



Footwear & Fashion Matters



LEATHER
SECTOR
SKILL
COUNCIL

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Chairman's Message

The good news for all of us is that global import of leather, leather products and footwear had increased from USD 189.61 billion in 2017 to USD 199.35 billion, growing by 5.14%. This growth in imports, after two consecutive years of decline, offers us the opportunity for growth.

Our vision is to achieve an export value of USD 10.03 billion for leather, leather products and footwear by 2023-24 from the present level of USD 5.69 billion by achieving 12% annual growth in exports in next 6 years and to enhance our share in global trade from present 2.85% to about 4.7% in 2023-24. To achieve this, we need to achieve new milestones in various core areas namely product design and development, skill development, marketing, investment generation,

I had the opportunity to take part in many important meetings convened in New Delhi recently. These include Board of Trade and Council for Trade Promotion and Development, June 6, 2019, New Delhi ; Pre- Budget Consultation meeting, June 11, 2019, New Delhi , Meeting convened by DGFT, June 14, 2019, meeting on India – Russia Strategic Co-operation organized by Niti Aayog in New Delhi on July 10, 2019.

In these meetings, I highlighted the potential for increasing exports of leather, leather products and footwear sector and stated that the sector has the potential to achieve 10% annual growth in exports by enhancing its market share in not only the traditional markets of Europe and USA but also potential markets. In order to achieve the significant growth levels and also protect the domestic industry manufacturing value added products, I requested certain additional support measures like implementing Rebate of State and Central Levies scheme for leather, leather products and footwear sector, reduction of GST for footwear and inputs used in making footwear, additional support measures to penetrate US market, removal of animal quarantine clearance for all types of finished and crust leathers etc.,

Besides, I also had meetings with Senior Officials in Ministry of MSME., July 10, 2019 (wherein possibilities of availing MSME Ministry schemes by CLE was discussed), Ministry of Science and Technology (wherein issues pertaining to upgradation of CLRI centres in Kanpur and Kolkata and 50% reduction in CLRI fee for finished leather testing and certification were taken-up); Meeting with Hon'ble Minister for Skill Development and Entrepreneurship, Govt. of India , July 19, 2019, New Delhi (wherein skill development efforts in leather, leather products and footwear sector was discussed).

Besides, I also participated in the Meeting under Chairmanship of Ms. Nidhi Mani Tripathi, IAS, Joint Secretary, Department of Commerce, Ministry of Commerce & Industry with top exporters of leather, leather products and footwear, July 9, 2019, New Delhi to discuss about export performance ; Meeting CLE with Joint Secretary, DPIIT, July 9, 2019, New Delhi along with representatives of retail brands and Stakeholder Consultation Meeting on Promotion of Indian Brands, July 19, 2019, New Delhi.

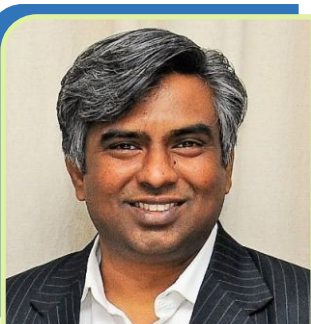
Besides, I also met Thiru. D. Jayakumar, Hon'ble Minister for Fisheries, Govt. of Tamil Nadu , July 2, 2019. The Hon'ble Minister is representing Tamil Nadu in the GST Council. During this meeting, I submitted a representative seeking reduction of GST on footwear with sale price above Rs.1000/- and inputs used in making footwear from 18% to 12%

I also had the opportunity to meet His Excellency Mr. Asein Isaev, Ambassador, Embassy of Kyrgyz Republic in New Delhi on July 10, 2019 and discussed about enhancing business tie-ups between Indian and Kyrgyz Leather Sector. I am sure that with our efforts and handholding of the Government, we will be able to witness double digit export growth levels in coming years.



Shri P R Aqeel Ahmed, Chairman
Leather Sector Skill Council - LSSC

CEO's Message



Shri Rajesh Rathnam
CEO, Leather Sector Skill Council (LSSC)

In my first message to all stakeholders in the industry, I wish to express my gratitude for the cooperation and support extended from the inception. As you are aware, there has been a transition at the leadership level at LSSC and this is the phase where we are revisiting our goals in skill development and capacity building. 'Well begun is half done', going by this adage, I share my sincere thanks to Shri. Habib Hussain who started the organization from scratch and passed on the mantle to Shri Aqeel Ahmed to continue the good work. We are indebted to these industry leaders to continuous guidance and support.

The new government has taken up many measures to further boost the national skilling agenda and this has given a fillip to continue the policies and schemes in the leather industry. I have closely worked with the young and energetic team at LSSC over the last two years as the COO which is at the cusp of moving to the next level to take on new challenges. This is an opportunity to address the training needs of various sub-sectors in leather as we have set our goal to be the extended Human Resources (HR) department for the Industry. We wish all our partners to join us in this journey to gear up to achieve this goal for a completely skilled footwear, fashion,

leather and accessories industry. Here's wishing everyone great success in their endeavours to strengthen the initiatives and make them highly impactful.

Championing skilling to meet the demands of the industry: Mr. Habib Hussain's contribution



Mr Habib Hussain, former Chairman, LSSC has been instrumental in championing the need for skilled workforce in the leather and non-leather industry in India. Habib sir, as he is fondly known, has spearheaded the movement to create awareness among the business leaders and well as small business owners about the importance of enhanced productivity and quality that can be achieved only through right knowledge and skills. He has relentlessly pursued the cause of delivering world-class training at every level to prepare the workforce to face competition from countries like China and adopt global best practices in design and production.

Team LSSC fondly remembers his commitment to adopting NSQF norms and complying with the framework in developing Qualification Packs and National Occupational Standards (NOS). This has equipped the industry with demand-driven training curriculum and it is supported by training of trainers to deliver the outcomes. Right from the inception, LSSC has had the privilege of getting Mr. Habib Hussain's enthusiastic participation and encouragement in implementing schemes like RPL 4 and IFLDAP by onboarding many industry members. The relationship built over the years with the Ministry, the state government, NSDC and various academic and industry bodies like CLE, today paves the way for further strengthening the impact of LSSC.

"Footwear and fashion industry has huge untapped potential to contribute to growth of GDP, if the workforce is appropriately skilled, this will transform the lives of many youth and empower women who are a considerable part of the industry." This was the core message from Habib sir and LSSC team would continue to tread this path diligently.

Product innovation, technology and customer focus form the core of non-leather footwear: An interview with Mr V K C Noushad, Managing Director, VKC Group



The non-leather footwear industry has huge potential in local markets and it has to move along with customer needs. At VKC Group, right product, at the right time, with right price have created the global customer base. In this interview, Mr V K C Noushad, MD, VKC Group, shares the importance of keeping pace with customer choices by adopting latest technologies. Let's know more about how VKC has become a preferred brand serving the community at large through continuous product innovation and competitive pricing.

The initial days of VKC Footwear

VKC was started by my father Mr. V K C Mammed Koya, with the sole purpose of making footwear that is durable, comfortable and affordable by common people. He valued working class requirements and came up with innovative strategies to fulfill their footwear needs.

The story of VKC is largely based on high quality Hawaii slippers manufactured in Kerala but made popular across many states in India and abroad by the customers. Let me take you back to the initial days of VKC. As the rubber industry was picking up, the Hawaii footwear industry also started gaining ground. So, my father studied the market and decided to shift his business to making slippers. But there were some pain points when you observed closely. In Hawaii slippers, the strap would tear off before the sole wears out. And for those who kick-start scooter, it would break, creating a crack in the sole. With attention to such

minute details, my father took up many trials at Rubber Institute in Kottayam to get the right quality of rubber sheets.

Product innovation, marketing and customer satisfaction

We introduced more colour combinations and innovative packaging in multi-coloured printed poly bags, catering mostly to local market in and around Calicut. Migrant workers from Tamil Nadu, took the product to their hometowns and that's how our markets expanded. Then, people from Bangalore and other places popularized our products. Our customers became our brand ambassadors! Today, we have factories in 10 states in India and a joint venture in Bangladesh. When people travel, they carry the product then we get enquiries from those places. We export to Gulf countries, Malaysia, Singapore and Africa.

When I was in high school my father used to come to me with a Rubber Technology handbook and ask me questions and I used to explain some concepts. That's how I got initiated into Rubber Technology and Chemical Engineering and continued with my higher studies and research in this area. I noticed that the trend is changing from rubber to PVC and I started PVC footwear. At that point, PU footwear was coming from Thailand and a few Indian manufacturers were also selling here, but at higher prices. We introduced it for the first time in Kerala and the response was great! We started using latest technologies like micro-cellular polymer footwear, with latest machines and air injected PVC synthetic leather first in south India.



Educating the industry members and building an ecosystem in non-leather footwear

In 2006, more than 100 footwear manufacturers in Kerala who were making Hawaii or recycled footwear, found that their business was declining. They thought technology like PU was complicated and costly. To help them appreciate the latest technology, the industries association conducted an exhibition and a seminar by inviting manufacturers from Europe, China and Taiwan. This changed their perception and it helped many companies grow faster and PU manufacturing increased by 55% in Kerala. We also requested FDDI to set up an extension center in Kerala.

Community awareness is crucial to the growth of the industry and somebody has to take the first step. For example, everybody knows walking is good for health, but how many people go for morning walks? First, someone has to walk alone! Then a small team forms and many join. Networking is important, the manufacturers have to understand global trends, latest technologies, emerging markets and then develop their business strategy.

Skill development and on-the-job training

In the earlier days when we made Hawaii, PVC or PU, it was difficult to get skilled workers so we took freshers from ITI and trained them. Since the footwear industry was not organized, we had to build a culture of learning, skilling and upskilling. Let me give you an example of how our people responded to a challenge through on-the-job learning. At our factory in Mysore, we invited a technician from Italy to install a machine. When asked how many days it would take to complete the installation, he said it would take 10 days as against 3 days in other countries. His perception bothered me.

I wanted to check with our workers, who were mostly freshers, and they said the installation can be done in 3 days and they were successful in doing it! And, next one was done in 2 days and eventually we managed to do it in one day. Next time, the Italian expert visited us, he was amazed at the agility with which the work was done. That is the kind of energy that is required, it needs to be tapped with right skills. Now we have well-structured training programs for our new recruits. We also have graduate and management training programs too since we hire people from CFTI, FDDI and other leading educational institutions.

Continuous learning is a part of the job and VKC has provided upward career mobility. One of our staff members who completed diploma in 2010 is now a deputy manager. People have grown with the company; those who joined after SSLC have moved up to operator and supervisor levels.

Expectations from the government

The government needs to focus more on non-leather sectors where technology is changing very fast. Some similarity is there between the leather and non-leather but there is a lack of specific focus. For example, if we don't adopt new technologies like knitting and others, we will not be able to cater to customer requirements. Being a dynamic industry, in non-leather, the raw materials change often and we need to innovate faster with lower cost. What worked a few years ago becomes obsolete, we should be agile in entering new markets.

The road ahead for VKC

Though we have pioneered non-leather footwear, there's a lot to be done to capture Indian market. Customer interaction and management plays a key role in gauging the markets and understanding what the customer wants. We want to start more retail outlets and provide better service. We need to create big brand names in India. Our inability to serve our customers becomes an opportunity for foreign companies and it's high time we focused inward.

Meeting with the Hon'ble Minister Dr Mahendra Nath Pandey



In the Pic: From the left Shri, Rajesh Rathnam, CEO, LSSC, Shri Sanjay Leekha, Vice-Chairman, CLE, Shri P. R Aqeel Ahmed, Chairman, LSSC, Dr. Mahendra Nath Pandey, Hon'ble Cabinet Minister for Skill Development and Entrepreneurship, Shri Puran Dawar, Chairman, Dawar Group



The leadership team of LSSC got introduced to Dr. Mahendra Nath Pandey, Hon'ble Cabinet Minister for Skill Development and Entrepreneurship. In the meeting, they briefed him about employment potential and growth in the leather sector. They also discussed about leveraging leather clusters in key states to skill the youth. While briefing the minister about how LSSC has been performing towards realizing the Prime Minister's vision for Skill India, the team reiterated the need for support from the industry and the government in fulfilling the goals.

A Report on LSSC Board Meeting held on 11th July 2019 at Chennai



In the Board Meeting held on 11th July 2019 at ITC Grand Chola, Chennai, the members and special invitees discussed few important aspects of skill development and industry engagement in the leather sector. Besides deliberations on the key items on the agenda, the members welcomed the new Chairman, LSSC, Mr. P. R Aqeel Ahmed and acknowledged with applause the contributions of the outgoing Chairman Mr Habib Hussain. Among the dignitaries present, Mr. Manish Kumar, MD and CEO, NSDC shared his views on how LSSC is one of the vibrant Sector Skill Councils (SSCs) and consolidate their efforts to deepen the outreach.

The meeting began with a welcome address by Mr. Habib Hussain with a special note of thanks for Mr. Manish Kumar, MD and CEO, NSDC for gracing the occasion with his presence. After the confirmation of the minutes of the last GC meeting and approval of Director's Report for 2018-19, the members were briefed about the change in chairmanship of LSSC. Mr. R.K Jalan, Member, wholeheartedly acknowledged the contributions of Mr. Habib Hussain in guiding LSSC with his vision for developing a skilled workforce for the leather and non-leather industry. He also suggested that there was a need to develop Qualification Packs for Tannery and Footwear sector, especially in Footwear Components.



Placing a need for creating Centers of Excellence (CoE), he emphasized on the importance of upgrading the skills and continuously develop the competencies. This was also needed to implement the SSC Transit 2.0 Strategy and operating guidelines and the need to upgrade the skilling ecosystem. He stated that the funds from NSDC should be used for this purpose by overcoming the conservative approach followed so far.

Mr. Manish Kumar, MD and CEO, NSDC, added few points that could benefit the creation of CoEs. He referred to the upcoming World Bank Fund for skilling projects, under which 50% grant is given if the industry mobilizes to bring the rest 50% of fund. He reiterated financial support to LSSC for promoting good ideas from the industry. Quoting the example of NSDC partnership with global institutions in the Retail Sector, he said the same could be followed by leather sector. He exhorted LSSC to have an ambitious and aggressive approach towards skilling the workforce to keep pace with dynamic needs of the industry.

Shri Shafeeq Ahmed brought in need for imparting Soft Skills training to the mid level and managerial levels since the QPs have already covered skills needed at the shop floor level.

Shri Habib Hussain proposed that Shri P.R. Aqeel Ahmed, Chairman-CLE may be appointed as new Chairman, LSSC and this was seconded by Shri R.K. Jalan; the members unanimously resolved to appoint Shri P.R. Aqeel Ahmed as Chairman, LSSC.



Shri P.R. Aqeel Ahmed while accepting the Chairmanship of LSSC, thanked the members and said that it was a challenging task and requested all members for their support and cooperation. He thanked Shri Habib Hussain who had represented LSSC as Chairman for the last seven years and he had created a mark at NSDC on behalf of the leather industry.

Mr. Habib Hussain requested Mr. Rajesh Rathnam, COO to take over the responsibilities of CEO, LSSC in the light of resignation of Mr. Ramesh Kumar IAS, who has moved back to his parent cadre in Uttar Pradesh. Mr. Rathnam's role would be formally approved after completion of certain obligatory processes.

The members also deliberated on the request to change the name of LSSC to accommodate non-leather and domestic industry and that the Minister for Skill Development has also advised the same. Smt. Revathy Roy suggested that Fashion Products shall be tagged in the name. Mr. Noushad said 'Footwear and Accessories' should be added to the name. Mr. Aqeel Ahmed the name will be finalized in the next meeting.



Projecting the need to have LSSC representation in Kerala, Mr. Noushad suggested that one person may be dedicated to Kerala since it has 200 factories in and around Calicut. Mr. Rajesh Rathnam informed that LSSC has already appointed one of its Executives to cater to Kerala.

The meeting concluded with the Chairman, LSSC to decide on date, time and venue of the next meeting of the Governing Council.

RPL Type 4 in Major Leather Clusters



Employees feel good when they are certified for their knowledge and skills. Their assessment also paves way for further skilling that leads to better productivity. This is precisely what LSSC is trying to achieve through RPL 4 by implementing the scheme Ambur, Ranipet, Vaniyambadi, Chennai, Kanpur, Agra, Delhi, Haryana and other leather clusters. So far, 80000 employees are enrolled, having made a foray into non-leather and gloves segments. Particularly, in non-leather, around 40000 employees are expected to be certified in the next 3 to 4 months and overall target of 2 lakhs is likely to be completed in 6 months.

RPL 4 Certification is implemented in many job roles such as Helper, Operators, Cutter, Upper Maker and Stitchers under sub-segments of Footwear, Goods and Garments, Finished Leather and Gloves. Cooperation with industry partners has been critical project and LSSC has onboarded Bata, Farida, A V Thomas, Florence, Davar, Mirza Leathers, Tata, Sara Soles and other companies.

HRD Meeting for Fashion Gloves Panel under IFLADP held on 20th June 2019 at Vaniyambadi.



The Human Resource Development (HRD) Meeting for Fashion Gloves Panel under IFLADP was held on 20th June 2019 at VANITEC, Vaniyambadi. Participants in the meeting included

Mr. A.G.Naser Ahmed - Convener, Fashion Gloves Panel, CLE; Mr. A.Fayaz Ahmad - Deputy Director, CLE; Mr. K.Murali - Director CFTI; Mr. K.Ramachandran - Technical Head, LSSC and Mr. Maqsood Ali; Mr. Karan Singh - OTC in charge, FDDI. In his welcome address Shri A.G. Naser Ahmed, Convener, Fashion Gloves Panel, CLE emphasized the need to avail IFLADP Scheme in enhancing the quality and outcome of the workforce in the Gloves Sector.

The discussion focused on exploring the benefits of IFLADP Scheme for the gloves segment by upskilling the existing workforce to increase productivity. For this purpose, specific job roles have to be developed as per NSQF and it has to be approved by the members of the gloves panel in coordination with LSSC, CFTI and FDDI. In response to this requirement, Mr Ramachandran from LSSC along with Mr Maqsood Ali informed that a preliminary job roles for the Gloves Sector has been prepared and it would be circulated for feedback and approval from a competent authority. The members were urged to register on National Qualifications Register to explore the courses offered for different job roles and avail the services of CFTI along with LSSC for their training requirements.