

# Workshop on Indo-African Trade in the Leather Sector

## Foreword

Africa is the world's second-largest and second-most-populous continent in the world. India is today one of the world's fastest growing global economies offering tremendous opportunities across sectors. India is a significant player in the global leather business being the second largest global producer of footwear & leather garments and fifth largest exporter of leather goods & accessories.

The Indian Leather Industry holds a distinctive position in the economy, being known for its consistency in export earnings, with the coveted position of being among the top ten foreign exchange earners for the country. The leather industry is an employment intensive sector, providing job to about 2.5 million people, mostly from the disadvantaged sections of the society. Women employment is predominant in the Indian leather products sector with about 30% share.

Exports from the Indian Leather industry has grown from USD 107.97 million in 1966-67 to USD 5853.97 million in 2015-16. India produces the entire range of Leather Products comprising Finished Leather, Footwear, Leather Accessories & small Leather Goods, Leather Garments, Equestrian Saddlery & Harness Products, Fashion & Industrial Gloves, Leather Upholstery and Leather Carpets.

The major markets for Indian Leather & Leather Products are Germany with a share of 11.51%, USA 14.25%, U.K. 12.24%, Italy 6.97%, France 5.27%, Hong Kong 5.38%, Spain 5.60%, Netherlands 3.15%, China 2.77%, Denmark 1.30%, UAE 4.50%, Belgium 1.45%. These 12 countries together accounts for nearly 75% of India's total leather & leather products export. European Union accounts for 56% of India's total export of leather and leather products.

The African countries, with their huge livestock wealth, availability of manpower and land, offer tremendous opportunity to the Indian leather industry for co-operation in the area of Trade, Joint Ventures/ Technology Transfers, Investment etc., As the African countries get duty exemption in major markets like Europe and USA, there is potential for Indian entrepreneurs and manufacturers to explore setting-up of units in Africa as Joint Ventures. In fact, some of the Indian companies have already established their production units in some African countries. Also, the Central Leather Research Institute (CLRI)

is undertaking/proposes to undertake technology development programme in African countries like Ethiopia, Kenya, Botswana etc., Besides, African countries are also potential markets for export of items like finished leather, leather goods and footwear (including non-leather footwear) from India.

The Council for Leather Exports in its bid to diversify from traditional markets in Europe and USA has found many complementarities with African countries. We are happy to be seen as a model for countries in the process of developing their indigenous leather sectors, with our country having grown from being primarily an exporter of raw materials in the 1950s, to an exporter of mostly value-added products to leading international brands today. The Indian leather sector is keen to further grow and is on the look out for divergent destinations and new partnerships.

India's export of leather and leather products to the African Countries during the year 2014-15 was US \$ 237.52 million, contributing a share of 7.37% in the total import by African Countries. The African continent which is a rich source for raw material for the leather industry offers a multitude of opportunities to Indian leather companies for trade and collaborations.

The Workshop on Indo African Trade Relationship in the Leather Sector, the first of its kind in India, organised by the Council for Leather Exports had the twin objectives of knowledge-sharing and two-way business promotion, for mutual benefit. The organization by CLE of the Workshop on February 14, 2017 by the Council is only a preliminary step in this direction.

CLE is indeed overwhelmed by the response of the African Missions in India for readily accepting our invitation and gracing the workshop with their presence and presenting the potential of the African leather sector to the participating companies. We remain gratified that 22 Heads of Missions of African Countries in India, besides 24 officials from African Missions graced the Workshop with their eminent presence.

The Council is also deeply grateful to our parent Department i.e the Department of Commerce, Ministry of Commerce & Industry, Government of India as also to the Ministry of External Affairs, Government of India for the tremendous encouragement and support received from them which, enabled the Council to organize this Workshop successfully.

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## LEATHER NEWS INDIA



### Proceedings of Workshop

Inaugural – “Leather is one of the fast growing sectors of the Indian economy and is valued as a job creator, with a significant percentage of the jobs going to women”, this opening line from the compere emphasized the Workshop’s dedication to leather. The inaugural began as the eminent members on the dais were welcomed with floral bouquets and this was followed by the traditional Indian lamp lighting ceremony to mark the commencement of the Congress.



*Lamp Lighting Ceremony by the Dignitaries*





*Dignitaries on the Dais*



*Shri Mukhtarul Amin, Chairman, CLE welcoming H.E. Mr. Alem Tsehaye Worldemariam, Dean of African Countries and Ambassador of the State of Eritrea by presenting a bouquet*



*Shri P.R. Aqeel Ahmed, Vice-Chairman, CLE welcoming Shri C. Rajasekhar, IFS, Joint Secretary (West Africa), Ministry of External Affairs, Govt. of India by presenting a bouquet*



*Shri Subash Kapoor, Former Vice-Chairman, CLE welcoming Shri Mukhtarul Amin, Chairman, CLE by presenting a bouquet*



*Shri Manoj Tuli, COA Member, CLE welcoming Shri P.R. Aqeel Ahmed, Vice-Chairman, CLE by presenting a bouquet*



*Shri Javed Iqbal, Regional Chairman – Central, CLE welcoming Dr Tegeldin Osman Saeed, Director General of the Ministry of Industry and Investment of Sudan by presenting a bouquet*



*Shri Sunil Harjai, NRC Member, CLE welcoming Shri Puraan Dawar, Regional Chairman – North, CLE by presenting a bouquet*



*Shri Motilal Sethi, NRC Member, CLE welcoming Shri B. Chandrasekaran, Director, Council Leather Research Institute by presenting a bouquet*

Shri Mukhtarul Amin, Chairman, Council for Leather Exports, in his welcome address warmly welcomed His Excellency Mr. Alem Tsehaye Worldermariam, Dean of African Countries and Ambassador of the State of Eritrea, Dr Tegeldin Osman Saeed, Director General of the Ministry of Industry and Investment of Sudan, Ambassadors & Heads of State of Missions of African Countries, dignitaries on the dais, colleagues from industry and other participants at the Workshop.

Chairman-CLE stated that India and Africa have several things in common, both have a deep history, a rich cultural diversity, huge human resources and above all a desire for growth and development. He stated that this Seminar is just a first step in our continuous engagement with our African friends; although the Council for Leather Exports has organized several marketing activities in Africa in the past, including leather sourcing delegations to Ethiopia, Egypt, Kenya, Tanzania etc., participation in the



*Shri S.A. Siddiqui, Managing Director, M/s. Evergreen International Pvt. Ltd welcoming Shri R. Ramesh Kumar, IAS, CLE by presenting a bouquet*

All African Leather Fair, and organization of a CLE' Buyer Seller Meet in South Africa.

He stated that CLE is keen to take this goodwill in business relations to a new level, encompassing several areas like raw material development, marketing, investment, skill development, technology up-gradation, joint ventures etc., resulting in mutual benefits for both India and Africa. Thus, we want to convert leather and footwear sectors in India and Africa as Partners for Progress.

He concluded by saying that as the representatives of African Missions in India are the brand Ambassadors of their respective countries, the Council felt the need to create a forum for interaction with them, towards enabling them to gain a first-hand knowledge on the potential that exists for enhancing Indo- African trade ties in leather and footwear sectors.



*Shri Mukhtarul Amin, Chairman, CLE giving a welcome address at Indo-Africa Workshop-cum-Exhibition*



Besides, the Council was showcasing the developments made by the Indian leather and footwear industry to the African guests by organizing display of products of 26 companies.

He concluded by saying that he was sure that this Seminar will serve as a launch pad for more such collaborations with our African friends.

Shri P.R. Aqeel Ahmed, Vice Chairman, CLE began his opening remarks by stating we were privileged to have so many eminent representatives from the African countries at the Workshop, and that many leading names from Indian industry too had come. Mr. Aqeel Ahmed congratulated the Shri Mukhtarul Amin, Chairman, CLE for his initiative to organize an Africa outreach Seminar. Africa, being the continent of evolution of humans, is a land of opportunity. He stated that he was in Africa in the recent past as a tourist but found it to be a continent with great potential as a business partner. The current value of India's exports to African countries of about US \$240 Million is indeed too low, and there is good scope for expansion of business between India & Africa, he stated. As the people and entrepreneurs of Africa are looking for a new era of growth and development, the Indian Leather Sector is also very eager to be the "Partners in Progress" with our Friends in Africa he stated.



*Shri P.R. Aqeel Ahmed, Vice-Chairman, CLE briefing about business relationship between India and African countries*

This Seminar, is in fact the first step in the CLE's efforts to establish a concerted, comprehensive and co-ordinate business relationship with African countries, not only in the area of trade, but in other areas like investment, training of workers etc., in line with the vision outlined in the Foreign Trade Policy 2015-20.

The African Economic Outlook reports had projected Africa's average growth projection at about 3.7% for 2016 and at about 4.5% in 2017. Government of India is already exploring Preferential Trade Agreement (PTA) with the Southern African Customs Union (SACU) and Trade Agreements with the Common Market for Eastern and South Africa (COMESA) and the Economic Community of West African Countries (ECOWAS). India is already granting duty free status to all leather goods and many

types of footwear for Least Developed Countries (LDCs) from Africa. He stated that he hoped that the upcoming Free Trade Agreements between India and African countries will facilitate zero duty access for the leather and footwear industries in both India and Africa, which will be extremely helpful in tapping the huge potential in both the markets. As footwear is a major item of import of Africa, India can be a reliable supplier of footwear to African countries. Our focus in the next 3 years should be to at least double our present market share of 6.92% in Africa. The Government of India will also be announcing a package for the leather sector towards strengthening the sector and fostering growth, he stated.

India is already playing a vital role in the technological up-gradation of tanning sector in Africa with Central Leather Research Institute undertaking technology up-gradation project in Ethiopia and also preparing a DPR for establishment of Leather Park in Botswana. This Institution to Industry contact should be emulated in industry to industry contacts as well, particularly in areas of Joint Ventures where Indian entrepreneurs can invest in Africa and also look forward for importing finished leather and also the leather products/footwear manufactured in Africa for the domestic market in India.

Shri C. Rajasekhar, IFS, Joint Secretary (West Africa), Ministry of External Affairs, Government of India, the Chief Guest at the Workshop began his address by stating that it was indeed a great honour to be at the Workshop. He stated that the Dean of African Countries Mr. Alem Tsehaye Worldermariam was a Special Friend. He stated that there are many stories of cooperation between India & Africa. Mr. Rajasekhar conveyed his hearty congratulations to the Leather Council for this initiative. Africa emerged from colonial rule and is seeking peace & growth he stated. When we talk of Africa we think about Mr. Nelson Mandela who many times referred to the Father of our Nation Mahatma Gandhi as a source of inspiration, he stated. Mr. Rajasekhar informed that recently in October 2016 a very big Africa Summit was hosted in New Delhi.



*Shri C. Rajasekhar, IFS, Joint Secretary (West Africa), Ministry of External Affairs, Government of India interacting with the Delegates of African Embassies*

Africa is a where History began and today there is tremendous potential for growth and tremendous opportunities exist there, he stated. He emphasized the timeless value and appeal of well-crafted leather products. A leather Handbag is always appreciated by a lady and would be the perfect gift to her today i.e February 14th, Valentine's Day, he quipped, much to the amusement of the audience. There must be many African students of Leather & Footwear Technology at the Central Leather Research Institute (CLRI), he stated. Leather and the processing of the material from the raw stage to its finished form, is known as polluting, but in fact today advanced treatment is possible. He stated that the Indian Leather Sector has been through this and is today implementing workable solutions. African countries can take lessons from India & telescope their progress he stated.

He informed that the Government of India has the Indian Technology & Economic Cooperation (ITEC) Program ([www.itecgoi.in](http://www.itecgoi.in)) under which the Indian Government facilitates Training & Capacity building program for select overseas countries which African countries can avail he stated. He also informed that Confederation of Indian Industry (CII) will be organizing the 12th edition of CII-EXIM Bank Conclave on India Africa Project Partnership with support of Ministry of External Affairs and Ministry of Commerce and Industry, Government of India, from 9 - 10 March 2017 in New Delhi, India.

Joint Secretary Mr. Rajasekhar also gave the important information that the Annual General Meeting of the African Development Bank (AfDB) is to be held in Ahmedabad, Gujarat on May 22-26, 2017. The 2017 AfDB meeting will be a mega international event to be attended by more than 5000 delegates from 80 member countries of the African Development Bank including the Governors, Alternate Governors, Executive Directors, policy makers and businesses.

He informed that Exim Bank India also offers many instruments and schemes to support engagement with African Countries including for Joint Ventures, etc. He stated that the Government of India is very keen to support initiatives towards bilateral cooperation with Africa

and we are indeed Partners in Progress. He concluded by wishing the Workshop very success.

**His Excellency Mr. Alem Tsehaye Woldemariam, Ambassador of the State of Eritrea and Dean of the African Group of Heads of Missions was the next distinguished speaker at the Workshop. His address is reproduced below:**

On behalf of the African Group of Head of Missions, I would like to express my appreciation for this opportunity to speak to you. As the Head of Missions in India, our role is to facilitate bilateral and as well as business partnerships. India and Africa enjoy a long history of friendship and partnership. The Indian Ocean has long been a well travelled trade, cultural exchange and people to people connection route directly linking the India sub-continent and the African continent.

#### **Your Excellencies, Distinguished participants**

In the last decade, total trade between India and Africa had grown significantly at an impressive rate of over 30 percent since 2005. Annual trade between India and Africa in 2015 stood at US Dollars \$75 billion, making India the third largest trading partner of Africa. In 2014, Africa accounted for 11% of India's exports. Since 2010 India's exports to Africa and imports from Africa increased by 93% and 28% respectively.

In the mean time, Africa's share from India's total exports has increased from 8.1% to 10.9%. With USD \$ 40 billion of Imports from Africa, India overtook the United States of America and became third African trade partner in 2014 behind just EU and China.

As the PM of India recently stated at the Vibrant Gujarat Summit, the strength of India lies in its democracy, demography and demand. This holds particularly true for the leather industry which is currently booming not only in India, but also playing an important in the global market. To sustain this growing demand for leather products domestically and globally, India needs to look beyond its borders for new sources of raw material.



*A view of the audience*





*H.E. Mr. Alem Tsehaye Woldemariam, Ambassador of the State of Eritrea and Dean of the African Group of Heads of Missions briefing about the trade relationship with African countries*

#### **Ladies and Gentlemen,**

Africa has a significant reserve of cattle and sheep, yet only produces a low percentage of the world output. The forecast indicates that the global demand for leather products will be greater than the supply. Africa offers an alternative market where the supply for raw material has not been fully capitalized and can

be accessed at a very competitive rate. Additionally, the business climate in most African countries is marked by the removal of barriers to foreign direct investment and interregional trade. India has proven itself to be a leading manufacturer of leather goods with expertise in processing and production. As representatives of our respective countries it would be our pleasure to provide the framework for a progressive cooperation between the Leather Industry in India and Africa.

#### **Ladies and Gentlemen**

Here are the areas where we see the potential for collaboration:

- Investment in infrastructure to modernize slaughter houses to add value to raw materials. Indian investment to support value addition would further boost the value and quality of the trade relationship. According to the World Bank, 84% of India's imports from Africa are raw materials.
- Transfer of technologies and expertise to meet industry standards of raw material processing.
- Access to competitive labour force in Africa.
- Access to a consumer base for Indian leather products such as footwear for civilians and military. Exports from India to Africa are mostly high-end consumer goods including: automobiles, pharmaceuticals, and telecom equipment. Most African economies continue to grow at GDP above 5% with some growing by double digits. Furthermore, Africa is witnessing a growing mid-

dle class and increasing incomes overall.

#### **Excellencies, Distinguished participants**

There is therefore a huge untapped potential in terms of trade and investments. This coupled with India's growth in technology, high end skills, and the availability of capital invest all supported by the vision and commitment of the Prime Minister of India to further strengthen Indo-Africa partnership provides for an unmatched opportunities that will be mutually beneficial to India and Africa. I hope that you, the leaders of the Leather Industry, will take advantage of these opportunities.

I thank you for giving me this platform to showcase what Africa can offer.

**Shri R. Ramesh Kumar, IAS, Executive Director, Council for Leather Exports (CLE) was the next speaker. Executive Director of the Council made a Presentation on the 'Potential for trade & Cooperation between African Countries & India in the Leather Sector, including an Overview of Indian Leather Industry'.**



*Shri R. Ramesh Kumar, IAS, Executive Director, CLE giving a presentation on 'Potential for trade & Cooperation between African Countries & India in the Leather Sector, including an Overview of Indian Leather Industry'*

Mr. Ramesh Kumar commenced by emphasizing the importance of the Leather Sector in the Indian economy. He informed that Honorable Prime Minister of India had identified Leather as a 'Focus' product under the flagship 'Make in India' programme of the Government of India. The main points of his Presentation were:

- Indian Leather Sector Export has grown from a mere US\$ 107.67 million in 1966-67 to US \$ 5853.97 million in 2015-16. Leather as a material, constituted 91% of exports in 1966-67 while it constituted only about 19% of exports in 2015-16. Hence Value Added Leather of Leather account for 81% of the Indian Leather Sector's Export today.

Total production – US\$ 17.35 Billion with Exports at USD 5.85 billion & Domestic Sales at US\$ 12 billion

- 2nd Largest Producer of Footwear and Leather Garments & 5th largest Exporter of Goods & Accessories
- Produces 3 billion sq.ft of leather annually. Meets 10% of global requirement.

Huge Domestic Market: 95% of annual footwear Production of 2065 million pairs is consumed in domestic market

- India has the world's largest Bovine Livestock and second-largest live stock base of Goat & Sheep giving it a share of 12.93% in the global availability skins & hides
- India is a Sourcing Point for several high end international brands of lifestyle leather products
- Indian Leather sector exports has grown from US\$ 0.5 bn in 1984-85 to US\$ 6.5 bn in 2014-15.
- Ambitious Export Target of US\$ 9.5 bn & Domestic Sales of US\$ 15 bn by 2020.
- India inviting investments & partnerships into Leather Sector which has Excellent Potential for growth with its huge yet under-tapped Domestic Market, Raw Material Availability, favourable Investment Policy, supportive Government Programs for Technology Upgradation & Capacity Building, Skill Development initiatives,

#### **Executive Director-CLE highlighted Strengths of the African Leather Sector**

- Africa accounts for 19.5% of Hides/Skins produced globally
- Scope for co-operation in Tanning Sector. Import of Hides/Skins/Finished Leather from Africa
- US\$ 2704 mn is the leather & leather product imports by the Top Ten Importing Countries of Africa and India's export at US\$ 103.23 mn accounts for a share of only 3.82%. Scope to enhance exports of Footwear, Footwear Components, Leather Goods and Finished Leather from India to Africa
- Exports of Finished Leather, Footwear & Leather Goods from the Top Ten Exporting Countries of Africa was US\$ 3016.61 mn, with Finished Leather having a significant share of 51.6%. Scope to enhance exports of Finished Leather, Footwear, Leather Goods from Africa to India.

- Potential for Mutual Indo-Africa Cooperation in Leather Sector
- o Enhance bilateral leather sector trade
- o Co-operation in field of tanning sector – Joint Ventures
- o Scope for Skill Development Initiatives in Africa
- o Scope for 0% Preferential Duty on reciprocal basis under proposed Free Trade Agreements between India and Africa under SACU, COMESA and ECOWAS..

**Shri N. Mohan, Footwear Panel Convener, CLE made a Presentation on 'Indian Footwear Industry' and the Opportunity for Cooperation with Africa. The main points of his Presentation were:**



*Shri N. Mohan, Footwear Panel Convener, CLE presenting a presentation on 'Indian Footwear Industry' and the Opportunity for Cooperation with Africa*

#### **Indian Footwear Industry- Quick Facts:**

- Production Capacity – 2.1 billion pieces per annum
- 11th largest Exporter after China, Italy, Vietnam, Belgium, Germany, Hong Kong, Indonesia, Netherlands, Spain and France.
- Share in Global Exports – 2%
- Export Increase: USD 1254.37 million in 2009-10 to USD 2453.53 million in 2015-16, an increase of about 96%
- Share in export from Indian Leather Industry: 41.91% (2015-16)
- Share in Global Import: 2.06% (2014)
- India Leather Footwear Export was US \$ 2.15 bn with Global Share of 3.87% and Non Leather Footwear Export was US\$ 0.31 bn with Global Share of 0.49%.
- Top 10 Markets with 80% share, for Indian Leather Footwear are UK, USA, Germany, France, Italy, Spain, Netherlands, UAE, Belgium, & Poland
- Top 10 Markets for Indian Leather Footwear with 84% share, are UAE, Somalia, Sudan, Nigeria, Djibouti, Saudi Arabia, Oman, Kenya, U.K. & USA.
- Top 10 Global Markets for Leather Footwear & India's Share : USA(2.7%), Germany (6.2%), France (4.5%), UK (12%), Italy (4.85), Hong Kong (0.3%), Netherlands (0.35), Russia (0.3%), Belgium (3.8%), Japan (1.7%), China (1.7%) and Canada (1.9%)



- Among Top 10 Importing Countries of Non Leather Footwear are USA, Japan, EU Countries, Russia, Hong Kong & Korea. Highest Share of India is UK with 0.19%, followed by Germany with 0.06%. In all other top markets it is less than 0.02%

68.9% of Indian Leather Footwear Exports goes to EU, 15.3% to USA. Africa accounts for a 7.4 % Share, with the Middle East & North Africa accounting for a 5.5% share, Sub Saharan Africa for 1.3% and South Africa for a share of 0.6%

74.5% of Indian Non Leather Footwear Exports is to Middle East & North Africa 12.2% to Sub Saharan Africa and 0.02% to South Africa. Thus the African Continent has a Dominant Share of 86.72% in Indian Non Leather Footwear Export.

- Africa has a Share of 3.25% in Global Footwear Imports with South Africa, Nigeria, Kenya, Ghana, Sudan, Egypt, Algeria, Ethiopia, Morocco, Libya being Top 10 Markets.

- Import Duties for Footwear in these Top Ten Markets are in the range of 25% to 35% with Libya alone offering Zero Duty.

- Top Footwear Categories Imported by Africa are Synthetic Footwear (49.9%), Footwear with Textile Uppers (19.4%) & Leather Footwear (14.4%)

#### - Opportunities for Africa in India

o India's Imports of Leather & Leather Products increased from US\$ 908.97 in 2010-11 to US\$ 1221.41 mn in 2015-16, with Finished Leather (53.83 %) and Footwear (36.46%) being the main items.

o Nil Import Duty for import of Hides & Skins, Semi Finished and Finished Leathers

o Import Duty on Footwear at 24% (MFN Rate). Nil Import Duty for 22 LDC African Countries

o Opportunity for Indo-Africa Joint Ventures in Africa for Footwear Manufacturing, with Export to India and third countries.. Need for FTA with African Countries with Nil Duty on Reciprocal Basis

**Dr. B Chandrasekaran, Director of the Central Leather Research Institute was the next Speaker. With CLRI partnering many African Countries in the Leather Sector, his presentation was much looked forward to, The Main Points of his Presentation were:**

- The CSIR-Central Leather Research Institute, the World's largest Leather Research Institute, was founded on 24 April 1948
- CLRI, has roles in education, research, training testing, designing, forecasting, planning, social empowerment and science & technology relating to leather

#### CLRI's Experiences in Africa

- -Benchmarking of Ethiopia Leather Sector
- In 2010 and 2011, CLRI conducted a technology upgradation programme for tanneries in Ethiopia leading to Govt. of Ethiopia adopting value addition in leather sector

- Twinning Project for Leather Industry -Development Institute (LIDI) of Ethiopia by CSIR-CLRI
- Over 50 activities carried out under the Twinning Project in the areas of Management, Leather, Footwear, Good & Garment, Environment and Testing
- Preparation of Master Plan for the Development of Leather Sector of Kenya
- Detailed report for the establishment of Integrated Leather Park comprising Leather and Product Sector with ETP
- Establishment of Leather product Training Providing Policy Direction for driving the growth of Kenyan Leather Sector
- Revamping Curriculum and Syllabus for Academic Programs
- Assistance in carrying out survey for collection of baseline data
- Live stock population, Raw Material production & Availability, Leather & products- production & consumption

#### CLRI for Pan Africa

- Ethiopia: Technology upgradation of tanneries and institutional capacity building
- Kenya: Institution building and policy directions for the leather sector
- Botswana: Undertaking validation study on the viability of leather Industry Park
- South Africa/Sudan/Tanzania: Technology upgradation and institutional building

#### CLRI Technologies Ready for Commercialization'

- Dry tanning
- Cr-Melamine syntan
- Sludge free effluent treatment
- Zero wastewater discharge technologies
- End-to End Solutions



*Dr. B Chandrasekaran, Director, CLRI giving a presentation on CLRI*

### One to One Discussions with Diplomats & other Participants

Ethiopia - The whole supply chain of Leather Sector should be well-established. The starting point for this is to build well-running Slaughter Houses and a good procedure for collection of the Hides & Skins to ensure we get good quality and quantity of usable leather. We need help from India for establishment of modern slaughter houses.



Chairman-CLE Mr. Mukhtarul Amin responded to the request of Ethiopia that CLE will lead a Delegation to Ethiopia for an assessment and mechanism to provide assistance in this regard.

Botswana: The diplomat from Botswana stated that Botswana is grateful to India for help. In fact it was informed that Botswana has more Cattle than people and they are exporting meat to EU. Biggest Problem in converting the hides& skins to leather is that the cattle are branded and they would be glad for assistance on tackling this issue to optimize conversion of Raw Hides/ Skins into useable leather.



Sudan – Dr. Tegeldin Osman Saeed, Director General of the Ministry of Industry and Investment of Sudan thanked the organizers for the informative Presentations. He informed that 20% of all the hides produced in Africa are produced in Sudan, as the country has more than 104 Million Cattle. However an export of Hides/ Skins from Sudan is not more than \$40 Million. He stated that 60% of Hides produced are sub-standard due to lack of proper handling. He stated that hence there is huge opportunity for investment & cooperation. Also Sudan lacks skilled labour and hence this presents another Window of Opportunity to India.



Shri Rajkumar Gupta, Convener-Domestic Cell of CLE commenced by saying that he is very thankful to all the African Heads of Missions and Diplomats who are at the Workshop. He stated that we would like to present some key points as below:



1. Most of Non-Leather Footwear goes through Dubai through agents and direct contact between Indian Footwear Exporters and African Buyers is not there. This round-about route is definitely adding to the cost to be borne by the Buyers from Africa.
2. He invited the gathered diplomats to Bahadurgarh, located close to Delhi; which is a hub for manu-



facture of Non Leather Footwear. He said that there are 500 factories present in Bahadurgarh making Non Leather Footwear and he will arrange a visit for the Diplomats.

3. He further proposed that Uppers from India can be supplied to factories in Africa with realistic duties, for further manufacture in Full Footwear there.

Shri K.V. Nagi Reddy, Director-Dept of Commerce, Ministry of Commerce & Industry, Govt. of India joined the dais at this point of time. Executive Director thanked him for taking the time to be present at the Africa Workshop, despite being at an important meeting since morning. Mr Reddy thanked the Executive Director and appreciated the CLE for being very active in promoting exports. He stated that he was very happy to see a healthy participation of African countries. He stated that indeed there are a lot of complementarities between India and the African countries. He stated that India's Leather Sector Exports to Africa is very low compared to the African countries' imports and it needs to be examined if any barriers to trade are there, to take care of same. He wished the Workshop great success.



*Shri K.V. Nagi Reddy, Director, Dept of Commerce, Ministry of Commerce & Industry, Govt. of India appreciating CLE for being very active in promoting exports*

Shri Pijush Das Gupta, Deputy Secretary, Dept. of Industrial Policy & Promotion (DIPP) who has also joined the Workshop at that point of time was also requested by the Executive Director to say a few words. Mr. Das Gupta thanked CLE for actively promoting Export of Leather & Non-Leather Products. He said that this workshop has very opportune moment and wished success.



*Shri Pijush Das Gupta, Deputy Secretary, DIPP wishing success for the event*

**Rwanda** The diplomat from Rwanda stated that Rwanda has a big number of Cows & hence have a supply of Hides & Skins. He stated that the Government of Rwanda is looking for investors. He said from the Presentations it is seen that as Africa has a lot of hides & skins, there is good opportunity for India.

It was proposed that a Business cum Technical Delegation is to be mounted towards examining possibility of bilateral Trade as also for exploring possibilities of Joint Ventures



**Egypt** – Mr. Mongy Aly Mohamed Badr, Minister Plenipotentiary, Economic and Commercial, Embassy of Arab Republic of Egypt made a Power Point Presentation on "Cooperation Between Africa, Egypt and India In Leather Sector"

**The Presentation has been reproduced as under:**

### **1. Livestock Resources and Hides and Skins Production in Africa:**

- Africa accounts for about 12% of the World Production,
- 15% of developing countries cattle' base is in the African continent.
- The Top 12 hide producers have 78% of all the African cattle livestock

### **2. Africa- One of the Future Markets!**

- Africa is fast emerging as one of the future markets for sourcing quality leather and hides for the booming global leather industry.
- Leather and leather products are among the most widely traded and universally used commodities in the world. Already, the total value of annual trade is estimated at 1.5 times the value of the meat trade; more than five times that of coffee and more than eight times that of rice.
- Formal international trade in leather and leather goods is estimated at over US\$ 50 billion a year and the market is far from saturated. In the next decade, the demand for leather raw materials (hides) and finished products may exceed supply – making the leather industry one of the most lucrative business sectors in the years to come.

### **3. Leather in Africa**

- Distribution and availability of raw materials on a geopolitical basis led to regional evolution of an African

leather industry.

- African leather industry development at three levels:
  - o Developed – Egypt, Morocco, Tunisia and South Africa;
  - o Fairly Developed – Eastern & Southern Africa countries including Ethiopia and Zimbabwe;
  - o Relatively Under-Developed – most of West Africa Countries.

#### 4. India-Egypt to Bolster Ties this Year!!

- Taking the entire gamut of bilateral relationship further, India and Egypt plan to bolster their ties this year in multiple areas including agriculture, cyber security, information technology.
- 2017 will be very exciting because we are starting on a very strong base of interactions in 2016”, India’s Ambassador to Egypt Sanjay Bhattacharyya told reporters.

#### 5. Opportunities of Trade & Joint Venture In Leather Sector

- Possible areas of partnership Africa & India is in Sourcing Raw materials, Long term Contractual Joint Venture & FDI in Tanning Technology ,Training Investments Outsourcing ,Production Shoe Uppers, Open footwear ,Full shoe Joint Venture & FDI Leather Products Manufacturing.
- Africa’s abundance of livestock represents a natural strength for the sector, as leather is a by-product of the meat industry. Africa has about 15 % of the world’s cattle population, a percentage that grew by about a quarter over the last decade, overtaking the global trend. Similarly, Africa possesses about 25 % of the world’s sheep and goat. This puts African at the center of the booming leather industry as a key supplier of hides and raw materials to the growing industry of leather and leather goods
- India, for instance, is now looking to import leather from East Africa. Faced with the threat declining leather exports, the Indian Council for Leather Exports (CLE) recently sent a team of Indian exporters to Ethiopia and Kenya to identify future prospects of joint ventures with tanneries in these African countries.
- Exporters in India have already identified Africa with its huge livestock as a good source of hides and skins. Ethiopia and Kenya are among the largest producers of raw leather in Africa. Indian exporters are exploring joint ventures with African companies looking for technical assistance, know-how and investments. These JVs would convert raw hides and skins into semi-finished leather for shipment to India.

#### 6. Leather in Egypt

- Egyptian wealth of cow hides, sheep and goat skins are characterized by high quality fibrous structure as well as unique grain pattern- well known at the overseas markets.
- Egypt has a firm plan to upgrade and modernize its tanning industry.
- Therefore, plans are being implemented for all Egyptian

tanneries to modernize operations so that they can then concentrate on making finished leather with its added value to pay for the increased costs of pollution control.

#### 7. 11th Cairo International Leather Exhibition March 2-5 2017

- 11th Cairo International Leather Exhibition is starting from March 2 – 5, 2017 at the Cairo International Convention Center, Salle 5, Cairo, Egypt.

The Cairo International Leather Exhibition is the only Leather exhibition in Egypt that is specialized in the leather industry and technology.

- The Egyptian Chamber of Leather has been organizing the Exhibition for the last 8 years with great success aiming to be one of the most important leather exhibitions in the region and it also aims to provide opportunity for the international companies in the Egyptian Market.

#### Reasons to Attend:

- Egypt on its way to becoming the design capital of leather
- Visitors from more than 67 countries
- Latest design & technology innovations in the leather industry will be exhibited

I would like to reiterate my special gratitude to all of you in CLE, for the outstanding efforts, hosting and organizing this event, and I want to thank all the distinguished guests for being here today, and inviting all of you to visit Africa & Egypt. Thanking one and all for the time & patience....Dhan-ya-wad



*Mr. Mongy Aly Mohamed Badr, Minister Plenipotentiary, Economic and Commercial, Embassy of Arab Republic and Egypt giving a Power Point Presentation on "Cooperation between Africa, Egypt and India in Leather Sector"*

**Kenya** - The Diplomat from Kenya also invited the Indian Companies at the Workshop to their Leather Fair in Nairobi.



## Way Forward

The Workshop on Indo-African Trade in the Leather Sector was an opportunity for putting forward the strengths, weaknesses, opportunities and complementarities in the Leather Sector between India and Africa. The Workshop emphasized that there is tremendous scope for cooperation for mutual benefit. There is plenty of potential for business between Indian and African Leather & Footwear sector players.

His Excellency Mr Alem Tsehay Woldemariam, Ambassador of the State of Eritrea & Dean of the African Group of Heads of Missions Dean of African Countries and Ambassador to Eritrea His Excellency succinctly summarized the potential areas for collaboration i.e:

- Investment in infrastructure to modernize slaughter houses to add value to raw materials. Indian investment to support value addition as according to the World Bank, 84% of India's imports from Africa are raw materials.
- Transfer of technologies and expertise to meet industry standards of raw material processing.
- Access to competitive labour force in Africa.
- Access to a consumer base for Indian leather products such as footwear for civilians and military.

## Other Areas mentioned by individual African Diplomats

- Seeking Expertise in Handling of Hides & Skins. Branding of Cattle a problem area to be addressed (Ethiopia, Sudan, Botswana)
- Training of skilled labor (Sudan)
- Joint Venture & FDI in Tanning Technology, Training, Outsourcing Production of Shoe Uppers, Full Shoes and Leather Products Manufacturing-JV /FDI.(Egypt)
- Indian Participation in Leather Fairs in their country (Egypt, Kenya)

## Indian Leather & Footwear Sector –Key Areas Highlighted

- 1.High Import Duties for Footwear in African Countries in range of 25% to 35%. Although India's Import Duty (MFN Rate) for Footwear is 24%, for about 22 African Countries it is Zero Duty due to their LDC Status.
- 2.Most of Non-Leather Footwear goes through Dubai through Agents at additional cost to both Indian seller & African Buyer. Direct contact between Indian Footwear Exporters and African Buyers to be facilitated
- 3.There is good potential for JVs with Indian Companies investing and manufacturing / assembling in Africa. Indian Companies could set up Factories in Africa, shipping the Uppers from India, and Full Shoes could be made there. The footwear can be exported back to India and Third Countries too, however African Import Duties must be lowered for such special trade & investment arrangements to be viable for all.

- 4.There are opportunities for Africa to be a Sourcing Point for Raw Hides/Skins, Semi and Finished Leather
- 5.Opportunity for Indo-Africa Joint Ventures in Africa for Footwear Manufacturing, with Export to India and third countries.. Need for FTA with African Countries with Nil Duty on Reciprocal Basis

## Steps to be taken by CLE :

- I. CLE presence and highlighting Leather as a potential area for Partnerships at the CII-EXIM Bank Conclave on India Africa Project Partnership, March 9 & 10 2017, New Delhi,
- II. Organization of a Visit to Footwear Factories in Bhabha Nagar of African Diplomats as suggested by Shri RK Gupta
- III. Inviting Buyers from Africa to IILF Delhi August 5-7 2017 to seek funding support from Dept of Commerce.
- IV. Mounting a Business cum Technical Delegation from CLRI-CLE-Industry to select countries for exploring Technology, Expertise Transfer and Skills Training etc. CLRI may be advised to explore utilizing the Indian Technology & Economic Cooperation (ITEC) Funding Support Program of the Govt of India, and EXIM Bank Credit Support if available for African countries.
- V. To organize Sourcing Delegations to African countries to Strategy to tap African Raw Material

## At the Government-to-Government Interaction & Policy Formulation Level

- to request for and pursue for duty concessions for Imports from India . Further barring South Africa none of the African countries are major producers of Leather Products and Footwear, so by lowering of Duties will not be a threat to their domestic industry.
- Special Package for Indian Investors/FDI/JV Partners may be sought. An example is Russia creating a Special Zone with special incentives for Italian Footwear companies who manufacture in Russia.

Shri Puran Dawar, Regional Chairman (North), CLE proposed a Vote of Thanks. He recalled the words of Lyndon B. Johnson "Yesterday is not ours to recover, but tomorrow is ours to win or lose." In line with this saying, the Indian leather and footwear industry he said, firmly believes that the leather & footwear sectors in India and Africa have a lot to achieve in future. He emphasized that India is keen to substantially enhance our business ties with African countries, for mutual benefit. This Seminar he said is a first step in exploring specific areas of co-operation with the African countries.

Mr. Dawar thanked Mr. Alem Tsehay Woldemariam, Dean of African Countries & Ambassador Embassy of the State of Eritrea, for taking keen interest in this programme and for using his good offices to ensure maximum participation of African Mission representatives in this Event.



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*Shri Puran Dawar, Regional Chairman- North, CLE offering a formal vote of thanks*

Mr. Dawar also thanked Chairman-CLE Mr. Mukhtarul Amin for this innovative concept of organizing Seminar-cum-exhibition to better understand the requirements of African countries from the representatives of African Missions and also to portray our high value leather products and footwear to our African friends. He thanked Dr. B. Chandrasekaran, Director, Central Leather Research Institute (CLRI) for his insights on interventions of CLRI in Africa. He thanked Shri P.R. Aqeel Ahmed, Vice-Chairman, CLE for his active participation in the event and went on to thank colleagues from the industry, representatives of Institutions and African Missions for their large scale participation in this Seminar and the exhibition.



*Shri Mukhtarul Amin, Chairman, CLE presenting memento to H.E. Mr. Alem Tsehaye Worldermariam, Dean of African Countries and Ambassador of the State of Eritrea*



*Shri Subash Kapoor, Former Vice-Chairman, CLE presenting a memento to Shri Mukhtarul Amin, Chairman, CLE*



*Shri Manoj Tuli, COA Member, CLE presenting a memento to Shri P.R. Aqeel Ahmed, Vice-Chairman, CLE*



*Shri Javed Iqbal, Regional Chairman – Central, CLE presenting a memento to Dr. Tegeldin Osman Saeed, Director General of the Ministry of Industry and Investment of Sudan*



*Shri Rajkumar Gupta, Convener-Domestic Cell of CLE presenting a memento to Shri K.V. Nagi Reddy, Director, Dept. of Commerce, Ministry of Commerce & Industry, Govt. of India*





Shri N. Mohan, Footwear Panel Convener, CLE presenting a memento to Shri Pijush Das Gupta, Deputy Secretary, DIPP



Shri S.A. Siddiqui, Managing Director, M/s. Evergreen International Pvt. Ltd presenting a memento to Shri R. Ramesh Kumar, IAS, Executive Director, CLE



Shri Sunil Harjai, NRC Member, CLE presenting a memento to Shri Purn Dawar, Regional Chairman - North, CLE



Shri Motilal Sethi, NRC Member, CLE presenting a memento to Shri B. Chandrasekaran, Director, CLRI

### **Exhibition of Footwear – Participating Companies & Brief Profiles**

- 1) M/s. Alpine Polyrub Pvt Ltd, Sonapat
- 2) M/s. ASM Shoes LLP, Jhajjar
- 3) M/s. BNG Fashion Gears Pvt Ltd, Bahadurgarh
- 4) M/s. Dawar Footwear Industries, Agra
- 5) M/s. Dimesco Footcare India Pvt Ltd, Kozhikode
- 6) M/s. Farida Shoes Private Limited, Ambur
- 7) M/s. Gupta H.C. Overseas (I) Pvt Ltd, Agra
- 8) M/s. HKHR International, Agra
- 9) M/s. K.V.S.EXIM INDIA PVT LTD, Kanpur
- 10) M/s. Lancer Footwear India Pvt Ltd, Bahadurgarh
- 11) M/s. Lawreshwar Polymers Limited, Jaipur
- 12) M/s. M & B FOOTWEAR PVT LTD, Noida
- 13) M/s. Micro Industrial Corporation, New Delhi
- 14) M/s. Naaz Export (P) Ltd, Kanpur
- 15) M/s. Paragon Polymer Products Pvt Ltd, Kottayam
- 16) M/s. Ram Fashion Exports Pvt Ltd, Mumbai
- 17) M/s. Relaxo Footwears Ltd, Delhi
- 18) M/s. S.R.L. TRADING, Chennai
- 19) M/s. Sarup Industries Ltd, Jalandhar
- 20) M/s. Siddharth Exports, Noida
- 21) M/s. Sports International, Jaipur
- 22) M/s. SuperHouse Limited, Kanpur
- 23) M/s. Today Footwear Private Limited, Bahadurgarh
- 24) M/s. Virola International, Agra
- 25) M/s. XO Footwear Private limited, New Delhi
- 26) M/s. P.S.C International, Bahadurgarh



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## Exhibition of Footwear by CLE Member-Companies















## List of Dignitaries from African Missions - Annexure I

Sl	Country	Name & Designation
1.	<b>ALGERIA</b>	<b>Mr. Mohamed Guebili</b> First Secretary, Embassy of Algeria
2.	<b>ANGOLA</b>	<b>1) Ms. Hiolanda Medina Tito</b> Attache – Finance Embassy of the Republic of Angola <b>2) Ms. Vilma I.C. Mateus</b> Secretary to the Ambassador Embassy of the Republic of Angola
3.	<b>BENIN</b>	<b>Mr. Samwill Dandagui</b> Charge D’Affaires Embassy of the Republic of Benin
4.	<b>BOTSWANA</b>	<b>1) H.E. Ms. Lesego Ethel Motsumi</b> High Commissioner Botswana High Commission <b>2) Ms. Maipelo Mogotsi</b> First Secretary – Economic Botswana High Commission
5.	<b>BURUNDI</b>	<b>H.E. Mrs. Katarumwe Regine</b> Ambassador Embassy of Republic of Burundi
6.	<b>EGYPT</b>	<b>Mr. Mongy Aly Badr</b> Minister Plenipotentiary (Commercial) Embassy of Egypt
7.	<b>ERITREA</b>	<b>H.E. Mr. Alem Tsehaye Woldemariam</b> Dean of African Countries & Ambassador Embassy of the State of Eritrea
8.	<b>ETHIOPIA</b>	<b>H.E. Mr. Asfaw Dingamo</b> Ambassador Embassy of Federal Democratic Republic of Ethiopia
9.	<b>GHANA</b>	<b>Mr. Eddison M. Agbenyegah</b> Minister – Head of Chancery Ghana High Commission
10.	<b>GUINEA</b>	<b>Mr. Abdoulaye Sow</b> Counselor Embassy of the Republic of Guinea
11.	<b>KENYA</b>	<b>Mr. Fredrick Ndegwa Koigu</b> Counsellor High Commission of the Republic of Kenya
12.	<b>LESOTHO</b>	<b>1) Ms. Makhathe E. Mankimane</b> First Secretary High Commission of the Kingdom of Lesotho <b>2) Ms. Moleboheng G. Sehlabaka</b> Counsellor High Commission of the Kingdom of Lesotho

Sl	Country	Name & Designation
13.	<b>MALAWI</b>	<b>1) Mr. Patrick Mphepo</b> Deputy High Commissioner Malawi High Commission <b>2) Mr. Alfred Vilili</b> Counselor Malawi High Commission
14.	<b>MALI</b>	<b>H.E. Mr. Niankoro Yeah Samake</b> Ambassador Embassy of the Republic of Mali
15.	<b>NIGER</b>	<b>H.E. Mr. Ali Illiassou</b> Ambassador Embassy of Republic of Niger
16.	<b>NIGERIA</b>	<b>Mr. Samuel Okere</b> First Secretary (Economic, Trade & Investment) High Commission of the Federal Republic of Nigeria
17.	<b>RWANDA</b>	<b>Mr. Joseph Kabakeza</b> First Counsellor / Deputy Head of Mission High Commission of the Republic of Rwanda
18.	<b>SOMALIA</b>	<b>Mr. Mohamed Abdi Sh Aden (Shafie)</b> Commercial Attache Embassy of the Federal Republic of Somalia
19.	<b>SUDAN</b>	<b>1) Dr. Tageldin Osman Saeed</b> Director General Republic of Sudan <b>2) Mr. Sami Alhaj Mohammed</b> Second Secretary Embassy of the Republic of the Sudan
20.	<b>UGANDA</b>	<b>Ms. Margaret Kedisi</b> Minister Counsellor Uganda High Commission
21.	<b>ZAMBIA</b>	<b>Ms. Mutinta Hatembo</b> First Secretary (Immigration) High Commission of the Republic of Zambia
22.	<b>ZIMBABWE</b>	<b>Mr. Lovemore Kelly Dzvukeye</b> Counsellor (Head of Chancery) Embassy of the Republic of Zimbabwe

