

LEATHER NEWS INDIA

August 2021

Volume : 12 Issue : 8

Price : Rs. 100/-

- Meeting of Export Promotion Councils and Commodity Boards chaired by Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry and Textiles, Government of India on 19th August 2021, Mumbai, Maharashtra
- Chairman, CLE calls on Shri Piyush Goyal, Hon'ble Union Minister for Commerce & Industry and Textiles on 31.8.21 in New Delhi

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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

As you are all aware, CLE has been taking-up various issues concerning policy, procedures and duties from time to time with the Government.

During my meeting with Shri Piyush Goyal, Hon'ble Union Minister for Commerce & Industry and Textiles in New Delhi on Aug. 31, 2021, I have taken-up various requests of our industry for the overall growth. These requests not only pertain to fiscal issues like reinstatement of import duty exemption on wet blue, crust and finished leathers, extension of interest equalization scheme, reinstatement of duty free import scheme and extension of Emergency Credit Guarantee Scheme (ECLGS 2.0) scheme to our sector, but also requests concerning major thrust areas namely Investment Promotion and Production enhancement, Marketing, Design and Skilling and Logistics.

Under Investment Promotion and Production enhancement, we requested for not only extending the Production Linked Incentive Scheme (PLI) for our sector, but also development of Mega Leather Clusters with plug-and-play model by the Government, establishing micro clusters near existing clusters and support for product diversification.

Under Marketing, we sought support for e-commerce initiatives, digitization and acquiring brands while under Design and Skilling, we sought support for product engineering, upskilling and re-skilling of workers and also undertaking labour mapping.

On the logistics front, we sought infrastructure development in existing clusters, 24 x 7 customs clearance in all ports, single window clearance system for production units and financial support on freight.

As the Government has set an export target of USD 5.89 billion for our sector this year, we require the handholding of the Government in the aforesaid critical areas, so as to enhance our competitiveness and utilize the emerging business opportunities. I hope that the Government will favourably consider our requests.

With best wishes

Sanjay Leekha

Chairman

COUNCIL FOR LEATHER EXPORTS



Dear Members

The Ministry of Commerce and Industry, Govt. of India has set an export target of US\$5.89 billion has been fixed for leather, leather products and footwear during 2021-22.

Export of leather, leather products and footwear during 2019-20 and 2020-21 was USD 5.09 billion and USD 3.68 billion respectively. In order to achieve the export target of USD 5.89 billion this year, the sector has to achieve 15.72% growth when compared to 2019-20 export level and 60.05% growth when compared to 2020-21 export level.

The country-wise export target details have been circulated to all members and members have been requested to undertake aggressive marketing to achieve this target and also to participate in large numbers in CLE export promotion activities.

CLE will undertake all efforts to achieve the target. CLE has planned more than 30 marketing events this year and has already organized 6 B2B events this year. Completed events includes virtual BSM with Guatemala, Central American countries, Sudan, Japan, Oman, Nigeria and also participation in Expo Riva Schuh fair. CLE has organized B2B meetings with Wal-mart and US Fashion Industry Association (USFIA).

Knowledge based seminars on foreign exchange retail, online trade platform and banking and testing services event organized. 7 such webinars organized. List of events is enclosed.

CLE has written to more than 100 Indian Embassies requesting for buyers database and virtual B2B events.

Let us all work together to achieve the target.

I hope you will find information in this edition useful

With kind regards

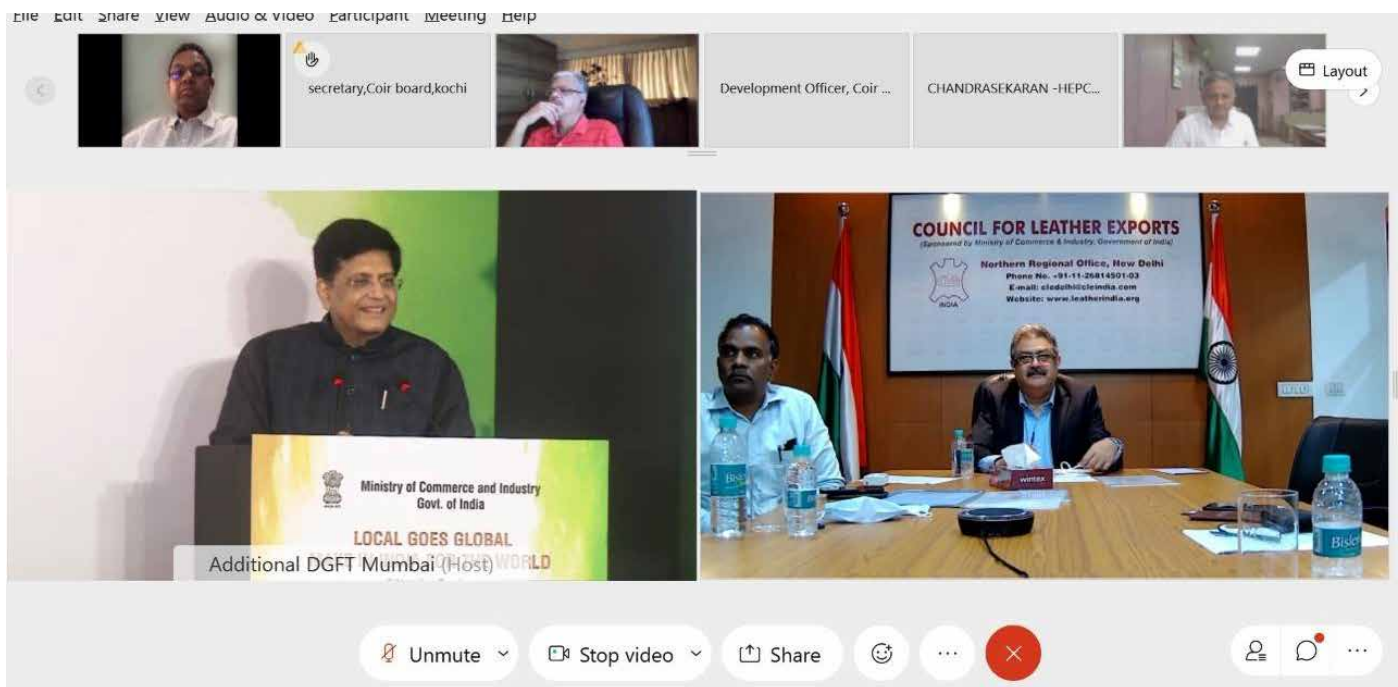
R. Selvam IAS

Executive Director

COUNCIL FOR LEATHER EXPORTS



Meeting of Export Promotion Councils and Commodity Boards chaired by Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry and Textiles, Government of India on 19th August 2021, Mumbai, Maharashtra



Shri Piyush Goyal, Hon'ble Union Commerce & Industry and Textiles Minister, Government of India addressing the EPCs and Commodity Boards

Hybrid mode of interactive meeting under the chairmanship of Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry and Textiles was convened on 19th August 2021 in Mumbai, Maharashtra. This meeting was organized with the objective to erect the roadmap to achieve the ambitious target of merchandise export of USD 400 billion set up by Hon'ble Prime Minister of India for the export sectors. Moreover, this meeting also focused on the long-term goal of taking the India's export turnover to the extent of USD 2 trillion by the end of year 2030.

This meeting was attended by Export Promotion Councils and Commodity Boards falling under the Commerce

Ministry and Ministry of Textiles of Government of India.

Shri Sanjay Leekha, Chairman, Council for Leather Exports and Shri R. Selvam, IAS, Executive Director, CLE attended the meeting virtually from Delhi Regional Office (DRO), Okhla, New Delhi.



Shri Amit Yadav, IAS, Director General Foreign Trade, Department of Commerce giving presentation to EPCs/CBs

Points taken up by Shri Sanjay Leekha, Chairman, CLE in meeting with EPCs and CBs chaired by Shri Piyush Goyal, Honble CIM.

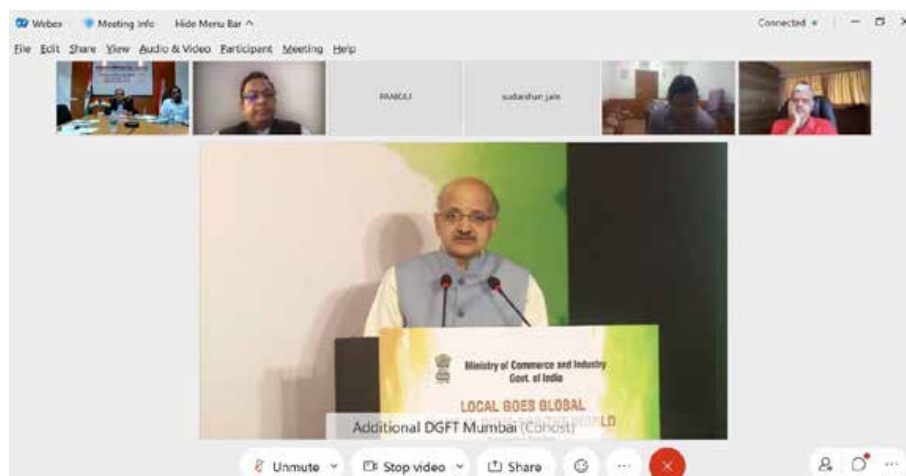
We thank Hon'ble Union Minister for Commerce and Industry Shri Piyush Goyal ji, Hon'ble Minister of State for Commerce and Industry, Department of Commerce, DPIIT and DGFT for their wonderful support for the growth of leather and footwear industry.

- A target of USD 5.89 billion has been set for leather & leather manufactures for the current year 2021-22. Our industry is confident of achieving this target. Our industry has achieved 83.74% growth during April – July 2021 when compared to same period last year. i.e. from USD 793.05 million in April – July 2020 to USD 1457.19 million in April – July 2021.

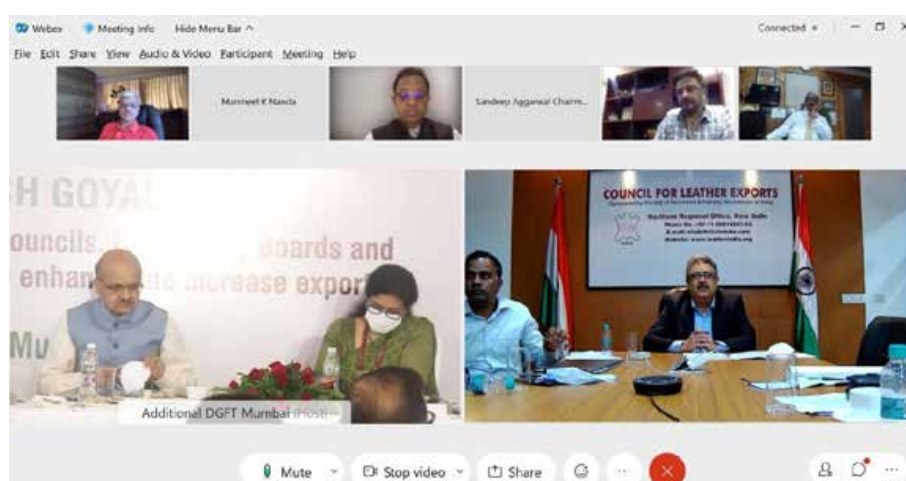
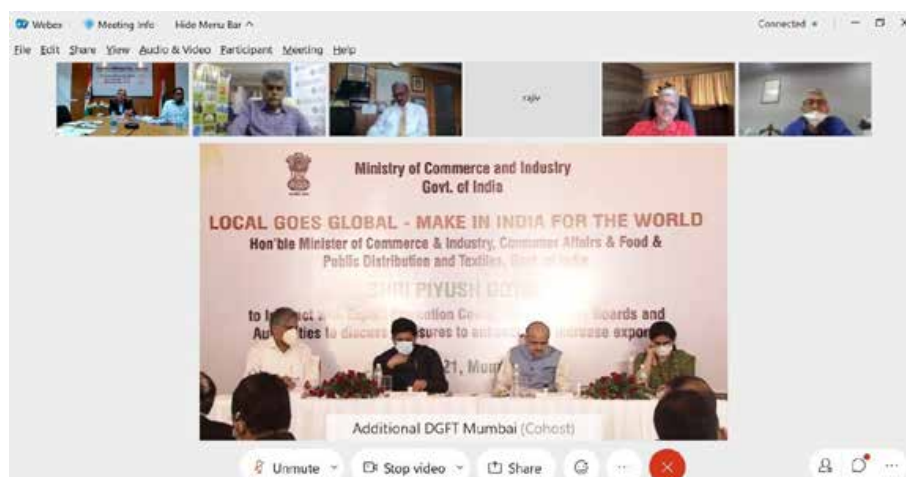
- In order to achieve the export target and also achieve sustainable export growth, we would request the following.

- Reinstatement of import duty exemption on wet blue, crust and finished leathers : The import duty exemption on wet blue, crust and finished leathers was removed in Union Budget 2021-22. The leathers which are imported are of different species, colours and textures and not available in India are imported only as per requirement of brands and are imported from 105 countries by 1171 companies, mostly MSME units. During 2019-20, India imported leathers worth USD 550 million but exported value added products worth USD 5093 billion, which is almost 10 times the value of import.. Hence, we would request reinstatement of import duty exemption on wet blue, crust and finished leathers

- PLI : We are thankful to the Government for announcing the Production Linked Incentive (PLI) for certain sectors. Our humble request is to extend the PLI scheme for the leather, leather products and



Shri B.V.R. Subrahmanyam, IAS, Secretary, Department of Commerce addressing EPCs/CBs



Shri Sanjay Leekha, Chairman, CLE presenting the requests of Council for Leather Exports to the Ministry

footwear sector, as the sector is predominantly in MSME, is a labour oriented sector, has a huge turnover of USD 17 billion during 2019-20 and has huge prospects for growth and employment generation.

- Revision of Rates of Drawback : The last revision of All Industry rate of Drawback (AIDBK) was done in the January 2020. For few footwear items,

the drawback was enhanced in July 2020. Considering the subsequent increase in the excise duty on fuel used in export products, we would request your kind consideration for enhancing the Drawback for leather, leather products and footwear falling under Chapters 41, 42, 43 and 64 factoring the increased duty incidence.

- **24 x 7 Customs clearances :** In order to meet the short delivery time schedules of buyers, Government may consider having 24 X 7 customs clearances in ICDs/ Ports located in major industry/export clusters.

- **FTAs :** About 72% of our sector's exports are directed at EU and USA. We thank the Government for reviving the trade negotiations with EU and UK. We would request that firming-up FTAs with EU, UK and USA with 0% duty for finished leather, leather products and footwear will be of immense help in enhancing our competitiveness in these major markets. Besides, the trade agreements with other potential markets namely Canada, UAE, Australia, South African Customs Union (SACU) and Eurasian Economic Union (may kindly be firming-up.

- **Interest Equalisation :** The industry is facing huge liquidity problems. Hence, Interest equalisation on rupee export credit may kindly be extended for the next five years. This is now extended upto Sept. 30, 2021. This provides 5% equalisation for MSMEs and 3% for non MSMEs of 416 tariff lines including footwear under Chapter 64 and leather products under 4201 and 4205.

- **Emergency Credit Line Guarantee Scheme (ECLGS 2.0) :** ECLGS 2.0 has been extended to 26 sectors as per the report of the expert Committee on Resolution Framework for COVID 19 related stress headed by Shri V.V. Kamath. ECLGS 2.0 may kindly be extended to the leather and footwear industry, as our sector had a setback on account

of COVID 19 Pandemic and for revival of export, there is a huge working capital requirement.

- **Logistics :** Considering the huge freight cost, the Government may consider providing financial support for logistics to increase our competitiveness.

Speaking at the meeting the Hon'ble Union Minister for Commerce & Industry and Textiles Shri Piyush Goyal said that the nation is working towards making a quantum jump in merchandise exports. He said this has been made possible, thanks to the structural changes initiated by the government under the leadership of Hon'ble Prime Minister Shri Narendra Modi. The Hon'ble Minister said that the merchandise export target of \$400 billion for the year 2021-22 has been set, in line with the Prime Minister's clarion call, "Local goes Global: Make in India for the World".

The Hon'ble Minister added that the target has been generated through a bottom-up and consultative approach, wherein specific targets for each country, product, Export Promotion Council and foreign mission has been set. The Hon'ble Minister exhorted all Export Promotion Councils to take immediate and effective steps to rise to the challenge of achieving the merchandise export target of \$400 billion for 2021-22. "We need to maintain the export momentum for the next 8 months, with \$34 billion exports per month to achieve this target. The goal is ambitious, but possible if all including EPCs and their members work together", added Shri Goyal.

The Hon'ble Minister asked the export community to also target \$2 trillion exports by the year 2030, comprising \$1 trillion merchandise exports and \$1 trillion services exports. The Minister announced that two separate divisions are being set up in the Commerce Ministry focused on the services sector, in order to attain the \$1 trillion services exports target.

The Hon'ble Minister informed that the Free Trade Agreement (FTA) strategy is being revamped. "Free Trade Agreements are being formulated in a much more interactive process, we are engaging with industry to ensure that FTAs are fairly and equitably crafted. At the same time, FTAs cannot be a one-way traffic, we also need to open our markets, if we want a larger share in foreign markets. So, we need to identify areas where we can withstand competition. We can sort out FTAs fairly quickly, if the areas where we have the ability to compete internationally can be identified, as part of a collective effort." Informing about the progress of FTAs with various developed countries, the Hon'ble Minister informed that we are at a very positive momentum in terms of FTAs, with the UK, EU, Australia, Canada, UAE, Israel and the GCC countries. "Our effort is to ensure focus on countries where we have significant potential, where we can compete better and where market size is significant."

Shri Goyal said that India is looking at identifying areas of immediate interest for India and UK, and conclude an Early Harvest Agreement with UK. Australia has shown the highest level of engagement and has shown significant interest to do an Early Harvest Agreement, this will help us engage with others too on similar lines, he informed. On the FTA with the EU, the Hon'ble Minister stated that it is only due to the Prime Minister's good will and credibility that the EU has agreed to once again engage in negotiations for an FTA. India will be working very hard to speed this up, he said. He added: "If the FTA

with UAE happens, FTAs with GCC countries too will get expedited. The USA has kind of indicated that they are not looking at new trade agreements, however, we will work with them to address market access issues on both sides, this will be a big opportunity for our export sector.

The Hon'ble Minister exhorted the industry to study both domestic and international quality standards and work towards aligning the standards. "Let us accept and adopt quality standards voluntarily and happily and build our industries to meet global quality standards."

The Hon'ble Minister said that World Expo is going to be a big opportunity for Indian industry. "The Indian Pavillion at World Expo, Dubai is going to be absolutely fabulous, it will make you proud, I can assure you."

The Hon'ble Minister told the export community that they - Export Promotion Councils, and Commodity Boards can play a key role in export promotion. They can provide market intelligence, explore new markets and destinations, arrange trade fairs and buyer-seller meets, handhold exporters and work closely with Ministries/Departments, he said. Shri Goyal told the export community that India needs to once again become "Duniya ka Bazar" and "Duniya ka Karkhana", reclaiming its historical position as a great trading nation.

Policy Measures taken to Boost Exports

- Underlining various steps taken to boost exports, the Hon'ble Minister recalled that the Draft National Logistics Policy has been introduced. Districts are being developed as Export Hubs and Free Trade Agreements are being fast-tracked. Compliance requirement has been reduced, Production Linked Incentive Scheme has been introduced for 13 sectors and SEZ reforms have been brought in. Trade facilitation is being done on digital platforms and a comprehensive Agriculture Export Policy has been made.

- A New Foreign Trade Policy will be announced on October 1, 2021 and Indian Missions abroad will play an active role in its implementation. A single-window customs clearance has been extended for exporters.

The Commerce & Industry Minister thanked all EPCs who he said have served selflessly during the challenging times of COVID-19. He recalled that India became the pharmacy of the world, supplied high-quality and critical health items and sent millions of vaccine doses. It also became a reliable supplier of food to the world during the pandemic and met all our international service commitments even during the lockdown. This has helped India earn the trust of the world, said the Minister.

Shri Goyal said "Our Exporters have made us proud by achieving record trade volumes in April- July 2021." Exports in July 2021 was \$35 billion, the highest-ever monthly export in Indian history, and an increase of 35% with respect to July 2019. Merchandise exports in Apr-July 2021 was \$130 billion, an increase of 22% with respect to April-July 2019.

Speaking on the occasion, Commerce Secretary Shri B.V.R Subrahmanyam said, Government of India has set a very solid export target of \$ 400 billion for 2021-22. The target has been arrived at through a systematic assessment of export potential. "Trade has been laid down as the top priority for our diplomats, foreign missions will help in facilitating exporters. We are working on creating state-level export commissioners, district-level export hubs and other infrastructure for export facilitation", informed Shri Subrahmanyam.

Engagement with states and districts is a key focus area. Through their role in District Export Promotion Councils, the EPCs should actively contribute in preparing strategy for promoting exports of identified products/services from the districts, said Shri Amit Yadav, Director General of Foreign Trade.

The Hon'ble Minister and senior officials of the government took note of the various issues and suggestions given by the industry and assured them to continue to address them suitably, in line with the Government's goal of boosting exports and the economy.



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Chairman, CLE calls on Shri Piyush Goyal, Hon'ble Union Minister for Commerce & Industry and Textiles on 31.8.21 in New Delhi



Shri Sanjay Leekha, Chairman, CLE along with a leather industry delegation called on Shri Piyush Goyal, Hon'ble Union Minister for Commerce & Industry and Textiles on 31.8.21 in New Delhi to discuss trade related matters. Shri Motilal Sethi, Regional Chairman (North), CLE ; Shri Puran Dawar, Member, COA, CLE and Shri Snehdeep Aggarwal, Founder and Chairman, Bhartiya Group were part of the delegation.

On behalf of leather, leather products and footwear industry, thanked the Hon'ble Minister for implementing various support measures for the growth of exports. During the meeting, Chairman, CLE submitted a representation stating the following

- As India is viewed as a favourite sourcing destination, the leather and footwear industry will strive hard to

utilize the emerging business opportunities and achieve the export target of USD 5.89 billion this year and maintain the growth momentum in the coming years too. In this connection, the Council for Leather Exports has drawn-up an aggressive marketing campaign involving more than 30 events this year, with the active support of our Indian Missions abroad. The export growth of about 84% achieved by our sector during April – July 2021 has given us the confidence that we will be able to achieve the export target of USD 5.89 billion this year.

I Investment Promotion and Production enhancement

- In order to achieve the export target this year and also sustain our export growth so as to reach the export value of USD 10 billion (from existing USD 3.68 billion) and domestic market turnover of USD 20 billion (from existing USD 12 billion) in the next five years, we would request kind consideration of extending the Production Linked Incentive Scheme (PLI) to the leather, leather products and footwear sector. In this regard, we are working with all leading companies and have sought their plan details so as to enhance their production, exports and increase employment opportunities in the next 5-6 years.

- Mega Clusters with plug-and-play model :The DPIIT implemented the scheme of Mega Footwear, Leather & Accessories Development Clusters (MLFSC) as a sub-scheme under Indian Footwear, Leather & Accessories Development

Programme (IFLADP) during 2017-21. As of now, three MLFACs in Andhra Pradesh, Uttar Pradesh, Maharashtra and West Bengal have been approved. However, these MLFACs are based on the SPV model wherein the SPV identifies the land and also creates all the infrastructure. However, this model is not successful. Hence, the request is that Mega Clusters is to be established by Govt. with Plug & Play Model (i.e. land, factory & infrastructure including Design Studio, Testing Lab, Dormitories etc.,) rather than having SPV model for such clusters.

• **Micro Clusters** : Developing Mega Clusters will take 6-7 years.. Hence, besides developing Mega Clusters, Govt. may establish Micro Clusters near existing clusters with plug-and-play model to promote quicker capacity expansion.

• **Product Diversification** : There is Huge potential in Ladies and Children Footwear as these account for 70% of global footwear imports, as compared to about 35% share in our exports. Incentives for JVs and FDIs in these segments to be provided.

Non leather footwear accounts for 60% of global footwear imports in value terms. India's share in global market is only 0.5%. There are few manufacturers of PU, which is the basic raw material for non leather footwear. Hence, Duty free import of PU to be considered. SEZs for non leather footwear to be promoted.

2 Marketing

□ **Acquiring Brands** : India is a contract manufacturer supplying to major overseas brands. Hence, there is need for promoting our brands to move-up the value chain. Building of brands takes minimum 6-7 years. Hence, Govt. may provide funding support for acquiring a well established overseas brand, as this requires huge investment. Acquiring a

brand will facilitate development of co-brands.

□ **Digitization & E – Commerce** : Support to be provided for Digitization and Digital marketing for B2B. This includes putting-in place systems like digital access of the buyer to the material bank and prototypes of the exporter for finalizing the samples, having 3 D printers

• **FTAs** : FTAs with EU and USA (which account for 70% of our exports)

3 Design and Skilling

□ **Product Engineering**: India is not a trend setter in design though many design development initiatives are being now taken-up. Hence, Product engineering i.e. product design and development has to be stepped-up. For this, we need to employ overseas experts to guide our exporters. Support to be provided for individual companies and to existing Design Studios for engaging such overseas experts for product engineering.

□ **Up-skilling and re-skilling** : Up-skilling and re-skilling of workforce is important to be in the mainstream of Industry 4.0. Overseas trainers are required to be engaged for this purpose, for which Government support is required.

□ **Labour Mapping** : Mapping of labour availability throughout the country to be done to facilitate start-ups.

4 Fiscal Measures

• **Import duty exemption on wet blue, crust and finished leathers** : Reinstatement of Import duty exemption on wet blue, crust and finished leathers is requested. This exemption was removed in Union Budget 2021-22. Imported leathers are different species, colours and textures and not available in India are imported only as per requirement of brands and are imported from 105 countries by 1171 companies, mostly MSME units. During 2019-20, India imported leathers worth USD 550 million but exported value added products worth USD 5093 million, which is almost 10 times the value of import of leathers.

• **Duty Free Import Scheme** : Duty Free Import Scheme for import of critical inputs as per buyer requirements may be re-instated. This scheme was removed in Union Budget 2021-22.

- The duty free import scheme was implemented as per provisions of serial nos. 288, 311 and 312 of Customs Notification No. 50/2017 dated 30.6.2017. Under this scheme, the Basic Customs duty exemption was upto 3% of FOB value of exports in previous year for leather garment exporters and 5% of FOB value of exports in previous years for manufacturer exporters of footwear and other leather products, for import of notified inputs (details of notified inputs are given below).

- The Duty Free import scheme immensely helped in enhancing the price competitiveness of the Indian exporters who make value added products namely footwear and leather products. Also, the inputs and components imported under the scheme are not available in India and are imported only as per specifications of buyers. This scheme is implemented only for manufacturer exporters of footwear and other leather products

and for manufacturer and merchant exporters tied-up with supporting manufacturers for leather garments segment who are registered with CLE.

- The average utilisation of the scheme is about 82% to 83%.

- **ECLGS 2.0** : At present only the ECLGS 1.0 is applicable for the MSME units in leather, leather products and footwear sector. The Emergency Credit Line Guarantee Scheme (ECLGS 2.0) has been extended to 26 sectors as per the report of the expert Committee on Resolution Framework for COVID 19 related stress headed by Shri V.V. Kamath. ECLGS 2.0 may kindly be extended to the leather and footwear industry, as our sector had a setback on account of COVID 19 Pandemic and for revival of export, there is a huge working capital requirement.

Under ECLGS 2.0 entities with outstanding credit above Rs. 50 crore and not exceeding Rs. 500 crore as on 29.2.2020, which were less than or equal to 30 days past due as on 29.2.2020 are eligible. These entities/ borrower accounts shall be eligible

for additional funding up to 20 per cent (which could be fund based or non-fund based or both) of their total outstanding credit (fund based only) as a collateral free Guaranteed Emergency Credit Line (GECL), which would be fully guaranteed by National Credit Guarantee Trustee Company Limited (NCGTC). The loans provided under ECLGS 2.0 will have a 5-year tenor, with a 12-month moratorium on repayment of principal.

Under ECLGS-1.0, additional 20% credit facility is extended to borrowers whose total credit outstanding (fund based only) across all lending institutions and days past due as on February 29, 2020 was upto Rs.50 crore and upto 60 days respectively. The loans provided under ECLGS 1.0 will have a 4-year tenor, with a 12-month moratorium on repayment of principal.

- **Interest Equalisation** : Interest equalisation on rupee export credit may be extended for the next five years. This is now extended upto Sept. 30, 2021.

- **E-Wallet** : E – Wallet Scheme may kindly be introduced for GST payment.

5 Logistics

- **Infrastructure development in clusters** : It is requested to Strengthen infrastructure in existing Towns of Export Excellence (Ambur, Kanpur, Agra) and also all leather clusters. Improving Port connectivity, Digitization, Water Supply, Drainage etc.,

- **24 x 7 Customs clearance** : In order to meet the short delivery time schedules of buyers, Government may consider having 24 X 7 customs clearances in ICDs/ Ports located in major industry/export clusters.

- **Logistics support** : Considering the huge freight cost, the Government may consider providing financial support for logistics to increase competitiveness.

- **Single window** : Facilitate Single Window Clearance for setting-up of units and for renewal of various licences/approvals for production units.



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MEETINGS OF CHAIRMAN, CLE

Meeting with Dr. Rajiv Kumar, Vice Chairman, NITI Aayog

Shri Sanjay Leekha, Chairman, CLE and Shri R Selvam, ED called on Dr. Rajiv Kumar, Vice Chairman, NITI Aayog on 19.8.21 in New Delhi to discuss leather and footwear sector growth issues. During the meeting, Chairman, CLE submitted a representation requesting various support measures including extension of Production Linked Incentive Scheme (PLI) to the leather, leather products and footwear sector.



Meeting with Shri Sanjeev Sanyal, Principal Economic Advisor, Ministry of Finance

Shri Sanjay Leekha, Chairman, CLE and Shri R Selvam, ED called on Shri Sanjeev Sanyal, Principal Economic Advisor, Ministry of Finance, Govt. of India on 19.8.21 at North Block, New Delhi to discuss leather and footwear sector growth issues. During the meeting, Chairman, CLE submitted a representation requesting various support measures including extension of Production Linked Incentive Scheme (PLI) to the leather, leather products and footwear sector.



Meeting with Dr. Amiya Chandra, Additional DGFT

Shri Sanjay Leekha, Chairman CLE along with a leather industry delegation met Dr. Amiya Chandra, Additional DGFT at Udyog Bhawan, New Delhi on 31.8.21. Shri Motilal Sethi, Regional Chairman (North), CLE ; Shri Puran Dawar, Member, COA, CLE and Shri Snehdeep Aggarwal, Founder and Chairman, Bhartiya Group were part of the delegation.



Meeting with Ms.Rachna Shah, Additional Secretary, Department of Commerce

Shri Sanjay Leekha, Chairman CLE met Ms.Rachna Shah, Additional Secretary, Department of Commerce at Udyog Bhawan, New Delhi on 31st Aug 2021



Meeting with Ms Nidhi Mani Tripathi, Joint Secretary, Dept. of Commerce

Shri Sanjay Leekha, Chairman, CLE along with leather industry delegation met Ms Nidhi Mani Tripathi, Joint Secretary, Dept. of Commerce in New Delhi on 31.8.21 to discuss trade related matters.



Meeting with Ms.Alka Arora, Joint Secretary, Ministry of MSME

Shri Sanjay Leekha Chairman CLE met Ms.Alka Arora, Joint Secretary, Ministry of MSME at Udyog Bhawan, New Delhi on 31st Aug 2021. During the meeting, Chairman, CLE submitted a representation requesting extension of Production Linked Incentive Scheme to the leather, leather products and footwear sector, and also financial support for implementing various eco friendly tanning technologies in leather sector.





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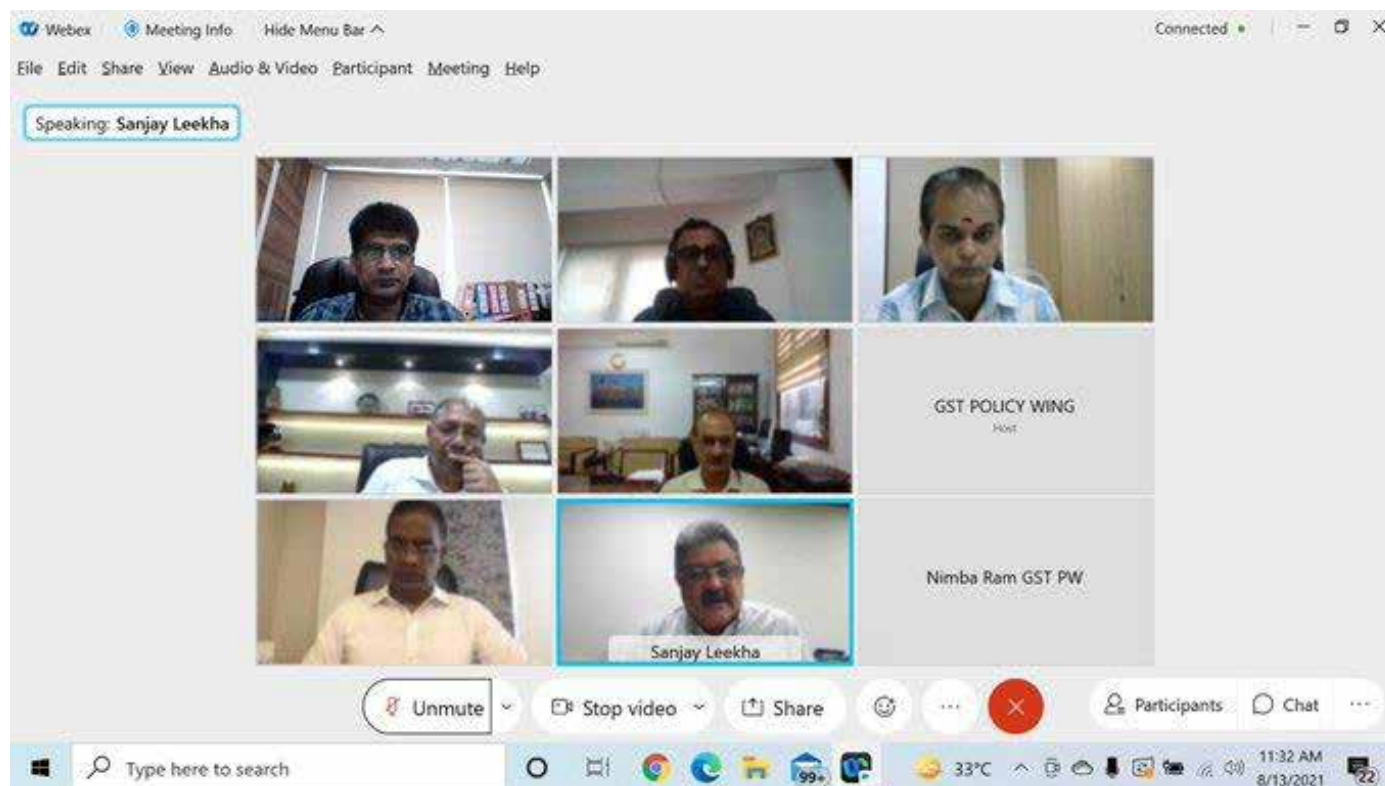
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आप निर्यात पर ध्यान केन्द्रित करें, हम जोखिम से रक्षा प्रदान करेंगे. • You focus on exports. We cover the risks.

Virtual Meeting with Shri Sanjay Mangal, Principal Commissioner, GST Policy , Aug. 13, 2021



Shri Sanjay Leekha, Chairman CLE called on Shri Sanjay Mangal, Principal Commissioner, GST Policy, Ministry of Finance on virtual meeting on 13.8.21 to discuss GST issues. Shri R K Jalan, Vice-Chairman CLE moderated the session and Shri R. Selvam, IAS, ED CLE attended.

The following issues were taken-up in the meeting.

1 Refund of IGST on exports - Risky Exporters

- Customs Circular No. 16/2019 dated June 17, 2019 states that exporter (who pay IGST on exports and who have been identified as “Risky Exporter” by Risk Management Centre for Customs (RMCC)) will be subjected to following procedure

- 100% examination of export cargo
- Suspension of IGST benefits

c) Verification of IGST refund claims by Chief Commissioner of Central Tax through concerned GST office. GST office will verify the claim within 30 days and Chief Commissioner of Central tax will send report within 5 days of receipt of verification report from GST office.

- Customs Circular No. 16 however does not specify on what basis an exporter is identified as “Risky Exporter”. It may be due to huge IGST refund claims, new company or due to non- submission of BRCs to Customs on time.

- In respect of exporters who are identified as Risky exporters the verification takes time by the GST formations. Till completion of verification and issue of NOC by Directorate General of Risk Management and Analytics (DGARM) , the Drawback and IGST refund are kept pending. Hence, it is requested that a time frame for completion of verification may kindly be fixed.

2 Non – Refund of Input Tax Credit on services & Capital goods under Inverted Duty Structure

- Inverted Duty structure arises when the output duty of GST for a product is less than the GST on inputs.

- For instance, for finished leather, the GST on chemicals is 18%, but GST on finished leather is only 5% and hence there is inverted duty structure. And in footwear with sale price upto Rs. 1000/- the output GST is 5% whereas finished leather used attracts 5% GST other inputs attract higher GST Rate of 18%.

- There are many services which are used -such as job work, security, transport, CETP charges etc which are significant part of the product cost.

- If these are sold within India @5% GST the refund of ITC on input services and Capital goods are not refunded and are to be included in the cost. Thus denying the ITC benefit to consumers.

- Request is for amendment of GST law for considering refund of GST input taxes on services and capital goods also under inverted duty structure.

3 Job work returns -simplification of procedure and Form ITC 04

• At present, materials sent for job worker from the principal and returned by job worker are not subjected to GST and as per Rule 45(3) of CGST Rules, a return in form ITC 04, showing the details of the delivery challans from principal to job worker and from job worker to principal is to be filed every quarter.

• There are practical difficulties in this regard. In manufacturing finished goods/ garments/ gloves/ footwear, the materials required for each unit is not sent in one lot but at different points of time either within the same day or different days. Eg. Leather components are sent first, then lining is sent and then embellishments are sent.

• Same manner the product after completion of job work is also not sent back to principal in one lot but in lots. Eg job work of 1000 shoe uppers are sent back to principal in lots as and when the production is completed

• Each movement is covered by difference Delivery challans and e way bill where applicable.

• Thus tallying delivery challan wise

and filing of ITC 04 has become a difficult task and is entailing additional manpower and cost to the exporters.

• Under excise, as per excise notification 214/86 an intimation was given to the jurisdiction Assistant Commissioners of Excise of principal and job worker. The movement is through challans the details of which are maintained by the principal

• **Hence in GST the following process is requested to mitigate the hardship and reduce cost of compliance –**

(1) Before the goods are moved to job worker for first time an online intimation, similar to LUT for exports, can be given for each job worker with details as to the name, full address, GST & PAN number and nature of job being done.

(2) The principal is to maintain detailed records which can be produced at the time of audit / verification.

(3) Taxable persons who have not less 80% of sale value is from exports be exempted from filing ITC 04, or alternatively

(4) A separate form ITC 04A be introduced for the exporters wherein the following details be given

- job worker wise summary of activities during the quarter ,starting and ending number of delivery challans issued and received and value of goods sent and received.

- Job work charges paid for each job worker with his invoice numbers

4 Sample Exports

• Samples form substantial part of export business. Samples are sent prior to booking of orders and also after the commencement of orders for sales man usage etc.

• At present, these samples are exported under cover of LUT without charging IGST through reputed couriers and hence no shipping bill is filed. These samples are either paid or free of cost.

• In case of paid sample where goods are taken out of India and consideration received in foreign exchange the same is treated as exports and zero rated

• But as per section 17(5) the ITC on free samples are to be reversed and this pushes up the cost to the exporter.

• Hence free samples sent/exported out of the country should also be allowed to be zero rated, with exporter maintain adequate documents as proof of export.

5 Treatment of Refund in Cases of Short Realisation from Buyer due to bank charges.

• There are instances the exporter receives a lower amount due to bank charges being deducted by overseas bankers.

• As per Rule

• In order to avoid claims by either Customs or GST departments in such cases, in future, a suitable clarification be issued in the matter.

6. Invoice value of exports to be taken as Export Value of Shipments for refund under LUT

• Rule 89(4) of CGST rules deal with refund of GST under LUT route. This rule fixes a cap on calculation of value of exports. That is value of exports is stipulated @1.50 times of domestic sale value of similar product. In this connection, it is submitted that the market value of a export product is being assessed by Customs authorities at the time of export and is included in the shipping bill. Hence the Customs market value determination can be relied upon, similar to the import value of product as assessed by Customs, as per section 5 of IGST Act.

Rule 89 (4) of CGST Rules

[(4) In the case of zero-rated supply of goods or services or both without payment of tax under bond or letter of undertaking in accordance with the provisions of sub-section (3) of section 16 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), refund of input tax credit shall be granted as per the following formula –

Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x Net ITC ÷ Adjusted Total Turnover Where, -

(A) “Refund amount” means the maximum refund that is admissible;

(B) “Net ITC” means input tax credit availed on inputs and input services during the relevant period other than the input tax

credit availed for which refund is claimed under sub-rules (4A) or (4B) or both;

[(C) □ Turnover of zero-rated supply of goods” means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking or the value which is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, Page 98 of 164 whichever is less, other than the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both;]

8. IGST refund for exports under Advance Authorisation and EOU

• IGST refund for exports under Advance Authorisation and EOU are not available as per Rule 96(10) of CGST rules.

• But as per amendment to the said rule vide notification 16/2020 dt 23.3.2020 IGST refund is allowed if IGST and compensation cess has been paid in Cash on imports and only exemption of Customs BCD is claimed. This was amended retrospectively from 23.10.2017. The amended rule is as follows –

10. In the said rules, in rule 96, in sub-rule (10), in clause (b) with effect from the 23rd October, 2017, the following Explanation shall be inserted, namely,- “Explanation.- For the purpose of this sub-rule, the benefit of the notifications mentioned therein shall not be considered to have been availed only where the registered person has paid Integrated Goods and Services Tax and Compensation Cess on inputs and has availed exemption of only Basic Customs Duty (BCD) under the said notifications.”

• But under advance license or EOU scheme even Social Welfare Surcharge is also exempted. Thus SWS exemption should also be included in the amendment.

• Further the Rule 96(10) refers to only 2017 Customs notifications for exemption from non payment of IGST and Compensation Cess, but not amending notifications. Hence the words “and their amending notifications” to be included in the Rule.

9. Refund of ITC on Capital Goods

• Under LUT route, ITC refund on capital goods is denied.

• The same may be allowed by over 60 months [assuming the life of asset to be 60 months] as prescribed in the Rules 40,43.

10 Non levy of interest for ITC reversal u/s 50(3) of the CGST Act

As per section 50(3) of the CGST Act, interest is payable on ITC reversal.

In the cases of reversal of ITC where there is sufficient balance of ITC available from the date of wrong availment to date of reversal, then interest should not be insisted upon, since the ITC to that amount has not be utilized to pay out put liability.

In this regard we bring to your kind attention the Hon’ble Madras High Court judgement in the Reflex Industries wherein at Para 10 and 12 the entire

section 50 have been dealt with and that the amendment to section 50(1) will apply to section 50(3) as well.

Para 12 the Hon'ble Judge has pointed out that :

“12. The specific question for resolution before me is as to whether in a case such as the present, where credit is due to an assessee, payment by way of adjustment can still be termed ‘belated’ or ‘delayed’. The use of the word ‘delayed’ connotes a situation of deprivation, where the State has been deprived of the funds representing tax component till such time the Return is filed accompanied

by the remittance of tax. The availability of ITC runs counter to this, as it connotes the enrichment of the State, to this extent. **Thus, Section 50 which is specifically intended to apply to a state of deprivation cannot apply in a situation where the State is possessed of sufficient funds to the credit of the assessee. In my considered view, the proper application of Section 50 is one where interest is levied on a belated cash payment but not on ITC available all the while with the Department to the credit of the assessee.** The latter being available with the Department is, in my view, neither belated nor delayed.”

Thus the ratio or basis of the decision is clearly spelt out in the above para of the judgement, ie only if cash is paid the interest will be applicable and not if adjusted against the available ITC and applicable to entire section 50 and not only to section 50(1) only.

Request : Interest should not be levied u/s 50(3) for reversal of ITC , if there is sufficient ITC balance from the period of wrong availment till date of reversal.

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Visit of Shri R. Selvam, IAS, Executive Director, Council for Leather Exports to Bahadurgarh Footwear Cluster of Delhi NCR on 18th August 2021

Shri R. Selvam, IAS, Executive Director, Council for Leather Exports visited Bahadurgarh Footwear Cluster of district Jhajjar in Haryana to understand the manufacturing process and associated value chain and supply chain of non-leather footwear created by investors in the Bahadurgarh Industrial Park of HSIIDC, Jhajjar, Haryana Government.

During the visit Shri Subash Jagga, President, Footwear Park Association of Bahadurgarh organized small interactive meeting with the members of footwear producers of cluster. He welcomed ED, CLE and also took him to the various common facilities created by Bahadurgarh Footwear Park Association to serve the needs and demands of the footwear producers in Park. These facilities include providing lab testing facilities, training the manpower and educating them on the compliance requirement and standardization of footwear produced in the park.

During his visit to cluster he also saw manufacturing process of non-leather and plastic footwear. He visited M/s. Relaxo Footwears Ltd to understand and see how the plastic and rubber footwear are processed and manufactured and the various challenges which are faced by the footwear producers in the export sector.



Shri Subash Jagga, President, Footwear Park Association welcomed Shri R. Selvam, IAS, Executive Director, Council for Leather Exports in CFC of Bahadurgarh Footwear Park



Shri R. Selvam, ED, CLE, Shri Subash Jagga, President, FPA and Shri Atul Kumar Mishra, RD-NR, CLE visiting testing lab of CFC



ED, CLE welcomed by Shri Ashish Nigam, Vice President, Relaxo and Shri Sandeep Singh, General Manager, Relaxo

M/s. Relaxo Footwears Ltd also organized brief presentation on the challenges and the growth prospects of non-leather footwear in the export sector. They gave a small presentation and memorandum to ED, CLE in order to take forward the growth and development of non-leather footwear in the cluster.

ED, CLE also visited manufacturing units of knitted shoe upper and other types of plastic footwear and soles manufactured in the footwear cluster of Bahadurgarh

Interactive Meeting of ED, CLE with President, CIFI Shri Rajkumar Gupta was also organized to take forward the various steps and strategies which may be adopted in order to facilitate the exports of footwear from the cluster. They also discussed the various institutional challenges faced by footwear exporters of Bahadurgarh cluster and how that can be sorted out by the collaborating with Council for Leather Exports and bring in more hand-holding of central and state government to ease the business environment for footwear producers.



Presentation by VP, Relaxo to ED, CLE on Growth, Challenges & Prospects of Non-Leather Footwear Exports from India



Inspecting Manufacturing Process of Non-Leather Footwear Manufacturing



Interaction with Knit Shoe Upper Manufacturers of Cluster



ED, CLE meeting with Shri Rajkumar Gupta, President, Confederation of Footwear Industries, New Delhi



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Export monitoring against targets for leather sector - Meeting convened by Joint Secretary – Dept. of commerce, Aug. 31, 2021

Ms. Nidhi Mani Tripathi, Joint Secretary, Dept. of Commerce held a VC meeting with CLE on 31.8.21 to discuss export target for leather sector during 2021-22. Shri Sanjay Leekha, Chairman, CLE and Shri R. Selvam, ED attended.

Joint Secretary, Department of stated that an export target of US\$5.89 billion has been fixed for leather, leather products and footwear during 2021-22. Joint Secretary reviewed the export performance till July 2021 and sought the action plan to achieve the target.

Shri R. Selvam, Executive Director, CLE stated that export of leather, leather products and footwear during 2019-20 and 2020-21 was USD 5.09 billion and USD 3.68 billion respectively. In order to achieve the export target of USD 5.89 billion this year, the sector has to achieve 15.72% growth when compared to 2019-20 export level and 60.05% growth when compared to 2020-21 export level. The sector is confident of achieving the export target.

ED, CLE stated that the country-wise export target details have been circulated to all members of CLE and members have been requested to undertake aggressive marketing to achieve this target and also to participate in large numbers in CLE export promotion activities. ED, CLE also enumerated on the following action plan to achieve export target.

- CLE has planned more than 30 marketing events this year and has already organized 6 B2B events this year. Completed events includes virtual BSM with Guatemala, Central American countries, Sudan, Japan, Oman, Nigeria and also participation



in Expo Riva Schuh fair. CLE has organized B2B meetings with Wal-mart and US Fashion Industry Association (USFIA).

- Knowledge based seminars on foreign exchange retail, online trade platform and banking and testing services event organized. 7 such webinars organized. List of events is enclosed.
- In order to implement “Monthly Export Monitoring Mechanism”, CLE has written to top 50 exporters requesting to achieve 20-25% export growth this year when compared to 2019-20 and they have been requested to provide their country-wise monthly export data by 5th of every month.
- CLE has written to more than 100 Indian Embassies requesting for buyers database and virtual B2B events. The buyers database received from Embassies of Guatemala, Central American countries, Sudan, Japan, Oman, Nigeria have been shared with participants. Besides buyers data base received from Indonesia has been circulated to all members.

Speaking at the meeting, Chairman, CLE stated that the leather industry will strive hard to achieve the export target of USD 5.89 billion and sought various support measures. Subsequently, CLE submitted a representation submitting the following support measures required to achieve the target.

- ☐ The import duty exemption on wet blue, crust and finished leathers should be reinstated (this exemption was removed in Union Budget 2021-22), as these are of different colour, texture and thickness which are not available in the country and imported as per buyer requirements.
- ☐ Duty Free import scheme @ 5% on FOB for footwear and leather products and 3% for Leather Garments to be reinstated to facilitate import of critical inputs required by brands. This scheme was removed w.e.f. 1st April 2021.

- Production Linked Incentive (PLI) Scheme may be implemented for leather and footwear industries to promote investments.
- India is a contract manufacturer supplying to major overseas brands. Hence, there is need for promoting our brands to move-up the value chain. Building of brands takes minimum 6-7 years. Hence, Govt. may provide funding support for acquiring a well established overseas brand, as this requires huge investment. Acquiring a brand will facilitate development of co-brands.
- Support to be provided for Digitization and Digital marketing for B2B. This includes putting-in place systems like digital access of the buyer to the material bank and prototypes of the exporter for finalizing the samples, having 3 D printers
- Export Promotion Capital Goods Scheme (EPCG) scheme may be continued in next Foreign Trade Policy also, with IGST exemption, without the annual average export obligation condition and without any negative list.
- A new policy extending ECGC coverage for pre-shipment period also may be announced in the new FTP, to cover any cancellation of export orders after production, so as to protect the exporters.
- Interest equalisation on rupee export credit should be extended for the next five years. This is now extended upto Sept. 30, 2021. This provides 5% equalisation for MSMEs and 3% for non MSMEs of 416 tariff lines including footwear under Chapter 64 and leather products under 4201 and 4205.
- Support to be provided for individual companies and to existing Design Studios for engaging overseas experts for product engineering.
- There is a need for having a separate industrial policy for the export sector, covering all issues including labour laws. Provision to be made for import duty and GST exemption for exporters in this Policy.
- There is Huge potential in Ladies and Children Footwear as these account for 70% of global footwear imports, as compared to about 35% share in our exports. Incentives including five year tax holiday for JVs and FDIs in these segments to be provided.
- Non leather footwear accounts for 60% of global footwear imports in value terms. India's share in global market is only 0.5%. There are few manufacturers of PU, which is the basic raw material for non leather footwear. Hence, Duty free import of PU to be considered.
- Inadequate common Infrastructure like port connectivity, water, electric supply etc., at production clusters also affects the production and cost competitiveness. Hence, existing clusters should be converted into SMART CLUSTERS on par with global standards.
- In order to facilitate incremental exports, the incremental exports incentivization scheme may be re-introduced with a scrip of 2% on incremental exports



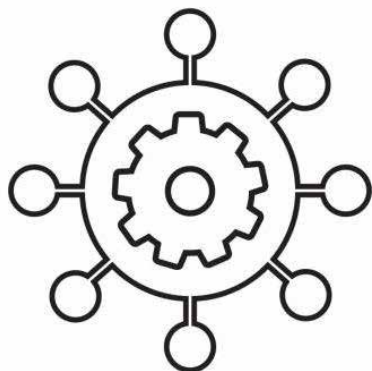
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DESIGN STUDIO

“catering to shoe’s design process functions and illustrating our capabilities in design”



“Hub & Spoke Model”

In a globalizing economy, design is being perceived as a new engine of economic and industrial growth. Design and breakthrough innovations can play a pivotal role in positioning of Indian Leather and Leather Product industries in the global arena apart from enhancing competitiveness. Design and brand driven value chain need to be developed as core strengths of Indian Leather Products manufacturing industries. India also needs to aim to be a leading influencer of global design and must have a focused multi-pronged strategy to enhance the quality and spread of Indian designs and to increase India’s share in the world economy through this major value addition.

Success in being able to work with high-end customers requires building design capabilities that enable us to offer exciting collections that can compete internationally. To achieve this one has to build not only in-house design capabilities, but also work in consultation with design companies internationally that have a deep understanding of lifestyle and fashion trends in Europe and the US, which will continue to be primary markets for the foreseeable future for



Design Studio was ‘first launched’ in India, in CSIR-CLRI on 7th August 1993

upmarket products. In the footwear area, for such an output to be possible it is necessary to set up a state-of-the-art Design Studio which encapsulates conceptual designing as well as Computer Aided Pattern engineering.

The footwear branch of the Indian Leather Sector has been largely addressing itself to the middle segment of the global footwear pie. The time to move up the value chain has come. Italy, Spain and to a lesser extent Brazil have witnessed a near cessation of manufacturing activities in this sector due to various reasons.

The world footwear markets are dynamic. While there is stagnation vis-à-vis China and a decline in manufacturing in Europe, the hub of manufacturing now shifts eastwards with India having a golden opportunity to cash in on this global shift. India has been known to manufacture reasonable quality products for leading international brands and this gives it a head start in capturing a larger market share in the world footwear trade.

However, while quality has been reasonable it has to be upped to meet the quality standards of the manufacturing countries it is seeking to replace Italy and Spain. A lot of attention would have to be paid to honing ‘Design’ capabilities, introduce technologically advanced tools to aid in the design process and to develop ‘merchandizing’ expertise amongst our product design teams in the footwear companies.

While one school of thought advocates an increase in volumes to achieve the value target set by the turn of the decade another school encourages achieving the target by means of greater value realization from the products. This merits

closer scrutiny as we already have an exposure to manufacturing quality products but we would certainly need to focus on Product Development with emphasis on Design, Engineering, Quality, Styling and Construction. 'Merchandizing' would be another crucial area of attention and synergies would have to be built with international agencies to master this art.

CONCEPT for setting-up a Design Studio/Center for leather life style products

The influence of globalization on traditional industry sector such as leather, calls for re-orienting corporate approaches and methods to adequately and competitively meet the emerging consumer expectations and lifestyles. In the new global scenario, there is a focus on product manufacturing for enabling value additions. Technology advancements is expected to bring about 1/3 of the value addition. While increased production capacity would add another 1/3, design interventions in leather life style products would contribute the rest. In order to gain competitive advantage, one of the key factors would be to develop and enhance the design capabilities of the product manufacturers. Development of smart and functional products from leather will complement such capabilities.

Recognizing the need to upgrade design skills of the Leather sector, there is an urgent requirement to set up a Design Studio/Center for leather life style products. In addition, the basic science supported design innovations will be attempted by performing ergonomics analyses of footwear for children, diabetic patients, sportsmen, leather apparel, fashion and sport gloves. Further, special attention will be made to carry out this ergonomics analysis for automotive upholstery for designing comfort seat for drivers.

Conversion of existing materials into smarter and functional needs



Showcasing Indian capabilities in design and development at International fora

innovative approaches to finishing technology. India needs to emulate what Italy has been able to do for a variety of raw materials. Such an intervention is likely to provide maximum utilization of leather.

S & T OBJECTIVES

- Acquire self-sufficiency in Design R&D for innovations in rapid 'Mind to Market' through value addition in new material development and leather life style products.
- Capacity building in design R & D and manpower for leather life style products.
- Performance evaluation of products with relevance to life style conditions using the principles of ergonomics.



CLRI Design & Fashion Studio endeavours to develop R&D based designs keeping comfort and ergonomics as priority

All the above objectives shall provide value enhancement to indigenous livestock and competence building leading to a better global positioning of Indian leather products

International state-of-the-art

Internationally several design and innovations centres for leather products have been built. However, those institutes do not have the synergetic strength of CLRI in terms of quality, basic and applied research in leather science and technology, innovations in new process technologies and widespread knowledge on the leather product design and development. In this context, CLRI is unique.

There are few design intelligence agencies, which provide information on future trend in fashion and materials. Most of them do not restrict their service to leather alone. Currently CLRI sources such information and translates into realizable action plan by providing fashion color and texture inputs to the leather and products industry. CLRI with its vast experience in technology led leadership, through this design center, aims at garnering design R & D expertise which would enable the Indian leather and product sector transform from a mere job worker status to global leader in design capabilities for leather life style products.

For design of value added leather products, it is necessary for development of leather with natural as well as with novel surface finishes. The phenomenal developments in nano-science and technology provide numerous opportunities for incorporation of various nanomaterial into leather to fabricate sensors and



Design & Fashion Experts engaged in seasonal 'colour selection' three seasons' ahead of time! CLRI Design & Fashion Studio reaches out to the Indian Leather Industry with these Trends and Colour Forecasts

strategic products. Employment of leather for strategic applications calls for detailed investigation on the design and development of hybrid materials based on leather and nanomaterial's.

Research in such areas would make available for Indian leather industry, a niche market where higher value per square feet of leather is achievable. Over and above there is potential market for traditional products. Suggestions that the Italian model of value addition is the need of the hour for India have been forthcoming.

Technical limitations of existing products, processes and/or services

Indian Artisanal skill is well known for their master skill for design and manufacturing of life style products. However, in case of global scenario, Leather life style products of India, it is mostly buyer specific and design and innovation input also provided by the buyer. This effecting overall efficiency of the enterprise as product development cycle is too long. One needs to develop indigenous design capability incorporating ergonomics. Comfort and ensure higher utilization of leather as a niche product for Global market and thus establish India as brand for leather life style products.

Main innovations

Establishing a state of art Design Studio/ Center which will be a hub for Indian designers to create globally acceptable Leather Life style products and benchmarking global best practices.

The Experience

From being a mere resourcing partner to being able to make the right kind of products for the right market and right season, the Indian Leather and Leather Products Industry has come a long way.

Mid-1980's:

In the mid- 1980's India was manufacturing only shoe suppliers. The patterns, cutting-dies and components like trims, counters would be sent by the importer/ brands and Indian Footwear Companies would could the leathers/ uppers, assemble the components and stitch the uppers for exports.

1990's:

Full shoes manufacturing was at its nascent stages. Factories with a capacity to produce 500 to 2000 shoes per day were being set-up. But, these were mostly the BROWN Shoes (Classic/ Formal Shoes and step-ins like moccasins as these types of shoes were labour intensive).

2000's:

The interventions of the Government of India and the initiatives of the Council for Leather Exports to participate in international fairs with own design collection enhanced India's presence in not only Shoes, but also in other leather products industries like leather garments, handbags, flat leather goods, gloves, harness & saddlery.

2010's:

By now, India was catering to global brands across the globe supplying quality and niche products.

By now, India were supplying to major international brands, fashion labels, retail chains and hyper markets. The design needs of each of these buyers is different. While some were designs leaders, others were design-followers. The average price per shoe was in the range of US\$ 17 to US\$25



CLRI Design & Fashion Studio adjudicating 'best designs' in International competitions

2020's:

India is facing a new challenge! The challenge remains in the form of bringing down the average price of the products exported by at least 30%. This requires re-working on the materials and components used.

ROLE OF CSIR-CLRI:

At the same time when the Indian Leather Products Industry was graduating to making full shoes, CSIR-CLRI established a Shoe Design & Development Centre.

Design & Fashion Studio for Shoes

CSIR-CLRI entered a new era, donning the role of a fashion designer of shoes. A state-of-the-art hi-tech studio for shoe styling and range building was established in CLRI. This Studio has facilities comparable to those in any well-known international fashion studio. This new initiative strengthened the link between CLRI and the shoe industry.

Five arms of the CLRI Fashion Studio:

Resource Room: Display room for resource material planning with imaginative display of shoe components, accessories, fashion leathers and dressing aids.

Customer service unit: Offers exclusive design service for customers under strict confidentiality of their information.

Sample shoe workshop: with latest mini shoe fabrication facility.

Information Cell: To document all shoe designs with computer multimedia linked facility. Access to audio visual presentation of new designs.

Creative Design Station: Computer aided designing including sketching, colour and texture incorporation possibilities.

The total package from CLRI combines the best in design, information and technical excellence. It is on par with international standards.

How 'design studio's operated in the past?

Leading manufacturers set-up studios in-house. The time was opportune as CSIR-CLRI provided trained man-power covering all nuances of designing of shoes and use of 2D CAD for pattern engineering. This became a necessity as factories were full with orders. A few buyers would send the designs/ patterns by email (as a dxf file) and the factories would cut the patterns at their own factories. Even today, most shoe factories and other product factories are using in-house design studios with CAD facilities very efficiently. Yet, Design Studios in factories spend less time and effort on developing new designs and work on designs being sent by their buyers/ counterparts. A few factories have been successful in developing their own range of designs based on the concepts provided by their buyers.

Whys some independent Design Studios failed?

During early 2010's, the efforts of CSIR-CLRI Design Studio was diluted by competing Institutions who were largely being supported financially.

TODAY's scenario:

If one has a 2D CAD or a die-less cutting machine, the manufacturer/ exporter would approach you to either cut the patterns or cut the leather as the latter is efficient in cost cutting and does not use dies for small orders. A few factories need

support for 'proto-type making' professionally. Very few would ask Design Studios for new design collection for a market/ season.

How does the CSIR-CLRI Design & Fashion Studio work?

The CSIR-CLRI Design & Fashion Studio has moved a step-ahead and offers 'design and trends, seasonal forecasts at least three seasons ahead.

DESIGN & FASHION STUDIO REQUIREMENTS

A state-of-the-art Design Studio which encapsulates conceptual designing as well as Computer Aided Pattern engineering; its requirements would be:

1. Resource Room
2. Design Room
3. Sample Making Room
4. Product Engineering
5. Computer Aided Design facilities

Resource Room:

The Resource Room would contain a resource of Leathers, Materials, Designs, Components, Magazines, a showcase of new design collection, computer with internet facility with details on where these materials could be sourced from, availability of these materials in volume terms, price, lead times and so on. The ambience of this room should inspire the Design team to let their creative juices flow and create 'Masterpieces'

Design Room:

The Design Room is the 'nerve centre' of the studio. This is where the Design conceptualization, Pattern generation. Pattern storage and Pattern retrieval is done. The designers would require creative freedom and therefore each designer should have an exclusive cubicle and more so if multiple clients are being catered to. Exclusivity of design is of paramount importance and therefore access to this room should be severely restricted. Computer access with latest CAD footwear design and pattern engineering software and CAM devices are essential requirements for the designers and have to be accommodated in this space.

Sample Making:

The testing of designs generated is carried out in the Sample Making room. This facility would contain Stitching machines, skiving machine, Leather cutting and Hand lasting tools. Quick realization of pull-overs to check accuracy of patterns and judge design outputs would be the hallmark of this facility.



2D CAD at CSIR-CLRI

Product Engineering:

This is an emerging area of importance and the Product Engineering facility would carry out norm calculation, die costing, production planning with the help of Costing software, Pattern engineering software, nesting packages and ERP tools. The smooth transition of design concepts and pattern engineering into faster and efficient production on a mass scale is the responsibility of the Product Engineering team. Trouble shooting during production, creation of show boards with precise instructions for easy comprehension of the production workers, setting process sequence and work flow schedules, setting norms for optimal usage of leather and other material and keeping track of production schedules are the most important tasks of this crucial team.

DESIGN STUDIO: “Hub & Spoke Model”

“Hub & Spoke” model: the urgent need for upgradation

CSIR-CLRI proposes the “Hub & Spoke” model for the upcoming Design Studios in the country. This is the only way that the Design Studios can be monitored effectively.

To do this, the CSIR-CLRI Design & Fashion Studio must be upgraded with its staff trained/ re-trained on foreign soil, upgrade the systems and machinery.

During the recent visit of Ms Vandana Kumar, Joint Secretary, DPIIT to CSIR-CLRI; a presentation was made on the “Roles of Design Studios” for Leather and Leather products and the need for upgradation as well as for the functioning of Studios in a Hub and Spoke Model.

Establishing a state of art Design Centre which will be a hub for Indian designers to create globally acceptable Leather Life style products and benchmarking global best practices.

Establishment of Design Centre for Leather Life Style Products

- Architectural plan
- Infrastructure (building) with state of the art classrooms, audio-visual rooms, material innovation lab, performance evaluation lab, prototyping lab
- Materials innovation lab comprising leather and smart material combinations, surface ornamentation
- Performance evaluation facilities such as thermal mannequin, whole-body movement analysis and other ergonomic analysis equipment
- Prototyping facilities such as rapid prototyping, CNC based systems and software
- Equipment for Audio-visual studio

Competence building in design innovation

- Establishment of linkages with international design schools/firms
- In-house training by Indian/International design experts
- Advanced training at Internationally reputed design schools/firms
- Subscription to global design intelligence
- Analysis and interpretation of design intelligence for Indian leather product industry

New material development and innovation

- Surface ornamentation techniques
- Composites, smart materials and other hybrid materials with leather for property enhancement
- Application of composites and smart materials in product design and development



Performance evaluation and product life cycle assessment

- Ergonomics for apparels, gloves, upholstery and other life style products
- Analysis of user comfort properties
- Functional property analysis for life style products
- Product life cycle management
- Life cycle analysis

Proto development

- 3D scanning / computer aided modelling
- Rapid prototyping – 3D prototyping of accessories
- CNC generated prototyping

Training in design excellence

- Advanced short-term training for leather/ leather products designers
- Post-graduate diploma program in leather life style products
- Support for artisan cluster development program through design intervention (given separately)

Coordination, management and dissemination of design centre activities

- Dissemination of services to industries
- Showcasing of design solutions to industries / International / national fairs

Strategy for impact achievement

CLRI has always maintained a global technology leadership. It has spearheaded the technology led transformation of Indian leather industry from raw material exporter to finished leather and product industry and in the last decade ensured the compliance of the industry towards environmental and societal commitments. The aim of the measures associated with these changes, which are now largely complete, was to create a sound operational and technological

basis for future profitable growth. The ability of the organization to develop technologies, which are easy to adopt by the organized and unorganized sectors, leading to an increase in export earnings of the organized sector and the productivity and performance of the unorganized sector such as, Kolhapuri footwear has led to the institute receiving the TWNSO award. Unlike in the past, large scale research institutional support for leather industry is only available from CLRI, as several of the institutions in the world have shrunk. Even African nations are looking upon CLRI for benchmarking of their tanneries and enhancing their training and research capabilities.

For the Indian leather industry, CLRI today needs to provide a holistic technology package, which would enable them to realize a higher value for their leather and thus the export earnings targets set. Such a holistic package consisting of all technology elements starting from raw material upgradation to development of high-end products, and advises on issues such as, presence of banned substances is deliverable only from CLRI – thus highlighting the leadership of the institution in this domain.

A survey of the customer preferences in leather indicates that the users are in two strata. The fashion and quality conscious, value leather as a classy material and accessorizes themselves with products, shoes etc. The leather upholstery market is yet another example of a luxury leather market where innovation to provide quality for money is important. A third angle to this industry in India is the need to preserve its rural artisans and employment potential. It is, therefore, imperative for the technology provider – CLRI to keep its research in tune with the futuristic needs of the industry. CLRI as a leader amongst technology and training providers would position itself as a one-point source for technology as well as manpower, thus enabling the Indian leather sector emerge as a global supplier of quality products.

Leadership through capacity building in innovative smart materials and leather life style products is required to enable the institute to provide indigenous support in design and brand and also image building for the Indian leather sector.



Releasing the 'global shade' first in India

India specific impact: Problem to be solved

On the domestic front, the Retail Boom coupled with the growth of the luxury market is going to increase substantially the demand for leather products. Though India has a comparative advantage due to a huge base of livestock, vast human resources and skill based industrial sector, the industry

is yet to realize its optimum potential. Strategic repositioning of the leather goods and garments with design and brands playing crucial role need to be accorded priority.

In tune with the national requirements of enhancing India’s share in global trade on leather and leather products a concerted effort is being made by DPIIT through the IFLADP programme to establish design studios for leather life style products.

Through this, CLRI proposes to provide the necessary inputs for all upcoming Design Studios in the country as the HUB and would link the new and upcoming DESIGN STUDIOS as SPOKES.

Self-sufficiency in design development for products will contribute to an additional 40% value enhancement through brand and image building and indigenous designs. A one of its kind centre for capacity building in innovative smart materials and leather lifestyle products would enable the Indian leather sector to meet the demands for enhancing its global share in leather and leather product market. Let CSIR-CLRI lead the way.

Relevance to national policies

Government of India through CSIR-CLRI could reach out to the all the leather clusters, employment opportunity for women and weaker section of the society would be enhanced and contribution to societal objectives and quality of life will be indirectly enhanced due to the employment.

DESIGN STUDIO ADDRESSING ATMA NIRBHAR

The ability of the organization to develop technologies, which are easy to adopt by the organized and unorganized sectors, leading to an increase in export earnings of the organized sector and the productivity and performance of the unorganized sector such as Kolhapuri footwear has led to the institute receiving the TWNSO award.

COUNCIL FOR LEATHER EXPORTS
ADVERTISEMENT TARIFF
LEATHER NEWS INDIA
MONTHLY MAGAZINE

Advt. Size	1-2 issues	3-5 issues 10% off	6-11 issues 15% off	12 issues 20% off
FULL PAGE	25000	22500	21250	20000
½ PAGE	15000	13500	12750	12000
¼ PAGE	7500	6750	6375	6000
FRONT-INSIDE	27500	24750	23400	22000
BACK INSIDE	27500	24750	23400	22000
BACK COVER	28750	25875	24450	23000

(prices in Rs. – RATE PER ISSUE, 5% GST will apply on these rates)

Technical Specifications :

- Advertisement material to be given in CD with progressive proofs.
- Advertisement Sizes are :

Full Page : A 4 size
Half page horizontal : 148 (h) x 210 (w) mm
Half page vertical : 297 (h) x 105 (w) mm
Quarter page : 148 (h) x 105 (w) mm

- Advertisement material may be sent in Adobe Pagemaker/Coral Draw/Adobe Illustrator files/ High Resolution PDF, with the font files or curved.
- Advertisement will be published only upon receipt of payment. Last date of receipt of payment and advertisement material is 10th of the month of release of the book.

CLE webinar on TÜV Rheinland India 'Compliance & Testing Services of Leather, Leather Products & Footwear Supply chain'

To Help Ensure Compliance with EU Product Safety Legislation.



Rising customer demands in the footwear and leather supply chain are presenting the industry with a new range of challenges to remain competitive, profitable and sustainable. To elucidate on changing compliance norms and consumersafety requirements,

Council of Leather Exports (CLE), India organised a webinar on Compliance and Testing Services for Leather, Leather Products, and Footwear Supply Chain offered by TÜV Rheinland India on August 26th, 2021.

The aim of the webinar was to help stakeholders in the leather industry enhance their compliance with the help of testing services in order to expand their reach into global markets, especially EU. Over 60 professionals from compliance, supply chain, export and officials from Leather Clusters participated.

The webinar provided participants latest compliance related updates on



topics such as Chemical & Waste Management, BIS Regulation in India, EU REACH Regulation and leather testing standards. Furthermore, participants obtained information about TÜV Rheinland's additional services such as ZDHC MRSL, DETOX, and other regulatory testing services.

TÜV Rheinland offers a broad range of product-specific testing, from chemical, physical, and fit testing, to a variety of inspections. We have extensive experience with various international approval regulations to assist customers successfully access markets around the world. Our neutral and internationally recognized test mark demonstrates compliance with legal regulations and voluntary requirements, which will in turn provide consumers the comfort and confidence they need at the time of purchase. With a global network of testing facilities, TÜV Rheinland is the ideal partner to support your leather and footwear business needs.



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Ubharte Sitaare Programme

The Hon’ble Union Minister of Finance announced the above programme on August 21, 2021.

Under “Ubharte Sitaare Programme” (USP) Bank identifies Indian companies that are future champions with good export potential. The identified Indian company should have potential advantages by way of technology, product or process, but are currently underperforming or are not able to tap their latent potential to emerge bigger. The Programme diagnoses the hurdles and remedies, and provides support through a mix of structured support covering equity support, debt and technical assistance. Our target companies would typically include small and mid-sized companies with ability to penetrate global market (annual turnover of up to Rs. 500 crore).

USP will help in bridging the gap and create additional capacities of your existing member companies.

The nature of support under Ubharte Sitaare would cover both financial and advisory services through:

- a) Support by way of equity / equity-like instruments.
- b) Debt (funded / non-funded): The identified enterprises may be supported by way of term loans for modernisation, technology / capacity upgradation, R&D and balancing of production facilities by investment in activities such as:
 - machinery and equipment;
 - tools, jigs and fixtures;
 - testing / quality control equipment;
 - land and building.
- c) Technical Assistance (TA) would include part support towards product adaptation and improvement, cost of certifications, training expenses, market development activities including overseas travel for product/market development, studies relating to sectors, markets, regulations, TEV, etc.

Interested members may contact Exim Bank for further details. The contact details are:

India Exim Bank
Telephone: +91-22-22172600 / +91-11-24607700
e- mail : seed@eximbankindia.in

COUNCIL FOR LEATHER EXPORTS ADVERTISEMENT TARIFF LEATHER NEWS INDIA

MONTHLY MAGAZINE

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UBHARTE SITAARE PROGRAMME (USP)

Background

1. In order to improve the overall economic performance of the Indian economy, there is a need to boost measures for increasing exports for higher economic activity and employment generation. Over time, a nation's exports would be expected to embody higher levels of technology and manufactured goods as the country moves up the value chain. However, the manufacturing sector in India has remained stagnant for over a decade now, with its share in the total GDP of the country hovering at around 15%. Further, India's export basket lacks any significant high-technology value-added items, and it remains concentrated in the mid to low technology export segment. India's exports have largely concentrated on products, which account for a relatively small share of global imports. Clearly Indian exporters are absent from a major part of the global market.
2. A sustainable way to increase exports from India is by enhancing the capabilities of Indian companies and developing their international competitiveness. Long-term competitiveness in an open global environment needs huge investments in research and development. This approach, however, has several impediments including the absence of adequate and timely finance, limited technology adoption and modernization, low production capacity, and ineffective marketing strategy. Exim Bank has accordingly developed a new programme to support Indian companies for increasing India's exports on a sustained basis.
3. The Ubharte Sitaare Programme (USP) identifies Indian companies that are future champions with good export potential. The identified Indian company should have potential advantages by way of technology, product or process, but are currently under-performing or are not able to tap their latent potential to emerge bigger. The Programme diagnoses the hurdles and remedies, and provides support through a mix of structured support covering equity support, debt and technical assistance.

Objectives

4. The objectives of the Programme are as under:
 - a) To enhance India's competitiveness in select sectors through finance and extensive handholding support;
 - b) To identify and nurture companies having differentiated technology, products or processes, to enhance their export business;
 - c) To assist units with export potential, which are unable to scale up their operations for want of finance;
 - d) To identify and mitigate challenges faced by successful companies which hinder their exports;
 - e) To assist existing exporters to widen their basket of products and target new markets through a strategic and structured export market development initiative.



Eligibility Criteria

5. Broad eligibility criteria are as under:

- a) Companies with unique value proposition in respect of technology, products or processes that are matching with global requirements;
- b) Fundamentally strong companies with acceptable financials, and outward orientation;
- c) Small and mid-sized companies with ability to penetrate global markets, with an annual turnover of up to approx. ₹ 500 crore;
- d) Companies with a good business model, strong management capabilities, and focus on product quality.
- e) Indicative Sectors: Automobiles and Auto components, Aerospace, Capital Goods, Chemicals, Defence, Food Processing, IT & ITeS, Machinery, Pharmaceuticals, Precision engineering, Textiles and allied sectors

Nature of assistance

6. The nature of support would cover both financial and advisory services through:

- a) Support by way of equity / equity-like instruments.
- b) Debt (funded / non-funded): The identified enterprises may be supported by way of term loans for modernisation, technology / capacity upgradation, R&D and balancing of production facilities by investment in activities such as:
 - machinery and equipment;
 - tools, jigs and fixtures;
 - testing / quality control equipment;
 - land and building.
- c) Technical Assistance (TA) would include part support towards product adaptation and improvement, cost of certifications, training expenses, market development activities including overseas travel for product/market development, studies relating to sectors, markets, regulations, TEV, etc.

Security

7. Appropriate charge on the fixed assets of the company / project plus other acceptable security including charge / assignment on the IPR, personal guarantee, etc.

For further details, interested companies may write to seed@eximbankindia.in

India Exim Bank

Telephone: +91-22-22172600 / +91-11-24607700 · www.eximbankindia.in

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Virtual Business Meet between Indian exporters of footwear, leather and leather products and Japanese buyers, Aug. 25, 2021

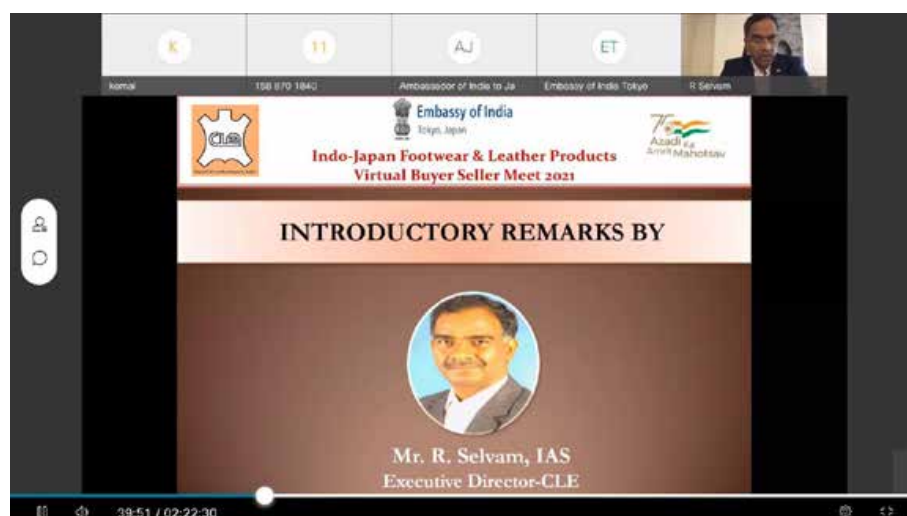
Council for Leather Exports (CLE), in association with Embassy of India in Japan had organized a Virtual Business Meet between Indian exporters of footwear, leather and leather products and Japanese buyers at 11.00 AM India Time : 2.30 PM Japan Time on 25th August, 2021.

The below named 12 Indian companies took part in this Virtual Programme and presented their company and product profiles before the buyers and business delegates-

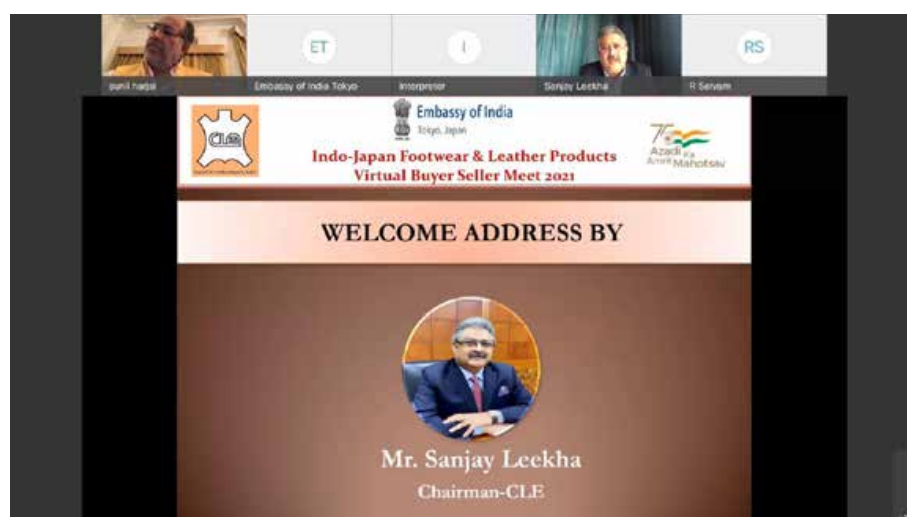
Name of the Company	Place
Amit Leather Wears	Delhi
Creemos International	Kanpur
H R Exports	Agra
Jama Corporation Pvt Ltd	Kanpur
Jiya Exim Private Limited	Kolkata
Meezan International	Kanpur
NS Leather Products Pvt. Ltd.	Kolkata
Om Leather Artdeco (P) Ltd	Kolkata
SBS Crafts	Kolkata
Siddharth Exports	Noida
Ritex Industries	Kolkata
Varbi Footwear and Fashion Pvt. Ltd	Mumbai

More than 20 buyers and business delegates from Japan attended the programme virtually from their respective destinations. Officials and Office bearers of The Indian Commerce & Industry Association in Japan were also present in the Meet. Embassy of India Officials moderated the programme both in English and Japanese language.

The programme commenced with the



introductory remarks by **Mr. R. Selvam, IAS, Executive Director-CLE**. The Executive Director-CLE welcomed H.E. Mr. Sanjay Kumar Verma, IFS, Ambassador, Embassy of India, Japan, Mr. Jagmohan S. Chandrani, President, The Indian Commerce & Industry Association and thanked them for their participation. In his address, the Executive Director presented a brief about Indian footwear and leather sector and trade with Japan. He informed that in today's programme, 12 Indian exporters/suppliers of footwear and leather products are participating.



Mr. Sanjay Leekha, Chairman-CLE, in his welcome address, informed that CLE is very much obliged to H.E. Mr. Sanjay Kumar Verma, IFS, Ambassador and other Officials in the Embassy of India, Japan, for extending all possible support to CLE for organizing the Virtual Business Meet. Chairman-CLE and welcomed Mr. Jagmohan S. Chandrani, President, The Indian Commerce & Industry Association and thanked him for attending the programme. Chairman-CLE further stated that CLE is organizing a number of Virtual Business

Meets with buyers from different countries during 2021-22 and Today's programme is the 6th one in the series.

While talking about trade between India and Japan in the footwear and leather sector, Chairman-CLE informed that as per ITC Geneva Statistics, Japan has imported footwear, leather and leather products worth USD 8011 million during 2019-20. Japan's major item of import was Footwear (USD 5010 million), followed by Leather Goods (USD 2527 million), Footwear Components (USD 218 million) and finished leather (USD 101 million). On the other hand, India has exported the above said products worth USD 59.49 million to Japan during 2019-20 and holding a share of 0.74% in the overall import of Japan. Major item of export of India to Japan during 2019-20 was Footwear (USD 32 million), followed by Leather Goods (USD 17 million) and Footwear Components USD 3.96 million, Chairman-CLE informed.

Summing up his address, Chairman-CLE informed that the Council for Leather Exports and Indian Footwear and Leather Industry is very keen to take the trade relations with Japan to a new high and hence would like to have frequent and continuing interactions and discussions with Japanese counterparts.

H.E. Mr. Sanjay Kumar Verma, IFS, Ambassador, Embassy of India, Japan in his address informed that the key objective of organizing this programme is to bring the Indian exporters and Japanese importers of footwear and leather products on the same platform. This event is also a part of 'Azadi ka Amrit Mahotsav' – the 75th year celebrations of India's independence, Hon'ble Ambassador stated.

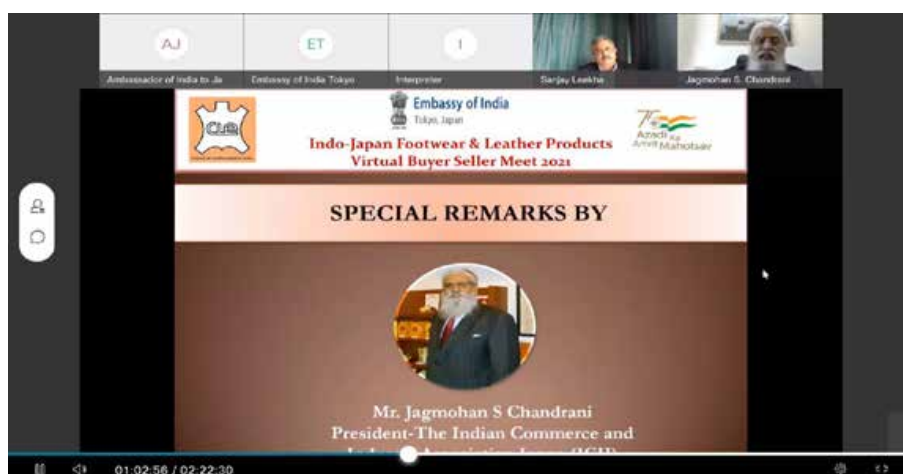
Hon'ble Ambassador has presented a detailed overview of Indian footwear and leather industry. He told



that Indian footwear and leather sector has its own inherent strength on account of abundant availability of quality raw materials, skilled and trained manpower, superior technology and moreover, Indian manufacturer-exporters are committed to supply quality products to the buyers. Despite of India's recognition as a world leader in the footwear and leather segment, export of these products from India to Japan is very less. Hon'ble Ambassador informed that there exists tremendous opportunities for the Indian exporters to increase their share of export to Japan. He has suggested that Indian exporters should focus on quality of products as well as timely delivery. There may be issues relating to language for exploring business possibilities and Embassy of India in Japan can help the Indian exporters for overcoming this problem. Hon'ble Ambassador has further stated that Embassy of India Japan and CLE India is committed for facilitating trade between India and Japan in the footwear and leather sector and offered all possible assistance. He thanked Mr. Jagmohan S. Chandrani, President, The Indian Commerce & Industry Association, for attending the programme. While concluding his address, Hon'ble Ambassador appreciated CLE for organizing the Virtual Business Meet and conveyed all success to the Indian participants and buyers.

Mr. Jagmohan S. Chandrani, President, The Indian Commerce & Industry Association also addressed the Forum and talked about the trade between India and Japan in various Industry segments. Mr. Chandrani presented a brief about their Chamber and the services they are offering to the Industry.

Mr. Chandrani further stated that Japan is a very big market for footwear



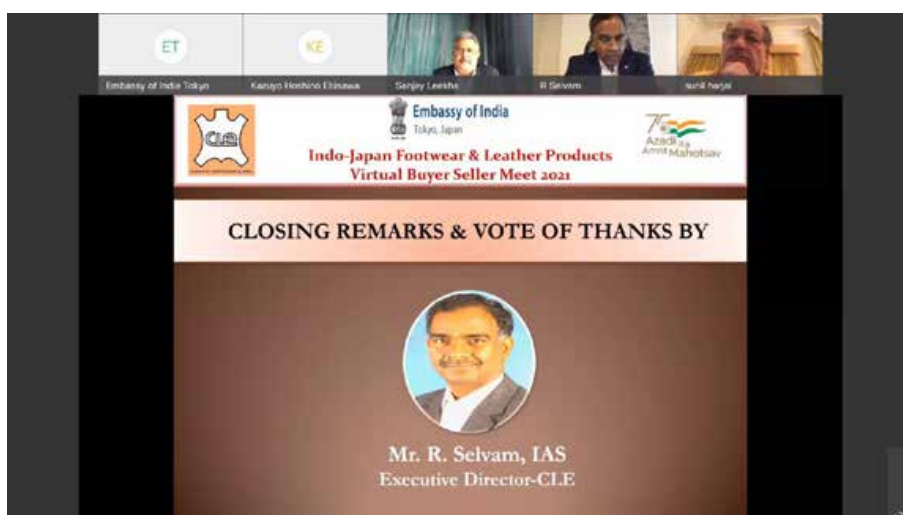
and leather products and India's share is very less. We have to analyze the reasons for this and to take necessary corrective steps accordingly. He opined that Indian exporters may be concentrating in traditional and easy to access markets. He suggested that, in order to increase business with Japanese buyers, we have to enhance our level of interaction. Continuous communication is a necessary tool to gain the confidence of Japanese buyers and Indian exporters should be patient enough in the process, Mr. Chandrani suggested. Likewise, Japanese buyers are quality and price sensitive and Indian exporters should give adequate attention to this fact also. Mr. Chandrani offered all possible support of his Chamber for promoting trade between India and Japan in the footwear and leather sector.

Thereafter, a short video showcasing Indian footwear and leather industry was played before the audience. Pre-recorded videos of 3 minutes duration of all 12 Indian participants were also played on the occasion. The videos explained about their products, countries they are exporting and their manufacturing capabilities.

The Virtual Business Meet concluded with the Vote of Thanks offered by **Mr. R. Selvam, IAS, Executive Director-CLE**. While offering vote of thanks to Hon'ble Ambassador and other dignitaries who were present in



the Virtual Meet, the Executive Director-CLE expressed optimism that today's Virtual Business Meet will help both Indian and Japanese side for further enhancing trade between both the Countries in the footwear and leather sector. The Executive Director-CLE further stated that there exists great investment opportunities in India in the footwear and leather sector and CLE would be happy to extend all possible assistance to the Japanese businessmen, who are interested to invest in India.



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EARLY BIRD: Autumn Winter 22/23

Mrs Marga Indra Heide, FASHION TREND POOL, Germany
16th August 2021, 7.30 pm (IST), Zoom platform

Mrs Marga Indra Heide commenced her lecture on 'Early Bird: Autumn Winter 22/23 season' with the KEY TRENDS and influences for the season: stark looks, new silhouettes, retro influences, nature inspirations, party wear, more opulent, more agile, more sophisticated.

Mrs Indra Heide moved on to present the themes for AW 22/23 season:

ECCENTRIC



Back to Life. Back to New Reality. Fashion on Fire - Flashy. Expressive. Loud. Intoxicating. An escapism into extremes. In hysterical colours and hedonistic styling. A theme full of dynamism and drive.

Bold and eccentric. Full of diversity and desire. The longing for party, the allure of temptation and the rediscovered desire for sexiness. Lacquer and latex, silver and gold meet a mysterious darkness

of the night. Eccentricity is the new must-have. Plus, colours that seem to explode out of the darkness. Cobalt. Cyclam. Purple. Apple green. Lemon yellow. But black dominates and is a statement in itself!

EMOTION



Heal your soul. Heal your mind. The beauty of silence. The new simplicity as therapy. Inner peace as the most important attitude. It is about deceleration and grounding. Awareness and humility.

Comfort and wellbeing. Awareness of the real, the unadulterated. A return to the essentials: Being human. Softness meets rawness. Wool and hairy materials, teddy and bouclé, velour and nappa

define the calm image. The result is timeless essentials with handcrafted, rough, natural details - timepieces. Fashion for brain, heart and body. Fabrics for Sinnfluencers. The colour range harmonises in monochrome, therapeutic colours from blush to beige and is renewed by ultra-light pastels like soft blue and lilac.

EVOLUTION



Craft the future. Collect nature. Rough. Artisanal. Sustainable. The basis: Unbridled awareness of nature between activism and philosophy. Back to the roots - Re-Rooted is the spirit. We are increasingly concerned with responsibility. For nature, for resources, for our fellow human beings. But also about the joy of rediscovering old traditions. Genuine materials. Handcrafted finishes.

Natural fabrics. Age as a new value. Colours are on the move: Unadjusted colour layers, lively contrasts and dégradés from rich to light shades make you want to cross-dress. In focus: brown and green in all facets, plus more intense green and red as accents.

SHOE STYLES for Autumn Winter 22/23 season was the important focus of the presentation by Mrs Indra Heide. The important Shoe Styles are:



SNEAKER



HIGH TOP



FUNCTION



FANTASY



FLOOR-WEIGHTED



HIKER



HEAVY



PUFFER



BROWN



LACED



CHELSEA



MOK BOOTS

Sneaker, High Top (sneaker boots), Black, Function, Fantasy, Boots, Floor-weighted, Hiker, Heavy, Puffer, Brown, Laced, Chelsea, Mok boots, Western, Long boots, Over knees, Bulky, Classic, Loafer, Chic, Party, Pumps, Cosy.



WESTERN



LONG BOOTS



OVERKNEES



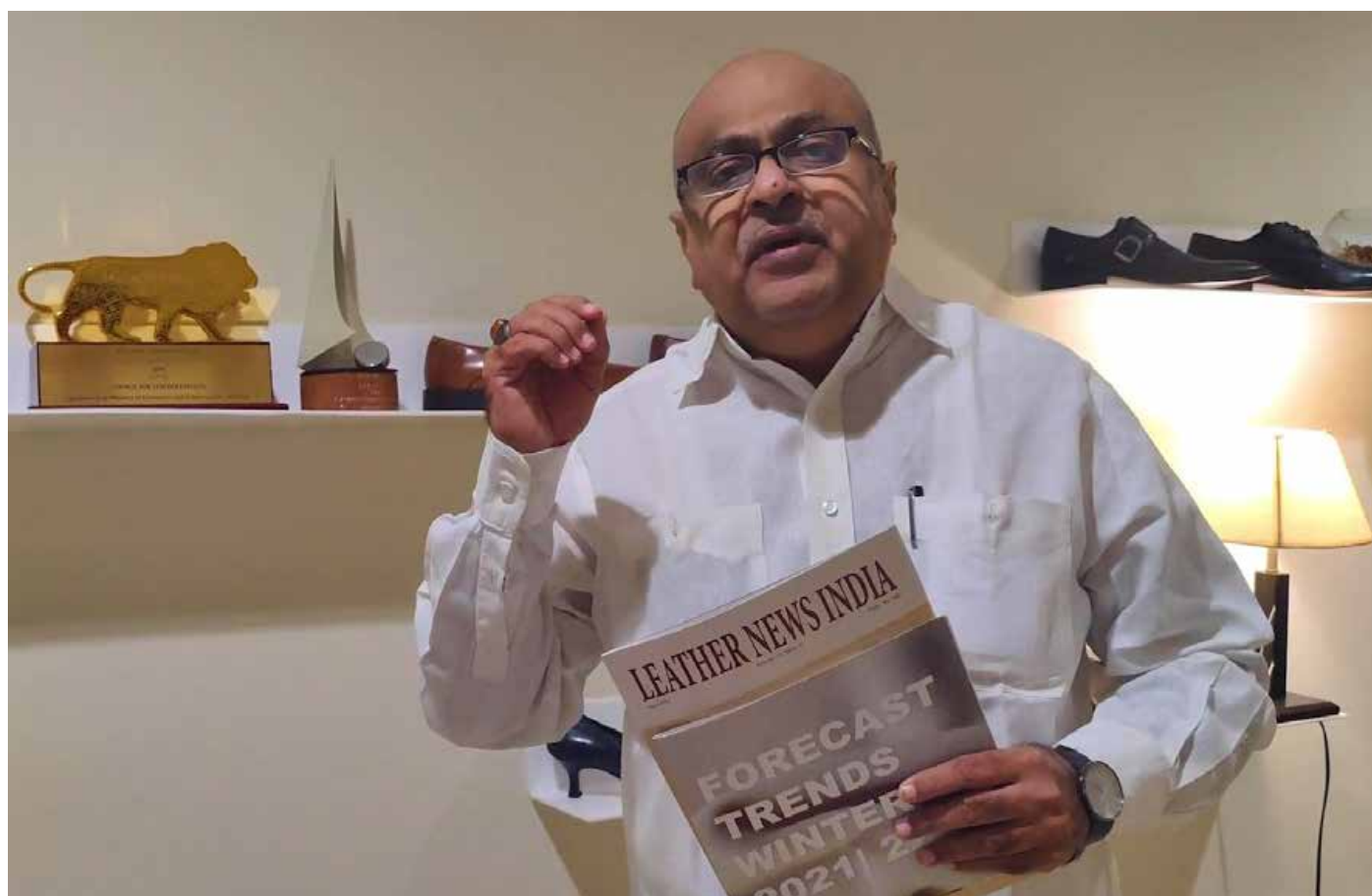
BULKY



CLASSIC



LOAFER



For copies of FASHION TREND POOL Colour Card for Autumn Winter 22/23 season,
please contact: CLRI Design & Fashion Studio.

New customs rules approved by Turkmenistan

We have received a communication from Department of Commerce regarding new customs rules approved by Turkmenistan. The details are as follows.

On August 9, 2021, Turkmenistan approved a new Procedure for customs clearance of sea vessels that carry out international transportation, as well as goods and vehicles transported by them.

The new Procedure regulates the general rules for the arrival and departure of sea vessels engaged in international transportation, for the import and customs clearance of goods and vehicles by these vessels at the customs border of Turkmenistan. Some salient features of the new rules are enumerated below:

- (i) Goods and vehicles transported across the customs border of Turkmenistan are subject to customs clearance and customs control as stipulated by the Customs Code of Turkmenistan and in accordance with the rules established by the new Procedure.
- (ii) In order to speed up customs control and customs clearance, the port's administration is obliged to inform the customs authorities in advance in electronic form about ships and goods transported by them, which is provided by the carrier or its agent.
- (iii) Customs inspection, verification of documents and information, as well as customs clearance of a

sea vessel are carried out within the period established by the State Port Control.

- (iv) The goods can be checked only in the customs control zones.
- (v) Citizens on board, including crew members, passengers, drivers, are authorized to enter through special checkpoints on the territory of the port. Customs control and customs clearance of goods (baggage) of citizens is carried out in accordance with the rules established by the customs legislation of Turkmenistan on the movement of goods across the customs border by individuals
- (vi) The captain of a vessel arriving at the customs border of Turkmenistan must provide the following documents for customs control:

Documents for arrival:

- main declaration;
 - cargo declaration;
 - list of crew members;
 - document on ship's food supplies (a document showing the composition and quantity of food products intended for consumption by crew members on board the ship);
 - a list of valuables of crew members or a separate customs passenger declaration for each crew member in the order and form established by the service;
 - information about passengers.
- (vii) Shipping (cargo) documents issued by state control bodies at the port (foreign) of departure are:
- 1. bill of lading (or a document certifying the acceptance of the cargo for carriage);
 - 2. cargo manifest;
 - 3. commercial documents: invoices (invoices), specifications, shipping and packing lists and other documents;
 - 4. customs documents – documents issued at the port of departure and transit (if there are such documents).
- After the documents are submitted, customs inspection of the vessel and verification of documents are carried out.
- (viii) Upon completion of the customs procedures, custom clearance for cargo is issued.

Meeting regarding Establishment of “Footwear, Goods & Accessories Fashion Park” at Yamuna Expressway Industrial Development Authority (YEIDA), Greater Noida on 24th August, 2021



Council for Leather Exports (CLE) has been very proactive in providing handholding to its members for promotion of Leather and Leather products exports from the country. Cluster development has been one of prominent drive since its inception. Setting-up of Mega Leather Cluster across various strategic locations to provide world-class infrastructure to the industry is one of the prime objectives of the CLE.

On 24th June, 2021, a delegation led by Shri Motilal Sethi, Regional Chairman (North), Council for Leather Exports had a meeting Dr. Arunvir Singh, IAS, CEO, of Yamuna Expressway Industrial Development Authority (YEIDA) in the office of YEIDA, Greater Noida to discuss the matter of land availability for formation of “Footwear, Goods & Accessories Fashion Park”. And also to submit the CLE memorandum for development of world class

Shri Motilal Sethi, Regional Chairman (North), CLE along with CLE delegation presenting floral bouquet to Dr. Arunvir Singh, IAS, CEO, YEIDA

infrastructure for member entrepreneurs to promote exports of footwear, goods, garments and accessories from country both for leather and non-leather material.

The objective of the visit to YEIDA office was to present members' demand on availability of land for the Industry for the expansion of industrial activities and also to upscale their operation in the leather and footwear sector. This meeting was organized with a motive to build up infrastructure support for export promotion of the country and to attract investment for expansion of the industrial activities and growth and development of supply chain in the cluster.

CLE initiative of cluster development will have twin effect as this will increase the Industrial activity in the town, generate more revenue for local economy and will also provide additional employment to the local people.

Following members were part of CLE delegation to Yamuna Expressway Industrial Development Authority, Greater Noida for the meeting :-

- Shri Motilal Sethi, Regional Chairman (North), CLE
- Shri Atul Kumar Mishra, Regional Director, CLE

- Shri Rajiv Marwah, Member, CLE
- Shri Shiraz Askari, Member, CLE
- Shri Kuldeep Singh Pahwa, Member, CLE
- Shri Ashwani Bhatia, Member, CLE
- Shri Vijay Jha, Member, CLE
- Shri Vivek Kumar, Member, CLE
- Shri Asif Eqbal Khan, Export Promotion Officer, CLE

Dr. Arunvir Singh, IAS, CEO, Yamuna Expressway Industrial Development Authority (YEIDA) welcomed the delegation of Council for Leather Exports, New Delhi to his office.

Initiating the meeting Shri Atul Kumar Mishra, Regional Director, Council for Leather Exports,

briefed about the Council for Leather Exports and conveyed that Council for Leather Exports (CLE) is an export promotion organization established by Ministry of Commerce & Industry with prime objective to promote the export Leather and leather products and also generate employment for economically weaker section of the society. He added further that for this said purpose we are keen to explore possibilities of setting-up of "Footwear, Goods & Accessories Fashion Park" in Yamuna Expressway, Greater Noida U.P.

Shri Motilal Sethi, Northern Regional Chairman, CLE conveyed

that we have a significant presence of exporters and investors who are member to CLE in the Noida Export Clusters and Industrial towns of the district. He informed that exporters are demanding that if Govt. of Uttar Pradesh helps them to get a land of 100 acres or more in the vicinity of Noida they can bring in investment to the level of three to four thousand crores into the park and can generate annually Rs. 2000-3000 Cr. exports and provide additional employment to fifty thousand workmen of the State. He also conveyed that currently



CLE delegation led by Shri Motilal Sethi, Northern Regional Chairman, CLE and Shri Atul Kumar Mishra, Regional Director – North, CLE interacting with Dr. Arunvir Singh, IAS, CEO YEIDA

Noida alone contributes around more than 1000 cr exports annually into India's total Footwear, Goods & Accessories Exports to the world and have given employment to the extent of thirty-five to fifty thousand workers in their factories. He also added our export oriented factories of NOIDA and CLE members are catering to the needs of big international brands like Zara, Coach, Bugatti, Hushpuppies, Bata and Tommy Hilfiger and many more.

Dr. Arunvir Singh, IAS, CEO YEIDA conveyed that YEIDA is committed to cater and to serve the Industries by creating viable facilities especially to MSMEs which has the potential to generate employment and revenue for the state. He further added that YEIDA has always been in the focus of State and Central Government since last three years to attract more investments in the proposed Textile Park, Toy Park, Logistics Park and Heritage city. He informed that Yamuna expressway is the centre of attraction to investors since the time of announcement of construction of Jewar International has further fueled the demand for land by investors and entrepreneurs.

He also suggested that Government of Uttar Pradesh have numerous schemes pertaining to Industrial development which is permissible by YEIDA in form of assistance to industries and entrepreneurs to strengthen their manufacturing capacity and make them globally competitive. He summarized that the land is available under various land-use scheme as defined in the Master Plan as Mixed Land use, Industrial Land-use, Institutional Land, and Commercial Land.

Shri Kuldeep Singh Pahwa, Member, CLE during discussions stated that there is a strong Pro -India sentiments around the world and India is seen as the potential market to set up a production base and export to other parts of the globe as several companies across Europe and North America seeking to establish manufacturing capacities in India as an alternative to China.

Shri Shiraz Askari, Member, CLE conveyed that in a cluster, we would not only have product manufacturing but also need to have auxiliary manufacturing and services support to make the value and supply chain complete and

competitive. He also highlighted the grievance of the members who wish to invest that some of them might face financial crunch while investing in cluster which might prevent them to invest in infrastructure, therefore there should be some flexibility to investors to buy land in proposed cluster so that they can be a part of “Footwear, Goods & Accessories Fashion Park.”

Shri Ashwani Bhatia, Member, CLE enquired about the container passage to which CEO, YEIDA conveyed that, in this regard, we have proposed the project of Dedicated Freight Corridors (DFC) – Western (between Delhi & Mumbai) and Eastern (between Ludhiana & Howrah). Being located on the junction of two DFCs; Greater Noida location itself is at an important node in the proposed projects. Furthermore, the four-lane project of the Hapur-Moradabad section of National Highway-24 and the up-gradation of the National Highway-2 (NH2) running between Delhi and Kolkata covering 1,350 km and NH 95 from Kharar towards Ludhiana will augment the lucrativeness of any logistics project. He also added that, the envisaged development of Yamuna Expressway (Greater Noida –Agra), Ganga Expressway (Greater Noida – Balia), Eastern Peripheral Expressway makes Greater Noida as a strong case for development of logistics & other related infrastructure. Apart from that International Airport we will also have dry port in the proposed sector to cater the logistic need and demand of exporters and investors.

Shri Motilal Sethi, Northern Regional Chairman, CLE referring to the land rate slab conveyed that we need a contiguous and consolidated land of 100 Acres to which CEO, YEIDA replied that if you are going for consolidated land then most of the area will go under roadways and other facilities, therefore it will be



Figure 3: Dr.Arunvir Singh, IAS, CEO YEIDA interacting with CLE Delegation about Yamuna Expressway and its benefits

beneficial for the exporters to hand-over the Cluster project to YEIDA so that they can develop state-of the art cluster in a planned manner. He further added though there are plenty of land available with YEIDA but the allotment would be to individual industry.

Shri Vivek Kumar, Member, CLE enquired that if an exporter due to financial crunch is not able to buy land, then can he be allowed to Sub-divide of land to which CEO, YEIDA replied that sub-division of land is not allowed in Industrial cluster.

During discussion, **Shri Motilal Sethi, Northern Regional Chairman, CLE** also enquired about the 30% of subsidy on land prices being given to Textile Industry in YEIDA allotment of land policy to Apparel city. He requested that the same may be extended to CLE's proposed “Footwear, Goods & Accessories Fashion Park.” In return, CEO, YEIDA replied that this request may be placed by CLE to state government to avail all such benefits in the cluster and YEIDA will also take board's approval to facilitate the same.

He further added that, YEIDA will allocate and earmark a land parcel of 100 acres at Sector 10, and all financial and non-financial policy assistance to the allottees will be as per the policy.



CLE delegation discussing about Yamuna Expressway with Dr.Arunvir Singh, CEO, YEIDA

Shri Rajiv Marwah, Member, CLE enquired about the payment schedule to which CEO, YEIDA conveyed that, Allotee has to pay 30% upfront of the total premium amount of land and balance 70% of the total premium may be paid in 10 (ten) equal half yearly installments with interest @8.50% per annum for a period of 5 years.

Concluding the meeting, Dr. Arunvir Singh, CEO, YEIDA assured his full support to Industry and conveyed that he will take all formal approval from the board of YEIDA and with Government of Uttar Pradesh on proposed "Footwear, Goods & Accessories Fashion Park" in Greater Noida on priority basis.

Subsequent to meeting with Dr. Arunvir Singh, CEO, YEIDA, CLE delegation met with Dr. Sadanand Gupta, PCS, OSD, YEIDA to discuss about the benefits for setting-up of "Footwear, Goods & Accessories Fashion Park" at Yamuna Expressway Industrial Development Authority (YEIDA) and to understand the feasibility of land location at Yamuna Expressway.

Dr. Sadanand Gupta, PCS, OSD, YEIDA said that Yamuna Expressway is systematically planned and very soon it will be a commercial hub of India due to its strategic location, investment, logistical connectivity and proximity to Jewar International Airport.



Sadanand Gupta, PCS, OSD, YEIDA interacting with Shri Motilal Sethi, Northern Regional Chairman, CLE and CLE Delegation about YEIDA and its strategic location



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Virtual meeting of Regional Chairman (North), CLE with with Shri Satish Mahana, Hon'ble Cabinet Minister, Department of Industrial Development, Government of Uttar Pradesh, Aug. 26, 2021

A virtual meeting of Global Value Chain, Backward & Forward Integration was organized on 26th August, 2021 by Assocham on Building State Capabilities for Global Value Chain – Uttar Pradesh with Shri Satish Mahana, Hon'ble Cabinet Minister, Department of Industrial Development, Government of Uttar Pradesh in which Shri Motilal Sethi, Regional Chairman (North), Council for Leather Exports was invited as a Panelist.

Shri Motilal Sethi, Regional Chairman (North), Council for Leather Exports thanked Shri Satish Mahana, Hon'ble Minister of Industries for giving an opportunity to interact with him.

Further he said that, this is the most opportune time for India where Hon'ble Prime Minister on 6th of August, 2021 had given a call for the Export Promotion and the policies of Hon'ble Chief Minister of Uttar Pradesh for the Industrialization of Uttar Pradesh are Pro-Industry.

He also complimented Hon'ble Minister Shri Satish Mahana, for his vision displayed in Uttar Pradesh Investor's meet and in Groundbreaking ceremony and he further added that he is grateful to the Government of Uttar Pradesh for coming up with Industry friendly policies and its implementation.

He also expressed his gratitude and extended his thanks for allotting 100 acres of land and emphasized upon following points :-



Shri Motilal Sethi, Regional Chairman (North), interacting with Shri Satish Mahana, Hon'ble Cabinet Minister, Department of Industrial Development, Government of Uttar Pradesh

1. He emphasized upon the need of Ease of Doing Business in the cluster and conveyed that the production of footwear, products and accessories does not impact environment, therefore looking at the nature of this Industry, it should be classified under white category. During the discussion, he also mentioned about Agra, an important center for Footwear production wherein he conveyed that investment has stopped there due to green category, so this must be immediately reversed to white category.
2. He further requested for the urgent execution of the "Footwear, Goods & Accessories Fashion Park". He thanked Hon'ble Chief Minister, Shri Yogi Adityanath and UP Govt for allotting 100 Acres Fashion Park for Footwear, products and Accessories at Yamuna Express, Greater Noida and requested for urgent Allotment and Possession to encash on Pro India sentiments and for meeting Export Targets set up by Hon'ble Prime Minister.
3. He also requested to the Hon'ble Minister that, 30% of subsidy on land and other benefits, which are being given to Apparel Park under Textile Policy may also be extended to the allottees of Fashion Park by adding our fashion products in the Textile Policy as 22% of Leather Industry is in the U.P. and has vast scope of growth.
4. He requested that, the proposed Fashion Park must have additional competitive advantages to achieve competitive products, by giving additional SOPs like Freight subsidy which in India is highest in the world, low cost power, tax holiday, taxation benefits for building infrastructure, ease of doing business and other export friendly policies to meet global competition.
5. Shri Motilal Sethi thanked Hon'ble Minister for allotting free 5 Acres land in cluster and apprised him that it will have state of the art common facility centre, training of workmen, display centre, overseas and Indian supply chain facilitation, R and D and Design Centre, Knowledge auditorium for upgrading skills, etc, for which all State Govt schemes may support for growth of Industrialization.

6. He also informed Hon'ble Minister that additional investment of Rs 4000 crores will be made in the new cluster to achieve additional turnover of Rs. 5000 crores by employing 50,000 workers.

Hon'ble Minister has assured in his reply to Northern Regional Chairman, CLE that he will request Dr. Arunvir Singh, CEO YEIDA for early execution of 100 acres "Footwear, Goods & Accessories Fashion Park at Yamuna Express Industrial Development Authority (YEIDA), Greater Noida, Uttar Pradesh.

- He has also assured that he will look into the issue of white category of Agra at the earliest.
- In response to the request of 30% subsidy being given to Apparel Park, Hon'ble Minister said that he is open to amend any policy for promoting industrialization.
- He assured that he will extend all kind of assistance for the development of the Fashion Park.
- He also said that he is in favour of Leather Industry and in this regard,



Shri Satish Mahana, Hon'ble Cabinet Minister, Department of Industrial Development, Government of Uttar Pradesh

he has resolved lot of issues pertaining to Ramaipur Mega Leather Cluster in Kanpur.

- He also invited Regional Chairman, Shri Motilal Sethi for a personal interaction to take all these issues forward.

Regional Chairman (North), CLE concluded the meeting by thanking Shri Satish Mahana, Hon'ble Minister of Industries for sparing time and patiently hearing concerns pertaining to Leather Industry.



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Remission of Duties and Taxes on Exported Products (RoDTEP)

Vide Notification No. 19/2015-20 dated 17th August 2021, the DGFT has notified the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme guidelines and also the rates. As far as leather sector is concerned, the rate was 1.4% for finished leather, 1.2% for leather goods like hand bags, wallets, purses, leather garments, saddlery and harness items, 1.3% for leather footwear under HS Code 6403 and also footwear under HS Code 6404 and 1% for other footwear. In respect of footwear components under 6406, the RODTEP rate was 1.3%, except for the following footwear components for which the rate of 1.5% with a cap of Rs.37 have been notified.

Tariff item	Description of goods	RODTEP rate	UQC	Cap (Rs.)
64061020	Leather Uppers (Prepared)	1.5%	KG	37
64061030	Goat lining	1.5%	KG	37
64061040	Sheep Lining	1.5%	KG	37
64061090	Other	1.5%	KG	37

QUC : Unit Quantity Code

Chairman, CLE has submitted a representation to the Government seeking the following.

- 1) We would request for suitable increase in the RoDTEP rates.
- 2) The unit of measurement (UQC) of various products in the RODTEP schedule have been notified in Kg whereas the unit of measurement in the Drawback Schedule is in terms of sq.ft/pieces/pairs . Hence, unit of measurement may be changed as per drawback schedule .

TFL increases capacity for its Market Leading Dyes

TFL has announced today that it has successfully completed its project to increase the capacity for its range of leather dyes produced in its blending and standardisation facility in Mumbai, India.

The expansion has increased TFL's global capacity for key Sellaset® and Sellafast® dye products by 40%, to ensure continued great service to its customers. In addition to the increased output, the expansion project includes process changes to further improve the quality and consistency of the dyes handled in the facility and an enhancement of TFL's Dyes Research and Development centre on the same site.

During the project, TFL also took the opportunity to upgrade the entire

facility by installing a new effluent treatment plant and powder transfer system, an enhanced dust collecting system, new forklifts and stacker with latest safety features, and a new box packing machine. Together these improvements have enabled TFL to further enhance the health, safety and environment performance of the facility.

The project was managed by TFL's local teams in Mumbai and Hyderabad and they were able to successfully install all of the new equipment safely without disrupting production. The facility is now operating at increased production rates and TFL is looking to further grow its leather dyes business by taking advantage of the additional business opportunities that have come from its recent acquisition of the Organic Leather Chemicals business of LANXESS.

Dr. Wolfgang Schütt, TFL's CEO, commented that 'our Mumbai facility had been operating at record production levels as TFL has successfully grown its global leather dyes business and I am delighted to announce the completion of our capacity expansion which will enable us to meet our customers increasing demand for high quality dyes. I would like to thank the local team for delivering this significant project safely and under budget, which was especially difficult given the restrictions caused by the difficult Covid-19 situation in India. They did an excellent job in the circumstances.'

IULTCS to Support Leather Students to Virtually Attend XXXVI IULTCS Congress in Ethiopia

As the XXXVI IULTCS Congress approaches (03-05 November 2021) the Africa Leather and Leather Products Institute (ALLPI) is pleased to announce that there will be support available to enable 20 leather (or associated subject) students to attend the congress virtually. The support is being provided from a grant of US\$2,000 that is being awarded by IULTCS. President, Dr Luis Zugno, stated "Despite the current difficulties with travelling it is vital that we encourage our future leather scientists and technologists to participate in these prestigious events as both presenters and attendees. IULTCS has provided the financial means for this to happen for 20 young people and I call on industry professionals to ensure likely candidates are aware of this opportunity."

To apply to attend, students should contact executive.director@allpi.int

The two leather congresses (XXXVI IULTCS and 5th World Leather Congress) are to be held in Addis Ababa on 01 – 05 November 2021 and are expected to leave delegates with great insights and informative actions that delegates could use in their respective institutions and/or enterprises.

Registration for the congresses has commenced and a new registration fee structure for remote registrations is in place – with the ability to 'upgrade' to in person attendance if travel restrictions allow. Abstract submission for the IULTCS Congress is open until 31 August 2021 – with the option to submit a remote paper, allowing current global research to be shared, even if the presenter cannot be in attendance.

The link <https://www.iultcs2021africa.org/home> will provide more information on registration and guidelines for submission of Abstracts.

There are also opportunities to support these high-profile, globally attended events by becoming sponsors, as it is critical to our industry that we continue to share our knowledge, research and best practice – various packages are available to suit all budgets so companies are encouraged to contact the organisers to see how they can best participate.

Summary Information:

5th World Leather Congress: 01 November 2021

XXXVI IULTCS Congress: 03 - 05 November 2021



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