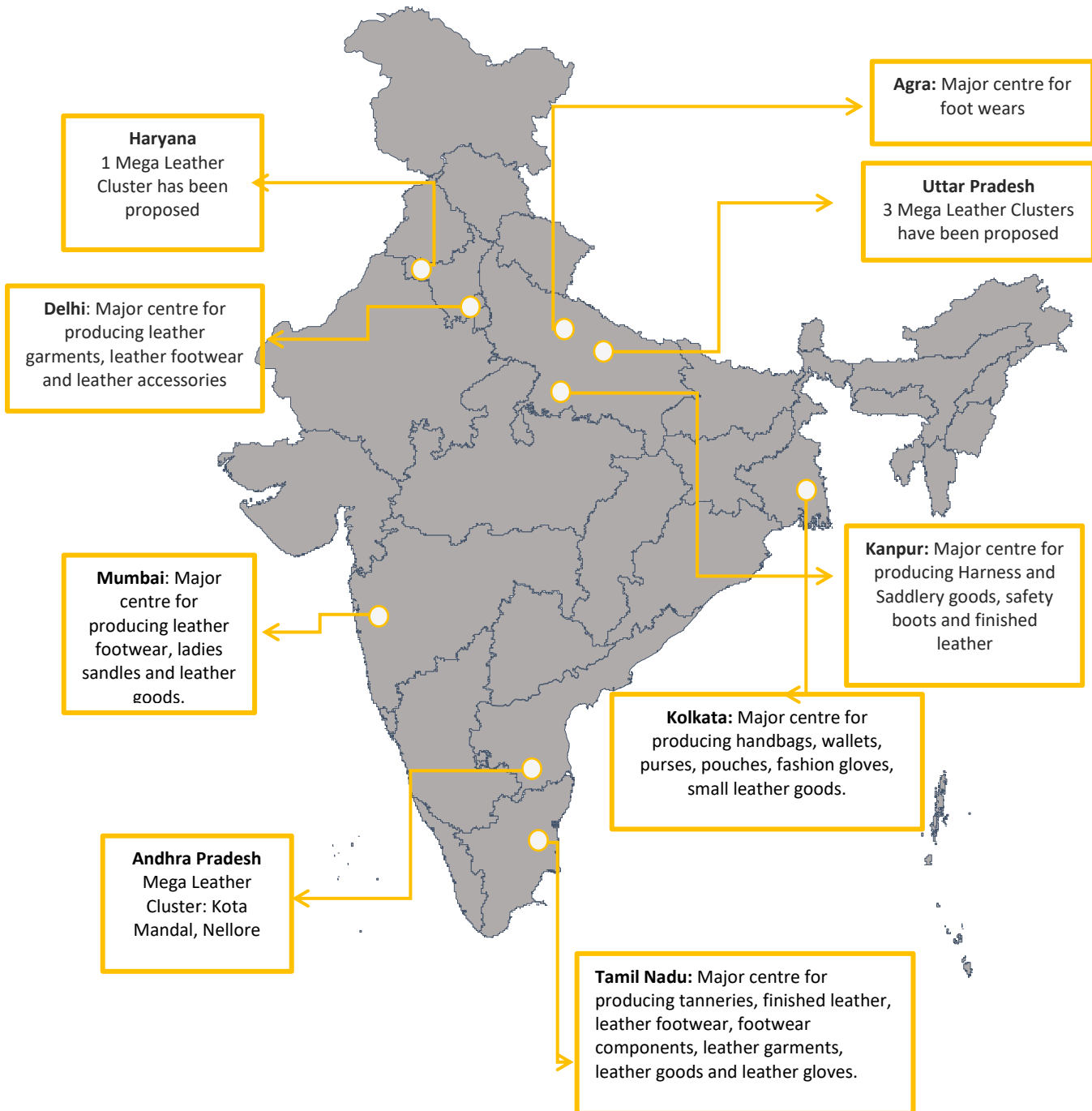


Leather & Footwear Clusters in India



1. TAMIL NADU

Tamil Nadu is one of the most industrialized of the Indian states, and the manufacturing sector accounts for more than one-third of the state's gross product. It ranks first among the states in terms of number of factories and industrial workers. Tamil Nadu has a well-developed infrastructure with an excellent road and rail network, with 3 major ports, 23 minor ports and 7 airports across the State.

Leather & Footwear Cluster: Vellore

The Vellore cluster of tanneries and leather industries, which are located primarily in five small towns in the district—Ambur, Ranipet, Vaniyambadi, Melvisharam and Pernambut—employs over 100,000 people directly and another 250,000 indirectly and clocks an annual sales turnover of around Rs.5,000 crore. Besides the tanneries, the five towns also house around 120 shoe factories, 25 jacket-producing units, 20 units manufacturing leather accessories such as handbags and suitcases, and 10 industrials, riding and fashion glove companies. At Pernambut, over 50 units use buffalo hide to produce shoe soles, the only ones to do so in the country.

The region exports leather products worth around Rs.2,800 crore annually and several major global brands, such as Clarks, Cole Haan, Florsheim, Guess, Hush Puppies, Tommy Hilfiger, and Timberland, have strong business links with factories in the region.

Plug and Play Facilities

- I. Shri Kailash Logisitics, Oragadam, Chennai
- II. Sojitz Motherson Industrial Park, Singadivakkam & Mummalpattu Villages, Kanchipuram
- III. Indospace Industrial Parks, Multiple Sites across Chennai and Coimbatore

Geographical Indicators

East India Leather was registered as a Geographical Indicator in 2008. EI leather has a considerable demand in Italy, France and other western countries as it is the best variety for manufacturing garments, handbags and shoes.

Towns of Export Excellence

Ambur has been select as a Town of Export Excellence for leather goods. Selected towns producing goods of Rs.750 crore or more will be notified as Towns of Export Excellence based on potential for growth in exports. For Towns of Export Excellence in Handloom, Handicraft, Agriculture and Fisheries sector, threshold limit would be Rs.150 crore.

Segments

The major segments are footwear and non-footwear leather, with footwear dominating the industry's growth. The footwear segment has an output of Rs. 2.38 lakh crores (US\$ 33 billion) in terms of value-added growing at a CAGR of 15.74% over two decades vis-à-vis the non-footwear segment which grew at a rate of 10.73% from similar levels to a value-added output of Rs. 1.2 lakh crores (US\$ 17 billion).

Environmental Infrastructure

As per the Policy Note 2019-20, TNPCB established 13 CETP schemes for tanneries. Of these 13 CETPs, 11 CETPs are now in operation with Zero 62 Liquid Discharge (ZLD) system and the remaining 2 CETPs in Madavaram and Pallavaram have provided primary and secondary treatment system and opted for dilution of treated effluent with treated municipal.

To address environment sustainability, upgradation of 11 CETPs in Tamil Nadu with Government of India assistance of Rs. 354.53 crore has been approved under Leather Technology Innovation and Environment Issues' sub-scheme of IFLADP sewage to meet the standards prescribed by the Board.

2. ANDHRA PRADESH

Andhra Pradesh has established itself as one of the most prominent connection points with major world markets. The State has a well-developed infrastructure with 6 ports, 6 airports and 2,600 km of rail network. Andhra Pradesh has industries around biotechnology, IT, textile, leather and automotive sectors.

Leather & Footwear Cluster: Krishnapatnam

A Special Purpose Vehicle (SPV) Krishnapatnam International Leather Complex Pvt. Ltd. Is incorporated as a Joint Venture of Andhra Pradesh Industrial Infrastructure Corporation (APIIC) and Leather Industries Development Corporation of Andhra Pradesh (LIDCAP), both State PSUs.

Krishnapatnam international Leather Complex (KP1LC) is an environment conscious company dedicated to creating world-class infrastructure at one end and environmental management systems at the other.

Infrastructure Facilities

- Common effluent treatment plants
- Marine outfall
- Reliable power
- Well laid roads
- Uninterrupted water supply
- Connectivity
- Skilled manpower

Other core infrastructure: Road Network, power supply including installation of Captive Power Plant, Water supply system, Water storage with rain water harvesting facility, Storm Water Drainage and Sewage lines, Streetlights, Secured compound wall/wire fence, Solid waste disposal plant/ Common Effluent Treatment Plant, Signages, landscaping.

Social Infrastructure: Common Facility Centre which include Warehouse, Trade/ Display/ Exhibition/ Convention/ Information Centres, Design Centre, Craft Based Resources Centre.

Production Infrastructure: Ready-to-use Factory Sheds with plug-in facility for machinery/ equipment.

HRD and Social Infrastructure: Training Centres, Recruitment Centre, Library, Recreation Centre, Canteen, Labour Restroom and Management Consultancy Centre.

R&D Infrastructure: Product Design & Development Support Centre, Testing Laboratory, Quality Benchmark Centre, Material Research, Basic Product Technology Research.

Export services related infrastructure: Clearing Agents, Customs/ Central Excise/ Service Tax offices and DGFT liaison office.

Location Advantages

Operating Ports

- Krishnapatnam
- Chennai (180 kms)
- Ennore (160 kms)

Highways

- National Highway
- Golden Quadrilateral

Railway Stations

- Gudur (35 kms)
- Nellore (80 kms)

Airports

- Tirupathi (150 kms)
- Chennai International Airport (190 kms)

Other key parameters

- 180 Kms from Metro City- Chennai
- 75 Kms from Nellore Municipal Corporation
- 2 Kms from seacoast to suit the best eco-friendly environment management with marine outfall
- Sri City Multipurpose SEZ (80 Kms)
- APSEZ Naidupeta (50Kms) facility

KPILC is proposing to develop Mega Leather Cluster and an integrated leather park as complimentary for the development of leather industry with special focus on Leather Products and made ups. MLC is in Kothapatnam in SPSR Nellore District of Andhra Pradesh in South India near the seacoast of Bay of Bengal.

3. UTTAR PRADESH

Uttar Pradesh is the fourth largest state in India with the largest population. The state falls under the influence area of key industrial corridors such as North-South and East-West (NS-EW) Corridor and several expressways and highways, conveniently connecting it with remote parts of the country. The key industries in the state include food processing, information technology (IT), tourism, mineral-based industries, auto components, textiles, handlooms and handicrafts, biotechnology, leather-based and sports goods industries.

Leather Clusters:

Parameter	Trans Ganga	Agra Footwear Park	Chola	Senpurab Para
Land Area	589282.39	1146070.75	728460	1214058
Nearest city & distance	Kanpur, 10 kms	Agra, 5 kms	Greater Noida, 20 kms	Kanpur, 10 kms
Nearest port/harbor distance	Haldia – 1100 km Kandla – 1000 km	Haldia – 1400 km Kandla – 1050 km	Haldia – 1500 km Kandla – 1050 km	Haldia – 1100 km Kandla – 1000 km
Nearest airport & distance	Kanpur, 12 km	Agra, 25 km	New Delhi, 60 km	Kanpur, 12 km

4. West Bengal

West Bengal, particularly Kolkata and its suburbs has developed tremendously into a highly successful Leather & Leather Goods Export Hub from India within a short span of three decades. The following factors have helped immensely:

- Easy availability of good quality raw material in considerable quantity
- Strong tannery and leather processing base
- Availability of the special soft quality cow Nappa leather that most German Brands prefer. This leather processing uses “soft” river water available abundantly in the state
- Presence of support industries like Leather Chemicals, metal fittings, ancillary product suppliers
- Ample availability of skilled labor
- Good connectivity through road, seaports and airports
- Progressive mindset of exporters and interest in new technology and R&D
- Presence of reputed educational institutions for training in design, manufacturing processes and technology further strengthens the skilled workforce in the state
- Special attention to environmental compliances
- Various promotional initiatives by the State Government for overall growth of leather industry in the state. With recent interventions it is expected that the current turnover of USD 3 billion in this sector will increase to USD 13 billion by 2020
- Duty free import of raw material for manufacturing of finished products meant for export to neighboring countries as per present Foreign Trade Policy

Footwear: Special Focus

India is the second largest producer of footwear in the world after China. The leather industry leaders of West Bengal have embarked upon a project of setting up of a Mega Leather Footwear Park at Calcutta Leather Complex with the active support and help from the Government of West Bengal. The proposed footwear sector is conceived to be an integrated facility with state-of-the-art on-site infrastructure.

Opportunities

With an annual export turnover of approx. USD 1 billion and domestic sales of USD 2.5 billion, the total turnover of leather and leather products from West Bengal is USD 3 billion. This provides an ample opportunity to companies to invest and set up base in West Bengal