

Leather exports likely to miss \$4-bn target as orders dry up

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EXPORT of leather and leather products from April 2008 till February this year stood at \$ 3,337.33 million recording a marginal growth of 2.73% from \$ 3,248.73 million in the same period last year. In terms of rupee, the exports grew at 16.16% to cross Rs 15,000 crore from Rs 13,000 crore earlier.

Based on this trend, the exports for the financial year will be about \$3.6 billion, much below the target of \$ 4 billion, data from the Council for Leather Exports (CLE) suggests. Footwear holds a major share of 42% in the total export of leather products. It is followed by leather goods (24.2%), finished leather (19.1%),

leather garments (12.35%) and saddlery and harness (2.59%).

The recession in the international market and lower off take from India was evident from the negative growth in exports for finished leather, footwear components, saddlery and harness, with very marginal increase in footwear, leather garments and leather goods, CLE sources said.

According to chairman of CLE Habib Hussain, the tardy growth in exports portrayed the negative fallout of the global economic slowdown on the leather sector, which has severely affected its growth potential and employment generation. He said the slowdown in exports in the second half of 2008-09 was most alarming. In the first half, up to Sep-

tember 30, 2008 exports grew 13.74% at \$ 1,976.83 million. In the second half up to March 2009, there had been a drastic fall of 12.54% to \$1,580.92 million from \$ 1,807.62 million in the same period last year. Hussain said there would be a 15% fall in exports of 2009-10.

Major markets for the Indian leather products are Germany with a share of 14.28% followed by Italy (13.2%), UK (11.42%), US (9.56%), Hong Kong (6.23%), France (6.23%), Spain (5.99%), Netherlands (4.22%), Denmark (1.73%), Belgium (1.53%) and Australia (1.52%), CLE data reveal. These 11 countries together account for about 78.33% of total export of leather and leather products from India.