



Indian Footwear Industry

Domestic Market and Export
Growth Potential

by

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India – Opportunities and Potential

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World's Largest Democracy

1

Projected to be world's fastest growing economy for rest of decade
(World Bank and IMF projections)

2

2nd most populous nation - Home to 1.33 billion people

3

To be the **3rd** largest consumer economy at \$ 4 trillion by 2025
(Boston Consulting Group (BCG) Report)

7

7th largest country by area

11

Ranks **11th** in FDI Confidence Index (2018 of ATA Kearney)
Only the 2nd Developing Country in Top 11.

2018 A.T. Kearney Foreign Direct Investment Confidence Index

Rank	Country	Score 2018 (Scale of 3)
1	United States	2.09
2	Canada	1.82
3	Germany	1.81
4	United Kingdom	1.77
5	China	1.76
6	Japan	1.722
7	France	1.70
8	Australia	1.66
9	Switzerland	1.58
10	Italy	1.57
11	India	1.56
12	Singapore	1.53

India's Huge Potential – A Global Draw

Ranked **1st** in the Global Retail Development Index 2017(ATA Kearney)
Backed by rising middle class and rapidly growing consumer spending

Market Entry of Brands

India's Huge, Young and increasingly brand conscious population

- Attraction for Global Firms and Brands

Steve Madden, Lotto, Hush Puppies, Puma (Licensing Route)

Pavers England, Reebok, Adidas (JVs with Indian Partners)

Increased presence of Mid- end brands like Buggati, Kenneth Cole, Floreshim.

Multi-brands like Aldo, Micheal Kors, and Steve Madden in India

Online Retail Growth - Global Majors keen to not miss the India Bus

Estimated to grow from USD 15 bn in 2016 to USD 200 bn in 2026

(1200% growth)

Indian online Retailer **Flipkart** - Majority Stake acquired by **Walmart** for USD 16 bn

Amazon Investing heavily and **Aliababa** has entered market via **Paytm**

India's Huge Potential – A Global Draw

Luxury Retailing in India

To Touch USD 30 bn by end of 2018

- Luxury Brands **Gucci, Dior, Burberry, Canali, Bogotta Venetta, Louis Vuitton** being successfully distributed in India

Increased Presence of Mid- End Brands like Bugatti , Kenneth Cole, Florsheim and **Multi-brands** like Aldo , Michael Kors and Steve Madden in India

India's Price Competitiveness –

Attraction for Global and Online Retailers

Walmart, GAP, Tesco, JC Penny, Zara and several other stores sourcing from India

Indian Footwear Industry - Domestic Market, Exports and Imports (2017-18)

Domestic Market

Production Value	USD 10 billion
Production	2.26 billion pairs

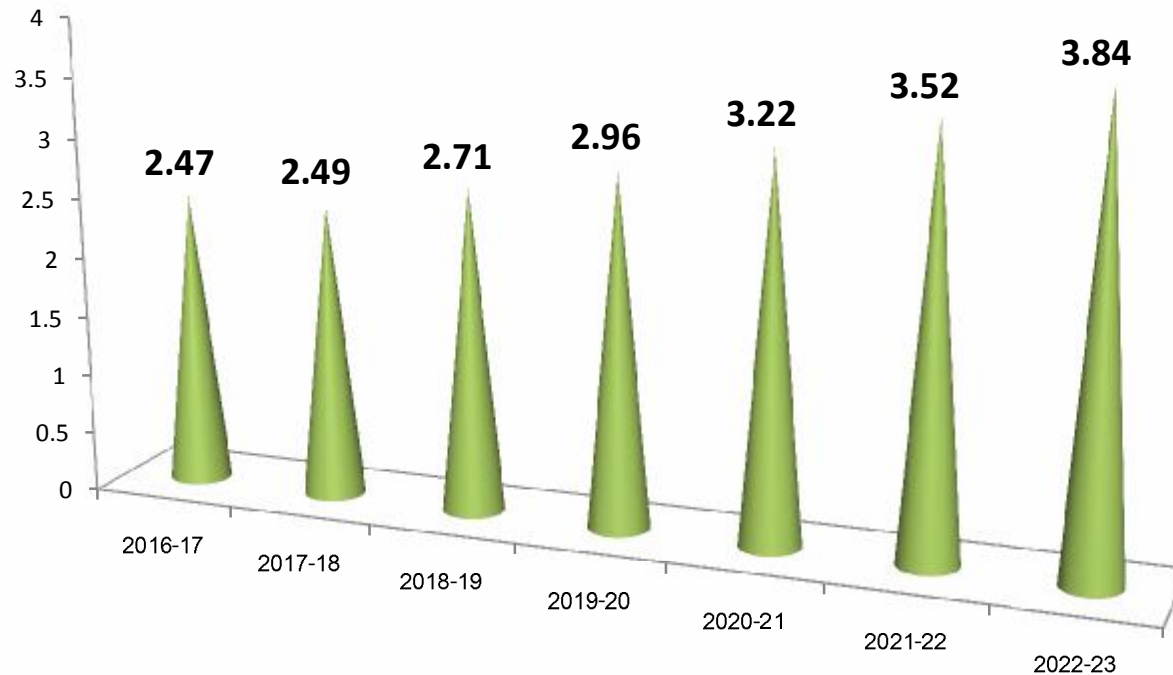
Exports

Export Value	2.49 billion
Export Quantity	0.24 billion pairs

Imports

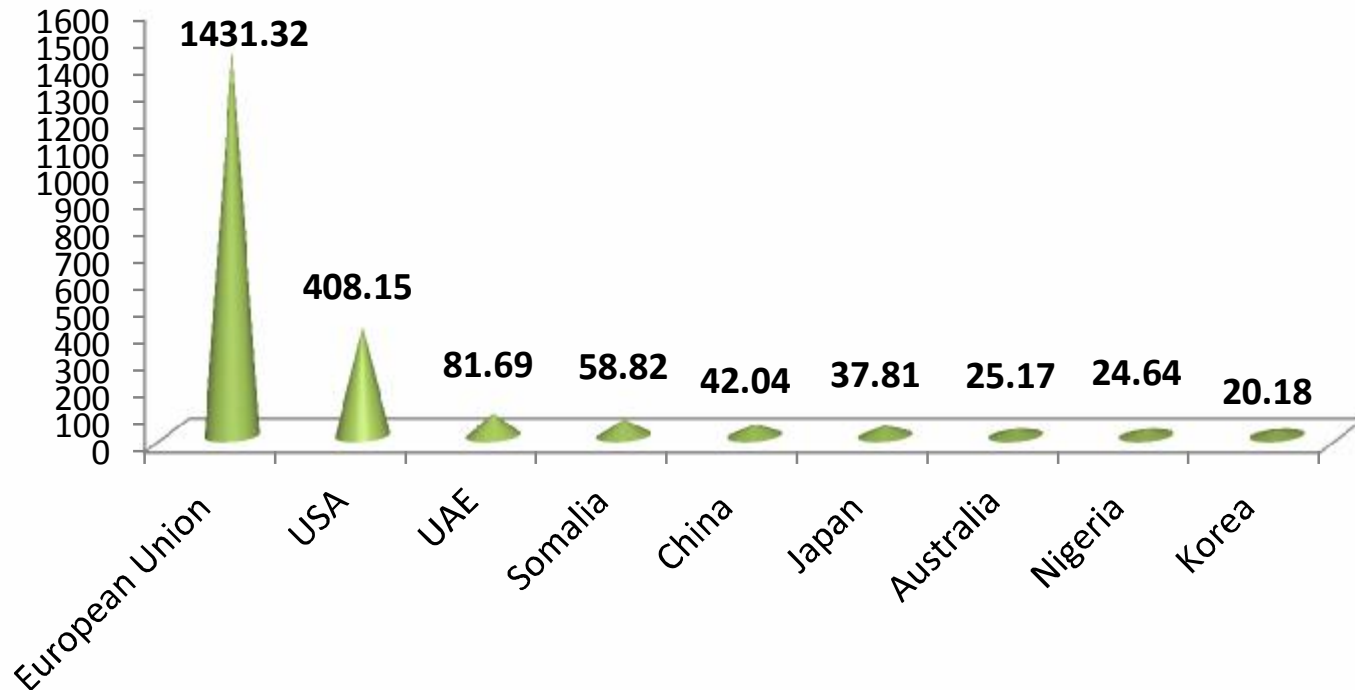
Import Value	0.66 billion
Import Quantity	0.23 billion pairs

Indian Footwear Industry - Export Performance and Prospects (Billion USD)



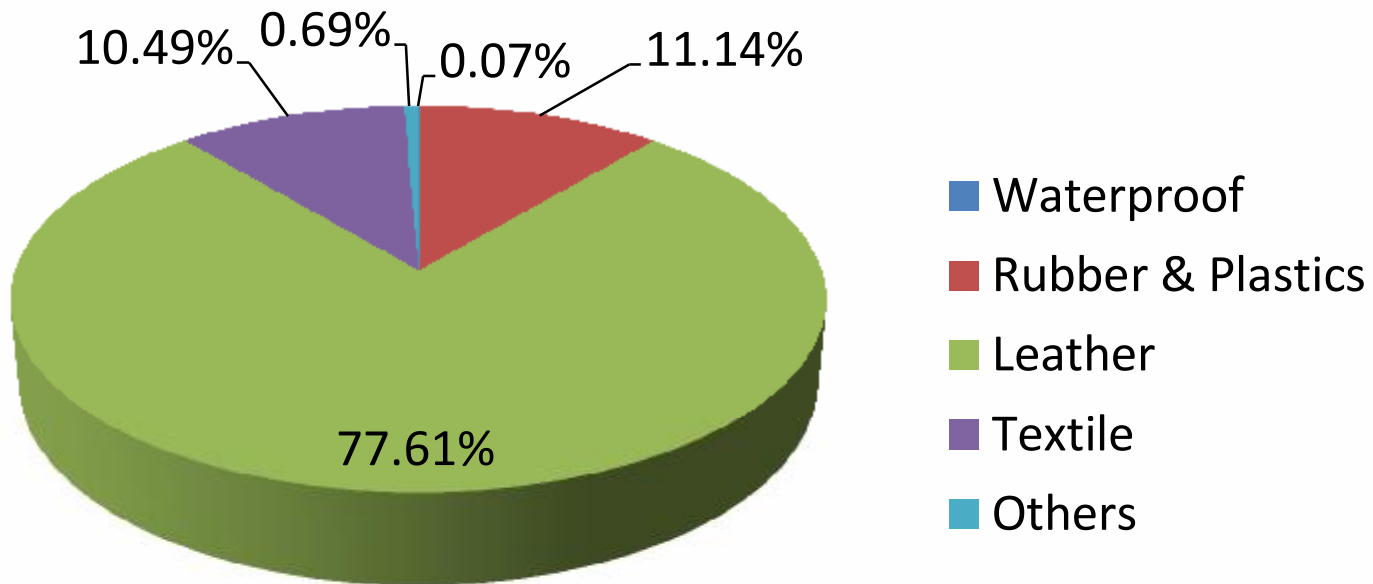
Footwear Exports Projected to grow by Cumulative Annual Growth Rate of 9.05% in next 5 years

Indian Footwear Industry - Major Markets – 2017-18 (Value in Million USD)



These countries/region account for 85.5% of India's footwear exports
Non- Leather Footwear forms major export to Somalia and Nigeria

**Indian Footwear Industry - Types of Footwear exported
(Value Terms – 2017-18)**



India predominantly exports Leather Footwear

Indian Footwear Industry - Strategy for increasing exports (Value in Million USD)

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- ☐ Capacity Modernization of existing units & Creation of Mega Production Centres in atleast in 3 locations
 - ☐ More penetration in markets like USA, Russia, Canada, Japan, Korea, African and Middle-East regions
 - ☐ Increase exports of Non – Leather Footwear – Current global market share of India is only about 0.5%
 - ☐ Attracting Investments, particularly in Sports Shoes segment
 - ☐ Promotion of Indian Brands & Enhancing productivity through Skilling
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Indian Footwear Industry - Attractive options for Investors

Market Growth

- Per capita consumption to grow from current 2 pairs to 4 pairs in next 4 – 5 years
- Market to grow by more than 10%. Growing Organised Retail

Govt. Support

- 30% subsidy for micro, small & medium and 20% for large units in capacity modernization/expansion, subject to cap of USD 0.4 million per product line.

Govt. Support

- 3% reduction in interest rates
- Import Duty exemption for Machinery subject to export obligation of 6 times of duty saved in 6 years.

Indian Footwear Industry - Attractive options for Investors

Govt. support

- Only **5% GST** for footwear with MRP upto Rs.1000/- and 18% for others

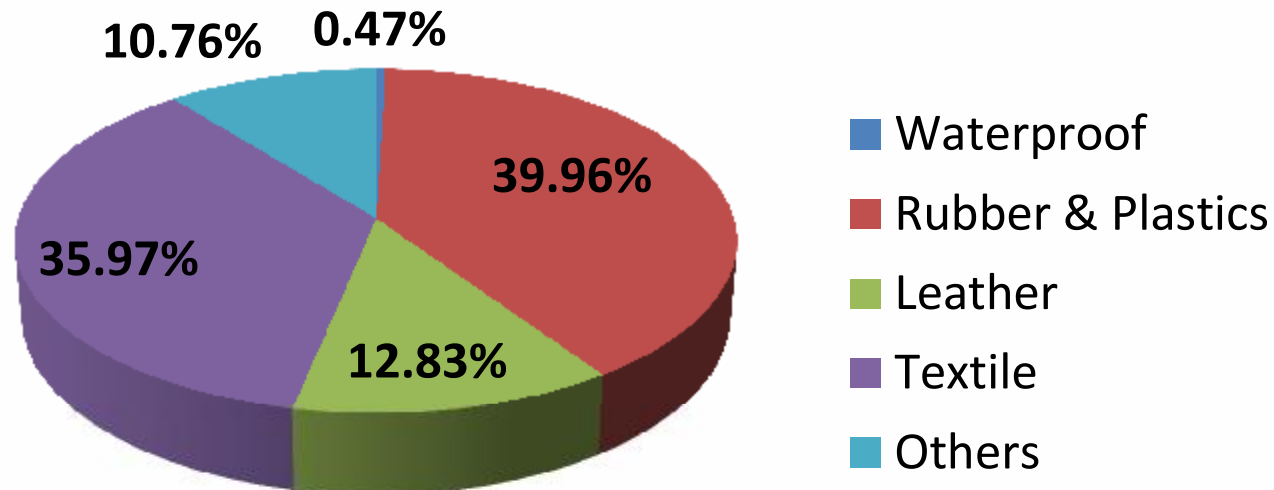
Govt. Support

- Basic Customs Duty exemption upto 5% of FOB value of export in previous year – for manufacturer exporters of footwear for import of inputs

Prospects

- Tremendous scope for investing in Athletic/Sports Shoes and Ladies and Children Footwear

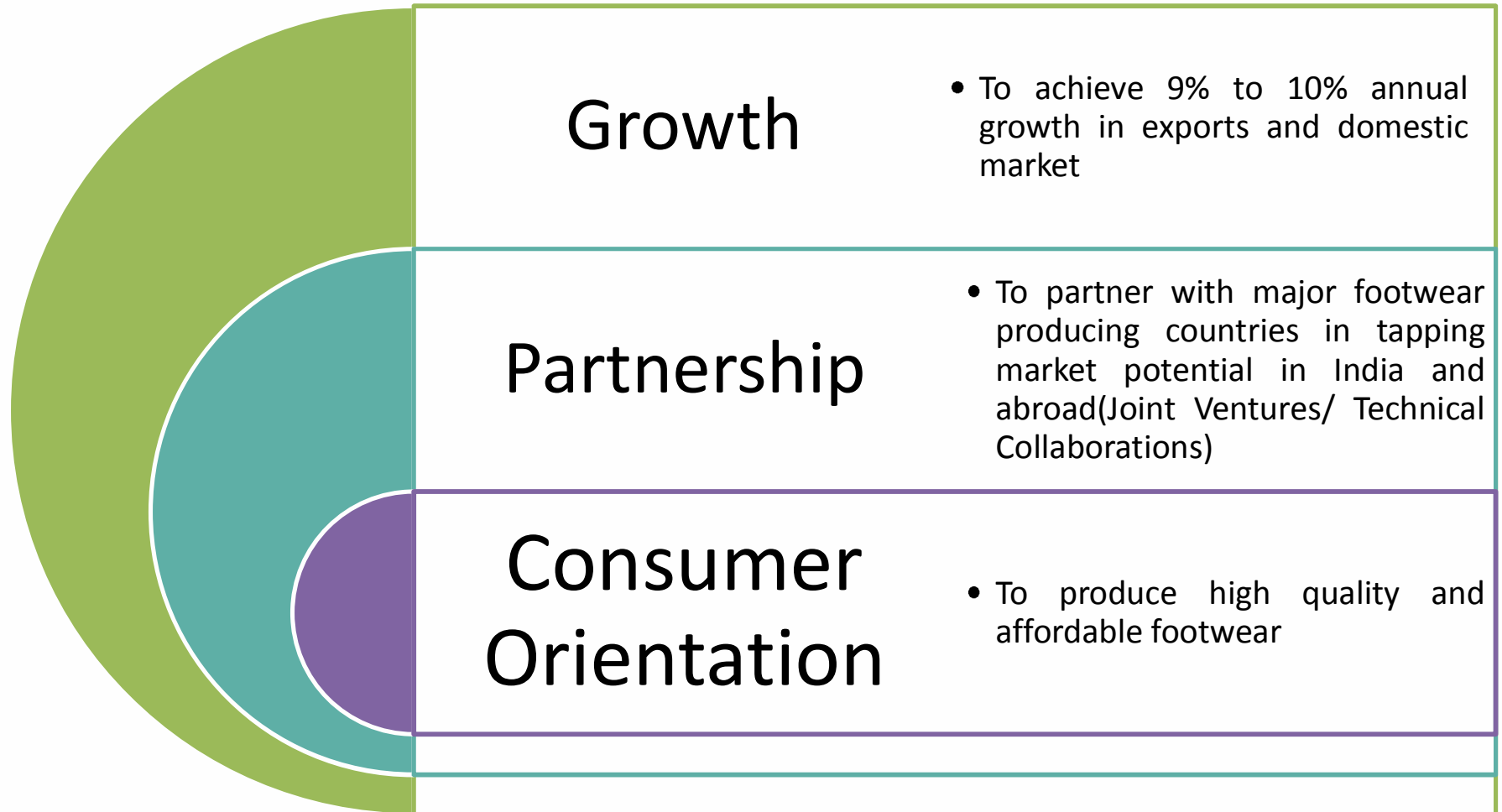
**Indian Footwear Industry - Types of Footwear Imported
(Value Terms – 2017-18)**

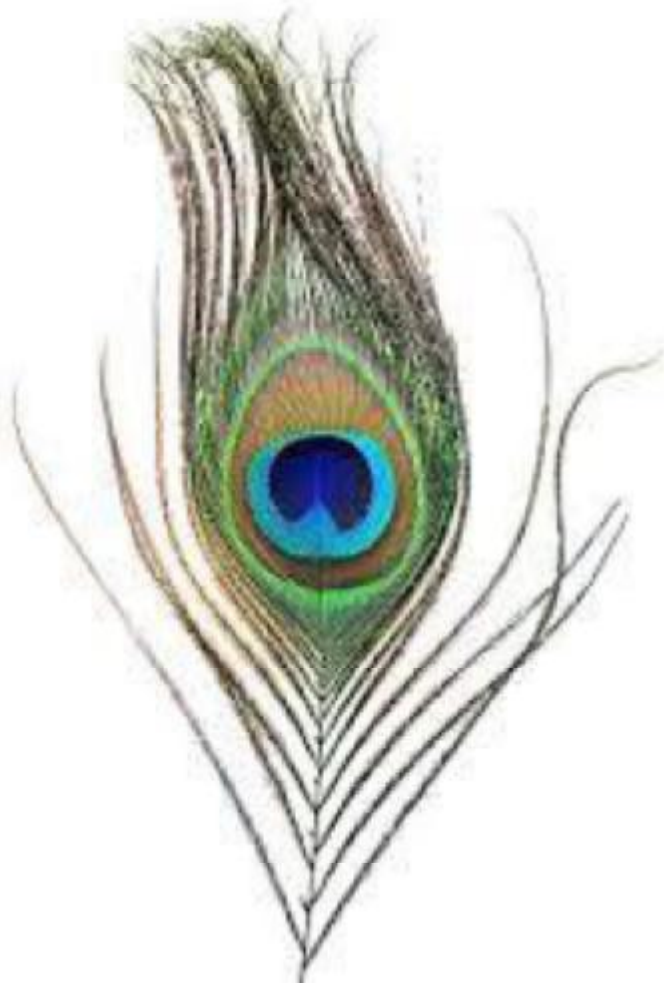


India predominantly imports Rubber and Plastics as well as Leather Footwear

Import of footwear have grown from USD 512 million in 2016-17 to USD 666 million in 2017-18, growing by 30%, which shows the market potential

Indian Footwear Industry - Vision





Thank you !