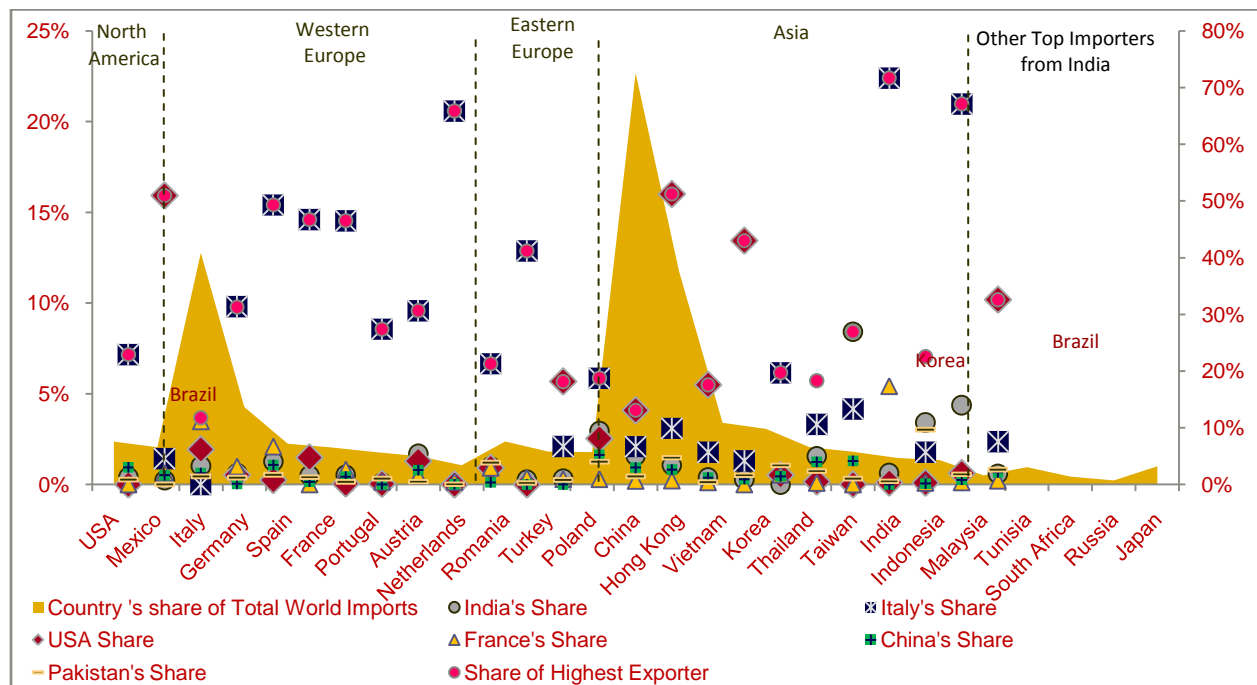


## Leather & Footwear – Market Composition

In this section, the top exports markets for each segment within Leather & Footwear Industry have been identified and contribution of India vis-à-vis other competing countries in each market's imports is mapped.

Apart from Leather footwear, Leather apparel & Leather goods; market composition of primary processing of leather is also analysed in this section because competitiveness in primary processing is very important to achieve competitiveness in all the leather product segments. The output of primary processing (Finished Leather) acts as a key input to all the leather segments and hence it is imperative to analyse India's performance in primary processing.

### Leather – Primary Processing



The world leather primary processing export market is dominated primarily by Italy across all geographic regions. However, in Asian countries, USA seems to have an edge over Italy. Incidentally, both USA and Italy are among the top importing countries/markets of primary processed leather.

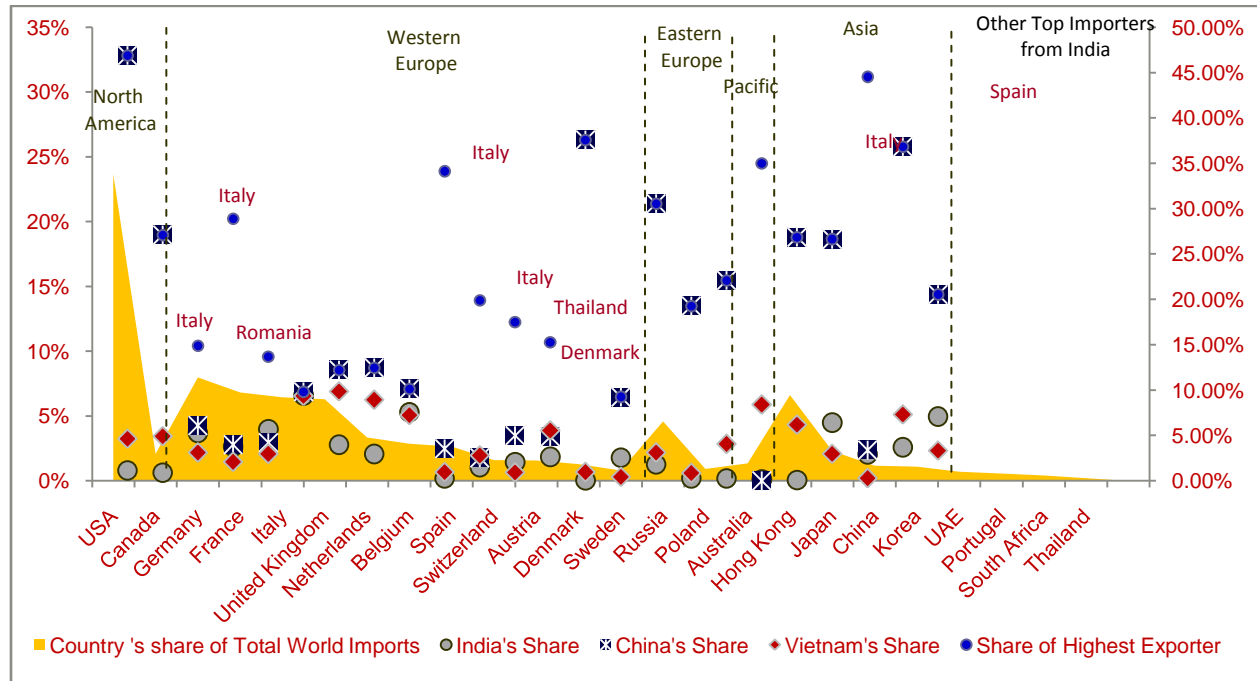
Currently, Italy stands at first position in the world primary processed leather exports market. It is also evident from its share in the top markets.

India is the tenth largest exporter of primary processed leather in the world. However, the gap between India and other top performing countries like Italy and USA is substantially high. India has relative lower gap in countries like Malaysia, South Africa, Russia, Hong Kong and Indonesia.

In order to achieve global competitiveness in primary processed leather export, India needs to benchmark various levers like regulatory & policy environment and productivity & efficiency parameters with Italy

and USA. It may also be probed to understand the sources of advantage of India in Malaysia, South Africa, Russia, Hong Kong and Indonesia.

### Leather Footwear



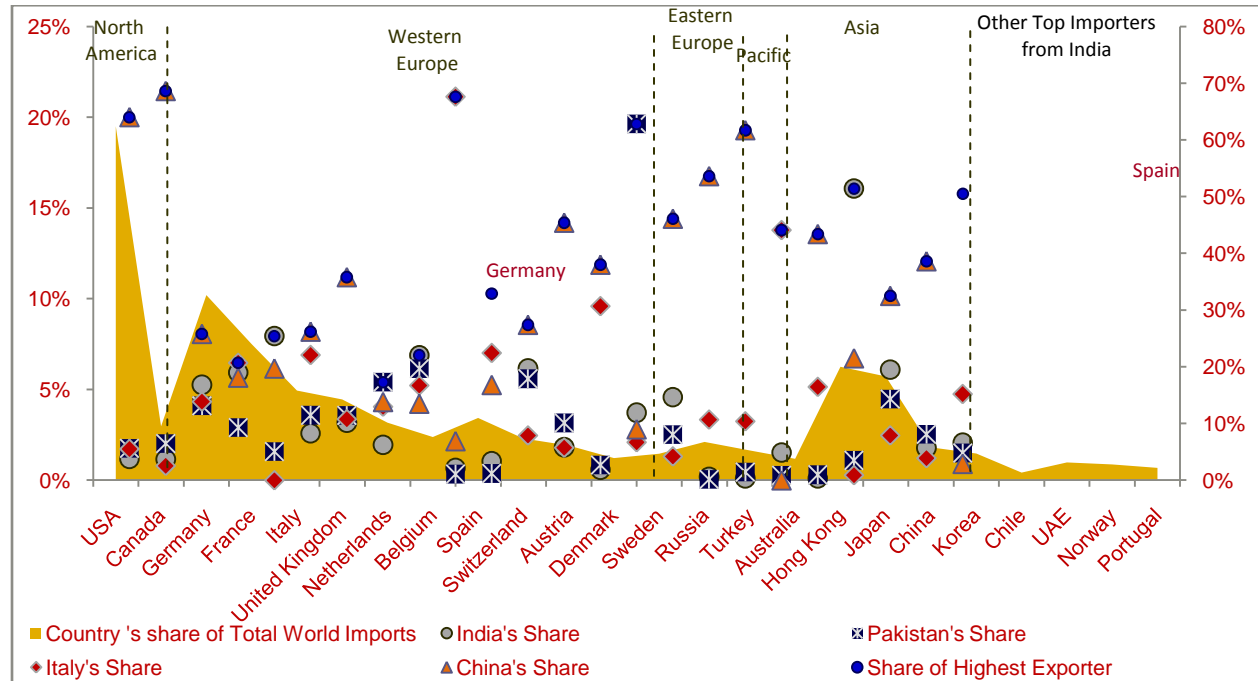
The world leather footwear export market is dominated primarily by China across all geographic regions. However, in European countries Italy seems to have an edge over China which is evident from its share in Germany, France, Switzerland and Austria. A few of the top 20 markets are also being serviced by other European countries like Romania and Denmark. Incidentally, these European countries are also some of the top importing countries/markets of the leather footwear.

Currently, Vietnam stands at third position in the world leather footwear exports market. It is also evident from its share in the top markets. However, given the fast pace of its growth, it needs to be seen if Vietnam can increase its contribution in the top markets.

India is the eleventh largest exporter of leather footwear in the world. However, the gap between India and other top performing countries like China, Italy and Vietnam is substantially high.

In order to achieve global competitiveness in leather footwear exports, India needs to benchmark various levers like regulatory & policy environment and productivity & efficiency parameters with China and select European countries like Italy. It may also be probed to understand the sources of advantage of India in Thailand, UAE and South Africa. Vietnam may be studied for understanding the stimulants of the growth.

## Leather Apparel



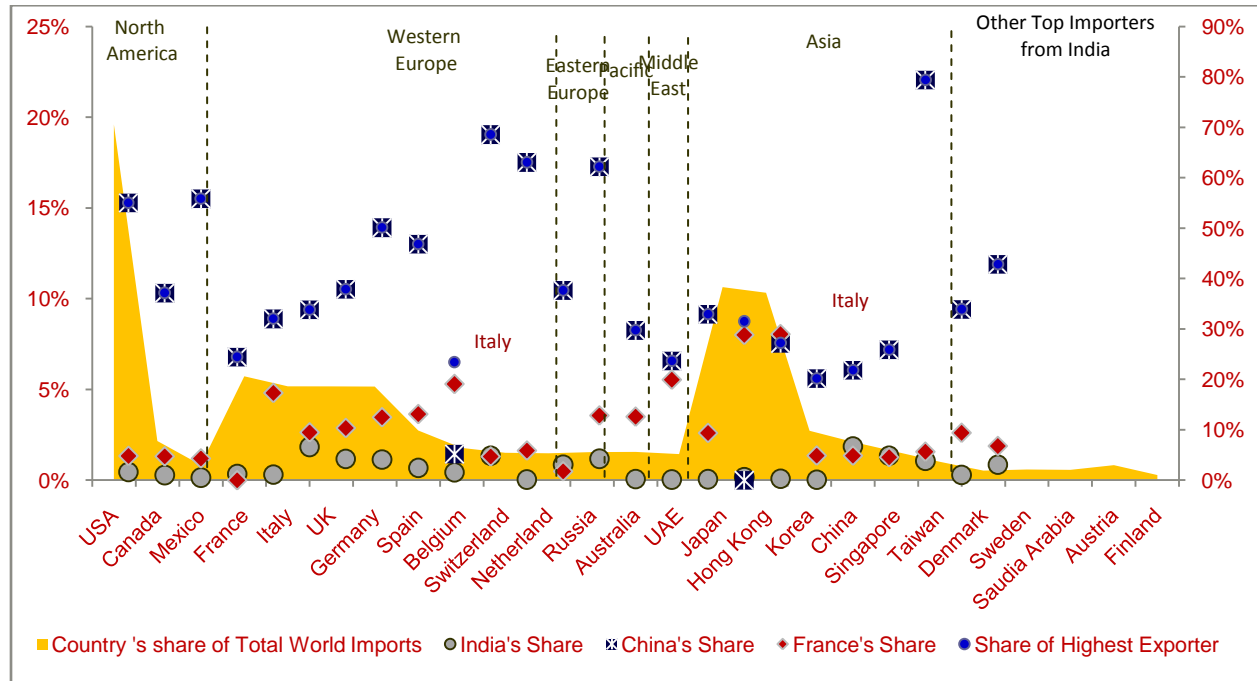
The world leather apparel export market is dominated primarily by China across all geographic regions. However, Italy has an edge over China in few of the European countries namely Switzerland, France and has got a substantial share in UK, Spain and Austria.

Currently, Pakistan stands at fourth position in the world leather apparel exports market. It is also evident from its share in the top markets like Germany, France, UK, Spain, Denmark, Australia, etc. Moreover, given the fast pace of its growth, it needs to be seen if Pakistan can increase its contribution in the top markets.

India is the third largest exporter of leather apparel in the world. However, the gap between India and other top performing countries like China and Italy is substantially high.

In order to achieve global competitiveness in leather apparel export, India needs to benchmark various levers like regulatory & policy environment and productivity & efficiency parameters with China and select European countries like Italy. It may also be probed to understand the sources of advantage of India in Italy, Spain and Chile. Pakistan may be studied for understanding the stimulants of the growth.

## Leather Goods



The world leather goods export market is dominated primarily by China across all geographic regions. However, few of the top 20 markets are also being serviced substantially by Italy. Incidentally, Italy is the major exporter of leather goods to the market leader China.

Currently, France stands at third position in the world leather goods exports market. It is also evident from its share in the top markets. France's has got substantial share in European and Asian markets.

India is the ninth largest exporter of leather goods in the world. However, the gap between India and other top performing countries like China, France and Italy is substantially high.

In order to achieve global competitiveness in leather apparel export, India needs to benchmark various levers like regulatory & policy environment and productivity & efficiency parameters with China and select European countries like France and Italy. France and Italy may also be studied for understanding the stimulants of their growth.