



### Dear Members

#### Open House Meet with Hon'ble Union Minister for Commerce and Industry

Shri Anand Sharma, Hon'ble Minister for Commerce and Industry, Government of India participated in the Open House Meet organized by Federation of Indian Export Organizations (FIEO) in Chennai on January 22, 2010. In this Open House, I had the opportunity to present the major requests of the Indian Leather Industry on issues concerning Foreign Trade Policy and also upcoming Union Budget 2010-11. The issues highlighted include Continuation of relief measures/stimulus packages for another year, Enhancing duty free limit under Duty Free Import Scheme from 3% to 5% , implementation of 3% Duty Free Import Scheme for import of critical chemicals used in the manufacture of Finished Leather; establishment of Animal Quarantine and Certification Service Offices at Kanpur & Jalandhar; Re-export of unsold raw hides & skins and semi-processed leathers from bonded warehouses without levy of export duty and extension of Status Holders Incentive Scrip Scheme to finished leather segment also.

Recently, the Hon'ble Union Commerce and Industry Minister, while reviewing the overall positive export performance during January 2010, has mentioned that sectors like engineering goods, textiles, jute, leather, carpets, handicrafts continue to do badly and were a cause for concern. The Hon'ble Minister has further stated that though there had been recovery in global economy, it would take time for the demand for Indian goods to return to pre-recession level and has also cautioned about abrupt withdrawal of stimulus package.

As there is a need to provide continued support to the industry at this critical stage, I am hopeful that the Government will announce suitable measures for the Leather Sector in the upcoming Budget 2010-11, while continuing to implement the stimulus measures announced earlier.

#### India International Leather Fair 2010

The successful completion of the Silver Jubilee edition of the India International Leather Fair, has underlined the fact that more and more overseas entrepreneurs are now looking at India not only as a reliable supplier of high quality leather products, but also a market which offers huge potential for sale of leather and leather products. Hence, besides buying, the overseas entrepreneurs are now looking for joint ventures, technical collaborations and also establishment of their brands in India.

As IILF is bound to grow further in the coming years, there is a need to build more permanent exhibition halls at the Chennai Trade Centre and I am sure ITPO will give top priority to this.

#### Export Performance April – December 2009

The export of leather and leather products during April – December 2009 stood at US \$ 2365.60 million as against US \$ 2836.65 million recorded during April – December 2008, thereby showing a decline of -16.61%. All product segments have shown a negative growth.

#### Need to build up capacities and strengthen the infrastructure

Infrastructure Development is one key area on which we need to give increased attention in the coming years, so as to achieve the envisaged export target of US \$ 7 billion in the next 4-5 years and also create additional 1 million employment opportunities. The potential for enhancing our exports is always there and we need to tap this potential to the maximum extent.

The infrastructure strengthening has been given increased focus by the Government of India as a tool for overall industrial development. Today, there are several schemes implemented by the Government which provides financial support partially to assist the industry in building common infrastructure facilities such as Testing Lab, Design Studio etc. Some of these schemes are 'Development of Leather Parks', Skill Development / Skill Up gradations of manpower HRD Scheme, Up gradation / installation of infrastructure for environmental protection, ASIDE Scheme, MSME Cluster Development Programme etc. This is apart from IDLS Scheme which provides financial assistance to companies to modernize, upgrade technology and increase production capacities.

This is an opportune time for the industry to build up infrastructure by utilizing the Government support. I callup on the industry members to make use of the Government support schemes and set up large scale manufacturing units to add the much needed production capacities. Since all these schemes provide grant upto a certain percentage of project cost, industry has to come forward to partially contribute to establish common infrastructures. The Council will be happy to guide the members in



procedures to be followed, so that the members can brainstorm the pros and cons and those who are interested can join together to form SPV and develop project proposals. Please keep in touch with the Council for any guidance you may require.

### Upcoming overseas fairs in March 2010

The upcoming international fairs in March 2010 will be held amidst signs of recovery witnessed in the global leather trade in the last 2-3months. Hence, the Indian exporters will be eagerly looking forward to not only meet their old customers but also establish new contacts in the upcoming fairs. These fairs will provide an opportunity to us to study the present trends in the market as well as the future outlook and plan our export promotion strategies accordingly.

As in the past, the Council will be organizing the India Pavilion in major fairs in March 2010.

I wish all the exhibitors and business visitors in these fairs all success in their endeavours.

With Best Wishes



Habib Hussain  
Chairman  
Council for Leather Exports

