



Report of
The Committee on
THE DEVELOPMENT OF
LEATHER
AND
LEATHER
MANUFACTURES
FOR EXPORTS

GOVERNMENT OF INDIA
MINISTRY OF FOREIGN TRADE

GOVERNMENT OF INDIA

DIRECTORATE GENERAL OF TECHNICAL DEVELOPMENT

Dr. A. Seetharamiah,
Director General &
Chairman, Committee on the
Development of Leather &
Leather Manufactures for Exports

UDYOG BHAVAN, NEW DELHI

Dated the 16th December, 1972

No. DGTD-LD-3/34/72 20th

Dear Shri Satarawala,

The Committee appointed by the Ministry of Foreign Trade on the development of Leather and Leather Manufactures for Exports held a number of meetings to consider what steps should be taken to accelerate the export of finished leather and leather-goods in place of semi-processed leather. The Committee also considered the various memoranda and a representations sent voluntarily by a number of organisations / individuals.

2. To increase the present export earnings further, the Committee felt that it is necessary to have a change in the present pattern of exports of various type of leathers. As the raw materials availability is inelastic, it would be necessary to export hides and skins as finished leather, leather footwear and other leather goods. The Committee has stressed the need for setting up of suitable infrastructure for the production of finished leather and leather manufactures. The Committee has worked out that the investment required for setting up of the infra structure including land, building and machinery for conversion of 75% of the exports of semi-processed hides and skins (during 1971-72) would be about Rs. 60 crores with a foreign exchange component of Rs. 10 crores. The additional foreign exchange earnings by exports of finished leather would be about Rs. 90 to 95 crores per annum. In case a portion of the finished leather is further converted and exported as leather footwear and other leather goods, the foreign exchange earning would be still higher. It is seen that the investment required for the purpose of setting up the infrastructure is quite heavy and may not be forthcoming readily for this industry. The Committee has, therefore, suggested a 15% cash subsidy only for the purpose of setting up of the infrastructure.

3. While suggesting necessary facilities for the production of finished leather and leather manufactures for exports, certain fiscal measures such as levy of export duty on semi-processed hides and physical restriction on

the quantity of exports of semi-processed items from the country have been suggested to make available more semi-processed goods for further processing to finished leather and leather manufactures. The recommendations made by the Committee are to be considered in its totality and the Committee hopes that the Government, while considering them and taking decisions, will keep this aspect in mind. You would, no doubt, appreciate that it is important to get the cooperation of the industry, trade and other concerned in this endeavour and to facilitate this it is suggested that the report may be printed and made available to all concerned, as a priced publication of the Government.

4. On behalf of myself and the members of the Committee, I am glad to forward this unanimous Report and earnestly hope that action would be taken on the suggestions and recommendations made in the Report as quickly as possible. I would like to place on record the valuable services rendered to the Committee by Shri P.S. Venkatachalam and Shri R. Thanjan on the techno-economic aspects of the Report. I would also like to thank Shri Yoginder Raj for his assistance in preparing the Report.

With kind regards,

Yours sincerely,
Sd./- A. Seetharamiah

Encl. :—As above.

Shri K.T. Satarawala,
Officer on Special Duty,
Ministry of Foreign Trade,
Udyog Bhavan,
New Delhi.

	PAGES
CHAPTER I Introduction	1—6
CHAPTER II Summary of the Recommendations	7—10
CHAPTER III Availability of Hides and Skins	11—16
CHAPTER IV Exports of Leather and Leather Manufactures	17—20
CHAPTER V General Scheme of Preferences (GSP) and the Leather Trade	21—26
CHAPTER VI Measures Suggested for Speedier Switchover of Exports from Semi-processed Hides and Skins to Finished Leather and Leather Manufactures	27—36
CHAPTER VII Infrastructure Required for Increasing Exports of Finished Leather	37

A P P E N D I C E S

Table I Animal population with projections.	}	38
Table II Directorate of Marketing and Inspection data on availability of hides and skins as percentage of population 1961		
Table III Availability in terms of Directorate of Marketing and Inspection percentages.		
Table IV Detailed statistics for 1961-62	}	39
Table V Data for 1970-71 based on domestic consumption percentage for 1961-62		
Table VI Projected percentage availability in 1961		
Table VII Projected availability of hides and skins in 1971-81	}	40
Table VIII Statistical picture for the period 1967-71		
Table IX Availability, imports, etc. of hides and skins during 1961-62		41-42
Table X Availability, imports, etc. of hides and skins during 1966-67		43-45
Table XI Availability, imports, etc. of hides and skins during 1967-68		46-48
Table XII Availability, imports, etc. of hides and skins during 1968-69		49-52
Table XIII Availability, imports, etc. of hides and skins during 1969-70		53-55
Table XIV Availability, imports, etc. of hides and skins during 1970-71		56-58
Statement I Variety-wise exports of leather and leather manufactures		59
Statement II Country-wise exports of E.I. tanned hides and skins		60
Statement III Country-wise exports of chrome tanned hides and skins		61
Statement IV Country-wise exports of leather footwear		62
Statement V Exports of leather and leather manufactures (excluding foot- wear) to main markets		63

	PAGES
Annexure	
A-1	Tariff concession under GSP for buffalo calf skins (vegetable tanned) 64-65
A-2	Tariff concession under GSP for cow calf skins (vegetable tanned) 66-67
A-3	Tariff concession under GSP for other cattle hides (bark tanned) 68-69
A-4	Tariff concession under GSP for buffalo hides including katai (vegetable tanned) 70-71
A-5	Tariff concession under GSP for sheep and lamb skins (vegetable tanned) 72-73
A-6	Tariff concession under GSP for goat and kid skins (bark tanned) 74-75
B-1	Tariff concession under GSP for buffalo calf skins (chrome tanned) 76-77
B-2	Tariff concession under GSP for cow calf skins (chrome tanned) 78-79
B-3	Tariff concession under GSP for other cattle hides (chrome tanned) 80-81
B-4	Tariff concession under GSP for buffalo hides including katai (chrome tanned) 82-83
B-5	Tariff concession under GSP for sheep and lamb skins (chrome tanned) 84-85
B-6	Tariff concession under GSP for goat and kid skins (chrome tanned) 86-87
C-1	Tariff concession under GSP for finished semi-chrome upper, other chrome tanned finished leather of vegetable tannage 88-89
C-2	Tariff concession under GSP for finished chrome uppers and bark tanned case hides 90-91
C-3	Tariff concession under GSP for bark tanned lining leather of sheep and lamb skins 92-93
C-4	Tariff concession under GSP for sheep and lamb finished leather of vegetable tannage, other finished leather of sheep and lamb 94-95
C-5	Tariff concession under GSP for chrome and semi-chrome sheep suedes 96-97
C-6	Tariff concession GSP for goat lining leather and glazed kid 98-101
C-7	Tariff concession under GSP for finished leather of vegetable tannage of goat and kid 102-103
C-8	Tariff concession under GSP for other finished leather of goat and kid skins, n.e.s. 104-105
C-9	Tariff concession under GSP for finished leather n.e.s. 106-109
D-1	Tariff concession under GSP for leather footwear excluding embroidered footwear 110-117
D-2	Tariff concession under GSP for footwear with leather soles and embroidered uppers 118-121
D-3	Tariff concession under GSP for leather soled footwear n.e.s. 122-125
D-4	Tariff concession under GSP for rubber soled upper leather footwear 126-130

Appendure	PAGES
D-5	Tariff concession under GSP for footwear components 131—133
D-6	Tariff concession under GSP for saddlery and other harness of any material for any animal 134—137
D-7	Tariff concession under GSP for leather travel goods 138—141
D-8	Tariff concession under GSP for leather handbags, wallets, etc. excluding artware 142—145
D-9	Tariff concession under GSP for belts, watch straps, etc. 146—147
D-10	Tariff concession under GSP for leather apparel accessories, n.e.s. 148—149
D-11	Tariff concession under GSP for leather goods, n.e.s. as art-ware 150—153
D-1	Tariff concession under GSP for industrial leather manufactures 154—157
D-13	Tariff concession under GSP for fur & skins. 158—159
	Details of infra structure required for finishing 25% of leather (E.I. and wet blue) exported in 1971-72 160
Scheme I	For processing 600 blue cow hides per day into finished leather 161—164
Scheme II	For processing 300 E.I. buff, calf skins and 300 other chrome calf skins per day into finished leather 165—168
Scheme III	For processing 3000 blue chrome goat skins per day into finished leather 169—171
Scheme IV	For processing 3000 sheep skins per day into finished leather 172—175
	List of the organisation/industrialists from whom representations/ memoranda were received 176