

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE**

LOK SABHA

**UNSTARRED QUESTION NO. 1807.
TO BE ANSWERED ON MONDAY, THE 21ST SEPTEMBER, 2020.**

LEATHER INDUSTRY

**1807. SHRI C.N. ANNADURAI:
SHRI DHANUSH M. KUMAR:
SHRI GAJANAN KIRTIKAR:
SHRI GAUTHAM SIGAMANI PON:
SHRI SELVAM G.:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the condition of the leather industry has been severely affected due to Covid-19 pandemic in the country particularly in Maharashtra and Tamil Nadu and if so, the details thereof;
- (b) whether there has been a slowdown in the leather production and exports during the last three years and the current year and if so, the details thereof;
- (c) whether the Government has taken any steps to double the exports as the leather sector is amongst the top ten foreign exchange earners in the country;
- (d) whether the Government which is implementing Indian Leather Development Programme (ILDP) has achieved the objective for which it was set up and if so, the details thereof; and
- (e) whether the Government is implementing schemes for setting up of leather parks to promote leather industries in the country and if so, the States in which these parks are set up and the achievement made so far?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

- (a): As per information received from Council for Leather Exports (CLE), the leather, leather products and footwear industry all over the country inter-alia including Maharashtra and Tamil Nadu have lost export orders on account of adverse impact of COVID-19 Pandemic.
- (b): As per information received from Council for Leather Exports (CLE) and the data of Directorate General of Commercial Intelligence and Statistics (DGCI&S), export of leather, leather products and footwear (including leather

garments) from India during 2017-18, 2018-19 and 2019-20 was USD 5.74 billion, USD 5.69 billion and USD 5.07 billion respectively

(c): Government has been implementing significant support measures for the overall growth of the sector in the last 6 years. These include:

- i. 3% duty credit scrip for leather products & footwear and 2% for finished leather under Merchandise Exports from India Scheme (MEIS).
- ii. 5% interest equalisation under Rupee export credit for MSMEs and 3% for non-MSMEs in footwear, saddlery & harness and other leather products (HS Code 4205).
- iii. Basic Customs duty exemption on raw materials namely hides & skins, semi-finished and finished leathers.
- iv. Basic Customs duty exemption on import of notified critical inputs for making value added products @ 5% of FOB value of exports in previous year for manufacturer exporters of leather products and footwear and @ 3% of FOB value of exports in previous year for exporters of leather garments.
- v. GST reduction on finished leather from 12% to 5% on leather products and leather chemicals from 28% to 18%, on CETPs from 18% to 12% and on Job work from 18% to 5%.
- vi. 5% concessional GST for footwear with sale price upto Rs.1000/- and 18% for other footwear.
- vii. Notification of revised finished leather norms has been issued on Sept. 4, 2020 to facilitate export of newer types of finished leather which is in huge demand in the global market.
- viii. Central Sector Scheme 'Indian Footwear Leather and Accessories Development Programme' (IFLADP) for overall development and leather and footwear industry is being implemented.
- ix. Development Council for Footwear & Leather Industry (DCFLI) has been established for the formulation and implementation of promotional and development measures for the growth of labour intensive footwear and leather sectors in India.

(d): The objective of central sector scheme 'Indian Footwear Leather and Accessories Development Programme (IFLADP)' has been achieved in view of the following activities taken under IFLADP scheme for overall development of leather and footwear industry –

- Financial assistance amounting to Rs. 248.41 crore provided for modernization and up-gradation of 662 units to incentivize investment and manufacturing to tanneries, footwear, components, leather goods, leather garments, harness and saddlery manufacturing units in leather & footwear sector under 'Integrated Development of Leather Sector' sub-scheme.
- Primary Skill Development Training provided to 4,52,076 persons @ Rs. 15000/- per person and 3,68,157 trainees provided placement in leather & footwear sector under 'Human Resource Development' sub-scheme.

- Approval accorded for up-gradation of twelve Common Effluent Treatment Plants at Dindigul, Ranipet, Ambur, Vaniyambadi, Vellore, Pallavaram, Trichy and Erode districts of Tamil Nadu and financial assistance amounting to Rs. 80.12 crore released in respect of ten CETP projects under 'Leather Technology Innovation and Environment Issues' sub-scheme.
- Financial assistance amounting to Rs 38.88 crores has been provided for up-gradation of seven Footwear Design and Development Institute campuses located at Noida, Chennai, Hyderabad, Jodhpur, Patna, Kolkata and Rohtak into Centres for Excellence (CoEs) under 'Establishment of Institutional Facilities' sub-scheme.
- Approval accorded for the project 'Setting up of Mega Leather Footwear and Accessories Cluster (MLFAC) at Calcutta Leather Complex, Bantala, Kolkata' under 'Mega Leather Footwear and Accessories Cluster' sub-scheme.

(e): Yes Sir, Mega Leather Footwear and Accessories Cluster (MLFAC) sub-scheme under 'Indian Footwear Leather and Accessories Development Programme (IFLADP)' scheme provides infrastructure support to the Leather, Footwear and Accessories Sector by establishment of Mega Leather Footwear and Accessories Clusters. Approval has been accorded for setting up of MLFAC at Calcutta Leather Complex, Bantala, Kolkata, West Bengal.
