



**Council for Leather Exports**

चर्म निर्यात परिषद्

(Sponsored by Ministry of Commerce & Industry, Govt of India)



**Destination- India (Footwear & Leather Products)**

# India – The growth epicenter of the World

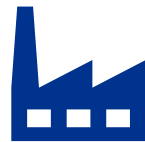
India is World's 5<sup>th</sup> Largest Economy; Set to grow at 6.8% in 2024 as per IMF

## 40% INCREASE



India's GDP in FY 24 was USD 3.9 tn, with growth of 8.2%

## 7000+ PROJECTS



USD 1.4 Tn National Infrastructure Pipeline Initiative to provide world class Industrial Infrastructure



## HIGHEST FDI INFLOW

Attracted FDI more than USD 70 Bn in 2022-23



## 3<sup>RD</sup> LARGEST CONSUMER MARKET

India is poised to become 3<sup>rd</sup> Largest Consumer Market by 2026  
(To reach USD 6 Tn by 2030)

India has the youngest population in the world till 2030 (Abundant labor workforce-875Mn)

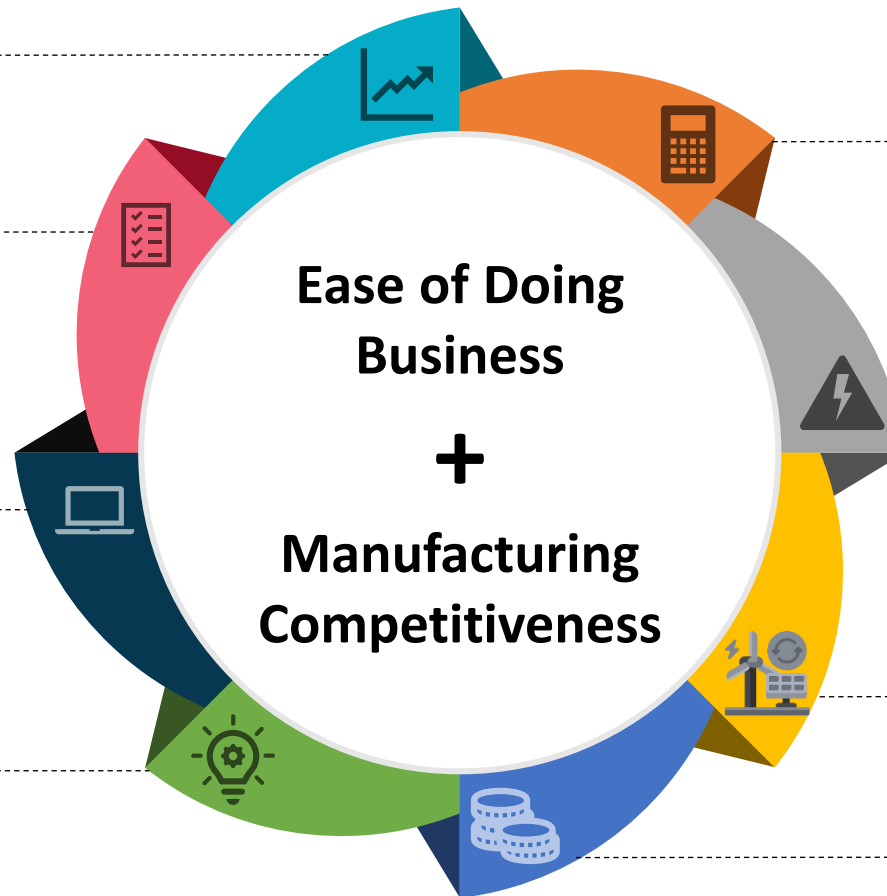
# India – Frontrunner in Ease of Doing Business

World Bank's Doing Business  
Ranking: **130 in 2016 to 63 in 2020**

**39,000 Compliances** reduced  
for ease of business

National Single Window  
System – **Access over 645  
Central Approvals and 6113  
State Approvals**

Secured **40<sup>th</sup> Spot in Global  
Innovation Index 2022**



**Lower Corporate Tax rate** for new  
manufacturing companies (**@15%**)

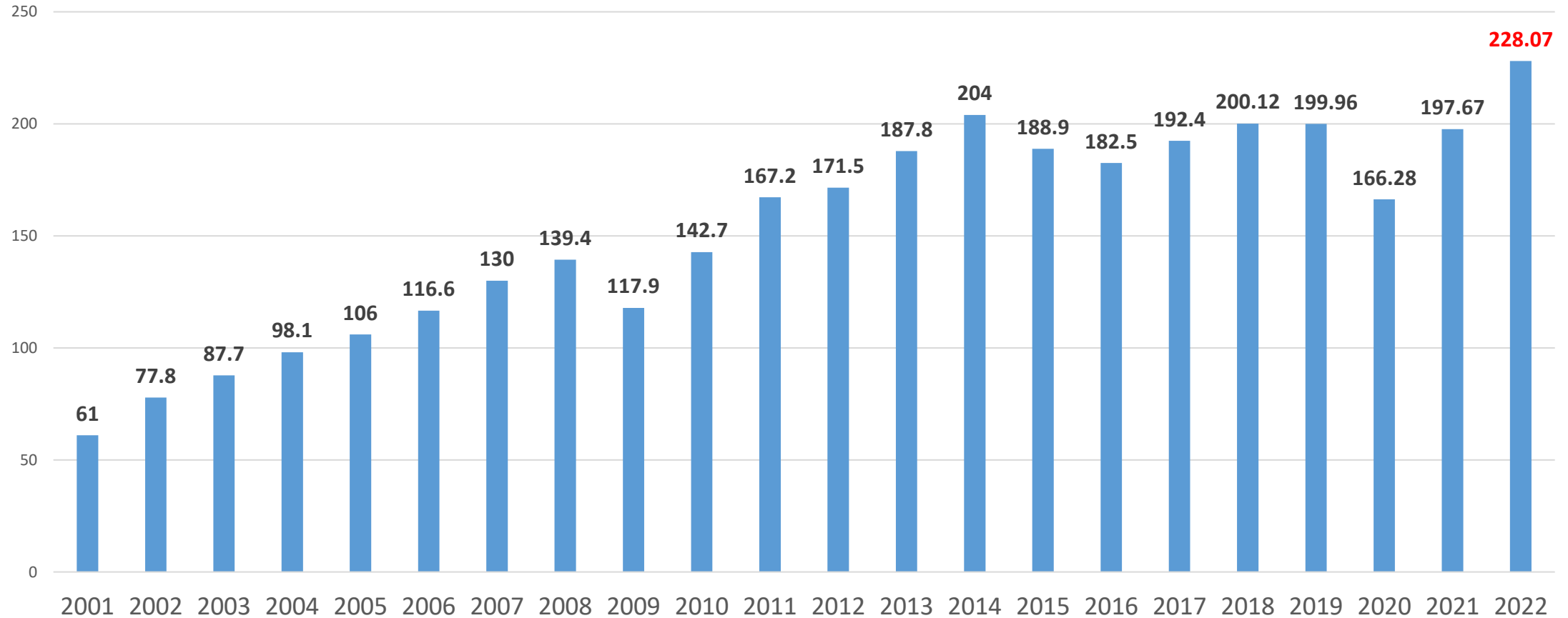
**Competitive Utility Cost  
(Power & Water)**

**3<sup>rd</sup> Largest Producer of  
Renewable Energy in the World**

**Competitive Incentives for Leather  
& Footwear Sector**  
(Both Central and State Level)

# Global Trade of Leather and Footwear

Import in Billion USD



Source: international Trade Centre, Geneva

CAGR during 2001-2009 was 8.58%, from 2010- 2018 was 3.83% & from 2019 – 2022 was 4.48%  
However, global imports reached all time high value of USD 228.07 bn in 2022, but reduced to USD 212 billion in 2023

# Indian Leather & Footwear Industry – Factsheet

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Employment	4.42 million
Exports	USD 4.69 billion ( 2023-24)
Domestic Turnover	USD 19 billion (2023 -24) (Footwear – USD 17 Bn, Leather Products – USD 2 Bn)
Imports	USD 1.20 billion (2023-24)
Share in Global Market	2.21% ( 2023) <i>(Global Imports during 2022 : USD 212.26 bn)</i>

## Sectoral Growth Drivers:

- Transformation of Sector in India
- Attracting Large scale FDI across Value Chain
- Boosting India's High Value Non-Leather Footwear Exports
- Building scales & capacities through plug & play infrastructure
- Boosting employment in the sector

# Indian Footwear Industry – Snapshot (2023)

## Production

RANK	COUNTRY	PAIRS (MILLIONS)	WORLD SHARE
1	CHINA	12300	54.91%
2	<b>INDIA</b>	<b>2600</b>	<b>11.61%</b>
3	VIETNAM	1400	6.25%
4	BRAZIL	866	3.87%
5	INDONESIA	807	3.60%
6	PAKISTAN	561	2.50%
7	TURKIYE	502	2.24%
8	BANGLADESH	423	1.89%
9	MEXICO	217	0.97%
10	IRAN	176	0.79%
	RoW	2548	11.38%

## Consumption

RANK	COUNTRY	PAIRS (MILLIONS)	WORLD SHARE
1	CHINA	3532	17.10%
2	INDIA	2563	12.41%
3	<b>USA</b>	<b>1934</b>	<b>9.36%</b>
4	BRAZIL	776	3.76%
5	JAPAN	616	2.98%
6	PAKISTAN	544	2.63%
7	INDONESIA	544	2.63%
8	RUSSIA	428	2.07%
9	BANGLADESH	355	1.72%
10	MEXICO	340	1.65%
	RoW	9023	56.32%

## Exports

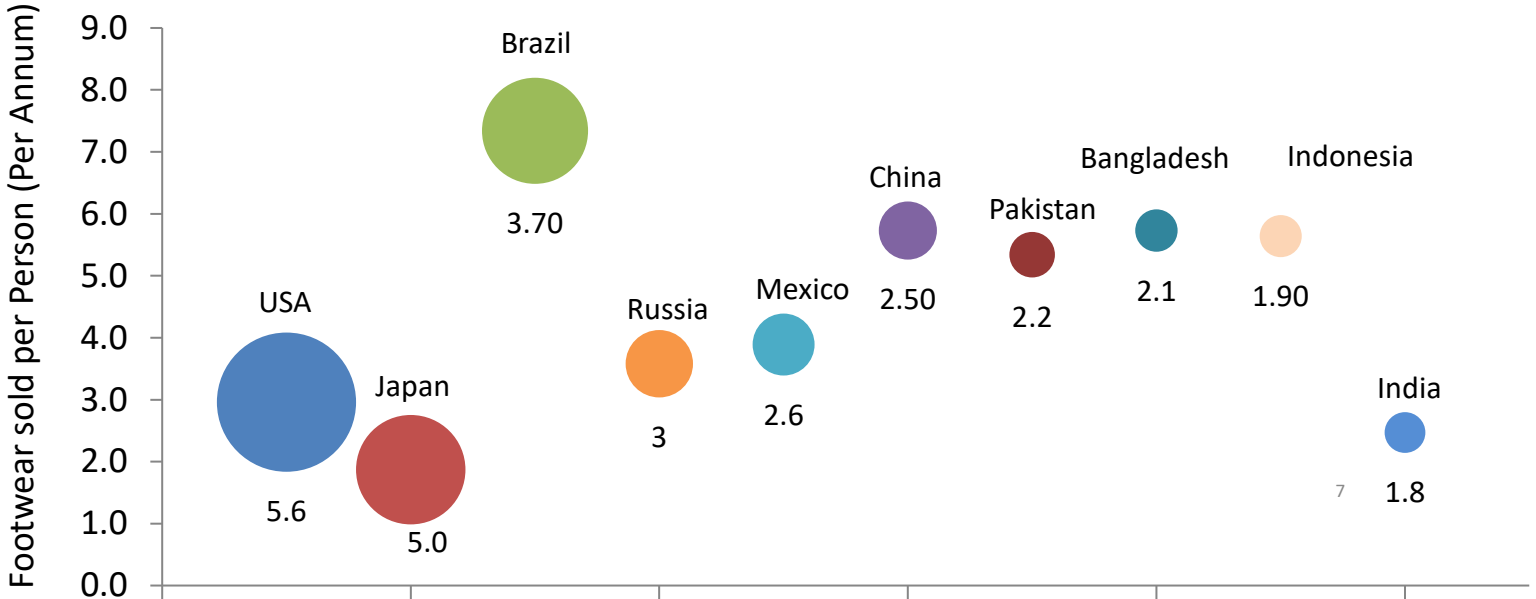
RANK	COUNTRY	PAIRS (MILLIONS)	WORLD SHARE
1	CHINA	8958	63.80%
2	VIETNAM	1335	9.51%
3	INDONESIA	445	3.17%
4	GERMANY	349	2.49%
5	TURKIYE	301	2.14%
6	<b>INDIA</b>	<b>257</b>	<b>1.83%</b>
7	BELGIUM	220	1.57%
8	ITALY	191	1.36%
9	CAMBODIA	165	1.18%
10	SPAIN	156	1.11%
	RoW	1664	11.85%

Source: World Footwear Year Book 2023

# Opportunity India | Growth Potential

## Footwear Sold per Person – Year : 2023

Top 10 Countries based on Pairs Consumed

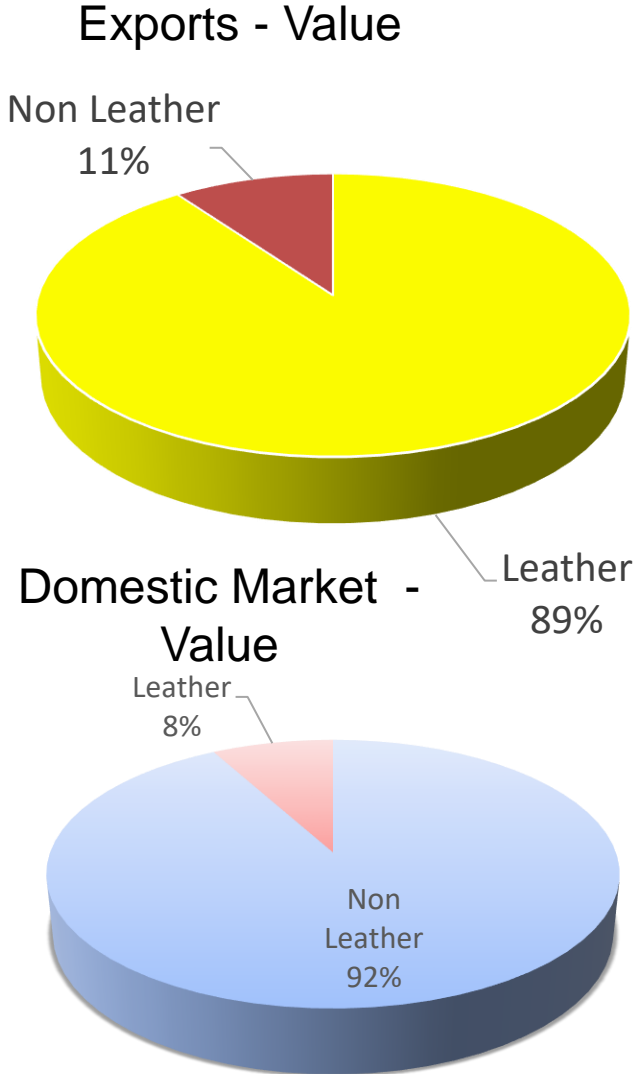


## Consumption Growth Rate of Top 10 Countries

Country	Consumption (Mn Pairs)	3 Year CAGR
CHINA	3532	-3.59%
INDIA	2563	8.51%
USA	1934	1.86%
BRAZIL	776	3.94%
JAPAN	616	1.79%
PAKISTAN	544	4.55%
INDONESIA	544	-12.81%
RUSSIA	428	9.72%
BANGLADESH	355	-0.92%
MEXICO	340	14.25%

- India is now the 2<sup>nd</sup> largest footwear consuming nation with 2,563 million pairs consumed annually, surpassing US's consumption 3 years ago
- However, India's per capita consumption is only 1.9, lowest amongst the top 10 countries. While China's per capita consumption is 3.0
- India's per capita consumption is projected to grow to 4 pairs (2030) with consumption reaching 6 Bn Pairs.
- Domestic footwear demand (leather & non leather) is expected to grow at 8 % CAGR and reach \$26 Bn by 2030. from the current size of \$ 17 Bn

# India – Footwear Market Size



**2.6 Billion pairs per annum**

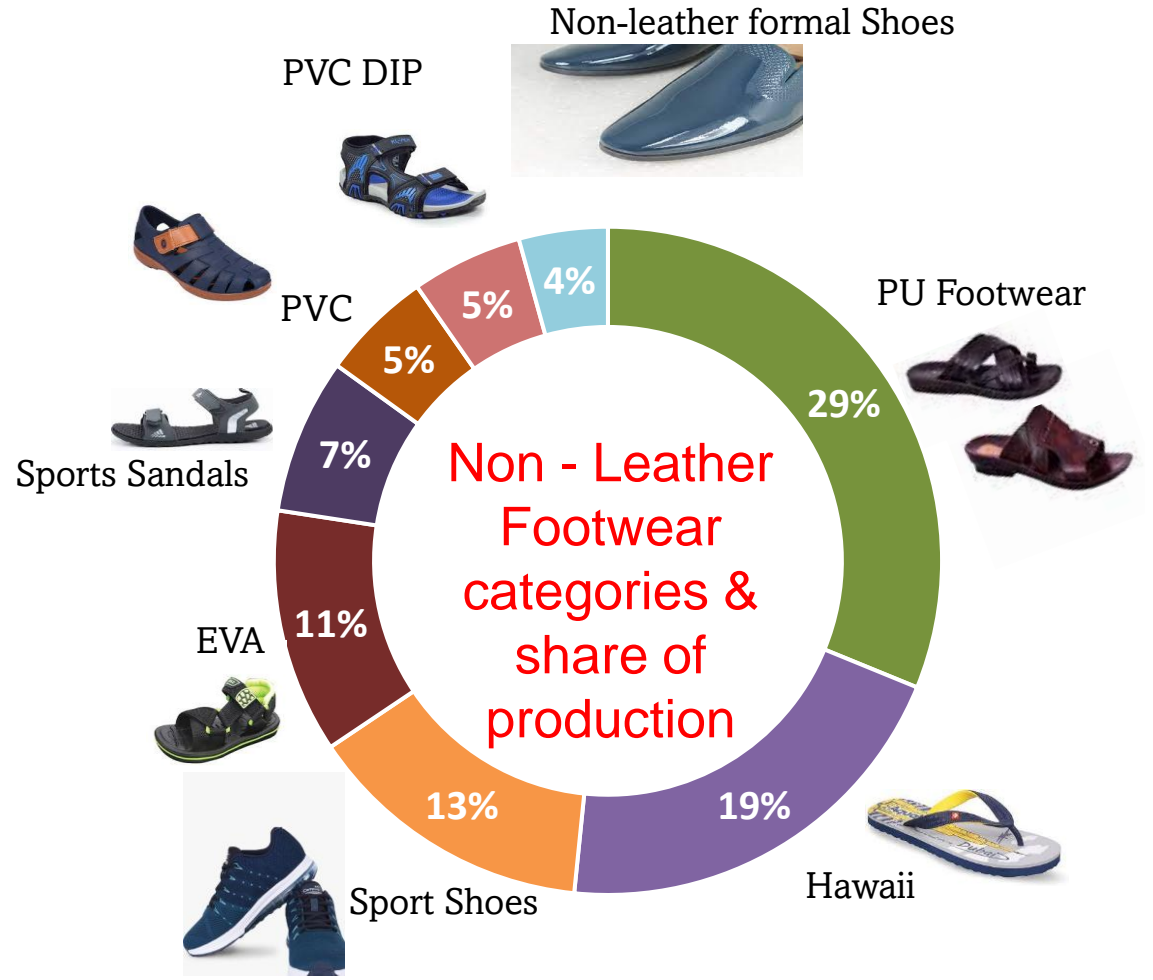
**Production**

**\$17 Billion**

**Domestic Market Size**

**\$2.26 Billion**

**Exports**



**Growth drivers for Footwear Segment :** Growing economy & younger middle-class population, increasing fashion consciousness and a market trend for alternates to leather footwear

# Highlights of Indian Tanning Industry

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All tanneries are connected to ETPs or CETPs

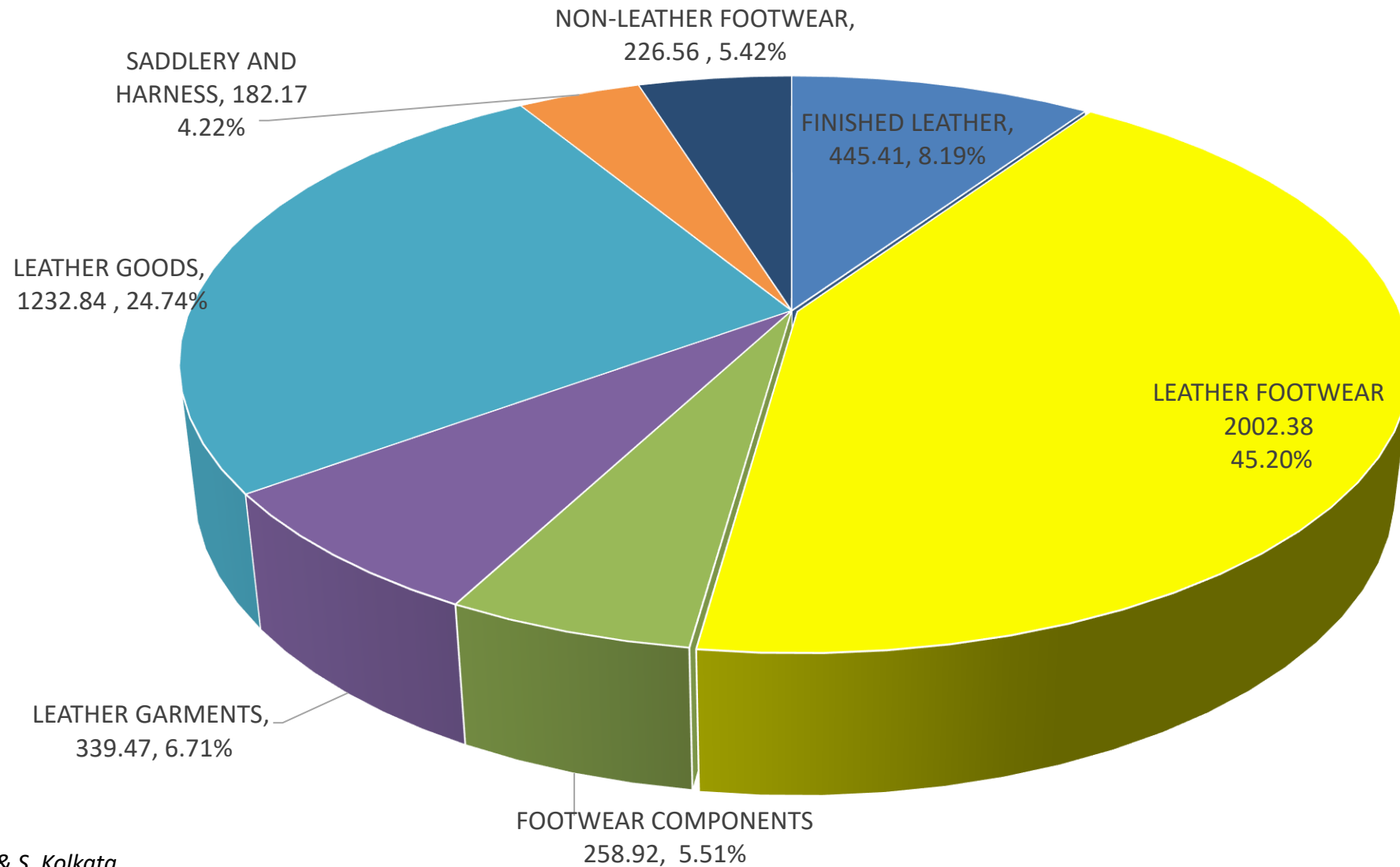
Zero Liquid Discharge (ZLD) adopted in many CETPs

Indian leathers dominate in Modeurop & Fashion Trend Pool Trend Selections. 14 out of 25 colours for Spring – Summer 2025 season selected at Medeurop were from India. All 24 selected colours for Fashion Trend Pool – Summer 2025 were from India

EI (East India) tanned leather is a unique product of India

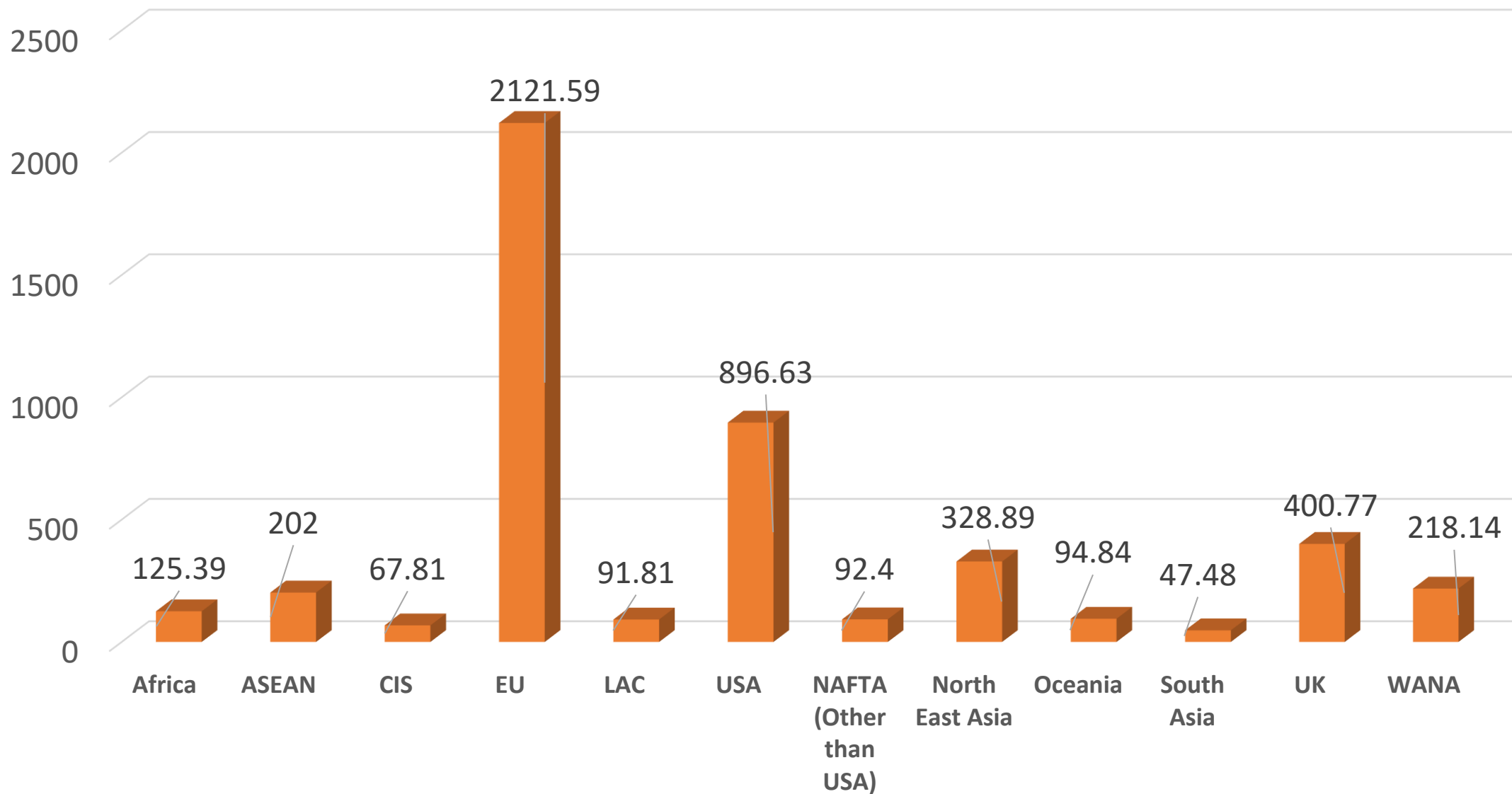
# Indian Leather & Footwear Industry - Export Performance : 2023-24

## Million USD



Source: DGCI & S, Kolkata

## Major export destinations : 2023-24 – Million USD

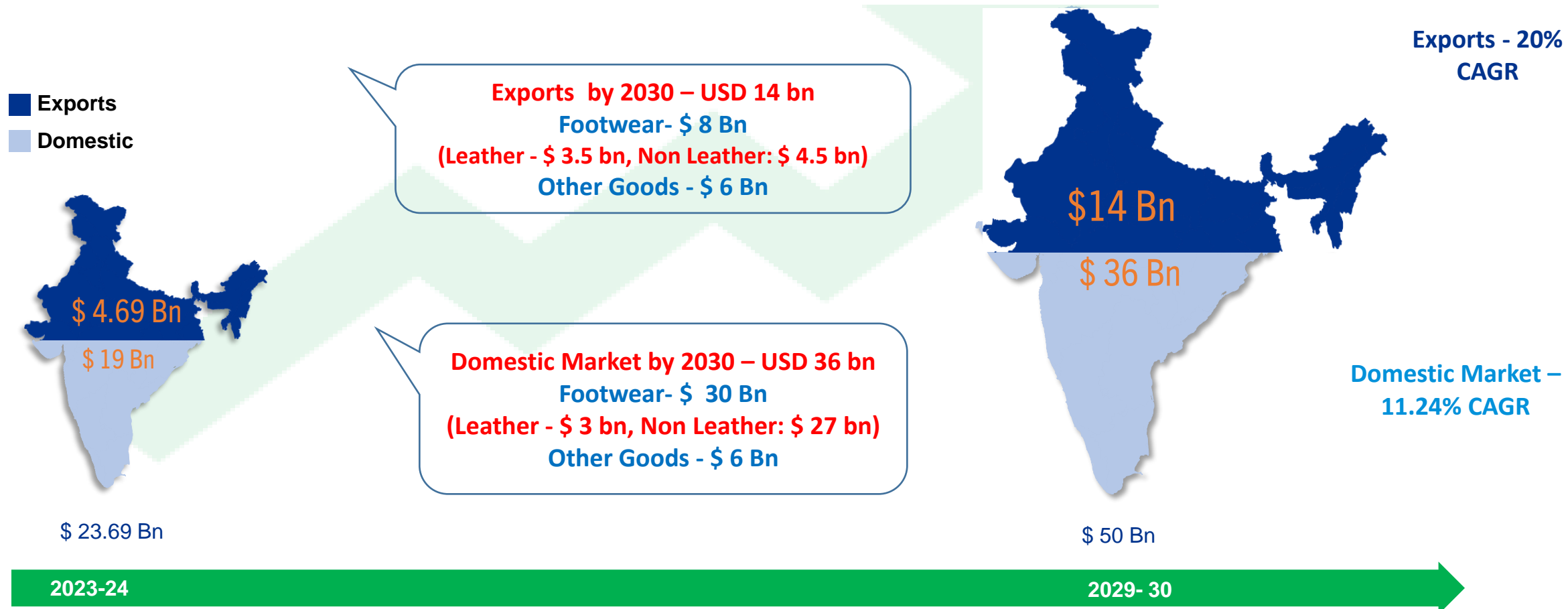


# Reliable Partner for Global Brands



And many more..

# Vision 2030 Leather & Footwear Market – USD 47.1 Bn



Growth

Various factors including rise in disposable income, growing middle class, fashion awareness among youth and growth in consumer retail (E-Comm, D2C, etc.,)

# Opportunities for growth

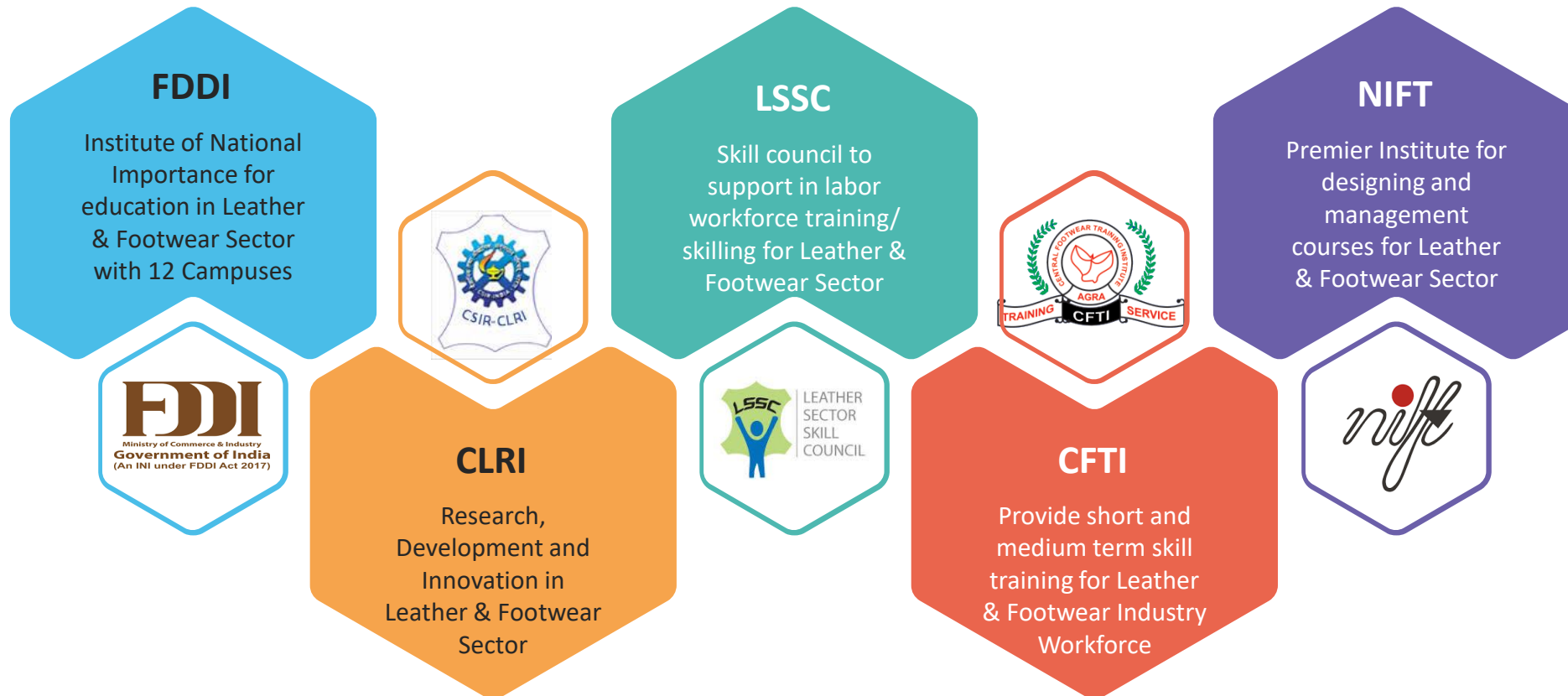
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**India as a Sourcing Destination:** Buyers are looking at India as a major manufacturing hub and sourcing destination.

**Potential Markets :** Potential to substantially enhance market share in Japan, Canada, Australia, UAE and Russia where our market share is less

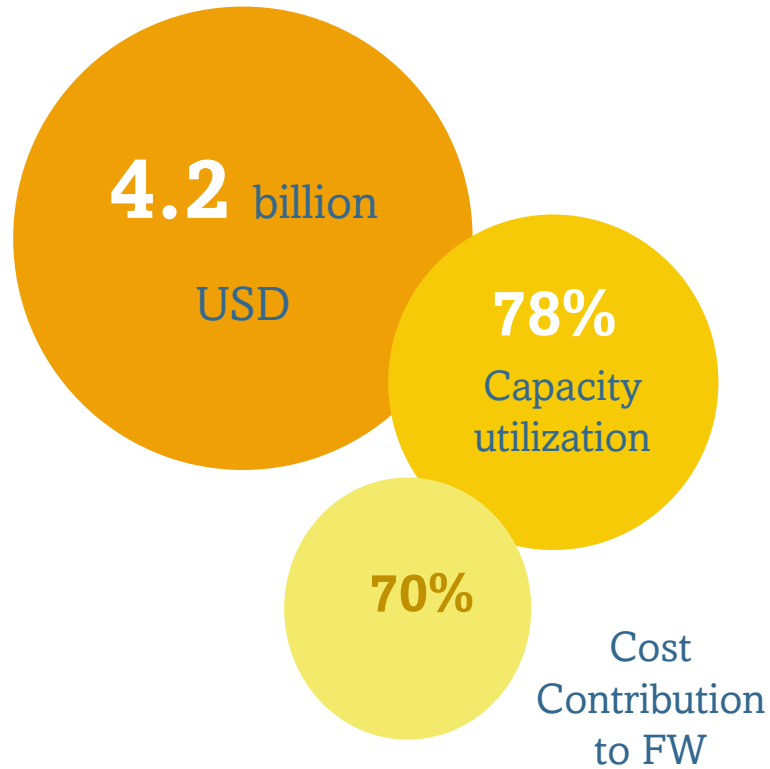
More FDI enterprises establishing units in India

# Institutional Support for Leather and Footwear Sectors

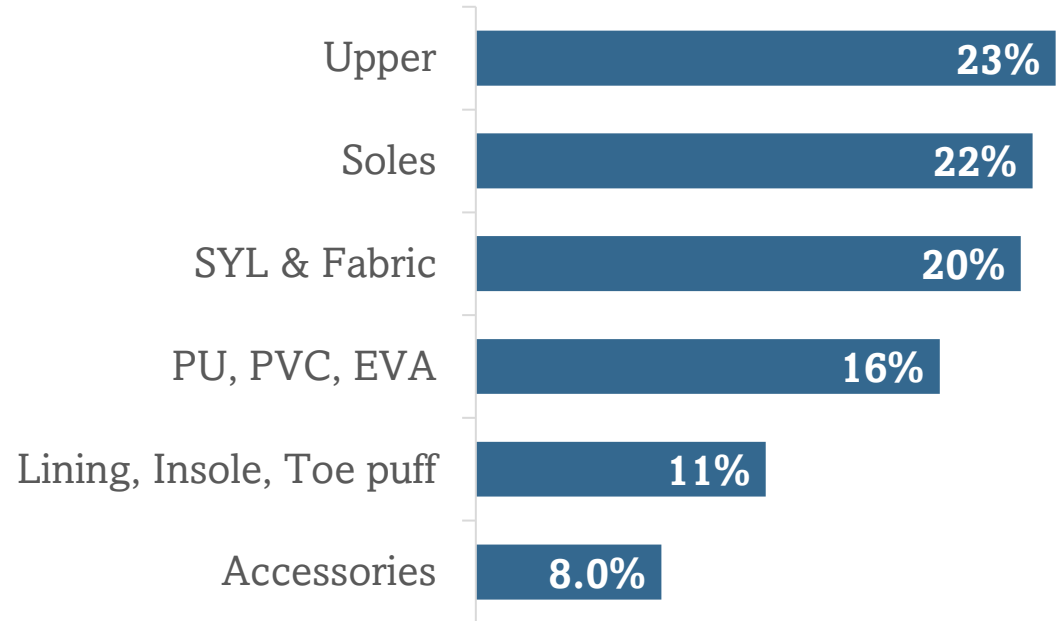


# Component Industry – Huge Opportunity

Size of component industry



Component wise value in footwear



- Component industry has huge growth potential in Footwear industry
- **Textiles based footwear is amongst the highest growing segment expected to grow at CAGR of 12%-14%**

# Footwear Machinery – Investment Opportunity

Huge scope for setting-up machinery unit in India, as 98% of the tanning machinery and 95% of the footwear and products machinery are imported.

Import of machinery into India – Million USD

HSN	Type of Machinery	2023-2024
84531000	Machinery for preparing, tanning or working hides, skins or leather	10.23
84532000	Machinery for making or repairing footwear	39.87
84538000	Other machinery	7.72
84539010	Parts of boot and shoe manufacturing machinery	1.80
84539090	Other parts of machinery	15.13
	<b>Total</b>	<b>74.75</b>

Development of the right metallurgy, automation and technology support can bring a major change in the Indian machine industry and there is huge scope for investments in this segment.

# Footwear Moulds – Investment Opportunity

- Good Quality and new designs **moulds are mostly imported.**
- Precision mould making needs to be developed as there are only small factories
- Import of Moulds for Rubber/ Plastics into India increased from USD 214.34 mn in 2022-23 to USD 266.21mn in 2023-24

## Moulds for rubber/plastics - Import data - 84807900 – Million USD : 2023-24

Country	Import	% share in import	Import duty
China	186.09	69.90%	7.13%
Korea	10.91	4.10%	0%
Japan	7.43	2.79%	0%
<b>Total Import</b>	<b>266.21</b>	--	--

Development of the right metallurgy and growth of the MSME Sector can bring significant growth in mould-making capacity.

# Opportunities in India

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Establish Leather Products or footwear unit in India as a Foreign Director Investment (FDI) or as Joint Venture (JV)

Establish components/ raw materials industries

Establish Machinery Unit

# Government Schemes/Benefits



## IFLDP Scheme\*

Scheme with outlay of  
**Rs.1700 crore**

- Modernization of Units:  
Rs500 cr
- Environment  
Management: Rs.500 cr
- Cluster Development:  
Rs.300 cr
- Institutional Support:  
Rs.200 cr
- Design Studio: Rs.100 cr
- Promotion of Brands:  
Rs.100 cr



## FDI Regulations

100% Repatriation of  
profits

100% FDI through  
automatic investment  
route

**FDI in Retailing:**  
**Single Brand:** 100%  
Automatic Route  
**Multi Brand:** 51%  
Automatic Route  
**Duty Free Shops:**  
100% FDI Automatic  
Route



## Export Related Benefits

MAIS & TIES

RODTEP :  
Finished leather: 1.3%  
Leather Goods: 1.1%  
Footwear: 1.2%/0.9%

Duty Free Imports of  
notified raw materials  
through Advance  
Authorization & IGCR

EPCG Scheme - Duty Free  
Imports of Machinery



## GST Rates & Corporate Taxes

**GST:**  
Leather : 12%

Footwear  
Components, Leather  
Goods and Leather  
Garments: 18%

Footwear (Until Rs.  
1,000/-): 12%/ Others  
: 18%

**Corporate Tax:**  
Competitive Rate of  
15%

\*IFLDP Scheme – Indian Footwear & Leather Development Program

# Ease of Doing Business Measures

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e-BRC (Bank Realisation Certificate) introduced (realization of export proceeds directly transferred from bank to DGFT service)

24 x 7 Customs Clearance facility introduced. E – sealing of export containers in place.

Authorised Economic Operator Programme (AEO) of Customs facilitates faster clearance for import and export consignments.

Single Window programme implemented for imports and exports

Mandatory documents for export & import brought down to 3  
*(Bill of Lading/Airway Bill, Invoice-cum-Packing List, Shipping Bill/Bill of Entry)*

# Support Measures for Foreign Direct Investment (FDI)

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**Repatriation of profits** : 100% repatriation of profit and dividends allowed if investment made in convertible foreign currency

**Foreign Direct Investment (FDI)** : 100% Foreign Direct Investment (FDI) permitted through the automatic route (no prior approval required from Government).

**FDI in retailing** : 100% FDI is permitted in single brand retailing-under automatic route. FDI up to 51% is allowed under Government approval route in multi-brand retail trading sector, subject to specified conditions and approval of the State Government.

**FDI in Duty-Free Shops:** 100% FDI under automatic route allowed for the establishment of duty-free shops in customs bonded areas at International sea ports/airports/Land Customs Stations.



**Thank You!!**