

Indian Footwear industry
Areas of Co-operation and Growth

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Indian Footwear Industry - Fact Sheet

Global Production Ranking

2

Employment

1 Million

Production

2.2 billion pairs

Export Ranking

11

Exports (2016-17)

USD 2.77 Billion

Domestic Market (2016-17)

UD 10 billion



Specific Strategies for Growth (Past Initiatives)



De-reservation of Footwear Sector (2003), enabling entry of Large Players

Establishment of Institutions and R & D Facilities - Shoe Design and Development Centre, CLRI – Footwear Design and Development Institute

100% Foreign Direct Investment and 100% repatriation of profits allowed



Specific Strategies for Growth (Past Initiatives)



Infrastructure Development in Footwear Clusters . Facilities established include .

- Testing Laboratory and Multi-Skilled Development Centre in Kanpur
- Testing Laboratory in Ranipet , Agra



Design Development - Organising Designers Fair by inviting overseas Designers Fair, Chennai (Feb. 2016 & 2017)

Technological Up-gradation

712 units underwent technological up-gradation in footwear & accessories sector under Integrated Development of Leather Sector (IDLS) in last 5 years with investment of USD 111 million and Govt. grant of USD 27 million .



Sector Development Strategy – Development of Mega Leather Clusters

Location of the MLC	Area
Project Approved	
Kothapatnam, Andhra Pradesh	537 acres
Project under consideration	
Mewat , Haryana	105 acres
<i>Proposals being formulated</i>	
Sandila Indl. Area, Hardoi, Uttar Pradesh	162.50
Ramaipur, Kanpur Dist.Uttar Pradesh	160
TADA Mandal, Andhra Pradesh	106.49 acres
Industrial Area, Unnao	43.86 acres
Jalandhar, Punjab	160.res

Govt. of India provided 70% assistance of the project cost as grant in aid except the cost of the land, subject to ceilings below .

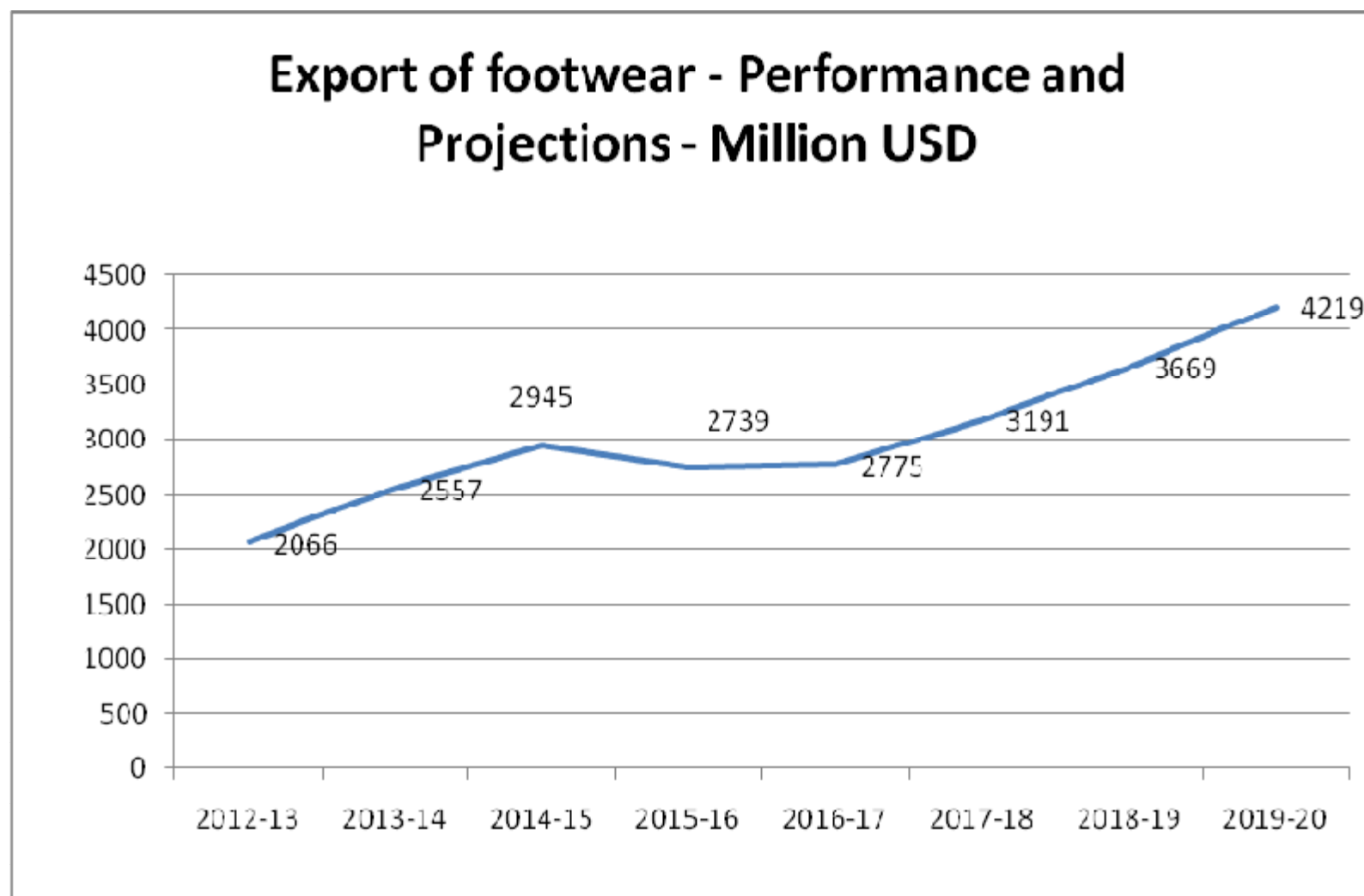
40 – 60 acre - Rs.600 million	61 – 100 acres – Rs.700 million
101- 150 acres – Rs.1050 million	More than 150 acres – Rs.1250 million

Current Initiatives of the Industry

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- q Focus on penetration in USA market
 - q Tap the potential in markets like Russia, Canada, Japan, South Africa
 - q Product Diversification – move into Ladies and Children Footwear
 - q Exploring Supply of footwear to Defence and Paramilitary forces



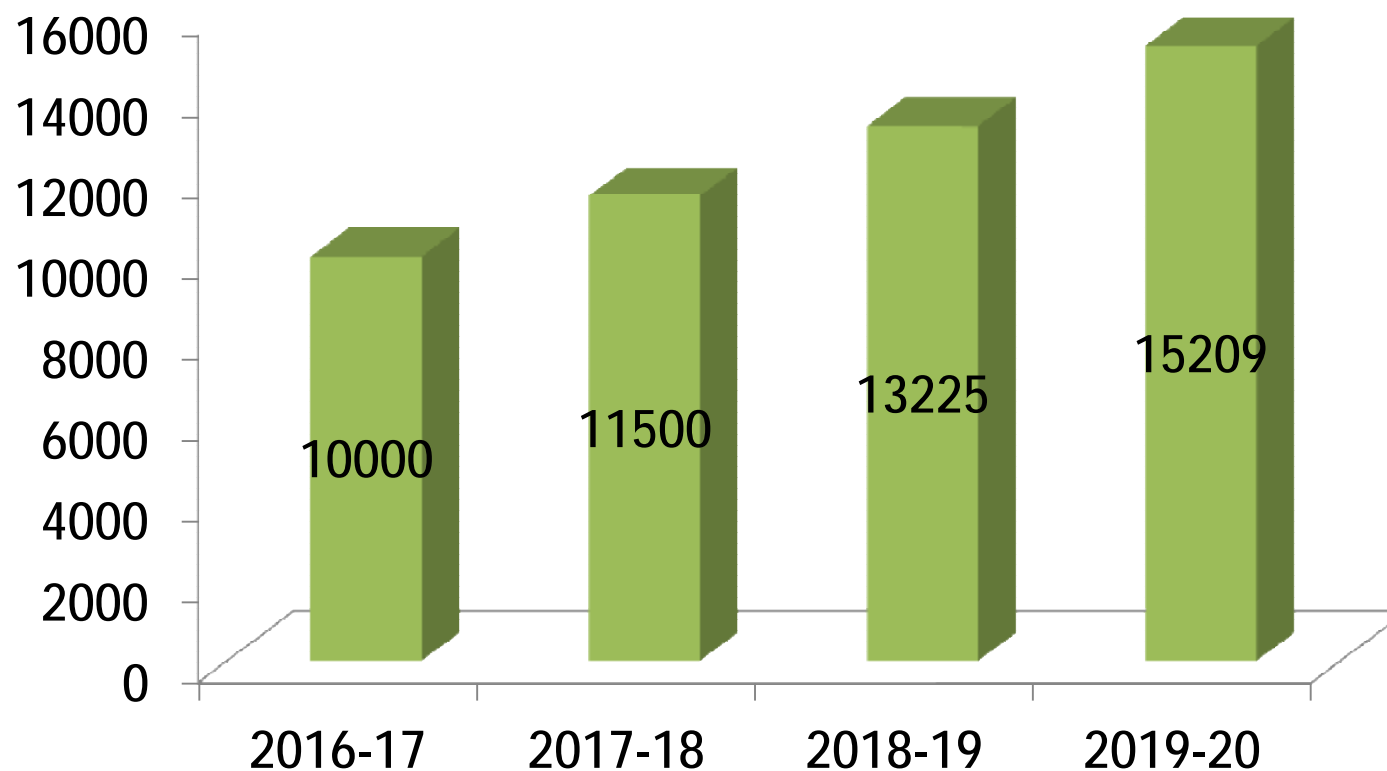
External Market Development



Export of footwear projected to show 15% growth and reach USD 4219 million in 2019-20

Domestic Market Development

Value in Million USD



Domestic Market of footwear projected to show 15% growth and reach USD 4219 million in 2019-20

Investment Opportunities – Facilities



- ✓ Basic Customs duty exemption for import of hides & skins, semi- processed leathers like wet blue, crust leather & finished leather
- ✓ Basic Customs duty exemption for import o Machinery under EPCG - Export obligation - Six times the duty saved in six years
- ✓ 5% GST for footwear with MRP upto Rs.500/- and 18% for others
- ✓ Duty Free import of inputs upto 3% of FOB value of export in previous year – for manufacturer exporters.

Future Trends/ Vision

- q Achieve 15% growth on domestic and export fronts.
- q Market Penetration through Aggressive Co-ordination with overseas Trade Associations.
- q Move-up Value Chain through Brand Development
- q Exclusive Buyer outreach through fixed appointments & Invite Buyer Delegations to India
- q Attract Investments through Make in India shows
- q Triple the market share in Traditional (Europe, USA) and Potential markets (Japan, Russia, Canada, South Africa, China + Hong Kong and Vietnam)

Why India ?

Economy - 6th largest by GDP & 3rd largest by Purchasing Power Parity (PPP)

Land - Enormous Availability - Pro-active approach of State Governments

Manpower - Largest Youth Population (10-24 years range) of 242 million

Electricity - 3rd Largest electricity producer . 5.83% growth in generation during 2016-17

Why India ?

Dividends – Free Remittance of Dividends to overseas share holders with prior approval

Employment Visa - for a highly skilled and/or a qualified foreign national

Above all

Push for Manufacturing under Make in India

Thank you !

