

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 4316.
TO BE ANSWERED ON MONDAY, THE 7TH JANUARY, 2019.**

PROMOTION OF LEATHER INDUSTRIES

**4316. SHRI SUDHEER GUPTA:
SHRI S.R. VIJAYAKUMAR:
SHRI ASHOK SHANKARRAO CHAVAN:
KUNWAR HARIBANSH SINGH:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) the details of share of India in World trade of leather and leather products along with the total quantity and value of leather and leather products exported during each of the last three years;
- (b) whether the Government is implementing schemes for setting up of leather parks to promote leather industries in the country;
- (c) if so, the details and the salient features thereof along with their existing location, State/UT-wise;
- (d) the total outlay under the scheme during the 12th Five Year Plan along with the funds utilized therein so far; and
- (e) the steps taken/being taken by the Government to boost the export of leather and leather products from the country?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज यमंत्री (श्री सी.आर. चौधरी)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI C.R. CHAUDHARY)**

- (a): As per information received from Council for Leather Exports (CLE), the share of India in world trade of leather and leather products is as given below:—

Particulars	2015	2016	2017
Global Import - Billion USD	183.28	180.11	188.44
Particulars	2015-16	2016-17	2017-18
India's Export - Billion USD	5.99	5.67	5.71
% share of India	3.27%	3.15%	3.03%

*Source Data - Directorate of Commercial Intelligence and Statistics (DGCI&S)

The value of leather and leather products exported during the last 3 years is as given below.

India's Exports Leather and Leather Products - Value in US\$ Mn

Products	2015-16	2016-17	2017-18
FINISHED LEATHER	1046.45	886.39	874.23
LEATHER FOOTWEAR	2147.98	2128.87	2193.61
FOOTWEAR COMPONENTS	284.34	298.69	335.24
LEATHER GARMENTS	553.11	535.66	518.96
LEATHER GOODS	1370.04	1316.63	1365.33
SADDLERY AND HARNESS	146.38	142.35	155.88
NON-LEATHER FOOTWEAR	306.74	338.21	296.68
TOTAL	5855.04	5646.8	5739.93

*Source Data - Directorate of Commercial Intelligence and Statistics (DGCI&S)

The quantity-wise data of export of leather, leather products and footwear is as given below:

Products	(Quantity in Millions)		
	2015-16	2016-17	2017-18
FINISHED LEATHER (SQ.FT)	836.88	688.81	705.87
LEATHER FOOTWEAR (PAIRS)	105.54	104.38	112.19
FOOTWEAR COMPONENTS (PAIRS)	64.03	44.61	46.41
LEATHER GARMENTS (PIECES)	9.38	7.43	8.16
LEATHER GLOVES (PAIRS)	149.05	156.69	148.76
LEATHER GOODS (PIECES)	157.22	141.09	143.8
SADDLERY AND HARNESS (PIECES)	19.41	19.36	32.49
NON-LEATHER FOOTWEAR (PAIRS)	13.60	24.22	24.04

(source: CLE Membership data)

(b) & (c): Yes. 'Mega Leather Footwear and Accessories Cluster (MLFAC)' sub-scheme of 'Indian Footwear Leather and Accessories Development Programme (IFLADP)' scheme is being implemented for the period 2017-2020 under which assistance is provided for infrastructural support to the leather, footwear and accessories sector by establishment of Mega Leather, Footwear and Accessories Cluster. Graded assistance is provided upto 50% of the eligible project cost, excluding cost of land with maximum Government assistance being limited to Rs. 125 crore. As on date, approval has been provided for setting up of MLFAC with Government of India assistance of Rs. 125 crores at Kota Mandal, Nellore District, Andhra Pradesh and in-principle approval has been given for setting up of MLFAC at Bantala, Kolkata, West Bengal.

(d): The total outlay under Indian Leather Development Programme (ILDLP) implemented during 12th Five Year Plan was Rs. 990.36 crore and the total funds utilized under ILDP scheme during 12th Five Year Plan were Rs. 1145.01 crore.

(e): The Government has approved implementation of central sector scheme 'Indian Footwear, Leather and Accessories Development Programme (IFLADP)' with an approved expenditure of Rs. 2600 crore over three financial years i.e. 2017-18 to 2019-20 to create infrastructure for leather, footwear and accessories sector. Further, as per the information received from Council for Leather Exports (CLE), the following steps have been taken to boost the export of leather and leather products.

- (i) 2% across the board enhancement of duty credit scrip under Merchandise Exports from India Scheme (MEIS) for shipments made from 1.11.2017 and reduction in GST rates for leather industry items – for finished leather from 12% to 5%, for certain leather chemicals , leather goods, leather garments and saddlery items from 28% to 18%, for Common Effluent Treatment Plants (CETPs) from 18% to 12%, for job work from 18% to 5% and for footwear with MRP above Rs.500/- and upto Rs.1000/- from 18% to 5%;
- (ii) Enhancement of duty free limit for import of critical import by manufacturer exporters of footwear and other leather products from 3% to 5% of FOB value of exports in the previous year, as announced in Union Budget 2017-18;
- (iii) Enhancement of interest equalization rate from 3% to 5% for Micro Small and Medium Enterprises (MSME) units w.e.f. Nov. 2, 2018 on pre-shipment and post-shipment rupee export credit.
