

Footwear & Fashion Matters



April 2019

Newsletter from LSSC

Today, Indian leather industry is all set to achieve excellence and face international competition with confidence and consistent quality. Last few years have seen remarkable development in capacity building through skill-based training that aligns with the needs of the industry. We have benchmarked the training curriculum at the global level by developing Qualification Packs (QPs) and National Occupational Standard (NOS) that comply with National Skills Qualification Framework - NSQF. This is a significant step towards preparing our workforce to be industry-ready, by meeting productivity and quality parameters for each job role.

With the comprehensive skilling platform in place, we have to aim for achieving excellence by following best practices from across the world, to compete globally. Other challenges like increasing imports in footwear segment to cater to domestic markets and lack of productivity focus can be tackled by engaging apprentices and creating a pipeline of skilled youth. Another important aspect pertains to training women and empowering them to work from their homes in various clusters. The need of the hour is to strive for quality and excellence in whatever we do, to strengthen the industry in meeting the requirements of the international market and fulfill the needs of fast-growing domestic market.



Shri. Habib Hussain, Chairman
Leather Sector Skill Council (LSSC)

Like us on Facebook
@LSSC.INDIA

www.leatherssc.org

Follow us on Twitter
@leatherssc



Shri P R Aqeel Ahmed, Chairman
Council for Leather Exports (CLE)

As per latest available data, export of leather, leather products and footwear from India have grown from Rs.338947.08 million in April 2017 – February 2018 to Rs.365623.45 million in April 2018 – February 2019, thereby growing by 7.87% in Rupee Terms. During the current year, we have been able to achieve very good growth levels in exports in dollar terms to many countries including USA, Greece, Canada, Australia, New Zealand, South Africa, Switzerland, UAE, Indonesia, Poland, Hungary, Nigeria, Kenya etc.,

The industry is aiming to further enhance the export growth during 2019-20 and achieve more than 9% to 10% growth. Looking at the global opportunities and market diversification, the Council for Leather Exports (CLE) has planned a comprehensive and extensive marketing campaign involving more than 20 marketing events during 2019-20. These events will cover not only the traditional market of Europe, but USA (which is the largest market for India outside EU) and other potential markets like Latin American Countries, Russia, Australia, Japan etc., Besides, Reverse Buyer Seller Meets are also planned in Delhi and Kolkata so as to provide a platform to our exporters to meet overseas buyers in India itself.

CLE has also submitted proposals to the Ministry of Commerce and Industry seeking support for organizing Investment Promotion events in countries namely China, Taiwan, Vietnam, USA, South Korea, Spain & Portugal during 2019-20. We are also exploring Japan as a potential investor in Indian leather and footwear industry.

Considering Brexit, CLE has taken-up the request of having a Free Trade Agreement with UK, since UK is now our third largest market next only to USA and Germany. On the whole, the leather and footwear industry is looking forward to achieve more milestones and positive export growth during 2019-20.

Success in international market depends not only on building the brand image of the product but also the brand image of the country. Transformation of a company from a contract manufacturer to a brand is a welcome step but there is a need for sustained brand building campaign of the country as well so as to project the image of Indian Leather industry as an industry with sustainable and eco-friendly growth model, so as to further enhance our reputation as a reliable supplier of high quality products. I am happy that the India Brand Equity Foundation (IBEF) is already doing this by undertaking huge publicity campaigns in CLE events. I am sure that continuation of such a campaign will augur well for our industry.

Though India accounts for about 13% of global production of hides and skins, we need to ensure optimum utilization of the huge raw material base available in the country, through adoption of better skins/hide flaying and preservation techniques. Design & Product Development and Enhancing Worker Productivity are other two crucial areas where we need to move forward, so as to move-up the value chain. As more than 90% of leather and footwear industry is concentrated in MSME segment, we need to develop sustainable and affordable R & D and worker productivity models which can be adopted by the industry in tune with changing requirements of the market. Adopting such innovative production and processing techniques is the need of the hour so as to enhance our price competitiveness and moving-up the value chain.



Sanjay Leekha, Vice-Chairman
Council for Leather Exports (CLE)



Shri Ramesh Kumar, IAS
CEO, Leather Sector Skill Council (LSSC)

Monitoring plays a crucial role in determining the success and outcomes of any training initiative. Skill development in the leather industry involves three key areas: primary skilling of the new workforce, upskilling of existing workforce and training of trainers. These three areas are also emphasized by one of the sub-schemes under IFLADP focuses on Human Resource Development (HRD) for Placement-linked Skill Development. To effectively implement the scheme, the Department for Promotion of Industry and Internal Trade (DPIIT) has accorded status of National Monitoring Unit (NMU) to LSSC. It is one of its kind recognition across sector skill councils to accord the role by the Line Departments of Government of India.

As an NMU, LSSC will establish foolproof monitoring mechanism for the entire training cycle for 2 years through SMART and SDMS portals. The main objective is to ensure quality in every aspect of training delivery, certification and placements. With the help of SDMS and SMART Portal, the entire candidate life cycles will be systematically observed and reviewed along with approval of training partners. This includes recording day-today attendance, ensuring Aadhaar linkage for transfer of funds and training lifecycle management. With efficient monitoring process LSSC will make a deep impact in transforming the lives of people through skilling.

Leather Sector Skill Council (LSSC) distributes certificates to RPL Type 4 candidates at Pioneer Inc, Chennai



Mr. Rajesh Agrawal IAS distributing certificate to successful candidate

LSSC held the RPL Type 4 certification distribution ceremony on 27th January 2019 at Pioneer Inc, Chennai. The certificates were handed over by Mr. Rajesh Agrawal, IAS, Joint Secretary, Ministry of Skill Development and Entrepreneurship (MSDE) in the presence of Mr. Ramesh Kumar IAS, CEO, LSSC, Mr. Gopakumar Nair, Pioneer Inc, Mr. Rajesh Rathnam, COO, LSSC and other members from the industry. RPL Type 4 with Best-in-Class Employers (BICE) has been introduced to enhance the industry acceptability of RPL certification and extend the outreach of the scheme directly to reputed employers/industries across sectors. This is a new type of RPL category envisaged under PMKVY 2016 – 2020 to ensure certification of skills available in the organized sector with best in class employers. This will help achieve certification at scale while ensuring its economy and quality of certification since it is conducted at the employers' premises.



Mr. Gopakumar Nair, Pioneer Inc, felicitating Mr. Rajesh Agrawal IAS

In his welcome address, Mr. Gopakumar Nair, Pioneer Inc expressed his gratitude for the RPL Type 4 initiative from the government and said that Pioneer Inc was privileged to get their employees certified under this scheme. He also complimented Mr. Ramesh Kumar CEO, LSSC for his continued

efforts to build capacity in the leather industry through skill development, apprenticeships and training of trainers.

Speaking on the occasion, Mr. Ramesh Kumar, CEO, LSSC appreciated the dedication of Mr. Rajesh Agrawal, the guest of honour, towards skill development and described how he was committed to making Skill India mission a success through various programs. He also thanked him for attending the event on a Sunday, despite his extremely busy schedule.



Mr. Ramesh Kumar IAS, CEO, LSSC addressing the gathering

To set the context, Mr. Ramesh Kumar shared a brief overview of the leather industry and its significance to Indian economy. Being a tradition sector, he said, leather sector forms the backbone of the export market and it has a huge potential for employment generation. The prime focus accorded the leather sector through Make in India program by the hon'ble Prime Minister and subsequent sanction of Rs. 2600 crores by the Government of India through DIPP for capacity building are landmark decisions in shaping the future of this industry. He also mentioned that LSSC had conducted a SWOT analysis to devise a strategy for capacity building to tap the export market of 6 billion USD, and domestic market of 9 billion USD.

Underlining the importance of skills upgradation programs, he said that the industry has improved the productivity to a great extent, by touching every cluster. He also mentioned that India is the second largest footwear producer in the world and 5th largest producer in the leather garments in the world and second largest manufacturer of saddlery in the world. He was hopeful that with the policies of the government and with cooperation from industry members, the opportunity to conquer the market will soon become a reality through a skilled workforce.



Mr. Rajesh Agrawal IAS distributing certificate to successful candidate

Mr. Rajesh Agrawal IAS, Joint Secretary, MSDE, guest of honour, began his address by thanking the participants for sparing their personal time on a Sunday and candidly shared his excitement about his first visit to the leather industry at Pioneer Inc. While drawing parallels with the textile and garments industry, he said that leather industry can produce a huge number of jobs. This is one way to address the job creation challenge wherein every one crore of rupees produces 80 to 100 jobs. He also spoke about how leather industry is critical in balancing the industrial ecosystem in India by complementing animal husbandry.



A view of certified candidates at the event

He emphasized that this industry will remain in focus for job creation and it has a huge potential to expand and grow, particularly in the accessories market by doubling the exports in the coming years. This not only boosts job creation but also adds to foreign exchange, thereby directly contributing to national building.

Mr. Rajesh Agrawal also shared a brief background to the creation of the Ministry of Skill Development and Entrepreneurship and said that it has multifold objectives. First, the ministry's mission is to address the skill requirements of the industry and second, their commitment to meet the youth aspirations by ensuring every individual gets an opportunity to improve his or her skill sets and become market relevant and enhance their productivity. He said the Recognition of Prior Learning (RPL) tries to bridge both these objectives by formally recognizing and certifying the skills acquired through informal means such as self-learning on-the-job. The assessment of such skills and certification brings prestige and confidence by adding to the mobility of the workforce and reducing employer dependence for recognition. At the same time, from industry perspective, formalising the skills of employees will give a clear picture about the available skill sets, skill gaps and the need for upgradation to achieve desirable quality and productivity benchmarks.

With regard to female workforce in the leather sector, he said that he was glad to see the presence of many women in the RPL event and said that our endeavour should be to grow women workforce from 24% to 50% since women constitute 50% of the Indian economy. This will also provide a 200% growth to India's GDP and leather industry will have a major role to play since it employs many women in various job roles.



Mr. Rajesh Agrawal interacting with the team during factory visit

As an aside to his talk, Mr Rajesh Agrawal brought to the fore the impact of latest technologies and automation in the leather sector. He said that the Internet Age has seen a gradual stagnation of return on labour while the return on capital has grown exponentially. Expressing a deep concern about the growing impact on technology that could affect the labour force, he pointed out the need for promoting inclusive growth that invests in labour through skilling and adopting labour-friendly technology that will assist but not replace labour.

On this reassuring note, Mr Agrawal closed his address and congratulated the candidates who were receiving their certificates.

After distributing the certificates, the event was concluded with a vote of thanks from Mr. Sundara Rajan, Pioneer Inc shared the industry perspective on the need for skilling the workforce for improving productivity and including suitable measures to cater to 70% to 80% of women workforce.

Shri P.R. Aqeel Ahmed, Chairman, CLE Visits LSSC office



Shri P.R. Aqeel Ahmed, Chairman, CLE visited the LSSC office in Chennai on 5th March 2019 and participated in a discussion on capacity building in the leather industry through skill development. The LSSC team was excited to share their views and interact with the Chairman since he represented the Indian Leather industry. His inputs and advice was highly valuable since he had a global perspective about the industry.

Shri P. R. Aqeel Ahmed advised the team about the paradigm shift to tap the untapped areas like non-leather footwear, harnessing the competitive advantage of the each sub-sector through capacity expansion and capacity addition. As per the advice LSSC will strengthen operational areas involving various stakeholders especially the State Governments and Department for Promotion of Industry and Internal Trade (DPIIT).



A Report on LSSC Governing Council Meeting held on 23rd March 2019



LSSC has conducted the Governing Council Meeting on 23rd March 2019 in Chennai. **Mr. Habib Hussain**, Chairman, LSSC, extended a warm welcome to the members of the Governing Council and all others who were present and introduced everyone to **Mr. Gopal** who was the chief executive in L&T and has taken over as the NSDC advisor to Shri. A.M. Naik the new Chairman of NSDC. Later, **Mr. Gopal** expressed his views on the

scope for automation in the leather sector with special reference to the institute in Surat. After the inaugural speeches, the minutes of the previous meeting was reviewed and approved by all the members.

Mr. R. Ramesh Kumar, IAS, CEO, LSSC, presented the overview and said that LSSC has been registered as a section 8 company and has been in operation since 2011. He emphasized on the

fact that LSSC has produced positive results in many areas and there have been a few pitfalls which they will be worked on. He talked about the past performance in various schemes like PMKVY and other projects. He informed that members that so far, 1,06,000 people have been trained and 50 - 60% of them have been successfully placed. Information about some new models for some special projects were also given. He also described the 3 training models that are currently in operation; Bahadurgarh Model, Kanpur Model and the Model initiated by CFTI. While informing the house about the impact of Recognition of Prior Learning (RPL), he said that LSSC has been continuously interacting with the training partners and the industry to implement RPL certification and they have recently crossed the milestone of 1,00,000 certifications, thanks to RPL 4.0 Best in class Employer Scheme (BICE).



Presenting more details about RPL Type 4.0 (BICE) Mr. R. Ramesh Kumar updated that Ministry of Skill Development and Entrepreneurship (MSDE) wants to analyze the existing skills of employees who are already employed and finding the skill gap which need to be addressed. In this process the employees are being assessed and certified in a very objective online tab based digital process. The launch of RPL Best in Class Employers scheme was held at Tata International Ltd on 24th July 2018 for 2000 people across Tata facilities. In a short span of time, LSSC has crossed the milestone by registering one lakh existing employees under the scheme. 23 Qualification Packs were put to use in the RPL Scheme and it is being implemented across 10 Clusters pan India.



Later, discussing the training model implemented by CFTI, Mr. Ramesh Kumar said they collect the information in advance, based on the locality and make a temporary set up. They

mobilize the candidates with the help of the state government and thus they have achieved 95% placement and they were also awarded as best trading provider. There is a pre-skilling program for the candidates as per the requirements of the industry. It's a 1 year program, of which 6 months are allotted to classroom instruction and 6 months in spent the industry.

Subsequently, Dr. Swarna Kant, Sr Scientist, CLRI, talked about the B.Voc program. She said that they have designed the program in a way that it covers all the employability aspects. A component for soft skills and management has also been added in the Bachelor's degree programme. The skill component is 50% and management component is 50%. She also explained how Level 5 to 8 degree programmes are implemented.

Mr P.R. Aqeel Ahmed, Chairman - CLE, suggested that training should be given to people on the shop floor in Mumbai since there is a training center available for training the manpower. He said it was crucial for the industry to grow since it would have a positive impact on the growth of retail sector, providing employment to many people

He was also of the view that in addition to the regular training program there should be a plan to increase the productivity and get profitable. For this purpose, he said, we need to educate by conveying the importance of time and increasing efficiency. This is the best way to ensure that a given number of pairs could be produced by each worker in a given amount of time.



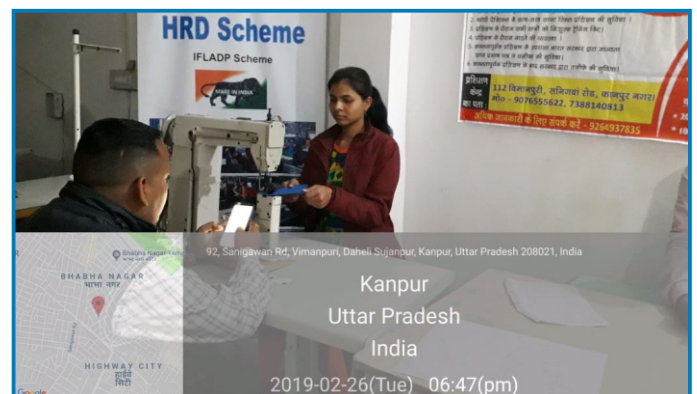
Mr. M. Rafeeque Ahmed informed the members about the global impact of training in the leather industry and need to interact internationally. He elaborated on importance of increasing productivity and becoming profitable through smart capacity building. It was brought to attention that the entire production in Vietnam is same as in India and it costs 3 dollars cheaper to make it here. He further informed the need to make synthetic footwear and mentioned the plans of seeking investments from Reliance and Tata.

The meeting was concluded after the discussion on the formation of steering committee and reconstitution of the board. The meeting ended on a positive note with renewed emphasis on successful implementation of future skill development initiatives and the need for long term partnerships to ensure placements and encourage higher education in the leather sector.

LSSC as a National Monitoring Unit (NMU) for IFLADP Primary Skill Development

LSSC has been appointed as an National Monitoring Unit (NMU) for HRD Sub-scheme of Indian Footwear, Leather and Accessories Development Programme (IFLADP) for 2018 - 2020. As an NMU, LSSC will establish foolproof monitoring mechanism for the entire training cycle for 2 years through SMART and SDMS portals. IFLADP focuses on Human Resource Development (HRD) for Placement-linked Skill Development. The Primary skill development training and monitoring process includes 4 levels of monitoring. This includes, center level monitoring, batch level monitoring, assessment monitoring and placement monitoring. As per the report for FY-2018-2019, 83,726 candidates were trained and 52,787 candidates were placed in various job roles. This resulted in 63% placement covering 16 states.

State	Trained	Placed	Placed %
Uttar Pradesh	29210	20100	68.8
Tamilnadu	19702	15338	77.8
West Bengal	18068	9357	51.8
Delhi	6466	2929	45.3
Haryana	4415	2034	46.1
Uttarakhand	2184	1404	64.3
Madhya Pradesh	1118	438	39.2
Rajasthan	749	571	76.2
Himachal	473	347	73.4
Andhra Pradesh	296	0	0.0
Maharashtra	349	126	36.1
Punjab	164	0	0.0
Bihar	216	66	30.6
Tripura	120	0	0.0
Kerala	134	77	57.5
Puducherry	62	0	0.0
Total	83726	52787	63%



How skill development can enhance productivity in the leather sector

Author: K. Ramachandran, LSSC



Shri K. Ramachandran
Technical Head, LSSC

Leather industry has been facing shortage of skilled manpower for various job roles. Particularly at the shop floor level, approximately for 85% of the workforce are either unskilled or semi-skilled. They enter into the industry without formal training and continue to learn on the job, often acquiring few skills to carry out basic roles like in Footwear and Goods and

Garments segments. Since they are not formally trained in various skills, their output is below standards and it impacts quality of the product and business results.

Today, many employers are aware of the issues connected with lack of productivity and they are ready to address it by skilling their workforce. This is great positive sign for the growth of the industry that has a huge potential for export revenues from global market. It also has huge scope to generate employment, both in urban and rural areas. LSSC has been actively involved in skilling the workforce in the leather sector through curriculum design (Qualification Packs – Qps), National Occupational Standards (NOS) aligned with many job roles in the industry, as per National Skills Qualification Framework (NSQF). This has been of prime importance in developing and implementing a curriculum that meets the demands for right skills in the industry by facilitating training programs.

Another aspect of productivity is related to re-skilling the existing workforce. We have seen that over the years many employees would use skills and knowledge that is outdated or inappropriate. Their productivity suffers and they need to unlearn old way of doing things and re-learn new technology and new skills. Hence, re-skilling is critical parameter in gauging the productivity and measuring the outcomes. This will help in enhancing the quality of output by reducing wastage, thereby bringing in process efficiency.

When it comes to use of technology in designing and producing

leather footwear, goods and garments, today many companies are opting for automating routine jobs. However, since leather needs a lot of manual talent and skill, there will always be a need for honing the skills like stitching and skiving. Operating latest machines requires learning new ways to do the job without causing delays or snags in the production line.

Productivity is also linked with recognizing the existing skills of the workforce. This refers to skills and knowledge acquired informally on their own, or on-the-job by learning from peers and superiors. The employees feel acknowledged when they are certified on what they already know and perform better. It is here that initiatives like Recognition of Prior Learning (RPL) and RPL – Best in Class Employer has helped many in the leather industry to get certified and further improve their skills and develop a career.



Skill development has a critical role to play in enhancing employee productivity and keeping them equipped with latest knowledge. It is essential that all companies implement their plans to skill their employees in the right way by following the QP, NOS and align their training to NSQF. By improving productivity they can achieve better business results and face the competition at the global level.

Contact us

Reach us for any suggestions and feedback, Print our complete address with phone and email

Leather Sector Skill Council

Annex Building, CFTI Campus, No. 65/1, GST Road, Guindy, Chennai - 600032. Tamil Nadu

Telephone: +91 44 22502350, E-mail: lssc@leatherssc.org, Web: www.leatherssc.org



Like us on Facebook
@LSSC.INDIA



Follow us on Twitter
@leatherssc