

I. INDIAN LEATHER INDUSTRY – OVERVIEW, EXPORT PERFORMANCE & PROSPECTS

- The Indian Leather, Leather Products and Footwear Industry holds a prominent place in the Indian economy. This sector is known for its consistency in high export earnings and it is among the top ten foreign exchange earners for the Country.
- The export of footwear, leather and leather products from India was to the tune of US \$ 5.26 billion during 2022-23.
- The industry is bestowed with an affluence of raw materials as India is endowed with 20% of world cattle & buffalo and 11% of world goat & sheep population. Added to this are the strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and the dedicated support of the allied industries.
- The leather industry is an employment intensive sector, providing job to about 4.42 million people, mostly from the weaker sections of the society. Women employment is predominant in leather products sector with about 40% share.
- India is the second largest exporter of leather garments, third largest exporter of Saddlery & Harness and 4th largest exporter of Leather Goods in the world.
- The major production centers for footwear, leather and leather products in India are located in the States of **Tamil Nadu** - Chennai, Ambur, Ranipet, Vaniyambadi, Vellore, Pernambut, Trichy, Dindigul and Erode; **West Bengal** – Kolkata; **Uttar Pradesh** – Kanpur, Agra, Noida, Saharanpur; **Maharashtra** – Mumbai; **Punjab** – Jalandhar; **Karnataka** – Bengaluru; **Telengana** Hyderabad; **Haryana** - Ambala, Gurgaon, Panchkula, Karnal and Faridabad; **Delhi**; **Madhya Pradesh** – Dewas; **Kerala** – Kozhikode and Ernakulam / Cochin; **Rajasthan**; Jaipur; **Jammu & Kashmir**; Srinagar.

Strengths of Indian leather sector

- Own raw material source – About 3 billion sq ft of leather produced annually
- Some varieties of goat / calf / sheep skins command premium position
- Strong and eco-sustainable tanning base
- Modernized manufacturing units
- Trained / skilled manpower at competitive wage levels

- World-class institutional support for Design & Product Development, HRD and R & D.
- Presence of support industries like leather chemicals and finishing auxiliaries
- Presence in major markets – Long Europe experience
- Strategic location in the Asian landmass

Emerging strengths

- Design development initiatives by institutions and individuals
- Continuous modernization and technology up-gradation
- Economic size of manufacturing units
- Constant human resource development programme to enhance productivity
- Increasing use of quality components
- Shorter prototype development time
- Delivery compliance
- Growing domestic market for footwear and leather articles

Highlights of Product Segments of Indian Leather and Footwear Industry

Tanning Sector

- Annual availability of leathers in India is about 3 billion sq.ft.
- India accounts for 13% of world leather production of leathers.
- Indian leather trends/colors are continuously being selected at the MODEUROPE Congress.

Footwear Sector

- India is Second largest footwear producer after China, with Annual Production of 2.58 billion pairs (2018).
- India is also the second largest consumer of footwear after China, with a consumption of 2.60 billion pairs.
- Footwear (leather and non-leather) export accounts for about 51% share in Indian leather and footwear industry's export (2022-23).

Leather Garments Sector

- India is the second largest global exporter of Leather Garments.
- Accounts for 7% share of India's total export from leather sector (2022-23).

Leather Goods & Accessories Sector including Saddlery & Harness

- India is the fifth largest global exporter of Leather Goods & Accessories and third largest exporter of Saddlery and Harness items.
- Accounts for 29% share of India's total export from leather sector (2022-23).

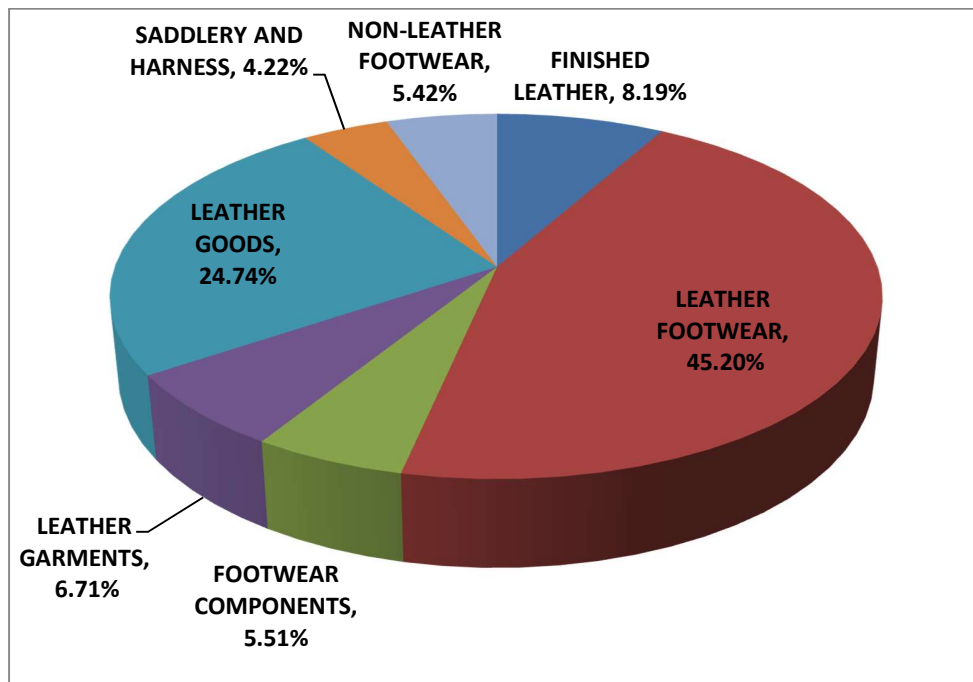
INDIA'S EXPORT OF LEATHER & LEATHER PRODUCTS 2022-23 vis-a-vis 2021-22

(Value in Million US \$)

CATEGORY	APR-MAR 2021-2022	APR-MAR 2022-2023	% VARIATION	% Share 2021-22	% Share 2022-23
FINISHED LEATHER	456.10	430.93	-5.52%	9.36%	8.19%
LEATHER FOOTWEAR	2047.08	2377.23	16.13%	42.01%	45.20%
FOOTWEAR COMPONENTS	249.87	289.81	15.98%	5.13%	5.51%
LEATHER GARMENTS	342.38	353.07	3.12%	7.03%	6.71%
LEATHER GOODS	1287.06	1301.34	1.11%	26.41%	24.74%
SADDLERY AND HARNESS	276.10	222.17	-19.53%	5.67%	4.22%
NON-LEATHER FOOTWEAR	214.11	284.98	33.10%	4.39%	5.42%
TOTAL	4872.70	5259.53	7.94%	100.00%	100.00%

Source : DGCI &S

% SHARE OF LEATHER & LEATHER PRODUCTS FY 2022-23



ANALYSIS – COUNTRY WISE EXPORT PERFORMANCE OF LEATHER, LEATHER PRODUCTS&FOOTWEAR FROM INDIA DURING APRIL-MARCH 2022-23 VIS-A-VIS APRIL-MARCH 2021-22

Value in Million US \$

COUNTRY	TOTAL			Share in total export 2021-22	Share in total export 2022-23
	APR-MAR 2021-22	APR-MAR 2022-23	% Change 2022-23		
U.S.A	1158.24	1173.08	1.28%	23.77%	22.30%
GERMANY	536.02	579.33	8.08%	11.00%	11.01%
U.K.	456.75	481.55	5.43%	9.37%	9.16%
ITALY	287.95	354.82	23.22%	5.91%	6.75%
FRANCE	278.93	281.28	0.84%	5.72%	5.35%
SPAIN	212.68	228.54	7.46%	4.36%	4.35%
U.A.E.	105.48	123.87	17.43%	2.16%	2.36%
NETHERLANDS	216.82	219.80	1.37%	4.45%	4.18%
HONG KONG	68.03	57.52	-15.45%	1.40%	1.09%
CHINA	136.59	147.24	7.80%	2.80%	2.80%
POLAND	82.32	81.48	-1.02%	1.69%	1.55%
BELGIUM	115.71	135.79	17.35%	2.37%	2.58%
SOMALIA	29.66	41.97	41.50%	0.61%	0.80%
VIETNAM	60.40	64.78	7.25%	1.24%	1.23%
AUSTRALIA	91.23	94.01	3.05%	1.87%	1.79%
PORTUGAL	59.43	71.37	20.09%	1.22%	1.36%
DENMARK	67.36	81.52	21.02%	1.38%	1.55%
KOREA REP.	40.37	46.74	15.78%	0.83%	0.89%
JAPAN	64.60	77.88	20.56%	1.33%	1.48%
RUSSIA	42.79	44.84	4.79%	0.88%	0.85%
S. AFRICA	33.40	36.76	10.06%	0.69%	0.70%
CHILE	47.07	41.39	-12.07%	0.97%	0.79%
MALAYSIA	29.75	29.86	0.37%	0.61%	0.57%
AUSTRIA	37.96	55.65	46.60%	0.78%	1.06%
CANADA	60.92	70.34	15.46%	1.25%	1.34%

Source : DGCI&S

COUNTRY	TOTAL			Share in total export 2021-22	Share in total export 2022-23
	APR-MAR 2021-22	APR-MAR 2022-23	% Change 2022-23		
SWEDEN	31.83	27.04	-15.05%	0.65%	0.51%
NIGERIA	16.50	15.05	-8.79%	0.34%	0.29%
INDONESIA	21.28	23.47	10.29%	0.44%	0.45%
MEXICO	32.35	37.85	17.00%	0.66%	0.72%
SAUDI ARABIA	28.56	43.36	51.82%	0.59%	0.82%
KENYA	7.49	10.34	38.05%	0.15%	0.20%
SWITZERLAND	20.35	22.54	10.76%	0.42%	0.43%
SLOVAK REP	18.12	19.26	6.29%	0.37%	0.37%
HUNGARY	18.98	11.42	-39.83%	0.39%	0.22%
THAILAND	15.63	16.39	4.86%	0.32%	0.31%
BANGLADESH	17.68	17.54	-0.79%	0.36%	0.33%
FINLAND	14.08	18.76	33.24%	0.29%	0.36%
TURKEY	17.23	24.29	40.98%	0.35%	0.46%
ISRAEL	16.99	17.55	3.30%	0.35%	0.33%
CAMBODIA	6.27	8.41	34.13%	0.13%	0.16%
CZECH REPUBLIC	12.27	11.17	-8.96%	0.25%	0.21%
GREECE	7.15	9.77	36.64%	0.15%	0.19%
NEW ZEALAND	10.74	9.49	-11.64%	0.22%	0.18%
OMAN	7.01	9.63	37.38%	0.14%	0.18%
SRI LANKA DSR	7.15	6.66	-6.85%	0.15%	0.13%
SINGAPORE	10.8	10.93	1.20%	0.22%	0.21%
SUDAN	3.67	2.89	-21.25%	0.08%	0.05%
TAIWAN	6.65	6.67	0.30%	0.14%	0.13%
NORWAY	5.99	7.71	28.71%	0.12%	0.15%
DJIBOUTI	2.56	2.32	-9.38%	0.05%	0.04%
OTHERS	194.86	247.58	27.06%	4.00%	4.71%
TOTAL	4872.70	5259.53	7.94%	100.00%	100.00%

Source : DGCI&S

Major Markets:

- The major markets for Indian Leather & Leather Products are USA with a share of 22.30%, Germany 11.01%, UK 9.16%, Italy 6.75%, France 5.35%, Netherlands 4.18%, Spain 4.35%, China 2.80%, Poland 1.55%, Belgium 2.58%, UAE 2.36% and Hong Kong 1.09%.
- The Top 15 countries together account about 78.55% of India's total leather, leather products & footwear export during April-March 2022-23 with export value of US \$ 4131.56 Mn.