

Footwear & Fashion Matters



APRIL - 2018

Newsletter from LSSC



When I look back at how the leather industry has evolved and unfolded into many sub-sectors, one thing that stands out is the scope for design, creativity and continuous improvement. Today, the Indian Leather Industry has established itself as a high-growth sector with immense opportunities for entrepreneurship in traditional leather trades and new forms of leather substitutes. It is uniquely positioned as it caters to basic needs as well as luxury segments, with vast potential for exports. The contribution of this sector to Indian economy and its GDP was acknowledged by Shri Dharmendra Pradhan, Minister for Skill Development and Entrepreneurship. In a recent meeting with the LSSC team, Hon'ble Minister stated that this sector predominantly focuses on value addition, fashion designing, footwear designing, and exports which is the higher end of the value chain. His statement not only reiterates enormous scope for business and job creation, but it also calls for valuing workforce skills and creating opportunities to improve their productivity and profits.



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

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Shri. Mukhtarul Amin, Chairman
Council for Leather Exports (CLE)



You are all aware that exports from the Indian leather industry registered a declining trend for two and half years starting from the financial year 2015-16. However, as per provisional data available, overall exports from leather industry have shown a growth of 1.79% in dollar terms during April 2017 to February 2018. This is a very good sign which reflects the revival of exports. This turnaround in exports from the leather industry has given us the confidence that we will be able to achieve high export growth levels in the coming years. Considering the intense competition in the global market, aggressive marketing campaign is required to consolidate and expand our market share. Keeping this in view, CLE has proposed to organize 13 marketing events during 2018-19. The programmes proposed include Buyer Seller Meet in USA, Reverse Buyer Seller Meet in India, continuation of participation in Mos Shoes Fair in Russia etc., The circulars for individual events will be sent to member exporters. These programmes will be organized with financial support

from Department of Commerce, Ministry of Commerce and Industry, Govt. of India under Market Access Initiative Scheme (MAIS). One of the focus areas under India Footwear, Leather and Accessories Development Programme (IFLADP) notified recently for leather industry is creation of Mega Leather, Footwear and Accessories Development Clusters (MLFAC). The leather industry is very keen to develop MLFACs so as to not only enhance production by creating new production centres but also to generate employment opportunities to the youth belonging to economically weaker sections.

I hope that aggressive marketing campaign combined with development of infrastructure, skill development, productivity and production capacity will help a lot in achieving double digit growth levels in exports and also in tapping the huge potential available in the domestic market.

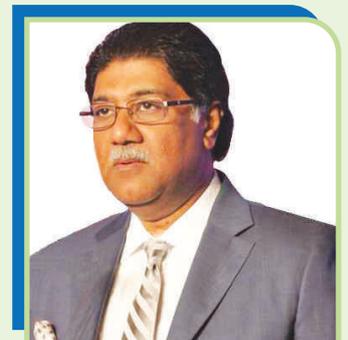


Europe and USA have been the traditional markets for the Indian leather industry. About 68% of our exports are directed to these traditional markets. I feel that early conclusion of India – EU Trade and Investment Agreement with zero duty facility for export of leather, leather products and footwear will help in substantially enhancing our exports to Europe. Similarly, we need to have a Free Trade Agreement with USA as well to tap the huge potential in the US market, as USA is the largest importing country of leather, leather products and footwear in the world.

Even as we are trying to consolidate and expand our market share in the traditional markets, the leather industry has undertaken a slew of market diversification efforts as well in the recent years. Markets like Russia, Japan, Korea, Canada, Australia, Latin America, Africa and the CIS region are potential markets where we need to concentrate in order to achieve our objective of double digit export growth levels in the coming years. CLE too has been undertaking aggressive marketing efforts in many of these potential markets. Here again, the Government of India is negotiating a trade agreement with Eurasian Economic Union (EAEU) comprising countries namely Russia, Kazakhstan, Belarus, Armenia and Kyrgyzstan. Besides, trade agreement negotiations are also going on with Canada and Australia.

We already have Comprehensive Economic Partnership Agreement (CEPA) with Japan and Korea. We have requested Government of India to take up the issue of bringing down the import duty levels in Japan for footwear to zero. Korea already has either Nil or very low duty levels for leather products and footwear.

I hope that conclusion of the various ongoing negotiations on trade agreements with Europe, EAEU, Australia etc., and will help in substantially enhancing our market presence in both traditional and potential markets.



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



Let me begin with few questions. How many of you participated in the recent India International Leather Fair (IILF 2018) held at Chennai from 31st January to 2nd February 2018? What was your experience; did you put up a stall and did the Leather Fair help you in improving your business prospects? I spent some time at the Fair, visiting the stalls and talking to people, and I was highly impressed with the presence of so many countries. This shows how much of our business is dependent on imports and exports. Leather is truly a global industry with a wealth of opportunities that remain to be tapped. At the same time, it can be a source of livelihoods for leather artisans, traditional leather processing units, large leather and non-leather production houses and above all, several designers who are contributing to making the products as per international standards. In the inaugural session of the Trade Fair, Shri Suresh Prabhu, Minister for Commerce and Industry unveiled the special package of Rs.2,600 crores and advised the industry to adopt latest technologies to upgrade machinery and develop the skills of workforce at all levels. LSSC is keen on skilling the workforce that contributes substantially to export revenues.



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

LSSC Meeting with Hon'ble Minister for Skill Development and Entrepreneurship (MSDE), Shri Dharmendra Pradhan



LSSC Meeting with Hon'ble Minister Shri Dharmendra Pradhan

In a recent meeting with the LSSC leadership team, Hon'ble Minister for Skill Development Entrepreneurship, Shri Dharmendra Pradhan, commended the initiatives in skilling workforce to meet the requirements of the fast growing leather industry. On 31st January 2018, Shri Habib Hussain, Chairman, LSSC and Shri Ramesh Kumar IAS, CEO, LSSC and Shri Rajesh Rathnam, Head - Client Relations, LSSC, met Hon'ble Minister for Skill Development Entrepreneurship Shri Dharmendra Pradhan along with Mr. K P Krishnan IAS, Secretary and Mr Rajesh Agrawal IAS Joint Secretary, MSDE.

Mr Ramesh Kumar, IAS, briefed the minister about various sub-sectors in the leather industry and explained in detail about the regional breakup of industry and product range. The chairman, Mr Habib Hussain, gave an overview of the constitution of the board members and how it covers the entire spectrum of leather ecosystem in India.

While Mr Dharmendra Pradhan was happy to know about the scope for jobs in the sub-sectors like Pre-tannery, Tannery, Finished leather, Footwear, Goods & Garments, Saddlery & Accessories and India's dominance in global markets in Saddlery, he was also keen that the LSSC should implement National Apprenticeship Promotion Scheme (NAPS) for training in a majority of job roles. He also emphasized on implementing Recognition of Prior Learning (RPL) for existing workers as a means of bringing them into the formal workforce.

Following this, the discussion centered on adoption of Qualification Packs (QPs) to increase coordination and uniformity of talent across segments. The minister requested Mr. Ramesh Kumar to prepare a report on the basis of meeting with organizations like FDDI, CFTI and CLRI on aligning QPs with job roles.

The progress on Special Projects and financial metrics was keenly discussed and Mr Rajesh Agarwal, IAS, Joint Secretary, added to the deliberations with the progress on special package given by DIPP to the leather sector and the sub-scheme on skill development.

Mr. Ramesh Kumar also placed the need for cluster-based approach to skill development for reducing the demand-supply gap and thus meeting the target of training 1.5 lakhs from 2018.

Throughout the meeting, the minister was enthusiastic to know more about the initiatives and suggested that there is an urgent need to train people at Taluk level in order to utilize the resources at Block and Taluk levels. Mr. K P Krishnan, Secretary suggested the initiation of a small pilot project in this area and the minister agreed and liked the idea.

The meeting concluded on a positive note with the minister reminding the LSSC team to complete the action items discussed and keep the ministry updated about the same.

India International Leather Fair (IILF 2018) - A Walkthrough

The 33rd edition India International Leather Fair (IILF 2018) held at Chennai from 31st January to 2nd February 2018 was a landmark event as it had 450 exhibitors from India and abroad, displaying their products at the Chennai International Trade Center. The 3-day trade fair had a wide range of exhibits in leather garments goods and accessories, footwear components, finished leather, synthetic materials, chemicals, machinery equipment and technology drawing thousands of people in the show that was spread on an area of 10000 sq. mtrs. Countries that set up their national pavilion included Australia, Bangladesh, Brazil, China, France, Germany, Italy, New Zealand, Portugal, Russia, Saudi Arabia, Spain, Sri Lanka, Switzerland, Taiwan, Thailand, The Netherlands, Turkey, UAE, and United Kingdom.

Shri Anil Agarwal, Joint Secretary, Dept of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, interacting with the manufacturers.



Shri Anil Agarwal, Joint Secretary, DIPP, along with Shri Deepak Kumar IAS, Executive Director ITPO, visiting the stalls.



Shri Anil Agarwal, Joint Secretary, interacting with the international manufacturers.



Shri Anil Agarwal, Joint Secretary, interacting with Shri V Noushad, Managing Director, VKC Industries

Many countries exhibited latest technologies and machinery in leather and non-leather sectors. People thronged the stalls and were curious to know more.



Workforce training and skill development for higher productivity: View from the industry

The LSSC team was at the India International Leather Fair (IILF 2018) held at Chennai from 31st January to 2nd February 2018, to get a first hand experience of how varied sub-segments of leather are represented in this predominantly export-oriented industry. We also wanted to capture the views of some of the industry representatives in terms of capacity building through skilling their workforce for better productivity and quality output. Here are some excerpts from our conversations with a cross section of people who manage the manufacturing, design and production units and sales and marketing functions in different parts of India.



“Training is an essential part of the leather industry, we provide on-site training to new employees. We need impetus from the government for facilities and incentives for training of new comers. It would enhance the employability and fill skill gaps. Our training happens in-house; but we would love to have separate training facilities to avoid disruption to regular work.”

Viraj Chadha, Athreya International Pvt Ltd, New Delhi



We train unskilled workers for 6 to 7 months, we don't have time to send them to any training institute; for design skills, we take help from institutes like FDDI. We are unable to get skilled workers. We have 200 people in each unit, and 3 units manufacturing leather products. For exports, quality assurance is done through customer expectation and requirements through samples. If we know about government schemes, we can avail them.”

Vikas Tiwari, Production Manager, Safety Shoes Department - The Raghu Group, Jalandhar



“We take people from technical background and different industries; train them in-house, on shop floor by our experienced staff. Ours is highly processed product since it is synthetic or artificial leather. We use various fabrics and coat them. We use fabrics PU or PVC resins and coat on machine. Shortage of people with technical knowledge exists.”

B.S Venkatesh, G M- Marketing, Mayur Uniquoters Ltd (Manufacturers of Artificial Leather/PVC Vinyl) Bangalore



“TPR (Thermo Plastic Rubber) Sole industry is very unique, the material used is very economical and all the techniques have come from Italy. Finishing of the soles is a very skilled work, the output is very important, like antique finishing, it enhances and fixes the value of the product. TRP soles can be recycled; it is biodegradable and eco-friendly. We have Italian technicians who come and train our employees.”

S. Satyamoorthy, Director, CDS Soles Private Ltd, Vellore, Tamil Nadu



“Injection moulding isn't fully under skilled labour category. We usually get freshers and train them quickly. When we make soles, most work is done by the moulds. We recruit technical diploma holders from ITIs. Making of leather soles cannot happen in a day; skills and experience are needed. For this, we recruit experienced people with slightly higher wages. Attrition rate is 5% to 10%; 349 people work in the unit.”

A.Mohd. Sohrab, Factory Manager, Euro shoe Components Ltd Ranipet, Tamil Nadu



“We train our people ourselves; we hardly get skilled people. A machine operator is taught how to hold the leather, insert it inside the machine. They learn by observing seniors. They receive practical knowledge by going to tannery. Mostly school dropouts get recruited, we do need helpers and operators, may be LSSC can help here. I heard government is allocating Rs. 2600 crores, partly for skill development. We would be happy to take their help. Currently we have 250 people; we retain people through increments.”

Romi Singh, Director, Jalandhar Leather India Pvt Ltd, Jalandhar, Punjab



“Ours is a specialised project, no universities or colleges can train people. We take raw people and train them in-house: graduates for CAD CAM operations, undergraduates for shop floor, and 10th pass for non-specialized and unskilled jobs. There are specialised machines for designs, data is digitised and fed into the system, and goes into the machine lathe for cutting into products. We have about 400 people. Attrition has to be controlled, from person to person, sometimes we may have to let people go.”

Natarajan O T, General Manager-Works, Sanghavi Shoe Accessories Pvt Ltd, Vellore, Tamil Nadu



“Ours is the first plant in India to manufacture 100% PU synthetic leather. We are producing 15000 meters a day. In this technology, wet and dry processes are used. At present, we have 100 people, and when full production happens, we may need 150-160 more. We train them in-house. We recruit anyone who has an urge to learn and who wants to work.”

Sanjay Poddar, Topline Commodities Pvt Ltd, Bharuch, Gujarat



“We make rubber soles. The problem is that people have theoretical knowledge, but not practical exposure. For compression moulding need to train people on the shop floor with seniors. We usually get them from ITIs and other Diploma courses. We use latest technologies, pressing machines, moulding machines.”

Mukesh Goyal, Factory Manager, Sant Rubbers Ltd, Sant Design Studio, Jalandhar, Branch office at Chennai



“We are into manufacturing rubber sheets. We are a byproduct of the leather industry. For footwear, we are using designers from FDDI. We employ from ITIs or those experienced in the trade. We collaborate with CIPET also. We have 5 manufacturing units.”

Praveen Soneja, Managing Director, Uttam Plastomers Pvt Ltd, Alwar, Rajasthan



“Leather embossing is an interesting work! You can place leather in the machine, it will automatically position. Leather is embossed; there can be different shapes and sizes. No formal training is needed; one can learn within 10 minutes, everything is pre-planned and automated.”

S. Subbiah, Micro Designs - Micro Associates- Dies, Machines and Spares, SIDCO, Chennai

A Report on the LSSC General Council (GC) Meeting held on 20th March 2018

LSSC held the last GC Meeting for the year 2017-18 on 20th March 2018 at Trident Hotel, Chennai. The meeting was attended by **Shri Habib Hussain, Chairman, Leather Sector Skill Council**; **Shri Mukhtarul Amin, Chairman, CLE**; **Shri P.R. Aqeel Ahmed, Vice-Chairman, CLE**; **Shri R. Ramesh Kumar, IAS, CEO, LSSC**; **Shri Israr Ahmed, Shri V. Noushad, Shri Shafeeq Ahmed, Dr. S. Rajamani, Shri Arun Kumar Sinha, MD, FDDI, Dr. Sanjeev Gupta, CLRI and Prof. Aravendan, NIFT and Shri A.R. Rajesh, Consultant, Leather SSC.**



The meeting began with **Shri Habib Hussain, Chairman**, welcoming the members and seeking approval of the minutes of the previous meeting held on 29th August 2017 at Chennai. The chairman suggested that he would like to increase the frequency of the meetings for better engagement with all the members. Later, he requested **Shri R. Ramesh Kumar, IAS**, to make a presentation on the operational performance and activities of LSSC.

R. Ramesh Kumar, IAS, informed the members about various achievements of the company and stated that LSSC has 20 Training Partners across India viz. CFTI, FDDI, ILFS, LabourNet who are already empaneled by NSDC. Sharing the impact, he said that LSSC has certified 48000 candidates in Recognition of Prior Learning (RPL), 3000 candidates in Short Term Courses under PMKVY, 2000 candidates under Special Projects and plans to increase the number of trainers from existing 528 to 1000 trainers in the coming years. He also mentioned that, at present LSSC has a capacity of 440 assessors to certify to the trained candidates.

Updating the members on state-level projects, he informed that training projects are underway in Tamil Nadu, Haryana, Uttar Pradesh and Punjab and this is in tune with the directive from Government of India to state skill mission to implement around 75 - 80% of skilling through states. He also briefed the members about the meeting with the Hon'ble Minister of Skill Development and Entrepreneurship **Shri Dharmendra Pradhan** along with **Shri. K.P. Krishnan IAS, Secretary** and **Shri Rajesh Agrawal IAS Joint Secretary & CVO**, **Shri Asheesh Sharma, IAS, Joint Secretary** and **Mrs. Rajni Sibal, IAS, Additional Secretary**. **Shri R. Ramesh Kumar** apprised the members about the minister's keen interest and observations about the sub-sectors in leather and his suggestions to focus on Block and Taluk level for implementing various skilling programs. The minister was impressed with the QPs-NOS developed by LSSC and advised his office to take particular interest in curriculum verification and updates.

Briefing the members about the IFLADP Project with DIPP, Ministry of Commerce and Industry and its goals, **Shri R. Ramesh Kumar** said that the scheme aims for primary skill development for 4.32 lakh candidates and upskilling of 75,000 candidates for 3 years. In this context, a proposal has been submitted by LSSC and NSDC to implement Skill upgradation through IFLADP. He mentioned the plan for training of trainers and 150 master trainers through international tie-ups, if needed, at the proposed cost of Rs. 2 lakhs per person for training and overseas exposure.



This was followed by a discussion on Special Project under PMKVY awarded to Leather Sector and **Shri Mukhtarul Amin, Chairman-CLE** as per the MoU signed before the Hon'ble Prime Minister. Initially a target of 50000 candidates was assigned to the project. Later, the allocation of targets for Special Project under PMKVY were revised according to new norms from NSDC. The members were hopeful that the norms would be relaxed in future to enable setting up of more training centers.

Shri R. Ramesh Kumar, IAS informed that Skill Development Training Programme for SC/ST candidates by LSSC under the aegis of National SC-ST Hub (NSSH) Scheme of Ministry of Micro, Small and Medium Enterprises, Government of India is underway to train 500 SC-ST entrepreneurs across India on a pilot basis. The project is being implemented in 4 states viz. Uttar Pradesh, Punjab, Tamil Nadu and Maharashtra for job roles of Stitcher Footwear (LSS/Q2501) – Level 4 and Stitcher Goods & Garments (LSS/Q5501) – Level 4.

Mr. Rajesh Rathnam, Head Client Relations, provided an overview of NAPS and informed the members about the employer-friendly policy with incentives for all the stakeholders. Explaining the benefits of the scheme, he said that under NAPS, employers will get a reimbursement of Rs.1500 per apprentice and the duration of an apprenticeship could be extended to 2 years. He also spoke about the approval of qualifications for job roles like footwear and goods and garments, line supervisor, quality control inspector that are currently available under NAPS. He also stated that NAPS encourages multiple entry-levels and non-ITI candidates who will be awarded National Apprenticeship Certificate (NAC) based on their performance in All India Trade Test (AITT).



Mr Rathnam also informed the members about RPL Type 4 – Best in Class Employer Scheme that encourages the employers to actively implement the program and award co-branded certificates to the employees, in addition to an incentive of Rs.500 for participation. Since NSDC has assigned a target of 1.5 lakhs to LSSC, many employers, who meet the eligibility criteria are invited to avail this scheme.



Shri Ramesh Kumar concluded his presentation by referring to the meeting with the Minister, when alignment of all courses with NSQF to avoid duplication. He said that, soon a workshop will be held in Delhi to conclude on how the curriculum can be strengthened through collaboration. This new framework will give pathways for students to have cross mobility and recognition for all the programs delivered by the leather and footwear academies. He emphasised on the upcoming outreach programs to connect with the industry, HR managers, leader in the industry, trustees associations etc and tell them about RPL and NAPS schemes and reaching target of 1.5 lakhs for RPL.

As the last point on the agenda, Shri Habib Hussain informed the members that Secretarial Audit was conducted by the Shri V. Suresh, Practicing Company Secretary of LSSC for the year 2016 – 17. This was circulated to the members and the chairman sought approval for adoption. The members unanimously adopted the Secretarial Audit Report for the year 2016-2017.

The meeting concluded with the chairman's proposal to organize the next meeting in June 2018.

Contact us

Leather Sector Skill Council

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

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