial renovations.Over the course of the past ten and a half years, the government has initiated numerous investment, taxation, research, and cluster initiatives in response to the opportunities that globalization presents for the Indian leather industry.The recent limitations on limit extension via booking for SMEs has been discarded as the public authority has de-held the production of different kinds of cowhide including semi-completed calfskin, tackle cowhide, cowhide shoes, and so on from the small-scale industry. ”

"The majority of items produced in the leather industry have been de-licensed as a measure of the liberalization processes.Additionally, the automatic route permits joint ventures and 100% foreign direct investment.If investments are made in convertible foreign currency, profits and dividends may also be returned in full.Just a statement with this impact to the Hold Bank is important.Even after the entire leather industry was removed from the small-scale sector, the industry's production capacity has not increased. ”

"One of the factors stifling the growth of this sector is the absence of huge capacities to cater to volume markets like the United States, which account for nearly one-fourth of all imports of leather and leather products worldwide. To make the business technologically and environmentally sound and viable, significant investments are required.The industry, on the other hand, has been unable to attract significant investments to address these issues.The domestic leather industry has managed to attract just Rs 2.68 billion since 2000 despite having a liberal FDI policy.India receives just 0.04 percent of the total FDI that comes into the country.Processes for trade The Foreign Trade Policy, which was implemented from 2004 to 2009, has provided numerous incentives to exporters to improve the industry's export prospects. ”

"It has also aimed at measures for trade facilitation and procedural simplification. The new Foreign Trade Policy stretched out previous policies like the Duty Entitlement Passbook Scheme (DEPB) and the Focus Product Scheme (FPS). Exporters of leather goods can take advantage of a number of other advantages, including: a duty reduction or neutralization program, similar to DEPB and Duty Drawback; Certain raw materials, such as raw and finished leather, fur skins, and so on, can be imported without paying duty; concessional tax on the import of the machinery listed for use in the leather industry; and a low import duty of 10% Peak Rate. Through the Indian Leather Development Program (ILDLP), the government has been working on specific schemes for sector development to improve the prospects of the domestic leather industry and facilitate its rapid expansion."

"This extends the National Leather Development Program (NLDP), which was implemented in the 1990s. The primary reasons cited for the failure to achieve goals are the high cost of land, the delay in obtaining environmental clearance, and funding constraints. Development of infrastructure The lack of infrastructure has stymied the expansion of the Indian leather industry."

"Much of growth in the leather sector in noticeable traditional centers of Agra, Kanpur, Jalandhar, Ambur, Ranipet, Vaniyambadi and Kolkata was unplanned and was almost only due to private sector initiative. The infrastructure that is currently in place in various leather clusters includes integrated supply chain infrastructure (material markets, tanneries), production infrastructure (water supply, drainage facilities, power supply, effluent treatment plants, factories for ancillary products), and support facilities (design and product development studios, testing laboratories, training institutes, buyer interaction showrooms, etc.). is not up to par and requires significant reorganization to compete internationally. The picture above shows how important this industry is and how far it can go."

Factors Affecting the Exports in Leather Footwear Industry

"The second objective of the study was to comprehend the various factors that influence exports in the leather footwear industry. The reliability of the selected variables was checked with a variety of tests, which are outlined below."

Table-1: Test of Normality - Shapiro Wiki

Statistics	Df	Sig
0.935	42	0.899

"The sig value of Shapiro Wilk test is 0.899 which assures that the data set is normal and the studied characteristics are normally distributed among the whole population."

Regression Analysis

"The footwear export dependent variable is measured using multiple regression. The energy crisis, ISO certification, average raw material cost per pair, participation in international trade exhibitions, average marketing cost per pair, technical manufacturing expertise, and focusing personal design collections are the independent variables."

"The relationship between dependent and independent variable is given in a model as;"

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_1D_1 + \mu$$

"Where; Y = Export value of footwear X1= Years of qualification X2= Years of export experience, X3= Average raw material cost per pair X4= Participation in international trade exhibitions X5= Average marketing cost per pair X6= Technical manufacturing expertise X7= Focusing personal design collections."

Table 2: Multi-collinearity Statistics of Variables

Variables	Tolerance	Variance Inflation Factor
Qualification	0.801	1.249
Years of experience in Exports	0.819	1.221
Average raw material cost	0.768	1.302
Participation in International trade exhibition	0.735	1.360
Average marketing cost	0.932	1.073
Technical manufacturing expertise	0.786	1.272
Focusing personal design collection	0.917	1.091

"In any regression analysis, multicollinearity is regarded as undesirable. To determine the degree to which independent variables are linearly related to one another, we used the tolerance statistic and the variance inflation factor (VIF) to test the multicollinearity of our data set."

"When there is no multicollinearity, the absolute value of VIF is 0. As a result, VIF values below 10 cannot be ignored. When we applied this criterion to the data presented in table 2, we discovered that our data set does not exhibit any multicollinearity."

Table 3: Summary of Regression Results

Model	R	R Square	Adjusted R Square	Std. error of estimate
1	0.9254	0.865	0.862	0.480

“The value of R square 0.899 is suggesting that this is a reliable model. The expansibility power of the model is very strong and this model is explaining almost 90 percent to the dependent variable. The sig value of ANOVA is 0.000 it means that this is a significant model. ”

Table 4: Summary of Regression Results

Variables	Coefficients	Standard Error	t-value	Significance
Constant	1.567	0.534	2.635	.009
Qualification	.321	.121	3.26	.003*
Years of experience in Exports	.407	.052	5.114	.000*
Average raw material cost	-.248	.048	-4.26	.000*
Participation in International trade exhibition	.324	.089	3.14	.001*
Average marketing cost	-.128	.078	-.117	.138 (NS)
Technical manufacturing expertise	.168	.067	1.854	.021*
Focusing personal design collections	-.147	.068	-2.068	.038*

Significant 5% level NS –Not significant

“The results of the regression are presented in the table above (Table-4).It is evident from the table that the coefficient indicates the strength and significance of the independent variables, while significance indicates the degree to which the variables are statistically relevant.Except for a few, such as the average cost of raw materials and the cost of marketing, it is evident that almost all of the independent variables are significant and important.The export value decreases by.248 and.128 percent, respectively, for every one percent increase in the cost of marketing and raw materials.The same is true for the collection of personal designs, which has a negative correlation: for every one percent increase in personal designs, the value of exports decreases by.147 percent.In a similar vein, an increase in export value is achieved for every one percent increase in the aforementioned variables: years of export experience, participation in international trade exhibitions, and technical manufacturing expertise. ”

“Therefore, sufficient emphasis should be placed on the aforementioned variable to ensure a substantial increase in exports.As a result, the scope, relevance, importance, and areas that require immediate attention to increase exports have been discussed based on the aforementioned study and conceptual framework.Exporters in the relevant region may benefit from the findings' understanding and development of appropriate strategies. ”

Opportunities and challenges in implementation of Leather footwear initiatives in India

“The third goal of the study was to find out about the many opportunities and problems this industry faces. These problems include issues with the workforce, technology, innovation, international quality standards, a lack of presence in the global fashion market, and infrastructure problems. ”

“Therefore, gaining an understanding of these obstacles will aid in export efficiency and reduce trade barriers. ”

“A major proportion (around 80%) of the industry is unorganized and has limited scope of mobilizing funds through private equity and bank loans. ”

“Although India has abundant supply raw material for leather and leather products, timely availability of raw materials remains a constraint. ”

"High labor costs for skilled workers”

"Lack of strong presence in global fashion market”

"Many players' ignorance of international quality standards”

"Lack of product innovation:The majority of the units operate on a subcontract basis, with the buyer providing all product design and other specifications. ”

“There is an urgent need to overcome multiple issues and challenges that the companies in the Leather industry are facing in order to become a success of the Make in India scheme. ”

"Tanning is one of the fundamental operations in the leather manufacturing sector.The use of inefficient processes results in an increase in the cost of production per unit area of finished leather, which is a problem in small tanneries.Additionally, the locations with approximately 60% of India's tanning capacity and 40% of India's exports lack dedicated leather manufacturing and processing facilities.Poor utilization of the available capacity results in increased financial costs and liabilities. ”

"In this way it currently becomes basic for the public authority to determine these longstanding issues for certain imaginative drives. ”

“The leather footwear industry is moving at a snail's pace because of additional obstacles.These include the disparity in technology used in various factories, which results in the production of low-quality goods.The majority of businesses in the Indian leather industry work through subcontractors.This indicates that the buyers are in charge of the design, component selection, and manufacturing processes, and as a result, these products do not offer their own collections.This issue is especially relevant to the footwear market for women, which accounts for 63% of the global footwear market.However, Indian footwear exports to women's markets, which account for only 34%, do not reflect this share. ”

The other challenges that the industry is facing includes Uncertainty in Exports

“Exporters of leather and related products are finding themselves in troubled waters due to reducing exports and unexpected policy reforms. Between the months of April and August 2015, India's leather exports were on a 7 percent decline. However, the Indian government's Make in India initiative has focused on the leather industry. ”

“Problems with the infrastructure: ‘The leather industry's growth prospects are being harmed by infrastructure impediments and government apathy. For instance, the leather goods produced in Kanpur have enormous growth and export potential. However, the leather industry is suffering greatly from high labor costs and a lack of trained and skilled workers. The operations have also been severely impacted by infrastructure factors like roads and power supply. The leather industry's prospects are also hindered by cheap imports and growing competition from neighboring countries like China, Pakistan, and Bangladesh. ”

“The Beef Ban “The beef ban has made the problem worse and even made the manufacturing process take longer because there aren't enough raw materials. The reduction of duty credit under the modified Merchandise Exports from India Scheme (MEIS) is the primary issue facing the footwear and leather goods industries in relation to the new Foreign Trade Policy 2015-20. ”

“Policy issues “The primary policy issue that has long enraged the sector is the actual user condition proposed by the government under the DFIA scheme. According to FTP 2015-2020, paragraph 4.29 (viii). ”

“If SION specifies ‘Actual User’ conditions for any input, no duty-free import authorization will be granted for an export product. In the past, the condition only applied to that one input [paragraph 4.2.7(b) of FTP 2009-2014 stated that wherever SIONs prescribe actual user condition, DFIA shall be issued with actual user condition for these inputs, and no transferability shall be permitted for these inputs even after fulfilling the export obligation]. For exporters working at extremely low margins, this difference has been a significant obstacle. ”

“The desired action plan states, ‘So from the aforementioned discussion, it is evident that the leather industry has attained immense potential for Forex earnings for our country. However, in order to combat competition, policymakers need to take some small steps in the form of appropriate policies and the development of adequate infrastructure. In the past, among the presence of foreign rivals and luxury leather goods manufacturers, Indian leather manufacturers have established their own distinct market segment in the crowded international market. ”

“The Indian government is working on fiscal and non-fiscal fronts for the leather and non-leather footwear sector in order to enhance investments and accelerate job creation. The recently announced incentives for the textiles industry will largely guide the announced incentives. ”

“The ‘Make in India’ initiative typically focuses on leather. This is a significant industry supported by labor-intensive activities. These plans are being worked on by the Ministry of Industry and Commerce. ”

“These incentives could come in the form of excise duty deductions, labor law exemptions, or training proposals that improve the sector's skill set. The Finance Ministry has been consulted about the possible outcomes of the proposal, and the ministry has implemented it. The leather industry, according to experts, has enormous employment potential. Currently, leather footwear valued above Rs 1,000 is subject to excise duty at 6%, while non-leather footwear is subject to 12.5%. India is the only nation of sufficient size, population, and low labor costs to eventually challenge China as the world's most important footwear supplier. ”

FINDINGS OF STUDY

“As a result, the aforementioned study reveals that the leather footwear industry has tremendous potential in multiple directions, despite similar obstacles such as a lack of skilled workers and infrastructure issues. It's also worth noting that the government has taken a number of steps to help this industry grow, and the important variables and areas that prevent exports that were found in the research need to be understood and fixed. As a result, increasing exports and reaping numerous benefits will be made possible by clear policy measures, incentives, infrastructure, technological expertise, and technological resources. ”

CONCLUSION

“The leather industry has a diverse market. Leathers and leather products are required in almost every nation. However, requirements vary according to industry, quality, cost, etc., among various nations. We need to look at the trend in a particular nation, the kind of product needed, its quality, its price, and other factors before exporting. We must also investigate additional environmental factors, such as a nation's physical, political, and economic conditions. As a result, it is evident from the preceding discussion that the leather footwear industry unavoidably plays a significant role in the growth and resurgence of numerous opportunities in India. Additionally, India is one of the largest exporters of leather and leather accessories, accounting for 2.2% of global exports. The cowhide business in India has been anticipated to develop multifold which would bring about age of work and unfamiliar trade at more prominent scope. In parallel, there will undoubtedly be an increase in domestic demand for leather and related goods in India. ”

“However, acquiring financial facilities proves to be a significant challenge due to the extremely chaotic state of the industry. One of the difficult issues is the late availability of raw materials, the lack of product innovation, and the higher costs associated with acquiring skilled human resources. The government should launch a number of initiatives and establish policies that specifically focus on the growth of small and medium-sized enterprises (SMEs) in the leather industry. This will further enable the industry's scope to expand in broader perspectives, and the government should do so in recognition of the contribution that SMEs in the leather manufacturing industry make to the creation of jobs and foreign exchange earnings. The Make in India initiative is not a "magical solution," but rather a platform for industries

and businesses to sustain and advance, particularly during difficult economic times. If the 'Make in India' campaign is properly implemented and managed, it has the strong potential to bring about a manufacturing revolution, which the leather industry desperately needs."

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