

LEATHER NEWS INDIA

May 2021

Volume : 12 Issue : 5

Price : Rs. 100/-

- **Meeting of Shri Piyush Goyal, Hon'ble Union Minister of Commerce and Industry with Export Promotion Councils, May 11, 2021**

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(Sponsored by Ministry of Commerce & Industry, Government of India)

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The Council for Leather Exports was set up in July 1984. The Council functions under the Ministry of Commerce & Industry, Government of India. The Council is entrusted with export promotion activities and overall development of the Indian leather industry. The Council's activities also include promoting Foreign Direct Investments and Joint Ventures in the Indian leather industry. The CLE serves as a bridge between Indian leather exporters and buyers all over the world.

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BROUGHT OUT BY

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Dear Members

The rapid spread of the COVID-19 outbreak has been termed as the Black Swan of 2020 — an unpredictable event with an impact much beyond that is normally expected of the situation. The event has compelled several countries around the World to impose complete or partial lockdowns thereby bringing the movement of people and goods across borders to a screeching halt. The COVID-19 pandemic has led to an unprecedented disruption to the global economy and World trade, as production and consumption are scaled back across the globe. Governments have intervened with monetary and fiscal policy to counter the downturn and provide temporary income support to businesses and households. But restrictions on movement and social distancing to slow the spread of the disease mean that labour supply, transport and travel are affected directly, in turn affecting trade. Whole sectors of national economies have been shut down, including hotels, restaurants, non-essential retail trade, tourism and significant shares of manufacturing.

The leather and footwear industry was adversely affected in 2020-21 due to the market slowdown caused by COVID-19. Our industry has collectively lost about Rs.7000 Crores of export orders. As the major markets of Europe and USA are under adverse impact of COVID, exports from Indian leather and footwear industry declined by about 27.72% i.e. from 5093.09 million in 2019-20 to USD 3681.53 million in 2020-21, as per data of DGCI & S. However, our industry is slowly getting back on track and looking forward to a good growth in the exports in the coming months. The export order position has started stabilizing and currently the industry is getting orders from Europe and USA, which are our major markets. The export orders placed by various countries are already in process and have to be shipped on top priority to meet their immediate demand. Besides, the salesmen samples for Spring/Summer 2022 season are being sent for International Conferences / Meetings in USA and EU countries where meetings are already scheduled. The industry is looking forward for growth in exports during 2021-22 when compared to 2020-21.

Despite the Pandemic, CLE has been undertaking aggressive marketing campaign and is actively associated with overseas trade associations. Despite the Pandemic, CLE organised 12 virtual BSMs/ B 2 B events during 2020-21 (which includes 6 events with MAI funding and 6 events on self financing basis) with the participation of 253 member exporters. These events were held in more than 17 countries including Russia, Peru, USA, Australia, Italy, USA, Canada, Hong Kong, UK, Netherlands, Scandinavia, Germany, France, Belgium, Australia, New Zealand, Bangladesh etc., Besides, CLE also participated in the B 2 B meetings organised by Embassies of Vietnam and Korea.

During 2020-21, CLE also organised/participated in the following events.

- Exclusive briefing for CLE members on 'US Footwear marketplace' by FDRA, May 14, 2020 organised by CLE
- Exclusive briefing for CLE members on "UK Footwear marketplace, May 30, 2020 organised by CLE
- Exclusive briefing on "US Leather Apparels & Leather Goods/ Accessories Marketplace", June 18, 2020 organised by CLE
- Virtual Business Meet on "India-Vietnam Trade & Investments", Nov. 2, 2020
- India – Vietnam: Two Way Trade Cooperation in Leather & Footwear Sector, Nov. 20, 2020 organised by CGI, Ho Chi Minh City

During 2021-22, CLE plans to organise about 20 events which include participation in VC/ Hybrid international exhibitions, 2 BSMs, 2 Reverse BSMs (Delhi and Kolkata) and one Designers Fair under MAIS, depending on the COVID situation. Besides, CLE plans to organise Virtual BSMs/ Webinars in USA, Israel, Guatemala and Germany in co-ordination with Indian Missions concerned, on self financing basis. I thank all our members for supporting CLE in all its endeavours and we look forward to your continued support for the overall growth and development of leather, leather products and footwear industry.

With best wishes

P.R. Aqeel Ahmed

Chairman

COUNCIL FOR LEATHER EXPORTS



Dear Members

Chairman, CLE has been taking-up various requests of the leather and footwear industry with the Government at various forums and meetings. This edition has reports on Chairman, CLE participation in various meetings. These include Meeting of Shri Piyush Goyal, Hon'ble Union Minister of Commerce and Industry with Export Promotion Councils, May 11, 2021 and Hon'ble Union Minister of Railways, Commerce & Industry, Consumer Affairs and Food & Public Distribution Shri Piyush Goyal meeting with Industry Associations, June 1, 2021. Write-ups on these meetings along with other meetings of Chairman, CLE are featured in the **National** section. This section also has write-ups on Trade and Policy Updates; Global Leather & Footwear Exports – An Update – by Shri Atul Kumar Mishra, Regional Director (North), CLE and Celebration of National Technology Day at CSIR – CLRI

In the **International** section, you will find report on Modeurop Virtual Meeting on Autumn Winter 2022/23; Fair Updates and Trade Enquiry from Hungary while the **Regional** section has reports on VC meeting of Thiru M.K. Stalin, Hon'ble Chief Minister of Tamil Nadu, May 19, 2021 - Participation of Chairman, CLE; Tamil Nadu Leather Industry presents contribution to Hon'ble Chief Minister of Tamil Nadu towards Covid relief measures; Meeting with Thiru R. Gandhi, Hon'ble Minister for Handlooms and Textiles and Meetings of Chairman, CLE with Hon'ble Ministers and Senior Officials in the Government of Tamil Nadu.

I hope you will find information in this edition useful.

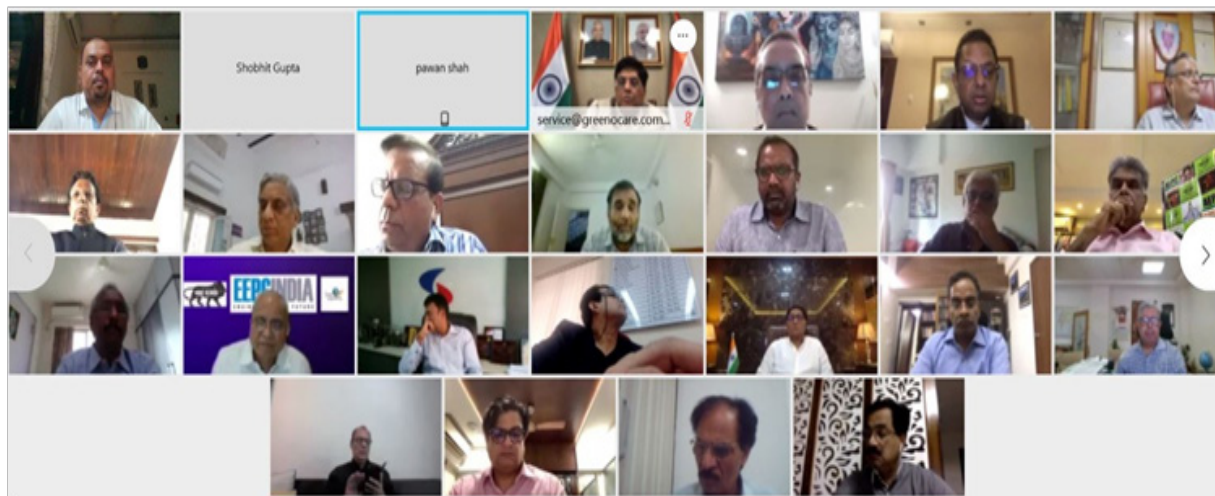
With best wishes

R. Selvam IAS

Executive Director

COUNCIL FOR LEATHER EXPORTS

Meeting of Shri Piyush Goyal, Hon'ble Union Minister of Railways, Commerce & Industry, Consumer Affairs and Food & Public Distribution with Export Promotion Councils, May 11, 2021



Hon'ble Union Minister of Railways, Commerce & Industry, Consumer Affairs and Food & Public Distribution Shri Piyush Goyal and Senior Officers of the Department of Commerce and Directorate General of Foreign Trade (DGFT) held a VC meeting on May 11, 2021 with the Export Promotion Councils to discuss various issues concerning the international trade.

Shri P.R. Aqeel Ahmed, Chairman, CLE participated in this meeting.

Shri P.R. Aqeel Ahmed, Chairman, CLE took-up the following requests in the meeting.

RoDTEP Rates : We are eagerly awaiting the notification of Rates under Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme which was notified on 15.04.2020 to take effect from 01.01.2021. As the industry is facing huge working capital problem due to decline in exports and removal of MEIS, we would request that the RODTEP rates may kindly be notified at the earliest.

Merchandise Exports from India Scheme (MEIS) for shipments from 01.04.2020 till 31.12.2020 : We thank the Government for announcing that MEIS applications for

2019-20 can be submitted till Sept. 30, 2021 without any late cut. Similarly, the facility for submitting MEIS applications during April – Dec. 2020 may also kindly be provided, as this will help in revival and growth of exports.

Duty Free Import Scheme : The Union Budget 2021-22 removed the duty free import scheme w.e.f. April 1, 2021. This scheme provided Basic Customs Duty exemption for import of notified critical inputs (to the tune of 5% of FOB value of exports in previous year for footwear and leather products and 3% for leather garments) Such inputs are imported as per requirement of brands and the average utilisation of the scheme is about 82% to 83%. Removal of the scheme has affected the price competitiveness of the value added products segment.

Speaking at the meeting, Shri Goyal complimented the Exporters for their encouraging performance, even during such trying times. He noted that India's merchandise exports in April 2021 was USD 30.21 billion, an increase of 197.03% over USD 10.17 billion in April 2020 and an increase of 16.03% over USD 26.04 billion in April 2019. He said that the value of Export in the first week of May 2021 is also up by almost 9% over the same period of 2019-20 (6.48 billion USD). He said that Export excluding POL, is even better, and has increased in this period by 15% over same period of 2019-20. He said that performance of exports in April'21 and 2020-21 gives a hope that an ambitious target of \$400 billion merchandise exports can be achieved this year. There is a large potential for enhancing exports in several sectors like Pharma, Engineering, Auto-component, Fisheries and Agro-products, he added.

Regarding the issues raised by the participants, Shri Goyal said that they should approach the Covid helpdesk of the Department for resolving the problems emanating due to Covid related measures. He said that the Department of Commerce has taken up several issues of exporters with the Ministry of Finance for their early resolution, like RoDTEP, MEIS, Inverted duty structure etc. He called upon the exporters to take advantage of the Production-Linked Incentive schemes for various sectors which have been announced.

Hon'ble Union Minister of Railways, Commerce & Industry, Consumer Affairs and Food & Public Distribution Shri Piyush Goyal meeting with Industry Associations, June 1, 2021

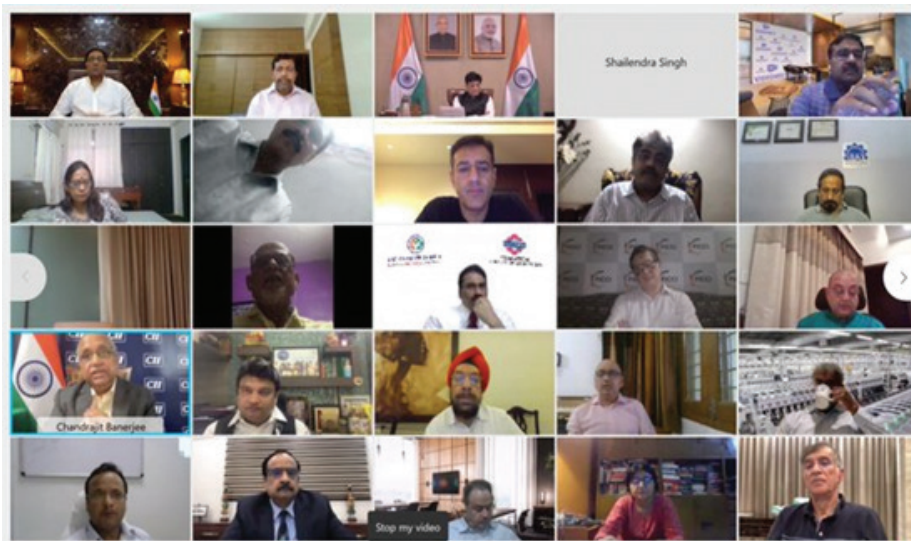
Hon'ble Union Minister of Railways, Commerce & Industry, Consumer Affairs and Food & Public Distribution Minister Shri Piyush Goyal had a VC with Industry Associations on June 1, 2021 and reviewed their preparedness to meet the present and future challenges because of Covid-19 pandemic.

Shri P R Aqeel Ahmed, Chairman, ASSOCHAM National Council on Leather & Footwear participated in this meeting.

Speaking at the meeting, Shri Piyush Goyal said that the second wave of COVID-19 has been difficult for all of us. Appreciating the industry for its pro-active role, he said that it is your resilience & commitment that is ensuring our comeback with greater strength. He expressed that our economy will bounce back soon post-Covid successfully.

The Hon'ble Minister said that this interaction was a great opportunity for all of us to reflect & prepare a roadmap for the times ahead. He said that if 2nd wave has taught us anything, preparing for the future means that we learn from past experiences and start working to mitigate that risk from today itself.

Shri Goyal said that Indian economy is witnessing a robust recovery & is on track to surpass pre COVID-19 levels. He said the FDI during COVID-19 period has been the highest ever, as we have FDI of US\$ 81.72 bn in FY 2020-21, more than 10% than FY 2019-20. There was a Record Freight loading as Railways loaded highest ever freight of 114.8 MT in May 2021 which is 9.7% higher than previous best of 104.6 MT in May 2019. Since last 9 months, Railways is continuously loading highest ever freight in respective months. Speaking about the rebound of foreign Trade, he said the exports in Apr'21 have surpassed the pre COVID-19 figures. Merchandise exports in Apr'21 were US\$30.63 bn, up by ~18% compared



to Apr'19. Even during May'21, when the daily active cases were peaking in the country, the Exports did very well.

Shri Goyal said that in the recent past, due to rapid rise in Covid-19 cases, the industrial production was severely impacted due to lockdowns, non-availability of oxygen, migration of workers, and the spread of the Corona virus amongst the workforce. It is expected from industry associations to draw upon the lessons learnt from past experiences to meet the present and future challenges. He said that we should focus on Learnings to build resilience for future outbreaks by building Adequate Health facilities. He called upon the Industry Associations to help the children impacted by COVID-19 whose parents died due to covid-19. He said that an institutional mechanism may be set up to deal with such situations. The Hon'ble Minister called them to include adaptability & mobility into planning.

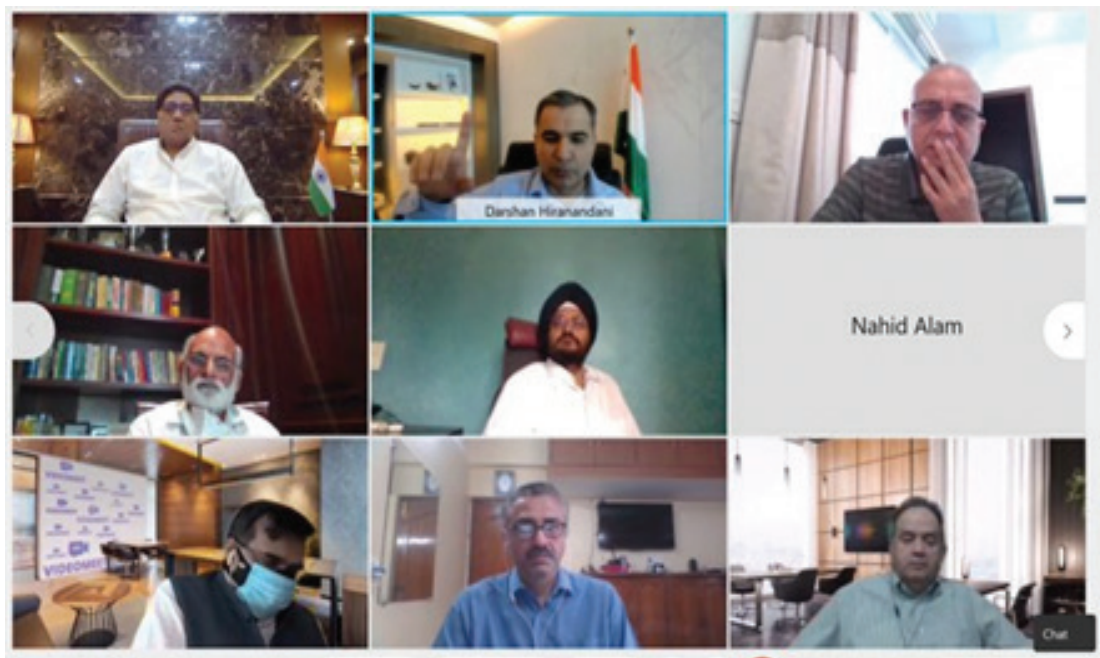
Shri Goyal said that we should find an equitable balance between the Lives and Livelihoods. Besides strengthening the health facilities, the Hon'ble Minister talked about providing housing to migrant workers near the site, Encouraging Remote working, Vaccinating all stakeholders on 'mission mode', and instrumental role to be played by Industry Associations in knowledge transfer to build resilience in Industry.

Shri Goyal called upon the industry associations to prepare a comprehensive checklist that needs to be followed for a possible 3rd COVID wave, covering various measures. Welcoming any action oriented plans & suggestions which can be implemented quickly to catalyse growth, Shri Goyal assured full support from the Government in overcoming the bottlenecks and hurdles. He said that DPIIT and DGFT have been running helplines to support their stakeholders.

Industry representatives, including those from CII, FICCI, ASSOCHAM, PHD chambers of commerce and industry, and others shared their experiences and preparedness in case of a 3rd wave of Covid-19 occurs. They also put forth their suggestions how to mitigate the covid-19 impact on human life as well as the economy. The representatives assured that Indian Industry is fully prepared to face any eventuality in future as they have set up a number of Covid-19 Centres in different cities across the country and industry has ramped up the oxygen production manifolds.

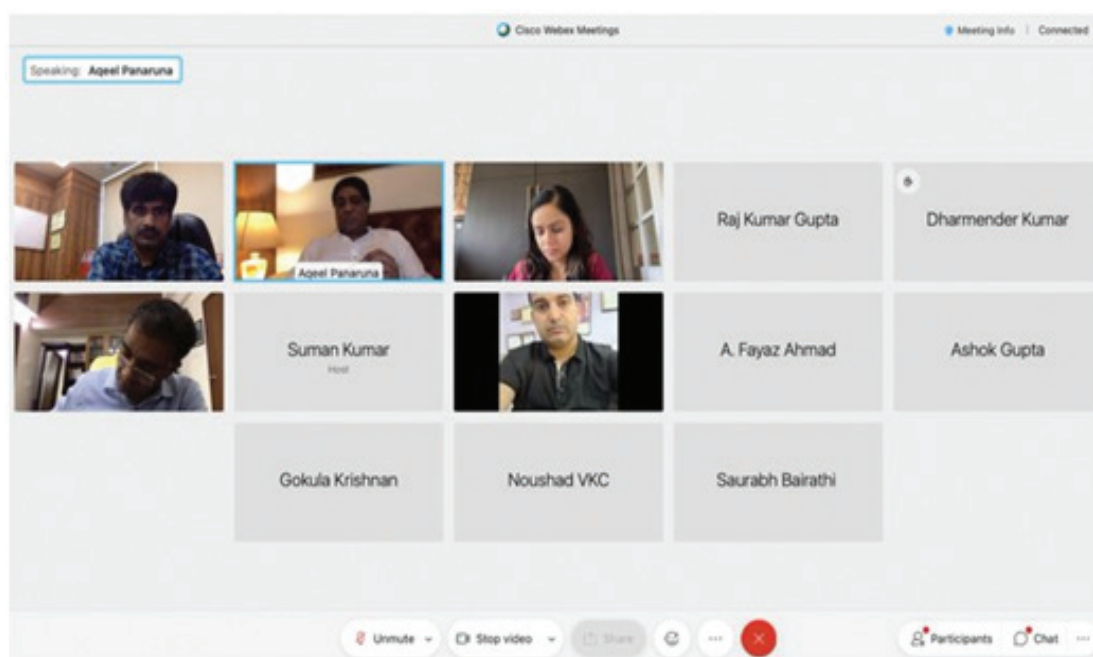
Meeting of ASSOCHAM

Shri P R Aqeel Ahmed, Chairman CLE and Chairman of ASSOCHAM National Council on Leather & Footwear, participated in Meeting chaired by Mr. Vineet Agarwal, President ASSOCHAM on 31.05.2021 for discussion on preparedness of industry to minimize economic impact of COVID-19 pandemic



Meeting on Import Monitoring System

Shri P R Aqeel Ahmed, Chairman-CLE, has participated in the Virtual Meeting held on 25.05.2021 under the chairmanship of Smt Shruti Singh, Director, DPIIT regarding Import Monitoring System for the Leather and Footwear industry. Shri R Selvam IAS, ED CLE also attended the meeting



Meeting of Chairman, CLE with Director, CSIR - CLRI , June 15, 2021

Dr. K.J. Sreeram, Director, Central Leather Research Institute (CSIR – CLRI) met Shri P.R. Aqeel Ahmed, Chairman, CLE & Research Council Member, CSIR – CLRI at CLE's office in Nungambakkam on June 15, 2021 and greeted him on the completion of his tenure as Chairman, CLE. Dr. B. Chandrasekaran, Former Director, CSIR- CLRI and Dr. J. Raghava Rao, Chief Scientist were also present during the meeting.



Dr. K.J. Sreeram, Director, CSIR – CLRI greeting Shri P.R. Aqeel Ahmed, Chairman, CLE

Shri P R Aqeel Ahmed, Chairman-CLE presented a Memento & extended his warm appreciation to Dr K J Sreeram, Director CSIR-CLRI in the presence of Mr R Selvam IAS, ED CLE



Shri P R Aqeel Ahmed, Chairman-CLE presenting a Memento to Dr K J Sreeram, Director CSIR-CLRI



Chairman, CLE participation in meeting chaired by Shri Brijesh Mehrotra IAS, Addl Chief Secretary, Govt of Bihar

Shri P R Aqeel Ahmed, Chairman CLE attended a meeting chaired by Shri Brijesh Mehrotra IAS, Addl Chief Secretary, Govt of Bihar on 29.5.2021 for discussions on setting up of a new leather cluster in Muzaffarpur, alongwith Dr KJ Sreeram, Director CLRI & Shri R. Selvam IAS, ED-CLE



TRADE AND POLICY UPDATES

DGFT 'COVID-19 Helpdesk' for International Trade related Issues

The Director General of Foreign Trade has issued a Trade Notice No. 4 dated 26.4.2021 stating the following.

The Department of Commerce, Government of India and DGFT have undertaken to monitor the status of export and imports and difficulties being faced by trade stakeholders in view of the surge of COVID-19 cases. DGFT has accordingly operationalised a 'COVID-19 Helpdesk' to support and seek suitable resolutions to issues arising in respect of International Trade.

This 'COVID-19 Helpdesk' would look into issues relating to Department of Commerce/DGFT, Import and Export Licensing Issues, Customs clearance delays and complexities arising

thereon, Import/Export documentation issues, Banking matters etc. Helpdesk would also collect and collate trade related issues concerning other Ministries/ Departments/Agencies of Central Government and State Governments and will co-ordinate to seek their support and provide possible resolution(s).

EXIM community may submit information on the DGFT website and submit information relating to their issues on which support is required using the following steps -

- Navigate to the DGFT Website (<https://dgft.gov.in>) • Services • DGFT Helpdesk Service
- 'Create New Request' and select the Category as 'Covid-19'
- Select the suitable sub-category, enter the other relevant details and submit.

Alternatively, exporters may send your issues to email id: dgftedi@nic.in with the subject header: Covid-19 Helpdesk or call at Toll Free No 1800-111-550

The status of resolutions and feedback may be tracked using the Status tracker under the DGFT Helpdesk Services. Email and SMS would also be sent as and when the status of these tickets are updated. Trade Community is requested to kindly make use of the given facilities suitably.

Online EPCG Committee module for accepting applications seeking relaxation in Policy / Procedure

Para 2.58 of Foreign Trade Policy 2015-20 states the following

DGFT may in public interest pass such orders or grant such exemption, relaxation or relief, as he may deem fit and proper, on grounds of genuine hardship and adverse impact on trade to any person or class or category of persons from any provision of FTP or any Procedures. While granting such exemption, DGFT may impose such conditions as he may deem fit after consulting the Committees as under:

Fixation / modification of product norms	Norms Committees
Nexus with Capital Goods (CG) and benefits under EPCG Schemes	EPCG Committee
All other issues	Policy Relaxation Committee(PRC)

The DGFT has issued Trade Notice No. 5 dated 19th May 2021 regarding introduction of online EPCG Committee module for accepting applications seeking relaxation in Policy/ Procedure in terms of Para 2.58 of Foreign Trade Policy.

The members of trade are hereby informed that this Directorate is introducing an online e- EPCG Committee module on the DGFT website, a new module as a part of IT Revamp, for receiving applications for seeking relaxation in policy/procedure in terms of Para 2.58 of FTP 2015-20.

2. Henceforth, the applications for seeking relaxations In terms of para 2.58 of FTP 2015-20 under the EPCG Committee would be accepted through online mode only. No manual submission of applications for the same would be allowed. The members of trade can login to the portal, fill in the requisite details in the form, upload the necessary documents and submit the application after paying requisite fee. The system will generate a file number which can be used for tracking purposes through the portal. The Directorate would issue online deficiency letters calling for any additional

information required and the exporter would be able to reply to the deficiency letters online. The entire processing of the applications and communication of the decision of the committee would be in online mode only.

3. The members of trade can file applications to e-EPCG Committee module through following navigation —

<https://dgft.gov.in/> ~> Login using registered user credentials for the IEC holder ~> Services ~> EPCG ~> Apply for EPCG Committee.

4. The members of trade are advised to go through the Online Help Manual and FAQ documents before filing the applications under the module. The Online Help Manual and FAQ documents would be available under <https://dgft.gov.in/> > Learn > Application Help & FAQs.

5. In case any technical issue is faced, the same may be intimated to the DGFT Helpdesk by raising a CRM ticket on the portal or calling on the toll-free helpline @ 1800-111-550 or sending an email to dgftedi@gov.in.

Emergency Credit Line Guarantee Scheme (ECLGS) expanded

The Ministry of Finance has issued a Press Release dated May 30, 2021 stating the following.

- On account of the disruptions caused by the second wave of COVID 19 pandemic to businesses across various sectors of the economy, Government has further enlarged the scope of Emergency Credit Line Guarantee Scheme as under:
- ECLGS 4.0: 100% guarantee cover to loans up to Rs. 2 crore to hospitals/ nursing homes/clinics/medical colleges for setting up on-site oxygen generation plants, interest rate capped at 7.5%;
- Borrowers who are eligible for restructuring as per RBI guidelines of May 05, 2021 and had availed loans under ECLGS 1.0 of overall tenure of

four years comprising of repayment of interest only during the first 12 months with repayment of principal and interest in 36 months thereafter will now be able to avail a tenure of five years for their ECLGS loan i.e. repayment of interest only for the first 24 months with repayment of principal and interest in 36 months thereafter;

- Additional ECLGS assistance of upto 10% of the outstanding as on February 29, 2020 to borrowers covered under ECLGS 1.0, in tandem with restructuring as per RBI guidelines of May 05, 2021;
- Current ceiling of Rs. 500 Cr. of loan outstanding for eligibility under ECLGS 3.0 to be removed, subject to maximum additional ECLGS assistance to each borrower being limited to 40% or Rs. 200 crore, whichever is lower;
- Validity of ECLGS extended to 30.09.2021 or till guarantees for an amount of Rs. 3 lakh crore are issued. Disbursement under the scheme permitted up to 31.12.2021.

The Press Release of the Finance Ministry states that modifications in ECLGS, would enhance the utility and impact of ECLGS by providing additional support to MSMEs, safeguarding livelihoods and helping in seamless resumption of business activity. These changes will further facilitate flow of institutional credit at reasonable terms.

Labour Ministry announces major social security relief to dependents of workers passing away due to COVID-19

The Ministry of Labour and Employment has announced additional benefits for workers through Employees State Insurance Corporation (ESIC) and Employees Provident Fund Organisation (EPFO) schemes to address the fear and anxiety of workers about well-being of their family members due to increase in incidences of death due to COVID-19 pandemic. Enhanced social security is sought to be provided to the workers without any additional cost to the employer.

Currently for the Insured Persons (IPs) under ESIC, after death or disablement of the IP due to employment injury a pension equivalent to 90% of average daily wage drawn by the worker is available to the spouse and widowed mother for life long and for children till they attain the age of 25 years. For

the female child, the benefit is available till her marriage.

To support the families of Insured Persons (IP) under the ESIC scheme, it has been decided that, all dependent family members of IPs who have been registered in the online portal of the ESIC prior to their diagnosis of COVID disease and subsequent death due to the disease, will be entitled to receive the same benefits and in the same scale as received by the dependents of insured persons who die as a result of employment injury, subject to the following eligibility conditions:

- The IP must have been registered on the ESIC online portal at least three months prior to the diagnosis of COVID disease resulting in death.
- The IP must have been employed for wages and contributions for at least 78 days should have been paid or payable in respect of deceased IP during a period of one year immediately preceding the diagnosis of COVID disease resulting in death

The IPs, who fulfill the eligibility conditions, and have died due to COVID disease, their dependants will be entitled to receive monthly payment @90% of average daily wages of the insured person during their life. The scheme will be effective for a period of two years from 24.03.2020.

Under the EPFO's Employees' Deposit Linked Insurance Scheme all surviving dependent family members of the members of this scheme are eligible to avail benefits of EDLI in case of death in harness of the member. At present under this scheme, the benefits extended in case of death of a worker are no requirement

of minimum service for payment of Gratuity, family pension is paid as per provisions under EPF & MP Act, sickness benefit of 70% of wages for 91 days in a year is paid in the event of worker falling sick and not attending office.

A notification issued by the Ministry has made following amendments to this:

a. Amount of maximum benefit has been increased from 6 lakhs to 7 lakhs to the family members of deceased employee.

b. Minimum assurance benefit of ₹2.5 lakh to eligible family members of deceased employees who was a member for a continuous period of 12

months in one or more establishments preceding his death in place of existing provision of continuous employment in the same establishment for 12 months. It will benefit contractual/casual labourers were losing out on benefits due to condition of continuous one year in one establishment.

c. Restoration of provision of minimum 2.5 lakh compensation retrospectively, i.e., from 15th February 2020.

d. In coming 3 years, the actuary has estimated that eligible family members will get an additional benefit of Rs. 2185 crore from EDLI fund in the years 2021-22 to 2023-24.

e. Number of claims on account of death under the scheme has been estimated to be about 50,000 families per year including increase in claims taking into account estimated death of about 10,000 workers, which may occur due to Covid.

The Ministry of Labour and Employment press release dated May 30, 2021 states that these welfare measures will provide the much needed support to the families of workers who have died due to the COVID-19 disease and will protect them from financial hardships in these challenging times of pandemic.

Reserve Bank of India (RBI) Statement on Developmental and Regulatory Policies

The Reserve Bank of India (RBI) released a Statement on Developmental and Regulatory Policies on June 4, 2021. This statement announced the following support measures for MSMEs

- To further support the funding requirements of micro, small and medium enterprises (MSMEs), particularly smaller MSMEs and other businesses including those in credit deficient and aspirational districts, it has been decided to extend a special liquidity facility of ₹16,000 crore to SIDBI for on-lending/ refinancing through novel models and structures. This facility will be available at the prevailing policy repo rate for a period of up to one year, which may be further extended depending on its usage.
- The Resolution Framework 2.0 announced by the Reserve Bank on May 5, 2021 stipulates a maximum aggregate exposure of ₹25 crore for considering resolution of COVID-19 related stress of MSMEs as well as non-MSME small businesses, and loans to individuals for business purposes. Based on a review, it has been decided to enhance the above exposure threshold to ₹50 crore. Accordingly, the above categories of borrowers to whom the lending institutions have aggregate exposure of not more than ₹50 crore as on March 31, 2021, and which have not been restructured earlier under any of the specified restructuring frameworks, shall be eligible to be considered for resolution under Resolution Framework 2.0. All other conditions shall remain the same.



Global Leather & Footwear (L&F) Exports: An Update

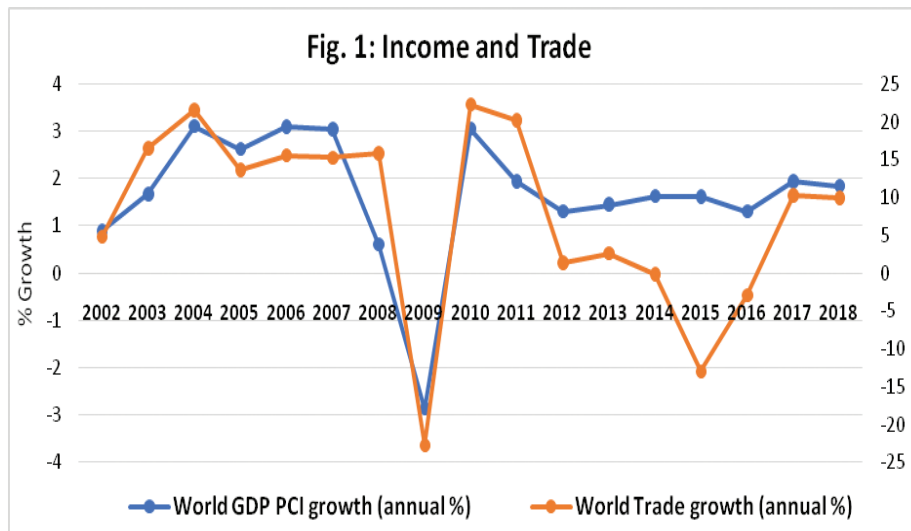
By: Shri Atul Kumar Mishra
Regional Director, CLE New Delhi

Global trade has been playing instrumental role in increasing the global economic growth and achieving social and economic development agenda since post war period. Besides providing employment to workforce trade also encourages the flow of information, sharing of technology and know-how and enhances the productivity and efficiency of factor endowments deployed in trade proceedings. Continuous improvement in productivity and efficiency of factors of production and logistics services is an outcome of interaction and sharing of ideas by various stakeholders of trade. Ideas and information sharing has intensified in the last one decade on account of IT revolution, its diffusion and its adoption by economic agents of the world. Eminent economist Prof. Jagdish Bhagwati has said that liberal trade regime is playing important part in the creating prosperity and in turn, reducing poverty since growth both raises the incomes of those below poverty line and generates revenue for social spending on health and education which also helps poor.

Relatively low wages, low input cost, availability and abundance of workforce along with economical and efficient logistic infrastructure are key to country's trade growth. Moreover, income of country, demand condition, consumer preference and exchange rate are exogenous factors that pushes the exports of any country.

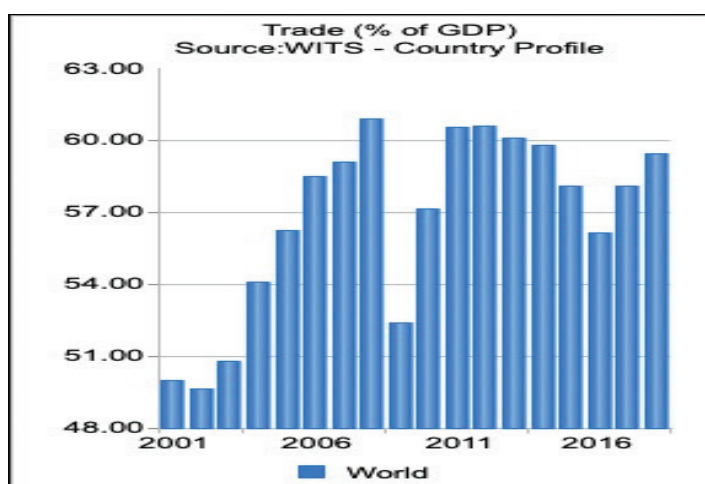
In the above figure 1 growth of world GDP per capita income and global merchandise trade growth for last 16 years have been compared. It is amply clear that international trade is highly income elastic and largely depends on the income of individual customers. Hence fluctuations in consumers income in any country has very significant bearing on growth of trade.

In post-industrial era role of govt.

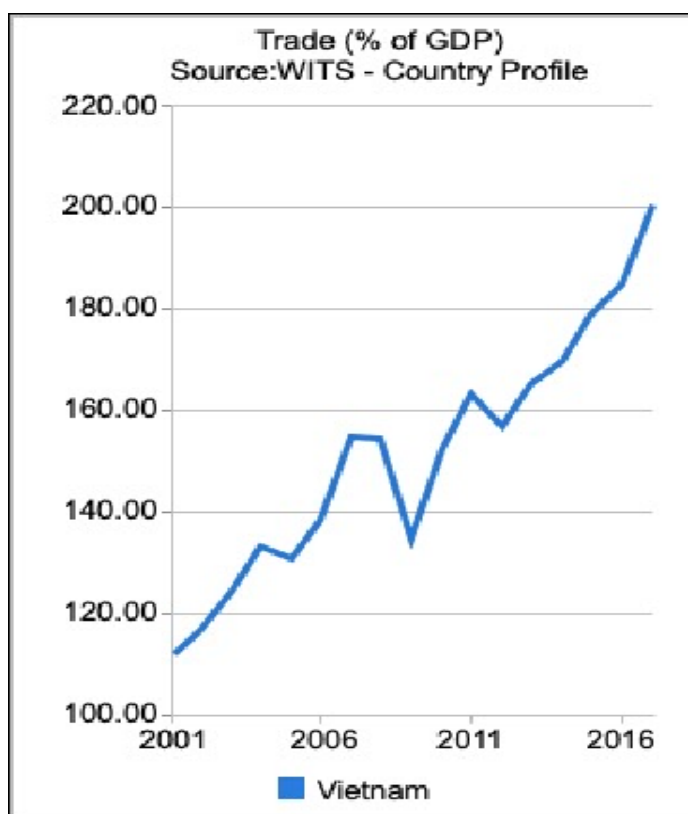
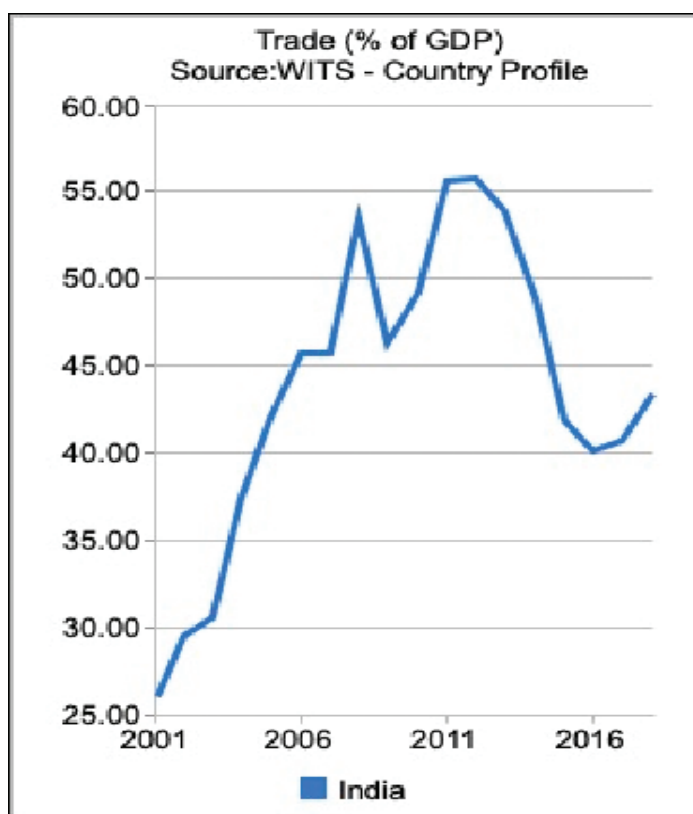
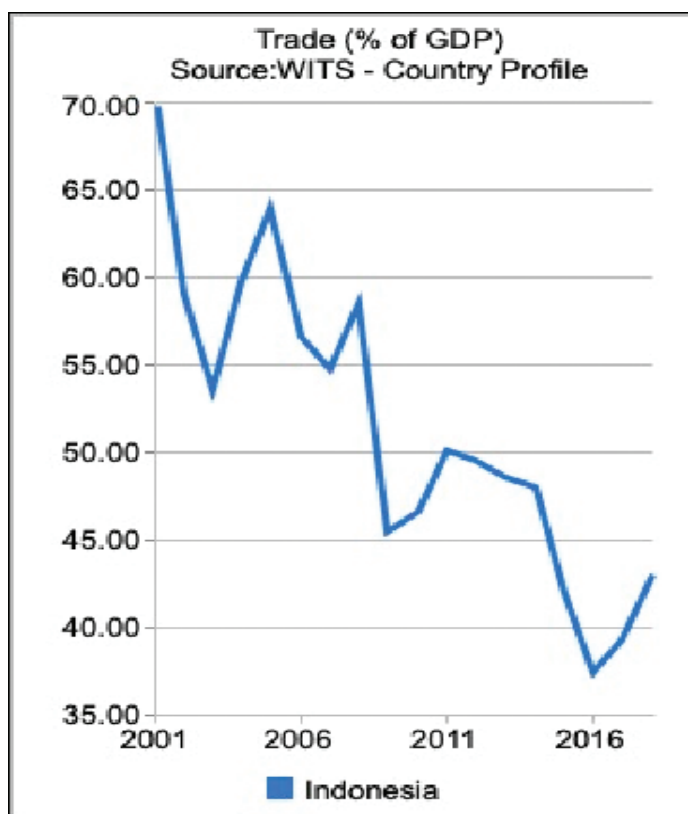
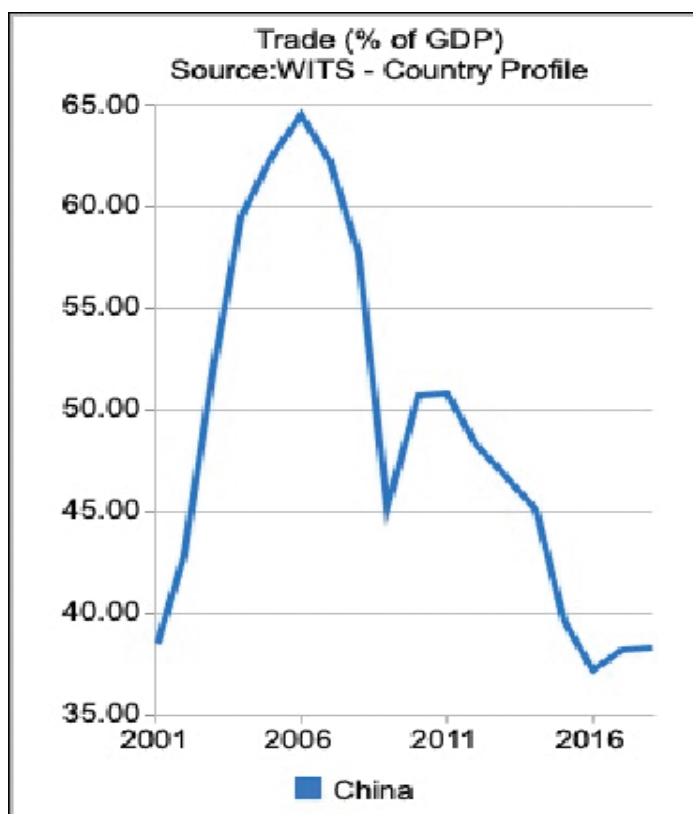


policies and multilateral organization like WTO, UNESCAP and UNCTA etc. has also increased significantly. Govt. policies and multilateral organization provide institutional and legal support to agents of global trade to ensure free and smooth flow of trade. Comparative advantage, factor endowments strength and conducive policy environment are considered as precursor in enhancing the global trade in recent past especially in post WTO regime.

In real sense wheels of free trade started moving only after 2001 though with lot of glitches and difficulties. For free flow of trade implementation of agreed legal framework of *laissez faire* was necessary step which was achieved only after the year 2005 through various rounds of negotiation by WTO members. Since then, trade of merchandise goods and services across globe are governed and regulated by all such agreed laws and principle to ensure just and equitable trade growth across the members of WTO. These laws and principles also keep pressurizing the trade growth of individual countries besides the endogenous and exogenous shocks which they face unwarranted. Despite having all such hindrances world has been registering phenomenal growth in trade. Growing share of trade in global GDP; as stated below in the figure since 2001; is an evidence of its role in economic growth and development not only in one country but world as a whole.

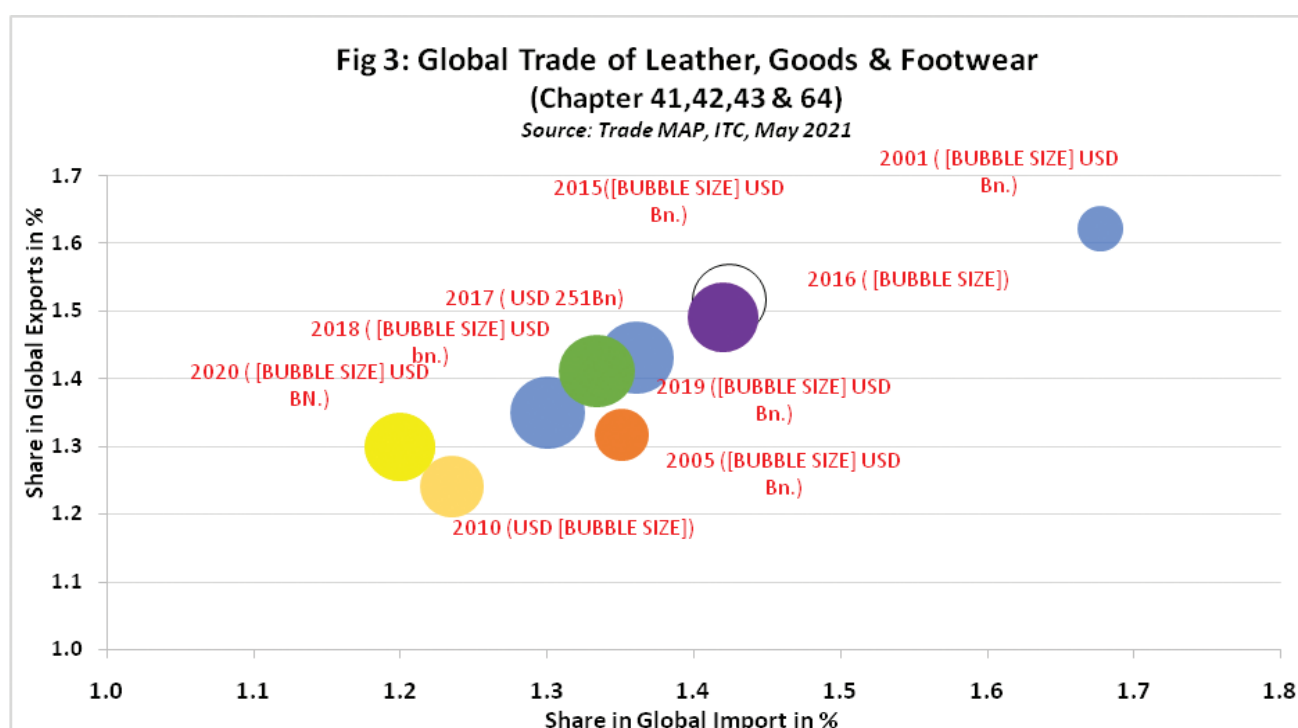


There are around hundred sectors as defined by World Customs Organisation (WCO) at chapter level in its harmonized system of nomenclature that are traded across border. These are raw material, intermediate and manufactured goods. In the year 1990 global merchandise exports crossed the mark of USD 1 trillion and in 2001 it reached to USD 6 trillion dollar. Since 2001 global have been growing with leaps and bounces. In the last twenty years it has increased to threefold compared to 2001 and stood around at USD 17 trillion dollar in the year 2020. Growing importance of trade can be seen in the economies of China, India, Indonesia and Vietnam also which are considered as dominant merchandise exporter in global market (see figures given below).



Growing importance of trade in economy also raises the question to explore and understand the relative importance of the sectors. Hence, considering the above facts this article has been written with special focus on how the global export basket is growing and what's happening to Leather & footwear sector.

Below in the figure3 relative position of the Leather & Footwear (L&F) compared to its share in global exports and imports since 2001 has been plotted along with the export size. Interesting pattern has emerged in terms of its relative importance in the global trade basket. As it can be seen in global L&F exports have been growing in value terms since 2001 however, their share in global exports and imports have been steadily declining. In the year 2001 exports of L&F were around USD 99 bn. which reached to USD 264 bn. in 2019. (see fig 3: size of the bubbles has been growing steadily, however pattern of steady decline in share of L&F in global export and imports is also discernible as bubbles are moving down from top right hand of graph towards the origin of graph). Global merchandise exports was USD 6.5 trillion in 2001 and L&F has around USD 99 bn. share and in the year 2020 global merchandise exports were to the tune of USD 17 trillion and share of L&F stood only at around USD 224 bn. Even if we assume the similar share as of the year 2001 then in the year 2020 L&F exports would have been USD 276 bn. but that is not the case.



As shown above global L&F exports have been growing since 2011 in value terms with varying pace. Countries keep competing with each other to grab market share though overall share of L&F in global export basket kept squeezing for two decades. L&F had around 1.7% share in world basket in 2001 which now reduced to 1.3% in the year 2020, nevertheless, L&F exports moved from USD 99 bn. to USD 264 bn in the year 2019 and then reached to USD 224 in 2020. Trade Data of last two decades suggests that China is the dominant player amongst the supplying countries though its share after reaching to 35% in the year 2015 now have started declining. In the year 2020, China accounted around 29% of the world leather & footwear export and valued at USD 59 bn. Remaining 71% supply of L&F in global market comes from the rest of the world. Amongst these suppliers some are from industrially developed countries of western and eastern Europe and mostly are from newly industrialized developing countries like India, Vietnam & Cambodia etc.

Below in the table 1 global exports of L&F is extracted for dominant suppliers (Top 11 & 3 more countries). It's evident from the table that China is the largest supplier in the world for L&F followed by Vietnam while Italy, France, and Germany are other suppliers amongst top 5 exporting countries. India is 11th largest exporter of L&F in world well behind Vietnam and Indonesia. It's worth to remember that Vietnam and Indonesia were not considered competitive supplier for L&F till 2005, however, in post WTO world order L&F exports from these two countries have grown with leaps and bounces and have now outpaced India. Vietnam now accounts 12.5% share of global supply of L&F and Indonesia has 2.5% share while India accounts only 1.8%.

Exporters	Table I: Exports in USD Bn.					
	2001	2005	2010	2015	2019	2020
World	99.348	136.260	187.176	248.839	264.364	224.774
China	18.485	34.653	58.880	88.724	83.188	64.727
Viet Nam	1.853	3.499	6.334	15.725	22.976	28.161
Italy	13.958	17.418	19.882	23.566	29.092	23.382
France	3.559	5.465	7.791	10.383	14.714	13.572
Germany	3.224	4.795	7.204	8.554	12.656	11.358
Belgium	2.430	3.691	4.973	6.901	8.615	8.277
Hong Kong, China	13.836	16.184	15.258	12.654	8.470	6.268
Netherlands	1.520	2.449	3.744	5.146	6.609	5.718
Indonesia	1.913	1.684	2.873	4.945	5.216	5.531
Spain	3.031	3.414	4.167	4.953	5.373	4.557
India	2.004	2.882	3.880	6.292	5.890	4.158
Cambodia	0.031	0.039	0.178	0.909	2.673	2.351
Bangladesh	0.281	0.339	0.555	1.289	1.699	1.397
Myanmar	0.000	0.000	0.057	0.084	0.850	0.847
Rest of the world (RoW)	33.223	39.749	51.399	58.712	56.346	44.468

Source: Trade Map, ITC, 2021

There is sizeable increase in global L&F export value and has grown more than two and half times in the last two decades. This sizeable increase may be attribute to growing per capita income of world and conversely ballooning the global demand conditions for leather and footwear goods. Moreover, growing connectivity amongst the partner countries may have further influenced the demand and supply by enhancing the understanding of manufacturers and suppliers related to customer choice, preference, price, design and quality.

As per the year 2020 top 10 global L&F suppliers are China, Vietnam, Italy, France, Germany, Belgium, Hongkong, Netherlands and Spain. India's position as an 11th largest supplier exporter of L&F in global market in 2020 have slideback to its original ranking as of 2001. India has not only gone down in its ranking but its share in global market has also moved down from 2.3% to 1.8% in 2020. This is a matter of worry some. Countries like Vietnam and Indonesia were not figuring out amongst top 10 supplier in global market till 2010 which are now occupying 2nd and 6th largest position in global supply of L&F. In the figure 4 & 5 relative share of top suppliers for the year 2001 and 2020 is given respectively.

It's worth to compare competing countries average annual growth rates and their relative position in L&F supply in global market. Below in the table 2 growth rates of these

Fig 4: Relative Share (in %) of Top Suppliers of Leather Goods & Footwear in Global Market , 2001

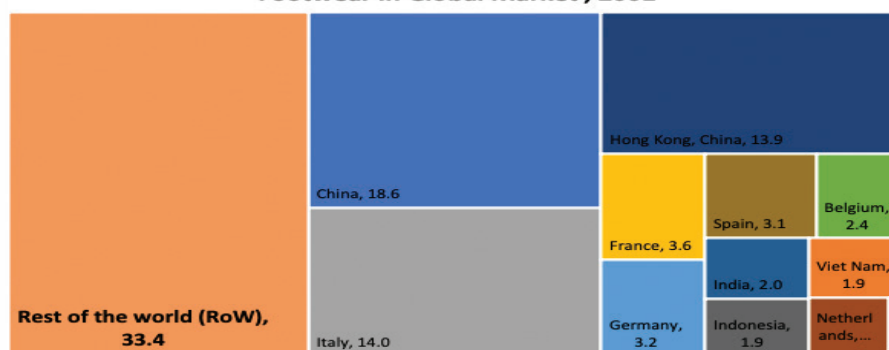
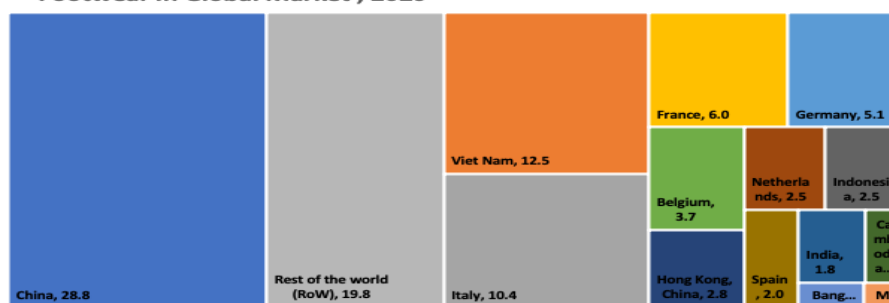


Fig 5: Relative Share (in %) of Top Suppliers of Leather Goods & Footwear in Global Market , 2020



countries are segregated and clubbed in the 5 year time period to understand the pace of growth. There is interesting growth pattern that has emerged. Globally L&F exports were growing at 4.6% per annum for last two decade.

However, segregated growth of L&F in five year terms plunges from positive zone (2001-05) into negative zone (2015-20). In the year 2020 the same has reduced to -15% which is largely on account of COVID 19 pandemic which has forced to shut down the economic activities conversely affecting trade across borders. Countries like Vietnam and Indonesia remained focused and kept increasing their share by moving up on the growth trajectory by gauging their growth and comparative advantage. Continuous monitoring of comparative advantage provided them roadmap to enhance competitive strength and also helped in adopting right economic and financial policies at right time. Cambodia and Bangladesh have also maintained high growth throughout two decades amongst competitive supplier of L&F compared to others.

It is interesting to note from the table that there has been exceptional decline in exports of L&F in preceding year i.e. 2020 due to worldwide spread of COVID-19 pandemic. Intermittent lockdown by countries across the world led to reduction in income, demand, shutting down of factories and disrupting the supplies of man, material and machine. If we leave aside this particular year then for the last nineteen years Cambodia had been growing with 24% per annum followed by Vietnam (14.6%), Bangladesh (8.4%), France (6.9%), Netherlands (6.8%), China (6.5%), Germany (6.5%), Belgium (6.3%), and Indonesia (5.5%). It's worth to note that India (3.1%) was slowest growing country amongst top eleven suppliers of L&F in world market throughout last two decades except for Italy (2.3%) and Spain (2.1%).

Exporters	Table 2: Annual Average Growth in %					
	% Change 2020/2019	2001-2020	2001-2005	2005-2010	2010-15	2015-20
China	-15.0	4.2	6.5	6.6	5.9	-2.0
Viet Nam	-22.2	6.5	13.4	11.2	8.5	-6.1
Italy	22.6	14.6	13.6	12.6	19.9	12.4
France	-19.6	2.6	4.5	2.7	3.5	-0.2
Germany	-7.8	6.9	9.0	7.3	5.9	5.5
Belgium	-10.3	6.5	8.3	8.5	3.5	5.8
Hong Kong, China	-3.9	6.3	8.7	6.1	6.8	3.7
Netherlands	-26.0	-3.9	3.2	-1.2	-3.7	-13.1
Indonesia	-13.5	6.8	10.0	8.9	6.6	2.1
Spain	6.0	5.5	-2.5	11.3	11.5	2.3
India	-15.2	2.1	2.4	4.1	3.5	-1.7
Cambodia	-29.4	3.7	7.5	6.1	10.2	-8.0
Bangladesh	-12.0	24.2	4.7	35.8	38.5	20.9
Myanmar	-17.8	8.4	3.8	10.4	18.4	1.6
Rest of the world (RoW)	-21.1	1.5	3.7	5.3	2.7	-5.4

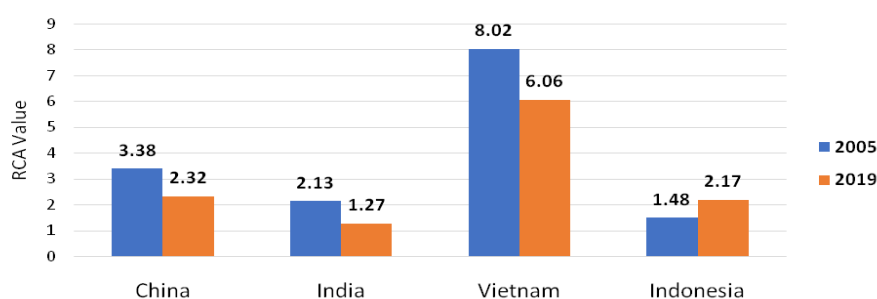
Source: Trade Map, ITC, 2021

This is needless to mention that in the year 2020 all top suppliers have seen negative growth except for Vietnam (22.6%) and Indonesia (6.0%) while India (-29.4%) and China (-22.6%) have registered exceptionally high decline compared to the year 2019.

In the figure 6 below comparative advantage of the selected countries have been calculated from UN comtrade data. Figure reflects the intensity of strength of competing countries in the sector to supply the goods in global market. It is observed that India's RCA values have deteriorated over the last two decades compared to other competing countries, though except Indonesia none of the given countries have seen increase in RCA value in 2019 compared to 2005. But there is higher concern for India as its RCA value has started sliding down below two. This requires immediate attention of all stakeholders and think tank who are part of the L&F supply chain in India. There should be introspection in terms of pricing of factor endowments, logistic costs, financial and economic policy shaping the L&F exports and its competitive strength as well as delivery aspects. Over the past two decades despite increase in L&F exports in value terms India has been losing ground in global supply of L&F compared to Vietnam, and Indonesia.

Despite being a low wage economy, having low input cost and abundance of labour why India's L&F sector could not grow as fast as of Vietnam, Indonesia, Cambodia & Bangladesh and lost almost 0.5% share in 2020 compared to 2001 in global market. Facts and figures in this article about L&F exports may give an inkling that we are at crossroad where focused, consistent and long-term approach is prerequisite to take the sector further at higher level both in terms generating more output and employment. Diving into the causes of slow growth and declining share of India we may find roots in the uncertainty of business environment which undermines the investment and productivity growth in the sector. There is a greater wonder what to do now as economists call it "secular stagnation". We have been blaming financial crisis and unfair trade practices adopted by competitors, as the cause of stagnation but the real culprit may be somewhere else.

Fig 6: Revealed Comparative Advantage for Leather Goods & Footwear
(HS Chapter 41, 42, 43 & 64)



In conclusion, greater introspection and attention of all stakeholders is invited towards the growing concern of this sector that needs secular growth instead of stagnation. First, we must measure the right things that are creating stagnation. Second, economic and financial measures to boost sector should continue to the extent it makes the sector competitive compared to its competitor in global supply chain. Ironically, in the last five years India's L&F exports were growing negatively (-8%) despite applying various measures of ease of doing business to boost exports. Trend of declining growth is highly attributed to infrastructural inefficiency challenge faced by MSME sector in the country. Therefore, all such financial support and measures to support and boost MSME exports are justifiable to the extent they neutralize the infrastructure inefficiency embedded in the cost of exports. Third we should also not get overboard and blame economic policies and business environment; instead entrepreneurs and investors must probe their own challenges and work on it to take the sector out of stagnation and further plunging into negative zone.

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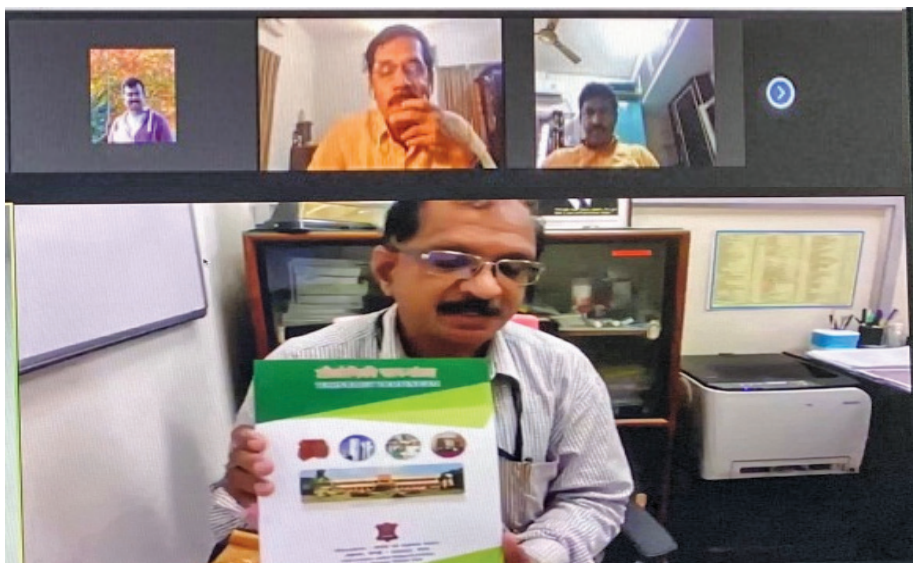
National Technology Day 2021 at CSIR - CLRI

National Technology Day highlights the achievements in the field of technology & science and aims to commemorate the scientific and technological achievements of Indian scientists and engineers. The theme of National Technology Day 2021 celebration at CSIR-CLRI was "Leather and Leather Products from Goat Skins"

The welcome address was delivered by Dr. J. Raghava Rao, Chief Scientist, CSIR-CLRI during which he threw light on the importance of National Technology Day and the interventions of CSIR-CLRI towards technological empowerment in various facets, including the Institute's contributions to tackle the ongoing pandemic situation.

On this occasion of National Technology Day 2021, a compendium comprising of the outline, salient features and advantages of major technologies developed or transferred by CSIR-CLRI during recent years was released. The technologies have been classified into five broad groups for the convenience of the potential users- Leather Processing Technologies, Leather Chemicals, Waste Management Technologies, Leather Product Technologies and Healthcare products.

Post the release of the Compendium, a panel discussion was organized on the topic "Future trends and techno commercial advancements for goat leather- A way forward." The discussion was moderated by Dr. B. Chandrasekaran, Former Director, CSIR-CLRI. He offered an insight into the production of leather and leather products. He presented the share and value of goat skins in the world market and emphasized on the need to propel goat as a flagship material in the Indian leather industry. He spoke about the processing of goat glazed kid leather and stressed about its physical and chemical properties. He also spoke about the various process strategies

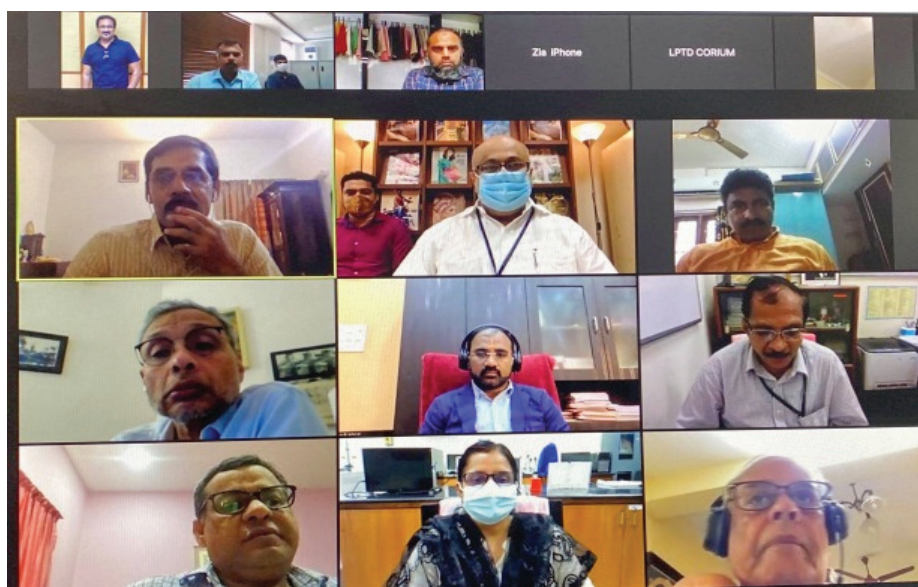


for different unit operations involved in manufacture of goat leathers. He then invited the first member of the panel, Shri.N ShafeeqAhmed, Managing Director of ShafeeqShameel and Co, Ambur to give his remarks. The company isinvolved in goat skin tanning for more than 50 years and specializes in veg tanning of goat skins.

Shri Shafeeq congratulated the entire scientific community and the CSIR-CLRI fraternity onthe occasion of the National Technology Day. He pointed out that although goat constituted to 40% of the animal population, it was not utilized as one would have wanted. He explained the need for implementing the PPP model - Process (set towards end-product development), Promotion (building retail value) & Policy (specific policy measures for goat skins)for propelling the leather industry towards success.

The need for coming out with futuristic technologies, which would help in managing the processing of goat skins for quality output of leather,should be vigorously examined and pursued by the R&D group. Simultaneously, he also stressed the need for promoting it as a quality material for the product sector to harness the benefits of this material. Finally, he concluded by putting forth the need for policies on part of the Government and the industry to give the necessary thrust to make goat leather from India as a sought-after material.

The next speaker on the discussion panel invited by the moderator was Shri. Rehan Ahmed,Director of N.J Exports, Kolkata which is engaged in tanning, manufacturingand export of goat finished leather. He emphasized on the challenges faced in terms of technology and promotion in the Eastern region to utilize the raw material of goat skins efficiently. He sought the intervention of CSIR-CLRI in developing the goat skin as a rawmaterial on par with cow and sheep. His plea for superior processing of the goat skin was noted down and he was assured by Dr. B. Chandrasekaran of the co-operation



from the Institute's side. Shri.Rehan Ahmed also wanted the contribution of Council for Leather Exports in promoting goat skin in the world market and create a place for this leather in the global arena.

The next speaker, Shri.R Mohan Kumar, is the Managing Partner of Prime Tannery, Trichy.The company was established in 1974. Shri Mohan Kumar is also the Treasurer of Trichy Tanners Association.Prime Tannery primarily produced E.I. leather and has now expanded into manufacture of eco-friendly leathers. Shri Mohan Kumar stressed on the point of making chrome free lathers from goat skins. He said that this was the way forward to sustain in the market and in the coming decades this process would play a major role for Indian leather industry in the international arena. Dr. B. Chandrasekaran acknowledged the need of the hour to dwell upon the idea of using improved technology similar to the technology deployed by Shri. Mohan Kumar to make quality goat leathers.

Shri. Zia Nafis, C.E.O, Nafis Tanning Industries, Kolkata who has been associated with leather industry for more than three decades, continued the discussion. He highlighted how he was able to upgrade the lower end goat leathers that were available from Bihar and Uttar Pradesh. He explained the idea behind this by underlining the fact that they were made as milled leather and converted into products. Regarding the products, he underscored the success in making portfolios from goat skin that was unheard of some time back.

He sought the intervention of modern technology from CSIR-CLRI's side to retain the thickness of the goat material at 1.0 mm to 1.2 mm range. He sought

the technological assistance in making tighter grain goat skins and requested for proper promotion and marketing to be put in place. Scarcity of high-end cow leathers and reduction in prices of goat skins can be capitalized to promote high-end goat skins. He wanted the technologists and industrialists to explore the concept of utilizing goat skins in other segments such as garments and industrial gloves.

The other panelist was Shri. K. Venkatesan, Production Manager, Gemini Enterprises, Chennai, whose company has pioneered in adoption of latest technologies and developing eco-friendly and sustainable leathers. He explained that goat skins in India were mostly processed into shoe suede and sourcing thicker suede for garments was not easy. The low end goat skins were consumed mainly as lining leather. He appealed for large abattoirs and proper storage in the form of adequate collection centres as well as transportation methodology of raw skins. He opined that traceability and certification of leather would be a future mandate. Additionally, there is a need for producing biodegradable, sustainable and eco-friendly leathers.

Shri. AbdurRawoof is the General Manager (Technical) of Star Exports, Chennai. He is in charge of the product development cell and has expertise on Goat upper leathers, suedes, wax based, tumbled and fashion articles. He enlightened about the footwear segment covering the history of goat leathers, pitfalls in the transition process, current trends and recommendations. Unorganized slaughtering of goats leads to difficulty in sourcing fresh skins and subsequent lack of softness and suppleness in goat leathers. He expressed that owing to the prevailing limitations in export policy of not allowing semi-finished leather exports, the basket of design studios finds very less or almost nil collection of goat leathers. Alternate technology in tanning can be deployed and Research as well as Government bodies shall come forward for a joint collaboration with Design labs, tanneries and chemicals companies to



overcome the situation. He also suggested that provision of special monetary benefits to the goat leather producers may also help to revive the trend.

As the Moderator of the event, Dr. B. Chandrasekaran summarized the salient points addressed by the panel members and put forth the following recommendations:

- A collaborative work may be taken up between CSIR-CLRI, tanneries and chemical companies in setting up Centre of Excellence for Leather Processing and finishing.
- Formulation of suitable technology interventions and solutions for liquidating dead stock or slow-moving raw materials shall be given importance.
- Newer upgradation techniques in wet processing shall also be looked into for utilizing the lower grade raw materials.

On behalf of Director, CSIR-CLRI, Dr. J Raghava Rao appreciated the topic of the panel discussion and addressed it as the need of the hour. He said that CSIR-CLRI has already taken steps in implementing appropriate initiatives focusing on goat leather processing, including techniques to impart sheep-like properties to goat skins. He also concurred with the industry that CSIR-CLRI would explore the possibility of setting up a Centre of Excellence to facilitate technological advancements on goat-based leathers. While calf is more popular as material, it

is now important that goat too must be given the thrust. He seconded the notion put forth by Shri. Shafeeq Ahmed, to garner support from the industry and chemical houses to implement the technological advancements by CSIR-CLRI. He stated that the Institute will collaborate with the Industry, explore the avenues for re-establishing the market of goat leathers and devise necessary technological interventions to enhance the visibility of goat leathers.

Dr. Phebe Aaron, Senior Principal Scientist thanked the moderator, panelists, and other participants of the discussion. Further, concepts and ideas originating from the discussion would be taken to the next level of implementation, she added.

On the occasion, CSIR-CLRI also released several snippets highlighting the availability, market and technologies for goat skin processing in the social

media platforms.

Way Forward on Leather & Leather Products from Goat Skins

It is forecasted that the goat population would grow from 94 million in 2012 to 109 million by 2035. Nearly 95% of the global production of goat skins is from developing countries in Asia and Africa. With a net effective recovery of 98% for goat skins as against 75% for hides, there is now an identified need to popularize leather and leather products from goat skins. At the animal husbandry side there is a need to establish a) stall fed goat farms, b) streamlining of meat industries, c) establishment of carcass recovery centres, and d) reducing man made defects through better curing. A concept of traceability for goat skins needs to be established.

At the processing side there is a need for technologies that would provide for a sheep like character to goat skins. Further through appropriate technologies the use of goat skins to a variety of value-added products with a range of smart features needs to be developed. A marketing strategy to popularize goat skin-based leather products in niche market segments in Europe and elsewhere is essential.

A suitable policy framework to support the growth of goat skin based leather industry would lead to a self-reliant leather industry based on indigenous raw material. As a way forward CSIR-CLRI looks forward to establishing a task force comprising of representatives of the animal husbandry departments, academic and research organizations, stakeholder industry bodies need to come together to develop a detailed project report that could develop a road map for strengthening the goat leather and leather product industries.

Trade Enquiry from Hungary

Embassy of India in Budapest, Hungary has sent the following Trade Enquiry

Zolferex Ltd., was established in 1990 by Hungarian owners for the import and wholesale of travelling items. Also the executive distributor of a few well known European brands, like Roncato, Gabol, Benzi and Doppler in Hungary. The company has an exclusive and wide range of products on stock, providing those of by competitive prices.

The firm is looking for reliable suppliers/factories in India in the field of leather made items such as bags, purses and wallets.

Contact:

Mr. Ferenc Kovacs
Zolferex Ltd.
Address: 1105 Budapest, Martinovics tér 5.
Phone: 36-1-2612143
www.nettaska.hu
f.kovacs@zolferex.hu



GST NEWS

by
A.Raghunathan & Co., Chartered Accountants

The 43rd GST Council meeting was held on 28.5.2021. The various relaxations were announced and a summary of this is given below :

1. GSTR I FILING DATES

- For May 2021 can be filed upto 26.6.2021 [17/2021 dt.1.6.21]
- Earlier Time for April 2021 was given upto 26.5.2021 [12/2021 dt.1.5.21]

2. GSTR 3B FILINGS [18/2021 dt.1.6.21]

The due dates have not been modified but the interest rates have been reduced as follows:

Aggregate Turnover - more than Rs. 5 crores in 2020-21				
Month	Last date	Nil int upto	9% int upto	18% int from
MARCH	20.4.2021	---	5.5.2021	6.5.2021
APRIL	20.5.2021	---	4.6.2021	5.6.2021
MAY	20.6.2021	---	5.7.2021	6.7.2021
Note: For last dates 21 or 22 the dates given will be extended accordingly				

Aggregate Turnover - upto Rs. 5 crores in 2020-21 monthly filers				
Month	Last date	Nil int upto	9% int upto	18% int from
MARCH	20.4.2021	5.5.2021	4.7.2021	5.7.2021
APRIL	20.5.2021	4.6.2021	4.7.2021	5.7.2021
MAY	20.6.2021	5.7.2021	20.7.2021	21.7.2021
Note: For last dates 21 or 22 the dates given will be extended accordingly				

3. ITC -04 filing

- for quarter ending 31.3.2021 last date extended to 30.06.2021 [notification - 26/2021 dt.1.6.21]

4. Late fees [19/2021 dt.1.6.2021] – (irrespective of aggregate turnover)

(A) Amnesty scheme for providing relief to filing GSTR 3B for the period July 2017 to April 2021

- The pending returns to be filed during the period 1.6.2021 to 31.8.2021
- If tax is not payable with return, ie NIL return, then late fees will be Rs.250 CGST and Rs.250 SGST, for every return filed belatedly under this scheme
- If tax is payable with return, ie which is not a NIL return, then late fees will be Rs.500 CGST and Rs.500 SGST, for every return filed belatedly under this scheme

(B) Late fees other than the scheme

Aggregate Turnover - more than Rs. 5 crores			
Month	Last date	Late fees waived upto	Levied from
MARCH	20.4.2021	5.5.2021	6.5.2021
APRIL	20.5.2021	4.6.2021	5.6.2021
MAY	20.6.2021	5.7.2021	6.7.2021
Note: For last dates 21 or 22 the dates given will be extended accordingly			

Aggregate Turnover - upto Rs. 5 crores monthly filers			
Month	Last date	Late fees waived upto	Levied from
MARCH	20.4.2021	19.6.2021	20.6.2021
APRIL	20.5.2021	4.7.2021	5.7.2021
MAY	20.6.2021	5.7.2021	6.7.2021
Note: For last dates 21 or 22 the dates given will be extended accordingly			

Note : My opinion March 2021 and April 2021 may also get covered under the Amnesty scheme if filed beyond above dates and upto 31.8.2021.

(C) From June 2021 return onward [GSTR I & 3B]

- For NIL return -Maximum late fees - CGST Rs.250 + SGST Rs.250
- For non NIL return cases, with aggregate turnover upto Rs.1.50 crores in 2020-21– Maximum Late fees CGST Rs.1000+ SGST Rs.1000
- For non NIL return cases, with aggregate turnover above Rs.1.50 crores in 2020-21– Maximum Late fees CGST Rs.2500+ SGST Rs.2500

5. ITC Availment – under Rule 36(4) [27/2021 dt 1.6.2021]

- The valid ITC availed in GSTR 3B of a particular tax period should be restricted to 105% of valid ITC in GSTR 2A of the corresponding tax period
- This rule for tax periods April 2021, May 2021 and June 2021 compare your books with GSTR 2A cumulatively and adjust in June 2021 GSTR 3 B.

VC meeting of Thiru M.K. Stalin, Hon'ble Chief Minister of Tamil Nadu, May 19, 2021, Participation of Chairman, CLE

Thiru M.K. Stalin, Hon'ble Chief Minister of Tamil Nadu held a VC meeting on May 19, 2021 with various industries and associations for discussion on initiatives to tackle the COVID 19 pandemic. Shri P R Aqeel Ahmed, Chairman-CLE participated in the Meeting .

Subsequent to the meeting, Chairman, CLE sent a representation to Hon'ble Chief Minister on May 22, 2021, requesting for opening the export units which were ordered to closed during the complete lockdown from May 24, 2021 as per Tamil Nadu Government GO issued on May 22, 2021. In the representation, Chairman, CLE highlighted the following.



- The leather industry was one of the worst hit in 2020 due to COVID-19. Due to global pandemic last year, the industry has collectively lost about Rs.7000 Crores of export orders all over the country, which has affected the industry badly.
- However, the leather & footwear industry is slowly getting back on track and looking forward to a good growth in the exports in the coming months. The export order position has started stabilizing and currently we are getting orders from Europe and USA, which are our major markets.
- At this juncture, if the export units are not allowed to function, it may cause the shift of export orders from India to countries like China, Vietnam, Bangladesh etc, and industry would be once again badly hit. It will have cascading effect on further economic loss besides loss of job opportunities to the labour force due to expected cancellation of export orders.
- It is hence requested that 'Export units, units which have export commitments, or export orders and their vendor units providing inputs to such industries' may kindly be allowed to function under 'Industries manufacturing essential commodities'.

Chairman, CLE also took-up the request with the Government of Tamil Nadu for allowing operation of export units and also tanneries supplying to exporters or domestic market during the complete lockdown period which is now extended to June 7, 2021.

The Government of Tamil Nadu vide GO dated May 28, 2021 has allowed operation of tanning units and CETPs during the complete lockdown period by classifying them as continuous process industries.

Vide GO dated May 29, 2021, the Government of Tamil Nadu has allowed functioning of export units (during the period May 31 – June 7, 2021) which have export commitments or export orders and their vendor units providing inputs to such industries with 50% of workers in all districts except Coimbatore, Tiruppur, Salem, Karur, Erode, Namakkal, Tiruchirappalli and Madurai Districts, with the movement of staff to be arranged in four wheelers by respective industries with e-registration. , Also industries which have been permitted to operate shall initiate immediate action to vaccinate all their employees within a month's time. Copies of the said GOs are enclosed.

Tamil Nadu Leather Industry presents contribution to Hon'ble Chief Minister of Tamil Nadu towards Covid relief measures

A leather industry delegation of Tamil Nadu led by Shri P.R. Aqeel Ahmed, Chairman, Council for Leather Exports (CLE) handed over a contribution of Rs.1,60,93,000/- to the Chief Minister's Public Relief Fund for Covid relief measures to Thiru M.K.Stalin, Hon'ble Chief Minister of Tamil Nadu on June 8, 2021 at the Secretariat in Chennai. Thiru Duraimurugan, Hon'ble Minister for Water Resources, Govt. of Tamil Nadu and Thiru R. Gandhi, Hon'ble Minister for Handlooms and Textiles, Govt. of Tamil Nadu were also present on the occasion.

The industry delegation who met the Hon'ble Chief Minister included Shri R. Selvam, IAS, Executive Director, CLE ; Shri Ramesh Prasad, Chairman, Ranipet Tannery Effluent Treatment Co. Ltd., ; Shri Abdul Wahab, Managing Director, KH Exports India Pvt. Ltd., Shri Mohib, Managing Director, Mohib Shoes ; Shri Navarasu, Secretary Pallavaram Tanners Association and Shri Senthil Kumar, Chairman, Pallavaram Tanners Industrial Effluent Treatment Company Ltd.,.



Shri P.R. Aqeel Ahmed, Chairman, CLE handing over the contribution to Thiru M.K. Stalin, Hon'ble Chief Minister of Tamil Nadu. In presence of Thiru Duraimurugan, Hon'ble Minister for Water Resources, Govt. of Tamil Nadu (2nd from right) and Thiru R. Gandhi, Hon'ble Minister for Handlooms and Textiles, Govt. of Tamil Nadu (3rd from right)

Meetings of Chairman, CLE

Meeting of Chairman-CLE with Thiru Siva V Meyyanathan, Hon'ble Minister for Environment - Climate Change & Youth Welfare and Sports Development, Govt of Tamil Nadu

Shri P R Aqeel Ahmed, Chairman-CLE met Thiru Siva V Meyyanathan, Hon'ble Minister for Environment - Climate Change & Youth Welfare and Sports Development, Govt of Tamil Nadu, at Secretariat on 12.05.2021 along with Mr R. Ramesh Prasad, Chairman RANITEC and Mr R Selvam, IAS, ED CLE



Meeting of Chairman-CLE with Thiru R Gandhi, Hon'ble Minister for Handlooms & Textiles, Govt of Tamil Nadu

Shri P R Aqeel Ahmed, Chairman-CLE met Thiru R Gandhi, Hon'ble Minister for Handlooms & Textiles, Govt of Tamil Nadu, at Secretariat, Chennai on 12.05.2021 along with Shri R Ramesh Prasad, Chairman, RANITEC and Shri R Selvam, IAS, ED, CLE



Meeting of Chairman-CLE with Thiru C V Ganesan, Hon'ble Minister for Labour Welfare and Skill Development, Govt of Tamil Nadu,

Shri P R Aqeel Ahmed, Chairman-CLE met Thiru C V Ganesan, Hon'ble Minister for Labour Welfare and Skill Development, Govt of Tamil Nadu, at Secretariat, Chennai on 12.05.2021, along with Shri R Ramesh Prasad, Chairman, RANITEC and Shri R. Selvam, IAS, ED, CLE.



Meeting with Thiru R Gandhi, Hon'ble Minister for Handlooms and Textiles

Shri P R Aqeel Ahmed, Chairman, Council for Leather Exports (CLE) met Thiru R Gandhi, Hon'ble Minister for Handlooms and Textiles, Govt of Tamil Nadu on 08.06.2021 along with Shri R Selvam, IAS, ED, CLE; Shri R Ramesh Prasad, Shri M Abdul Wahab, Shri A R Senthil Kumar, and Shri K Mohibullah and presented a Brochure on "How the leather industry of Ambur helped tackled COVID-19".



***“A DREAMER IS ONE WHO CAN ONLY FIND
HIS WAY BY MOONLIGHT. BE A DREAMER. BE
YOURSELF.”***

(Statement from COOL TM)

MODEUROP

Virtual Meeting on Autumn Winter 22/23 season

At the virtual meeting of MODEUROP held on 27th May 2021, Mr Karim Choukair, President said that the need of the hour is “agility of the companies to change” in times such as these (referring to the pandemic situation).



In his welcome address, **Mr Manfred Junkert**, Managing Director, MODEUROP & Director General, German Shoe and Leather Federation expressed his sincere gratitude to Director, CLRI and to all the Indian Tanneries for the long-term partnership. He sent his good wishes to the Leather Fraternity of India.

Dr Claudia Schulz, PR, MODEUROP moderated the session and introduced the attendees of the webinar to the Autumn Winter 22/23 season.

“THE FUTURE IS PLANTS. NOT PLASTIC”

Mr Martin Wutke, Creative Director, MODEUROP began his presentation with the seasons’ inspirations. He quoted from the French statement: **“THE FUTURE IS PLANTS. NOT PLASTIC.”** A small but important step towards eliminating petroleum from the fashion industry.



This was followed by a presentation by the President of MODEUROP, Mr Karim Choukair on how the 'Colours of MODEUROP' served as a marketing tool.

Mr Martin Wutke later presented the MODEUROP Colour Trends for the Autumn Winter 22/23 season:

I INSTINCTIVENESS:nature-driven colour story COLOURS & MATERIALS

The mountains at dusk, log fires in the lodge after a long hiking trip – this is the season's colour story distilling a new-found love for nature. Dark Moss, warm Foxberry and Marsh Brown are the cornerstones. Black stands for the dark side of nature. Lighter hues such as light green Hay, a softly gleaming Olive Oil and deep Red Fox browns allow for variations, often shrouded in a gentle Pale Sun yellow. Add some French Blue to create a refreshing dissonance carrying great potential for adventurous journeys through this season's exciting colour landscape.



Materials are warm, cosy and comfy. It's all about naturalness. Furry surfaces and shearling are on a par with fluffy knitted and crocheted looks. Corduroy and felt are a staple. Leathers come in deep velours variations, natural grains and barksy surface structures. Pull-off effects, tumbled surfaces and patchwork looks characteristically add a vintage touch. Fringes are taking on new dimensions in length, width and colours, even in bold woollen varieties. Craftmanship and artisanal skills are at a premium when it comes to details. Metal pieces have a slight patina look. Big buckles and chain elements in charm-bracelet style are used for decorative effects.

II VIVIDNESS:celebration of life



COLOURS & MATERIALS

The colours of this palette signal optimism and the sheer fun of having a good time, boisterously announcing the joy of life. A luminous Orange Glow and radiant Mars Red essentially lay the ground, combined with Cosmic Petrol, also in metallic looks. Sapphire Blue and Olive Drab add depth. Silver Grey brings visual lightness, while Digital Mint scores with intense luminosity. Almond contributes the natural touch, radiant Azure produces crisp contrasts full of energy. These are positive colour signals of the most innovative kind, rich in contrasts and tones finely tuned to create novel colour compositions.

Surface structures also send out positive signals. Smooth unblemished leathers turn into shiny gems with both lacquered and metallic finishings. A dynamic touch is added by quilting and other volume enhancing effects. Rubber coatings and transparent laminations create a sporty look. Colour gradients and geometric patterns in contrasting colours are on an equal footing with vividly coloured patchwork. Innovative 3D-techniques and new adhesive methods allow for structures and sole constructions outside the norm. Oversized accessories from chains to clasps are assertive statements and enhance the fun factor.

Rubberised details add a modern spin on zippers and chain elements. Material varieties abound – boundlessly.

III TENDERNESS: decorated glam, well-being, fairy-tale feeling

COLOURS & MATERIALS

The colour palette is poetic and emotional. Sensual, luxuriant hues are flanked by neutral colours. Light and shadow contrasts on the one hand – an almost black Plumb Grey combined with almost white Snow Rose; Dove blue strikes a nuanced balance between light and dark. Rich gem colours, a cool red Garnet and blue-green Ivy underline the theme's mystical aura. Nature comes in with Gravel greige, warm Taupe and light Patina Green. Barbie Pink adds a gay moment and takes the romantic, emotional colour mood to the next level.



Materials reiterate the soft and gentle side of the theme: smooth nubuk and nappa with or without grain structures, buffed suede alongside woolly-fluffy surfaces. Continued by softly gleaming velvety and satin fabrics. Lacey impressions are realised as debossings and print motifs. 3D-volume achieved through novel structures, interpreted as petals or waves. Ruffles and new types of pleating create movement. Ribbons and playful bondage elements assist. Curb chains, rhinestones and pearls decorate shoe and boot laces, straps and buckles. Contrasting these soft and playful elements are massive studs in the shape of pyramids or cones, oversized chain elements and metal embellishments. There is a lot of innovative potential contrasting the tough and rough against the soft and tender.

Discussions followed that were moderated by Dr Claudia Schulz. Mr Clemens Bolmus from MODEUROP organized the webex meeting, while Ms VerenaMennickken from MODEUROP is gearing-up with the releases of new seasons' colour card.

In conclusion, Mr Manfred Junkert thanked Mr Martin Wutke for his fine presentation.

The next Colour Club Conference of MODEUROP for the Spring Summer 2023 season will be held during 12-14 October 2021 in Germany.



Expo Riva Schuh & Gardabags are due to return on site from July 18 to 20, 2021

The key word for the forthcoming on site edition of Expo Riva Schuh & Gardabags – due to take place in Riva del Garda from 18th to 20th July – is just one, news.

“After a long break imposed by the precautionary measures, the footwear sector and its leading figures once again feel the need to get together in a physical place to meet up, obtain updates and do business. And from this objective to give a strong signal that we are ready to restart, the need arose for a further enrichment of our format, with the establishment of a Scientific Committee of experts and the enhancement of the Digital Connection” - stated Alessandra Albarelli, Managing Director of Riva del Garda Fierecongressi.

With the aim of consolidating the role of Expo Riva Schuh & Gardabags as a reference point on the international scene and, at the same time, confirming its mission oriented towards all-round support for exhibiting companies and buyers, a Scientific Committee of high-profile experts has been created. This pool of industry players have opted to make their skills available to actively contribute to the implementation of those initiatives aimed at sustainability and innovation that will guide the fair in the coming years.

The committee will be chaired by Enrico Cietta (CEO of Diomedea), with Matteo Pasca (CEO of Arsutoria) as Vice President. Other members include Alberto Mattiello (Head of the Innovation Retail Hub), Ellen Schmidt-Devlin (Co-founder and Executive Director, Sports Product Management Programme at the Oregon University), and Rossella Ravagli (Strategic Advisor and Director of the Three-Year Course of Higher Education in Sustainable Fashion at 'Accademia Unidee/Fondazione Pistoletto'), whose contri-

bution will be fundamental in amplifying the international vocation of the event.

An initial taster of the Scientific Committee's activity will be the debut, on June 13th, of the Digital Connection, a virtual route that will accompany the business of the companies and buyers who head to the fair. It includes numerous virtual networking opportunities and a broad selection of on site and off site events, available until 30th September. And indeed, the first step will be the new edition of Expo Riva SHOW, which will kick off on Sunday 13th June. By registering on the event's digital platform, users will be able to take part in three days of events aimed at the market, sustainability and sourcing, orchestrated by Sebastiano Zanolli (Manager, Advisor, Author and Speaker).

On day one, a considerable amount of time will be dedicated to the explosion of the topics that featured in the recent analysis of market trends in the footwear and leather goods segment conducted by the fair to provide an overview of the future of these sectors. The focus of the second day will be the debate on those resources (from traceability to communication) that are useful for promoting the development of truly sustainable policies within the fashion world. Day three, on the other hand, will close with an intense programme all about exploring sourcing and the post-pandemic scenario which will steer strategies in the near future, from globalisation to proximity production.

“The Digital Connection and the entire range of tools and technological services introduced within Expo Riva Schuh & Gardabags will provide an important opportunity to enhance and extend the advantages of participation in our event,” emphasised Roberto Pellegrini, Chairman of Riva del Garda Fierecongressi. However, the main objective remains to ensure that buyers and exhibitors can meet in person, and above all in safety, from 18th to 20th July.”

To protect the footwear and accessory community and ensure the right amount of competitiveness necessary for the recovery of the entire system - and beyond - it is essential to adopt those best practices for the containment of the Coronavirus that have been developed by Riva del Garda Fierecongressi, the event organiser.

The result is a protocol of measures relating to access and time spent at the fair and the activation of dedicated transfer services to and from the main airports in northern Italy. Important news concerns the setting up of a swab test centre inside the exhibition itself, an initiative designed to make it possible to hold the fair in complete safety and facilitate the procedure for obtaining the European green pass, allowing easier and faster mobility between countries.

Here are the details of the forthcoming events:

95th Expo Riva Schuh: 18th, 19th & 20th July 2021, in Riva del Garda (Italy)

6th Gardabags: 18th, 19th & 20th July 2021, in Riva del Garda (Italy)

The Digital Connection: 13th June – 30th September 2021, the event's online platform

Further information is available at: www.exporivaschuh.it

Creating a new East Coast home for the women's young contemporary, sportswear, trend, footwear, and children's market segments, MAGIC New York will premiere on September 19-21, 2021 at the Jacob Javits Center

<https://www.findfashionevents.com>

Stahl Introduces a Renewable Carbon Product Portfolio to Open New Sustainable Leather Possibilities

Stahl, an active proponent of responsible chemistry announced the launch of Stahl Ympact®, a family of leather chemical solutions made with renewable feedstocks on June 1, 2021. As a first step, Stahl introduces its first product portfolio of renewable carbon polyurethanes for base- and top coats in leather finishing. These products originating from biomass feedstock and carbon-captured CO₂ with a content of up to 70% will help tanneries to reduce their environmental footprint without compromising on quality or performance.

Around the world, tanneries are under increasing pressure from consumers and regulatory authorities to improve the environmental profile of their products and services. To address these issues, and to support its customers in seizing the commercial opportunities of defossilization, Stahl is launching Stahl Ympact®. As a first step, seven product solutions of renewable carbon polyurethanes for base- and top-coats

are being initially introduced. Later in 2021, a further two products will be introduced. All Stahl Ympact® solutions deliver an equal or improved functional performance to conventional alternatives and require no retooling.

Building on Stahl's strong track record in co-creation and open innovation, Stahl Ympact® has been developed in close collaboration with a range of partners. Indeed, to ensure transparency and accountability toward all downstream partners, the products in this family have been tested and certified using the ASTM D 6866 carbon isotope method for bio-based carbon content. Stahl Ympact® incorporates only future-ready chemical components and all products are compliant with the Zero Discharge of Hazardous Chemicals (ZDHC)'s Restricted Substance List (MRSL 2.0) and contain less than 1% volatile organic compounds.

Joachim Henkmann, Global Market Director Leather Chemicals at Stahl: "The launch of Stahl Ympact® underlines our commitment to responsible chemistry and to supporting the leather industry in reducing its environmental footprint. This renewable carbon product portfolio will enable our customers to – easily and effectively – embrace sustainability, seize new commercial opportunities, and enter new markets. Moving forward, by working together with our partners, we will further support the defossilization of the leather industry, and offer solutions from beamhouse to finishing with material resources from renewable feedstocks. Making Stahl Ympact® the technology of tomorrow, today."

For more information on Stahl Ympact®, please visit:

<https://www.stahl.com/leather-brands/stahl-ympact>

TFL completes the acquisition of LANXESS Organic Leather Chemicals business

TFL Ledertechnik GmbH – a leading global supplier of specialty chemicals to the leather industry and a portfolio company of the US investment company Black Diamond Capital Management, L.L.C. – has completed the acquisition of the organic leather chemicals (OLC) business of LANXESS. The transaction has received the approval of the relevant authorities and closed on 1st June 2021. The TFL and OLC teams are now working together to integrate the two businesses to provide a seamless service to our customers worldwide.

LANXESS manufactures a broad range of leather chemicals at its plants in Leverkusen (Germany), Filago (Italy), and Changzhou (China) and has a worldwide network of application-oriented laboratories and sales offices. TFL has acquired all of LANXESS's organic leather chemicals business,

which operates with approximately 420 employees.

"I am excited that the leather chemical business of LANXESS is now part of TFL. The combination of two world-leading leather chemicals businesses will allow us better serve our customers with an unparalleled range of high performing, innovative and sustainable solutions to the leather industry", said Dr. Wolfgang Schütt, CEO of the TFL Group "and we are very pleased to welcome our new colleagues as part of the TFL family now."

The combined TFL and LANXESS leather businesses now employs around 1,200 people worldwide and has a turnover of approximately €450 Million on a proforma basis. With production facilities in Germany, Italy, France, Brazil, India and China and a presence in over 90 countries, it provides excellent global coverage.

TFL is a leading global supplier of specialty chemicals to the leather industry and a portfolio company of the US investment company Black Diamond Capital Management, L.L.C. TFL offers innovative products and solutions to tanneries, leather processing companies, and coaters- always striving to introduce fresh ideas to the market. We develop, produce and market specialty leather chemicals for the footwear, auto, furniture and garment industries. The company employs approximately 800 employees in 15 countries.



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