

## Leather & Footwear - Industry Structure

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The Indian leather industry comprises both organised & unorganised segments from small artisans to global companies which produce a wide range of products from raw hides to fashionable shoes. The unorganised sector plays a dominant role in the entire production of leather & leather products. The sector is dominated by micro and small units with bigger units accounting for just around 5 per cent of the total manufacturing units. The small scale, cottage and artisan sectors account for a significant 75-80 per cent of the total production in the categories of footwear, leather goods and leather apparel. On the other hand, the tanneries segment operates more in the organised space. The medium and large scale sectors account for about 55 per cent of finished leather production.

Apart from the quality of the raw material, the process of its conversion into leather and later processes like design, product development and product manufacture play a key role in the value-addition. The domestic leather & footwear industry comprises both integrated as well as standalone companies. The integrated companies operate across the entire value chain spectrum spanning collection of hides & skins, tanning & finishing of leather and manufacturing of leather goods. The standalone companies operate in any one of the three activities. The various products of the industry can be broadly classified into the following segments:

- Finished Leather
- Leather Footwear & Components
- Leather Garments
- Leather Goods
- Harness & Saddlery Goods

The leather industry in India is geographically well diversified, though Tamil Nadu, Uttar Pradesh and West Bengal account for bulk of the output. The major production centres for leather and leather products are located at Chennai, Ambur, Ranipet, Vaniyambadi, Trichi, Dindigul in Tamil Nadu, Calcutta in West Bengal, Kanpur, Agra and Noida in Uttar Pradesh, Jalandhar in Punjab, Bahadurgarh and Manesar in Haryana, Bangalore in Karnataka, Delhi and Hyderabad in Andhra Pradesh.