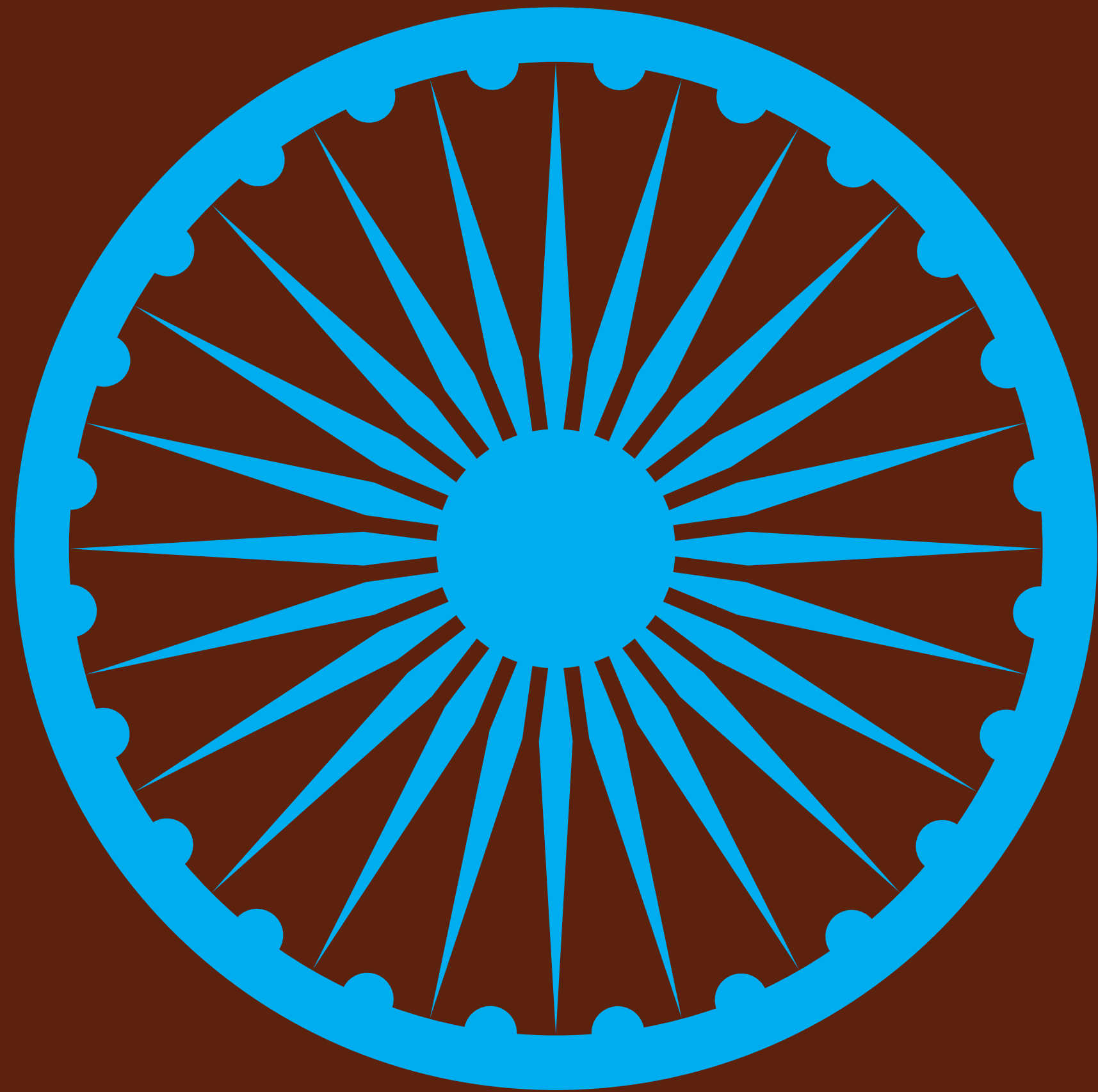


**MAKE IN
INDIA**

LEATHER



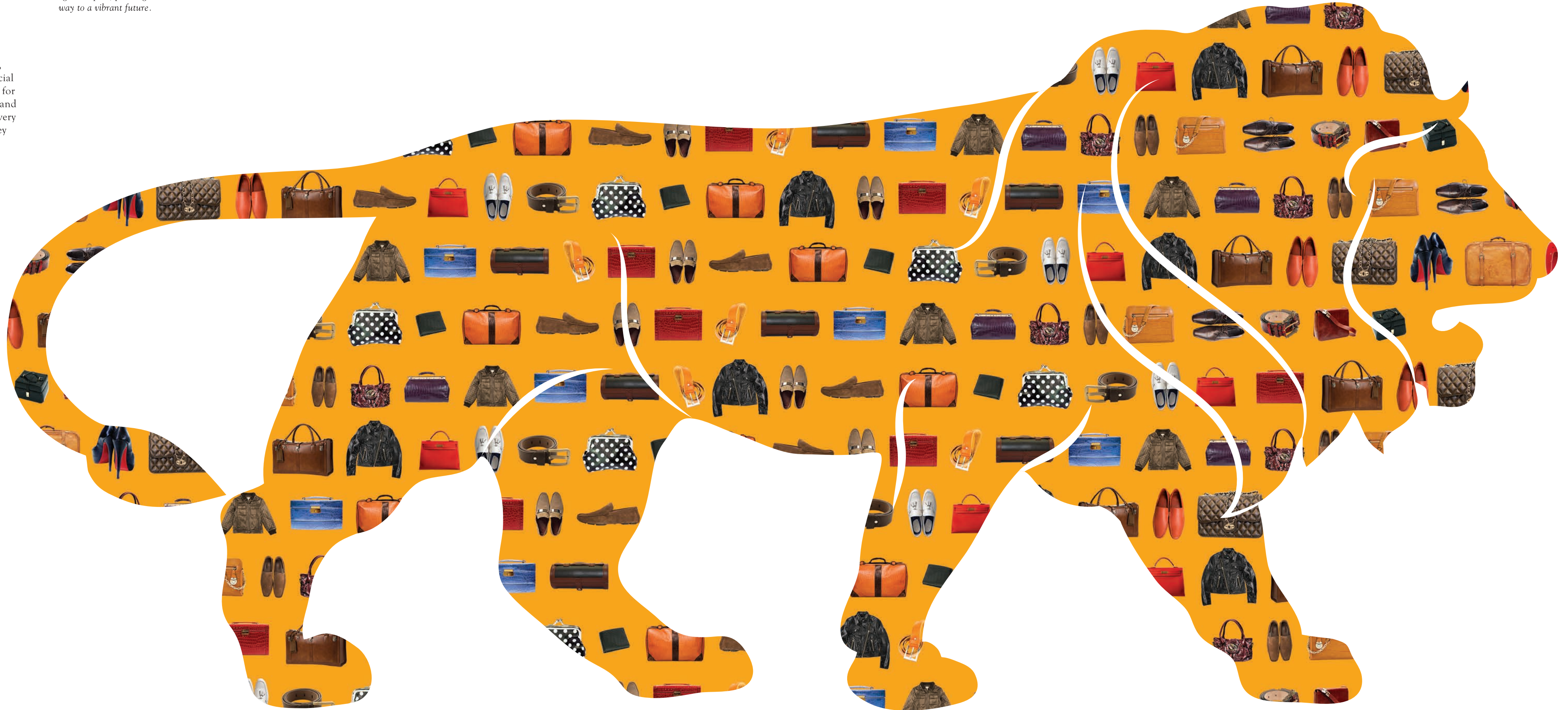
**FROM AGRICULTURE TO AUTOMOBILES
FROM HARDWARE TO SOFTWARE
FROM SATELLITES TO SUBMARINES
FROM TELEVISIONS TO MOVIES
FROM BRIDGES TO BIOTECHNOLOGY
FROM PAPER CLIPS TO POWER PLANTS
FROM ROADS TO CITIES
FROM FRIENDSHIP TO PARTNERSHIP
FROM PROFIT TO PROGRESS
WHATEVER YOU WANT TO MAKE:
MAKE IN INDIA**



The Ashoka Chakra is a central element in India's national emblem and also forms the centrepiece of India's national flag. The wheel denotes peaceful progress and dynamism – a sign from India's enlightened past, pointing the way to a vibrant future.

सत्यमेव जयते

Since time immemorial, the Lion has been the official emblem of India. It stands for strength, courage, tenacity and wisdom – values that are every bit as Indian today as they have ever been.



LEATHER FORECAST.

WITH ABUNDANT RAW MATERIALS AND A YOUNG WORKFORCE, INDIA IS CENTRAL TO ALL THINGS LEATHER.



**USD 11 BILLION
INDUSTRY**

**USD 6 BILLION WORTH
OF EXPORTS IN 2013-14**

**10 % OF THE WORLD'S
LEATHER PRODUCTION**

**24% GROWTH PROJECTED
IN THE NEXT FIVE YEARS**

**55% OF WORKFORCE
BELOW 35**

NEW INITIATIVES

THE MAKE IN INDIA PROGRAM INCLUDES MAJOR NEW INITIATIVES DESIGNED TO FACILITATE INVESTMENT, FOSTER INNOVATION, PROTECT INTELLECTUAL PROPERTY AND BUILD BEST-IN-CLASS MANUFACTURING INFRASTRUCTURE.

1 NEW PROCESSES

- SPECIAL FOCUS ON EASE OF DOING BUSINESS
- DE-LICENSING & DEREGULATION

2 NEW INFRASTRUCTURE

- INDUSTRIAL CORRIDORS
- INDUSTRIAL CLUSTERS
- SMART CITIES
- NURTURING INNOVATION
- SKILL DEVELOPMENT

3 NEW SECTORS

- OPENING OF CRITICAL SECTORS LIKE DEFENSE, CONSTRUCTION AND RAILWAYS FOR FDI

4 NEW MINDSET

- DEDICATED TEAMS THAT WILL GUIDE AND ASSIST FIRST-TIME INVESTORS FROM TIME OF ARRIVAL
- FOCUSED TARGETTING OF COMPANIES ACROSS SECTORS

FACTS + FIGURES

REASONS TO INVEST

- The total production of the Indian leather industry stands at USD 11 Billion with great potential for exports and a huge domestic market.
- Exports have grown from USD 1.42 Billion in 1990-91 to an all-time high of USD 6 Billion in 2013-14.
- Exports are projected to grow at 24% per annum over the next five years.
- The domestic market is expected to double in the next five years.
- Comparative advantages in cost of production and labour costs.

STATISTICS

- A strong base for raw materials - India is endowed with 21% of the world's cattle and buffalo and 11% of the world's goat and sheep population.
- India produces 2 Billion sq. feet of leather, accounting for 10% of world leather requirements.
- There is no import duty on the import of raw hides and skins, semi-processed leathers like wet blue, crust leather or finished leather.
- Imported leather too is now available to the industry at competitive prices.

GROWTH DRIVERS

- High growth potential on exports, the ready availability of leather, the abundance of essential raw materials and rapid strides in the areas of capacity modernization and expansion, skill development and environment management, coupled with a favourable investment climate has made the Indian leather industry a favourable investment destination.
- With 55% of the workforce below the age of 35, the Indian leather industry has one of the youngest and most productive workforces.
- The Indian government has put in place an array of measures for skill development and skill upgradation of the workforce.
- Under the National Skill Certification and Monetary Reward Scheme of the National Skill Development Corporation, financial assistance is given for the training and certification of both the existing workforce and new workers in the leather industry. 20,000 workers have been enrolled under this scheme for training and certification, as of August, 2013.
- The Human Resources Development sub-scheme under the Indian Leather Development Programme (ILDPP) implemented by the Department of Industrial Policy and Promotion, aims to provide skill development training to the unemployed for placement in the leather industry while upgrading skills of the existing workforce at the shop floor level and imparting training to trainers.
- More than 50,000 youth have already been trained and placed in the industry in the last 100 days with 1,44,000 more expected to be trained annually.
- The Footwear Design and Development Institute (FDDI) has established itself as the premier training institute for the provision of skilled manpower in the leather industry. It has 53 training centres across the country including eight branches. Another four branches are being set up.



INVESTMENT OPPORTUNITIES

- The National Manufacturing Policy released in Nov. 2011 identifies leather as a special focus sector, for growth and employment generation.
- The Department of Industrial Policy and Promotion has notified the Mega Leather Clusters (MLCs) sub-scheme. Its objective is to create new production centres for the leather industry with all the required infrastructure and support services.



FDI POLICY

- 100% Foreign Direct Investment is permitted through the automatic route.

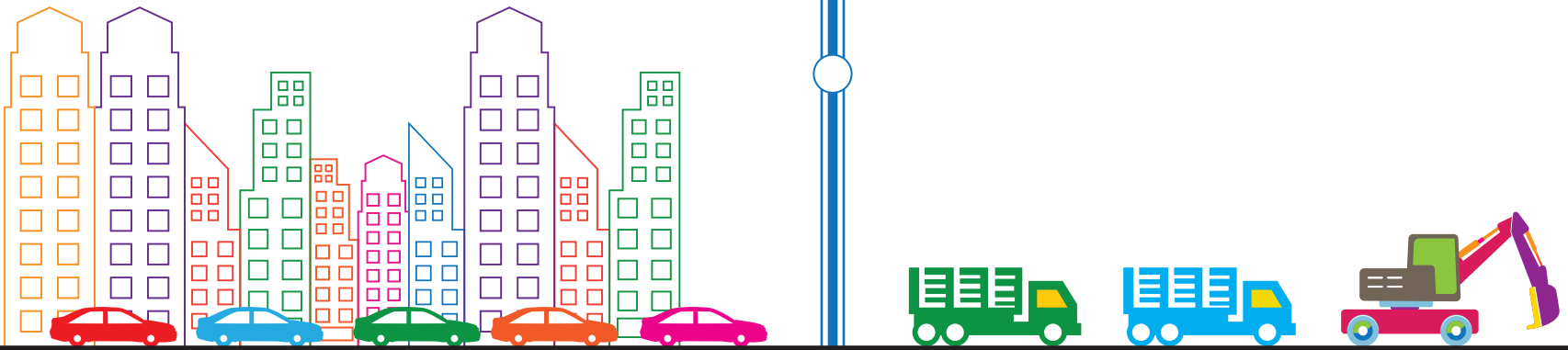




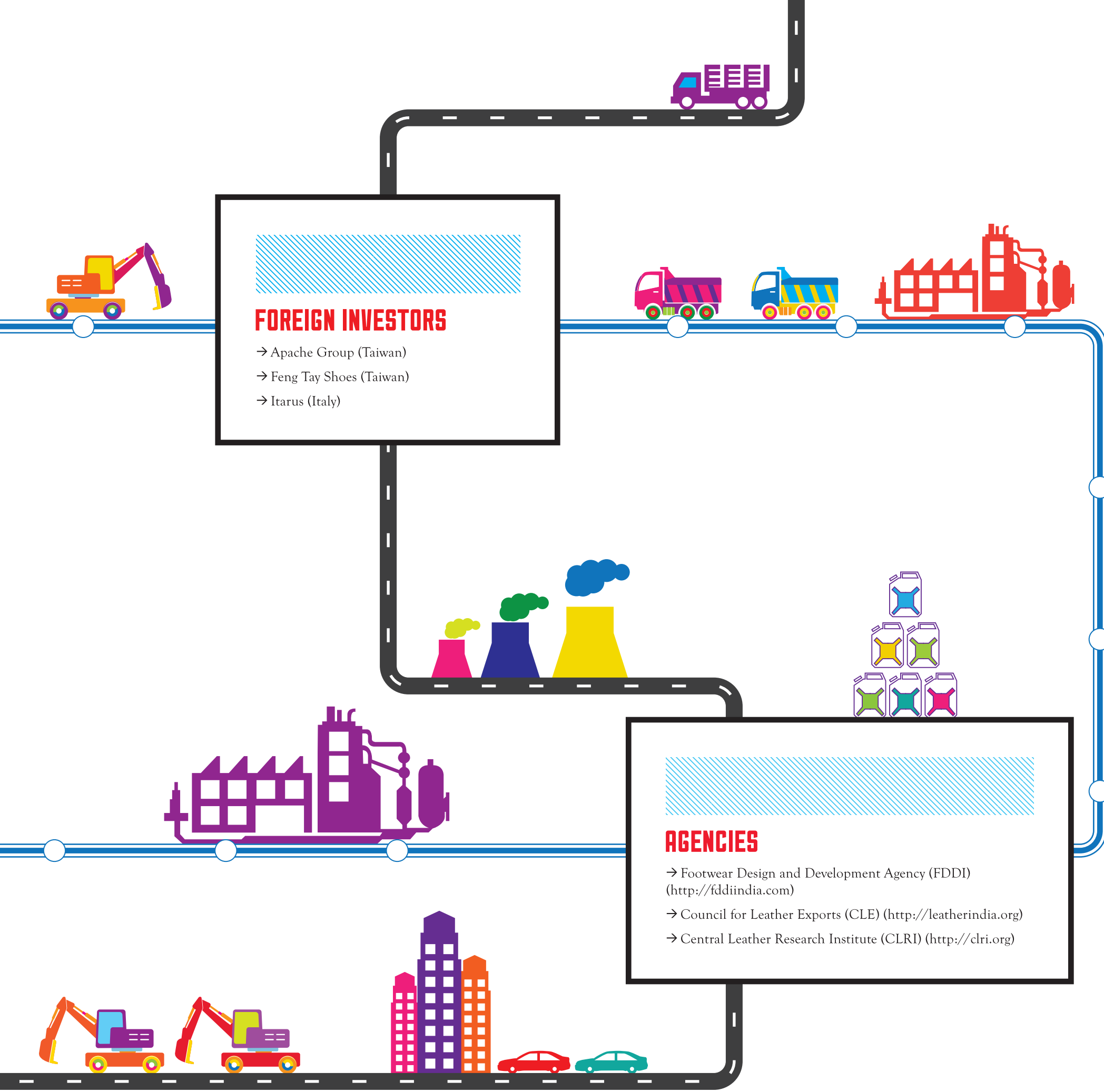
FINANCIAL SUPPORT

- The entire leather product sector is de-licensed, facilitating expansion on modern lines with state-of-the-art machinery and equipment.
- Under the IDLS sub-scheme of ILDP, 30% grant is provided on the cost of plant and machinery for Micro and Small units and 20% for other units, with a ceiling of INR 20 Million for each product line.
- Under the MLC sub-scheme of ILDP, 50% grant with a ceiling of INR 1.25 Billion based on size is provided for the establishment of Mega Leather Clusters to boost infrastructure facility and support services for production and export.
- Under the Leather Technology, Innovative and Environmental Issues Sub-scheme of ILDP, assistance is provided for up to 50% of the project cost with a ceiling of INR 500 Million for upgradation/installation of Common Effluent Treatment Plants (CETPs) to address environmental pollution caused by leather units.



SECTOR POLICY

- The Integrated Development of Leather Sector (IDLS) sub-scheme implemented as part of the ILDP has significantly contributed to capacity modernization and technological upgradation of the leather sector.
 - Capital goods (machinery) required by the industry can be imported without import duty under the Export Promotion Capital Goods (EPCG) Scheme of Foreign Trade Policy, subject to meeting the export obligation of six times the duty saved in six years.
 - As a measure to boost manufacturing in the leather footwear segment, excise duty has been reduced from 12% to 6% for footwear costing between INR 500 and INR 1000.
 - The tanning industry has adopted Zero Liquid Discharge (ZLD) systems to meet environmental regulations.
 - Under leather technology, innovation and environment issues, a sub-scheme of the Indian Leather Development Programme (ILDP), assistance is provided for technology benchmarking and environment management for the upgradation of Common Effluent Treatment Plants (CETPs), for Solid Waste Management and for holding environmental workshops.
 - State governments have a single window clearance system in place to fast-track clearances for the establishment of production units.
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GOVERNMENT OF INDIA

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Ministry of Commerce & Industry
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