

Leather Council to form panel to regain overseas customers

Leather industry is one of the export-oriented and labour intensive sectors that is hit hard by the COVID crisis. As lockdown norms in India are being relaxed in a gradual manner, the sector is striving to come back to life by regaining lost business from overseas customers. In an interview to MVIRDC World Trade Center Mumbai, Mr. Javed Iqbal, Regional Chairman, Central Region, Council for Leather Exports (CLE) shares the impact of the crisis on leather sector.

Mr. Iqbal informed that the Council is planning to form a panel to meet overseas customers and bring back business to India.

Excerpts of the Interview:

1. India is said to be the second largest exporter of leather garments and the third largest exporter of saddlery and harnesses. How has the nation-wide lockdown affected leather production and exports?

A complete lockdown has shut down the production of both the industries resulting in delay in execution of orders ultimately cancellation of order from buyers. Shipment which were on the way to Mumbai port were stopped on the way for a month and shipment which reached on the sea or airports were stuck in the custom warehouse due to unavailability of staff and worker for custom clearance and stuffing in the container.

Not only were exports shipment stuck in customs but the import shipment which arrived on the various ports were subjected to demurrage charges

2. What is your estimate of loss to leather industry and which are the segments (leather footwear, leather garments, saddlery and harness etc.) that are the worst hit?

Total loss in business in Kanpur region is about Rs. 5000 crore and leather and leather footwear is the worst hit by this lockdown. Kanpur - Unnao Leather Cluster contributes 25% to India's leather sector and the cluster produces a range of leather and allied products. The annual domestic sales volume of this cluster is Rs. 22,000 crore, while annual export is Rs. 8,000 crore. Amidst the COVID crisis, this cluster is struggling to revive operation because of lack of raw materials, labour and overseas orders.

3. What is the impact of the lockdown on jobs in the leather industry?

Direct and Indirect there are 10 lakh workers engaged in leather sector and during lockdown period a large number of workers were affected. This is despite the fact that factory owners are supporting their workers with salaries and essential commodities.

- 4. It is said that because of the lockdown, India may lose export orders to Vietnam and Indonesia where manufacturing operations have not been affected. What is your forecast of the prospect for exports from India if there is delay in relaxing lockdown?**

No doubt that big orders have been directed to Vietnam and Indonesia but our CLE national Chairman Mr. P.R. Aqueel is working hard for improving the exports of leather and leather goods. From August to December 2020, he is planning to make panel which will visit overseas buyers to promote Indian leather business

Notifications

Press Information Bureau, Government of India

Minister interacts with captains of pharmaceutical industry

<https://pib.gov.in/PressReleasePage.aspx?PRID=1628142>

Updates on COVID-19

<https://pib.gov.in/PressReleasePage.aspx?PRID=1628119>

One-year of MODI 2.0 – Towards a Self-Reliant India

<https://pib.gov.in/PressReleasePage.aspx?PRID=1628087>

Daily Bulletin on COVID 19

<https://pib.gov.in/PressReleasePage.aspx?PRID=1628163>

DGFT

Amendment in Export Policy of Paracetamol API

https://dgft.gov.in/sites/default/files/Noti%2007%20Eng_0.pdf

Allocation of additional quantity for export of sugar to USA under TRQ

https://dgft.gov.in/sites/default/files/PN%2007%20Eng_0.pdf

CBIC

Notification of in tariff value

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt48-2020.pdf>

Extension of anti-dumping duty on acrylic fibre imported from Thailand

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd10-2020.pdf>