

Draft District Export Plan Of Unnao District

Under District Export Hub Scheme

Prepared by

**Office of Joint DGFT, Kanpur, under
the guidance of Office of the Zonal
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District Export Hub Scheme & Draft District Export Plan

This district export plan for Unnao District is being prepared as a part of Developing District as Export Hub under the District Export Hub Scheme initiated by the Ministry of Commerce & Industry, Govt of India and state Government of Uttar Pradesh. Hon'ble Prime Minister in his Independence Day Speech on 15th August, 2019, had, inter- alia observed that each of our district has a diverse identity and potential for targeting global markets and there is a need for converting each district into potential export hubs. The excerpt from the Speech of Hon'ble P.M. is appended below.



- Each district of our country has a potential equal to that of one country, each of our districts has the capacity equal to a small country in the world. We need to understand this power and channelize this potential. And why should each district not think of becoming an export hub? Each district has its own handicraft and each district has its unique specialities. If some district is known for its perfumes then some other district may have saris as its distinct identity whereas some other district is known for utensils and the other district is famous for its sweets. Each of our districts has a diverse identity and potential for global market.

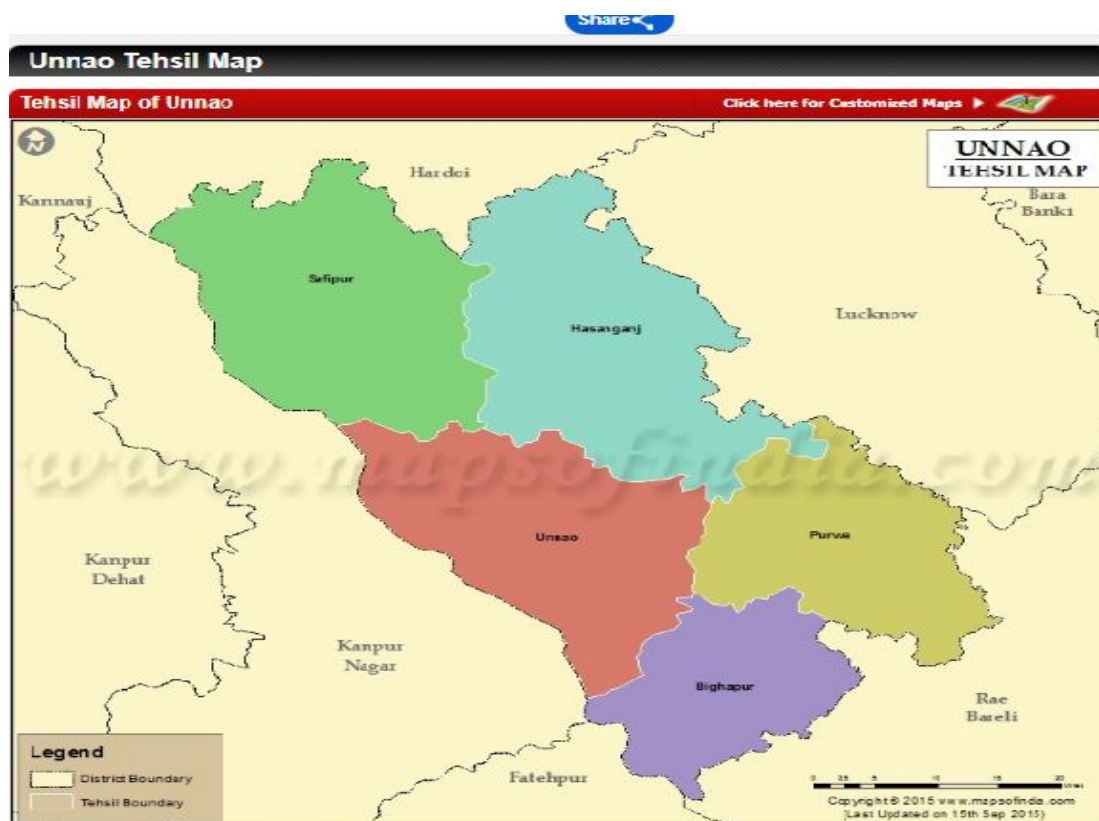
Hon'ble Prime Minister addressing the Nation on Independence day (15TH August, 2019)

In order to implement Hon'ble PM's vision for each district, Department of Commerce has mandated the Directorate General of Foreign Trade to work with State Government and District Level authorities to promote the Unnao district as an export hub.

In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Unnao under the chairmanship of District Magistrate . In the first meeting of District Export Promotion Committee, it had been decided to prepare a draft district export plan and accordingly the same is produced below for the consultation of stakeholders

District Unnao- A Brief Profile

The district is named after its Headquarter town, Unnao. Godo Singh, a Chauhan Rajput, probably in the 3rd quarter of the 12th Century founded a town, called Sawai Godo, which shortly afterwards passed into the hands of the rulers of the Kannauj, who appointed Khande Singh as the Governor of the place. Unwant Singh, a Bisen Rajput and a lieutenant of the Governor, killed him and built a fort here, renaming the place as Unnao after himself.



The District is a parallelogram in shape and lies between Latitude 26°8' N & 27°2' N and Longitude 80°3' E & 81°3' E. It is bounded on the North by District Hardoi, on the East by District Lucknow, on the South by District Rae Bareilly and on the West by the Ganga which separates it from districts of Kanpur & Fatehpur. The Geographical area of the district is 4589 Sq. Km. The District is divided into 5 Tehsils Unnao, Hasanganj, Safipur, Purwa & Bighapur and 16 development Blocks.

The District At A Glance

S.No	Particular	Year	Unit
1	Geographical features		
(A)	Geographical Data		
	i) Latitude	26deg 8min North- 27deg 2 min North	-
	ii) Longitude	80deg 3 min East 81deg 3 min East	-
	iii) Geographical Area	4589 sq.km	-
(B)	Administrative Units		
	i) Sub divisions	2011	0
	ii) Tehsils	2011	5
	iii) Sub-Tehsil	2011	0
	iv) Patwar Circle	2011	432
	v) Panchayat Simitis	2011	173
	vi)Nagar nigram	2011	0
	vii) Nagar Palika	2011	3
	viii) Gram Panchayats	2011	954
	xi) Revenue villages	2011	1689
	x) Assembly Area	2011	6
2.			
(A)	Sex-wise		
	i) Male	2011	1636295
	ii) Female	2011	1474300
(B)	Rural Population	2011	2577332
3.			
A.	Land utilization		Hectare
	i) Total Area	2010-11	460279
	ii) Forest cover	2010-11	19721
	iii) Non Agriculture Land	2010-11	12097
	v) cultivable Barren land	2010-11	11981
4.			
	(i) Forest	2010-11	16981

5.			
A.	Cattle		Nos.
	i) Cows	2007	388370
	ii) Buffaloes	2007	508236
B.	Other livestock		Nos.
	i) Goats	2007	376734
	ii) Pigs	2007	78076
	iii) Dogs & Bitches	2007	317482
	iv) Railways		Kms
	i) Length of rail line	2010-11	150
	V) Roads		Kms
	(a) National Highway	2010-11	67
	(b) State Highway	2010-11	194
	(c) Main District Highway	2010-11	195
	(d) Other district & Rural Roads	2010-11	2569
	(e) Rural road/ Agriculture Marketing Board Roads	2010-11	47
	(f) Kachacha Road	2010-11	-
	(VI) Communication		Nos.
	(a) Telephone connection	2010-11	28269
	(b) Post offices	2010-11	270
	(c) Telephone center	2010-11	02
	(d) Density of Telephone	2010-11	-
	(e) Density of Telephone	2010-11	-
	(f) PCO	2010-11	1423
	(g) Mobile	2010-11	-
	(VII) Public Health		No.
	(a) Allopathic Hospital	2010-11	18
	(b) Beds in Allopathic hospitals		573
	(c) Ayurvedic Hospital		47
	(d) Beds in Ayurvedic hospitals		197
	(e) Unani hospitals		02
	(f) Homeopathic hospitals		34
	(g) Community health centers		08
	(h) Primary health centers		51
	(i) Dispensaries		17
	(j) Sub Health Centers		356
	(k) Private hospitals		12

	(VIII) Banking commercial		Nos.
	(a) Commercial Bank		81
	(b) rural Bank Products		54
	(c) Co-Operative bank products		19
	(d) PLDB Branches		05
	(IX) Education		Nos.
	(a) Primary school		2943
	(b) Middle schools		1257
	(c) Secondary & senior secondary schools		281
	(d) Colleges		25
	(e) University		01
	(f) Engineering College		06
	(g) Polytechnic		01
	(h) ITI		03
	(i) Educational training institute		0

SOURCE:- DEPT. OF STATISTICAL & ECONOMICS

Brief Industrial Profile of District Unnao

01.Existing Status of Industrial Areas in the District UNNAO U.P

S. No.	Name of Ind. Area	Land acquired	Land developed	Prevailing Rate Per Sqm (In Rs.)	No of Plots	No of allotted Plots	No of Vacant Plots	No. of Units in Production
1	Industrial Estate Akrapur, Unnao	16.06 Acres	16.06 Acres	-	58 11 shads	58 11 shads	0	38
2	Mini Industrial Estate Bangarmau	5796 Sq.m	5796 Sq.m	-	69	69	0	2
3	Mini Industrial Estate Safipur	7392 Sq.m.	7392 Sq.m.	-	88	69	19	4
4	Mini Industrial Estate Bighapur	6132 Sq.M.	6132 Sq.M.	-	0	0	0	0
5.	Mini Industrial Estate Purwa	6384 Sq.M.	6384 Sq.M.	-	56	0	0	0
6.	Mini Industrial Estate Fatehpur Chaurasi	19992 Sq.M.	19992 Sq.M.	-	238	213	25	0
	Total	16.06 Acres 45696 sq km	16.06 Acres 45696 sq km		509 plots 11 shads	409 plots 11 shads	44	44

SOURCE:- DIC

A part from above table there is also two sites of UPSIDC and One Leather Technology Park in Banthara.

02. INDUSTRIAL SCENERIO OF UNNAO U.P

Industry at a Glance

Sr No	Head	Unit
1.	REGISTERED INDUSTRIAL UNIT	2538
2.	TOTAL INDUSTRIAL UNIT	3562
3.	REGISTERED MEDIUM & LARGE UNIT	50
4.	ESTIMATED AVG. NO. OF DAILY WORKER EMPLOYED IN SMALL SCALE INDUSTRIES	12562
5.	EMPLOYMENT IN LARGE AND MEDIUM INDUSTRIES	2589
6.	NO. OF INDUSTRIAL AREA	6
7.	TURNOVER OF SMALL SCALE IND.	10948 LACS
8.	TURNOVER OF MEDIUM & LARGE SCALE INDUSTRIES	3583 LACS

SOURCE:- DIC,

YEAR WISE TREND OF UNITS REGISTERED

YEAR	NUMBER OF REGISTERED UNITS	EMPLOYMENT	INVESTMENT (lakh Rs.)
2007-08	132	528	898
2008-09	404	1455	936
2009-10	1131	5655	1789
2010-11	1134	5660	1841
2011-12	2439	8790	2732
Total	5240	22088	8196

SOURCE:- DIC

DETAILS OF EXISTING MICRO & SMALL ENTERPRISES AND ARTISAN UNITS IN THE DISTRICT UNNAO

NIC CODE NO.	TYPE OF INDUSTRY	NUMBER OF UNITS	INVESTMENT (Lakh Rs.)	EMPLOYMENT
20	Agro based	1878	6112	7676
22	Soda water	07	746	837
23	Cotton textile	150	257	652
24.	Woolen, silk & artificial Thread based clothes.	81	375	495
25.	Jute & jute based	20	25	74
26.	Ready-made garments & embroidery	716	1522	2980
27.	Wood/wooden based furniture	717	1072	2503
28.	Paper & Paper products	341	940	1329
29.	Leather based	1310	11417	7734
31.	Chemical/Chemical based	551	5488	3619
30.	Rubber, Plastic & petro based	247	852	999
32.	Mineral based	345	1204	2059
33.	Metal based (Steel Fab.)	758	2859	3197

35.	Engineering units	201	353	661
36.	Electrical machinery and transport equipment	155	323	767
97.	Repairing & servicing	2369	6401	5401
01.	Others	1751	7917	5891

SOURCE:- DIC

Large Scale Industries/Public Sector undertakings - Nil

Major Exportable Item - Leather & Leather Products, Food & Beverages, Textiles & Hosiery items.

Growth Trend-The growth trend of industries at Unnao district is 9.8% annual. However this trend is indication of only micro and small scale sector. The medium and large scale sector has 4.8% rate annual.

Key Sectors for export.

Short listing of Key sectors for Export growth:

The products and economic activities selected for the further intervention are as follows:

01. Leather and allied products.
02. Kanpur Saddlery
03. Zari & Zardozi

DRAFT

Focus product – Leather Goods.

- The Leather Industry holds a prominent place in the Indian economy. This sector is known for its consistency in high export earnings and it is among the top ten foreign exchange earners for the Country.
- The export of footwear, leather and leather products from India reached a value of US\$ 5.69 billion during 2018-19. The leather industry is bestowed with an affluence of raw materials as India is endowed with 20% of world cattle & buffalo and 11% of world goat & sheep population. Added to this are the strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and the dedicated support of the allied industries. The leather industry is an employment intensive sector, providing job to about 4.42 million people, mostly from the weaker sections of the society. Women employment is predominant in leather products sector with about 30% share. India is the second largest producer of footwear in the world, producing about 2.41 billion pairs (2017). India is the second largest exporter of leather garments and third largest exporter of Saddlery & Harness in the world.

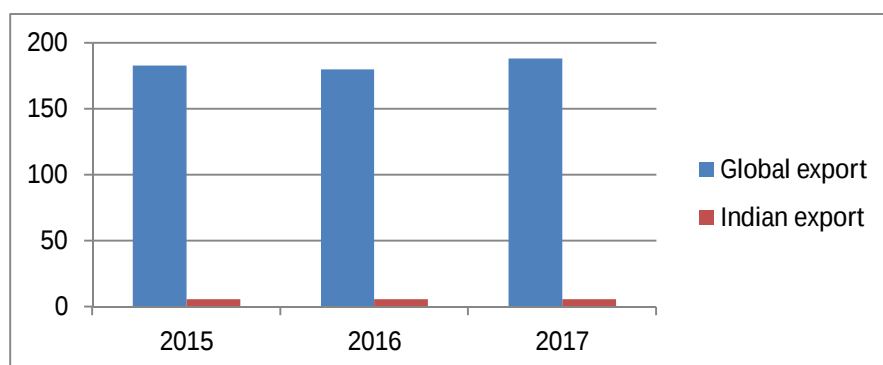
State	Production Centres
Tamil Nadu	Chennai, Ambur, Ranipet, Vaniyambadi, Vellore, Pernambut, Trichy, Dindigul and Erode
West Bengal	Kolkata
Uttar Pradesh	Kanpur, Agra, Noida, Saharanpur
Maharashtra	Mumbai
Punjab	Jalandhar
Karnataka	Bangalore
Andhra Pradesh	Hyderabad
Haryana	Ambala, Gurgaon, Panchkula, Karnal and Faridabad
Delhi	Delhi
Madhya Pradesh	Dewas
Kerala	Kerala
Rajasthan	Jaipur
Jammu & Kashmir	Srinagar



India's Performance in Global Leather exports.

India is one of the prominent players in global Industry due to variety of reasons. A perusal of last 3 years, data shows that India's export account for more than 3 % of Global import of leather industry. It is also clear from below chart that India's share in global import is constantly decreasing.

Year	Global import in Billion USD	India's Export in Billion USD	Share
2015	183.28	5.99	3.27
2016	180.11	5.67	3.15
2017	188.44	5.71	3.03



Highlights of Product Segments of Indian Leather and Footwear Industry

- **Tanning Sector** – Annual availability of leathers in India is about 3 billion sq.ft. India accounts for 13% of world leather production of leathers. Indian leather trends/colors are continuously being selected at the MODEUROPE Congress
- **Footwear Sector** – India is Second largest footwear producer after China, with Annual Production of 2.41 billion pairs (2017). India is also the second largest consumer of footwear after China, with a consumption of 2.49 billion pairs.

Footwear (leather and non-leather) export accounts for about 45.48% share in Indian leather and footwear industry's export (2018-19). The Footwear products export mix is: Gents 58%, Ladies 30%, Children 9% and others 3%.

- **Leather Garments Sector** – India is the second largest global exporter, next only to Italy, with a global market share of about 17%. Accounts for 8.23% share of India's total export from leather sector (2018-19).
- **Leather Goods & Accessories Sector including Saddlery & Harness** – India is the fifth largest global exporter. Accounts for about 28% share of Indian leather and footwear industry's total export.

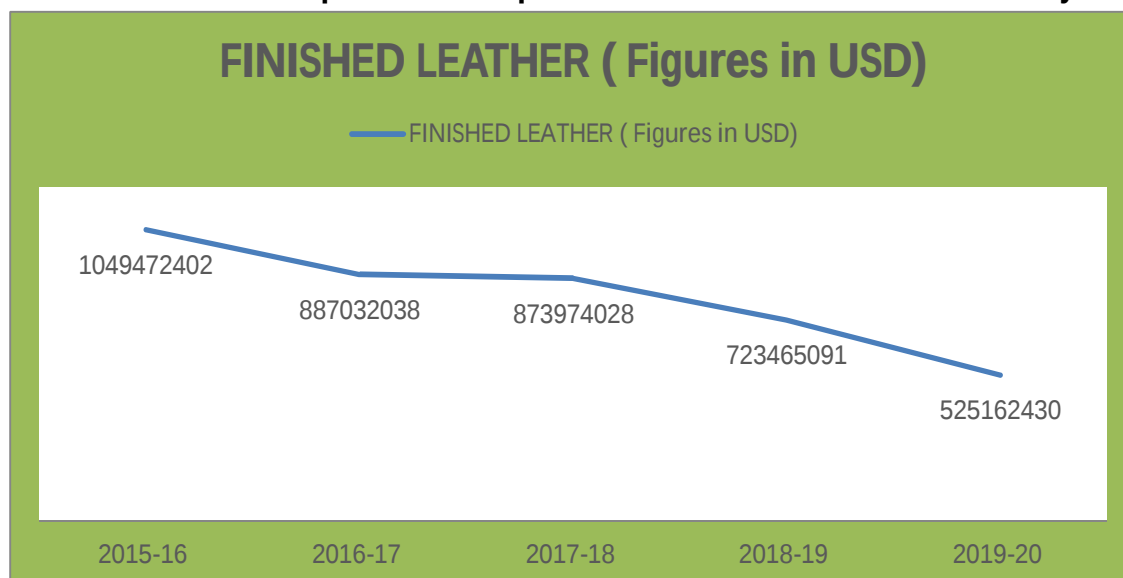
Export performance of Leather Sector from 2015 to 2019-20 (Figures in USD)

Sr number	DESCRIPTION	2015-16	2016-17	2017-18	2018-19	2019-20
1	RAW HIDES AND SKINS	136205	333657	279245	232267	197899
2	FINISHED LEATHER	1049472402	887032038	873974028	723465091	525162430
3	LEATHER GOODS	1370856954	1316590507	1365792527	1431341738	1342496124
4	LEATHER GARMENTS	553982158	535369012	519317393	468271447	430095230
5	FOOTWEAR OF LEATHER	2148412987	2127899346	2194726634	2198137820	2085429328
6	LEATHER FOOTWEAR COMPONENT	285119805	298708204	335315678	319631402	262159556
7	SADDLERY AND HARNESS	146479014	142365156	155990936	159377269	151614282
	TOTAL EXPORT UNDER LEATHER SECTOR	5554459525	5308297920	5445396441	5300457034	4797154849

(Source- DGCIS)

Segmentwise India's Export performance destinations.

Finished Leather. India's Export under this segment has reduced from 1.04 Billion USD in 2015-16 to 0.525 Billion USD in 2019-20. Export data shows that there has been continuous and a sharp decline in export of Finished leather from this country



(source- DGCIS)

Top 10 export destinations under this segment and India's performance in these destinations are as under-

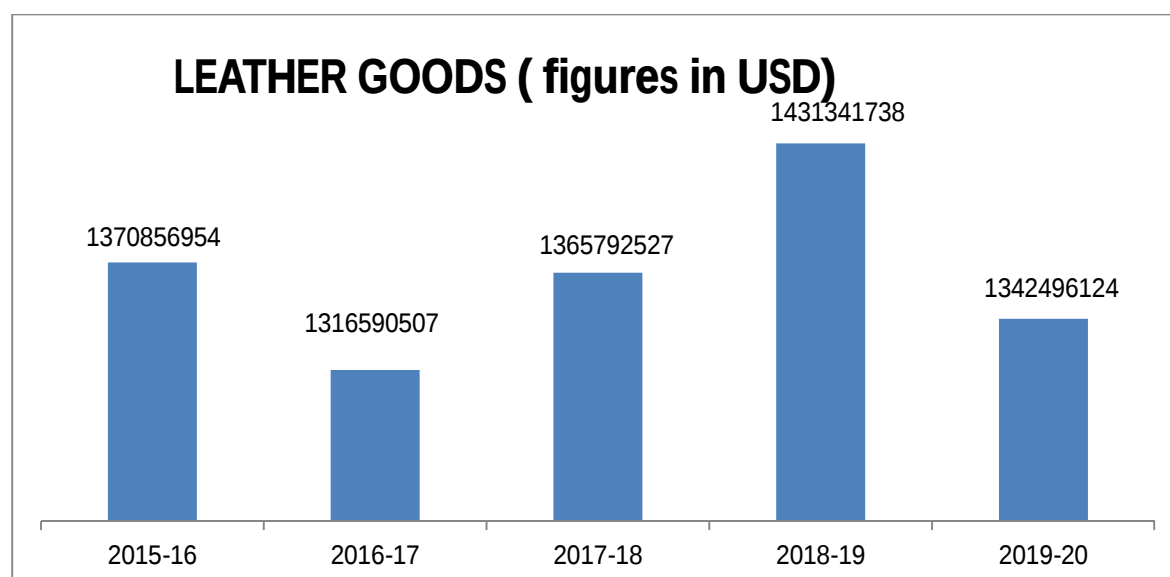
Sr number	COUNTRY	2015-16 Value	2016-17 Value	2017-18 Value	2018-19 Value	2019-20 Value
1	VIETNAM SOC REP	105315085	91210645	97868867	96841128	80834791
2	HONG KONG	287834917	231386024	210051165	151433744	75234854
3	ITALY	129304584	111308098	117546049	88294304	63396391
4	CHINA P RP	109473772	109247843	100837751	87272320	56208134
5	KOREA RP	61216174	48876820	43040706	38098824	29304404
6	INDONESIA	21670788	20721963	22537084	24123400	20094100
7	MALAYSIA	39524345	29787896	30792021	21284846	15908616
8	BANGLADESH PR	11322095	9385232	13400577	14263320	15632597
9	GERMANY	26392426	23945515	21589311	16429561	14333000
10	SPAIN	32278437	24854451	23440352	14914610	12240246

(Source- DGCIS)

Above data clearly reflects that India's export in all countries except Bangla Desh has shown decline during last 5 years.

Segment wise India's Export Performance

Leather Goods. India's export under this segment has seen ups and downs but on overall basis remain steady except in F.Y. 2019-20 where it has seen 5% decline.



Top 15 export destination of India and it's export performance during last five years have been as under-

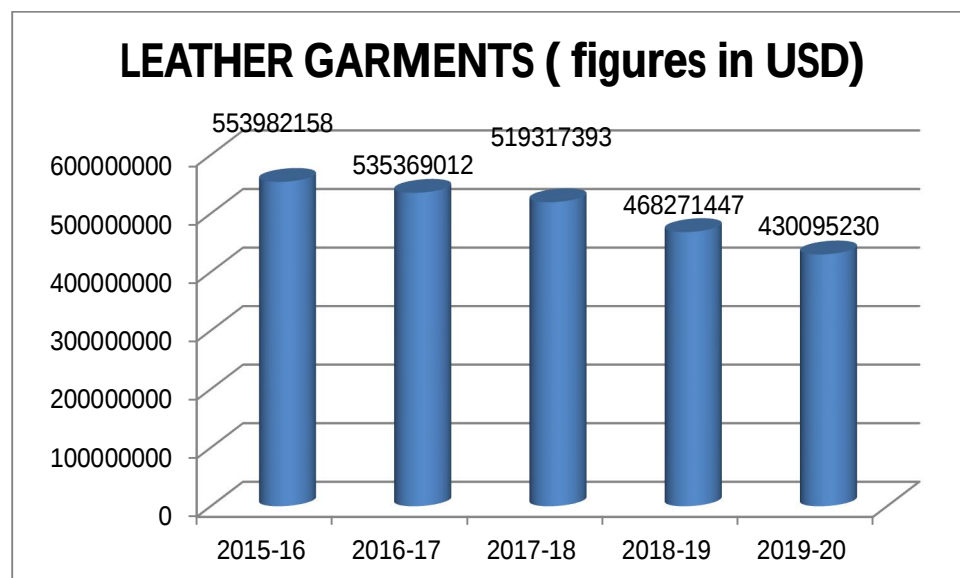
Sr number	COUNTRY	2015-16 Value	2016-17 Value	2017-18 Value	2018-19 Value	2019-20 Value
1	U S A	299811820	311455118	334250738	365717492	355365598
2	GERMANY	200949028	202457230	201713142	185690582	170675860
3	U K	176132764	141877493	149440381	153942371	128662365
4	ITALY	79317240	68141544	79578192	87234189	89455347
5	SPAIN	89535763	85801338	80226685	77033878	70186003
6	FRANCE	67010402	68916469	69309570	71258241	69276365
7	NETHERLAND	53582571	51943574	66436717	64534905	65924212
8	U ARAB EMTS	73491414	58549139	42343143	73544390	53732044
9	AUSTRALIA	43078464	42392132	46595866	48626246	43275845
10	DENMARK	36427388	34449020	35375780	35591244	34830532
11	SWITZERLAND	9117853	8557970	12569760	13165355	20461327
12	POLAND	12609117	13127364	14554910	16939097	19700784
13	CHILE	30395323	23925861	23264658	22780983	18492986
14	SWEDEN	17924755	19942047	20713445	19658592	18060018
15	JAPAN	14467690	18009183	20137047	18327206	17207806

(Source- DGCIS)

Above data clearly reflects that barring Italy and France, India's Export is showing decline in all major markets.

Segment wise India's Export performance

Leather Garments. India's Export under this segment has reduced from 553 Million USD in 2015-16 to 430 Million USD in 2019-20. Export data shows that there has been a continuous and sharp decline in export of Leather Garments from this country



Top 15 export destination of India and it's export performance during last five years have been as under:-

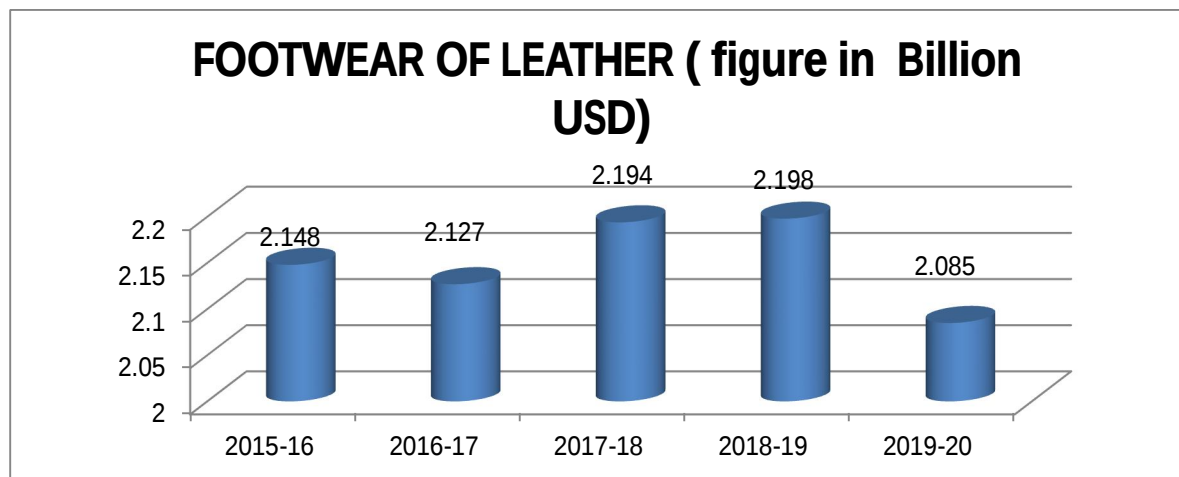
Sr number	COUNTRY	2015-16 (USD)	2016-17 (USD)	2017-18 (USD)	2018-19 (USD)	2019-20 (USD)
1	SPAIN	89666570	79471197	74923725	64713113	70744031
2	U S A	63459126	54668290	59837050	66111291	61662565
3	GERMANY	104078554	82167265	78470886	74529398	57128457
4	FRANCE	49375073	45802888	49469589	46313663	46304282
5	ITALY	53224294	50565661	51514533	48809432	43071283
6	U K	41421618	36372243	36471244	39653911	32465851
7	DENMARK	24863643	28781135	24383189	20242943	21836247
8	RUSSIA	6686817	7398238	10711924	13216390	14492661
9	HONG KONG	7650185	8922744	10558671	12958663	11841958
10	NETHERLAND	17719895	17789406	12378371	10811846	10571897
11	CHINA P RP	9032204	15567780	11607798	8786005	8864840
12	CANADA	7770218	6112482	8944486	9019308	6193574
13	AUSTRALIA	4845645	4550853	5760232	5891548	4760654
14	CHILE	6265032	4044661	4658274	6080746	4332528
15	BELGIUM	4761426	3968447	3555451	3249821	3910492

(Source- DGCIS)

During 2019-20, barring Spain, Russia and China PRP , all major export destinations of India are showing negative trend.

Segment wise India's Export Performance.

Footwear of Leather – India's Export under this segment has been almost steady during last five years as it is evident from below table-



Top 14 export destination of India and it's export performance during last five years have been mentioned as under:-

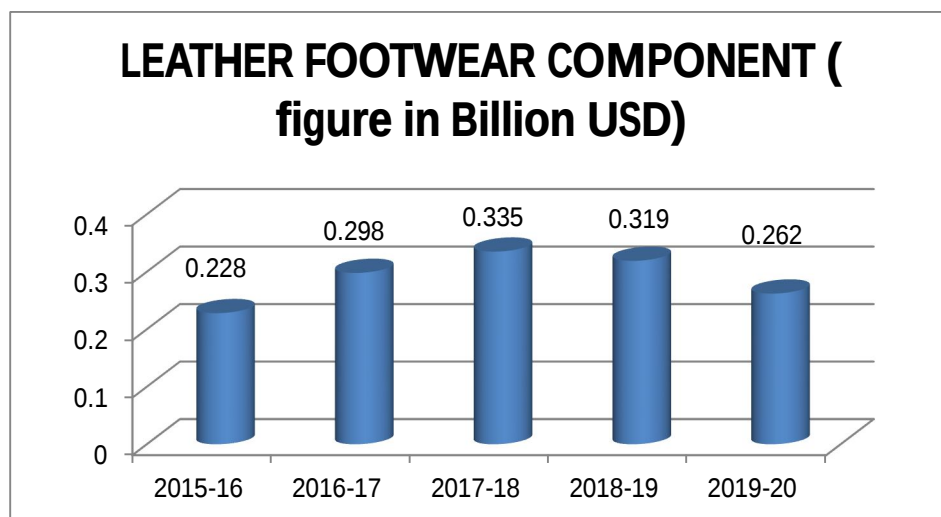
Sr number	COUNTRY	2015-16 (USD)	2016-17 (USD)	2017-18 (USD)	2018-19 (USD)	2019-20 (USD)
1	U S A	403099786	446497782	402092299	408456234	402684927
2	U K	436423216	372588876	365751218	345339034	317069109
3	GERMANY	264855746	263776357	282217742	283251189	277486358
4	FRANCE	151280734	136050230	169577875	168337421	152415332
5	ITALY	127453703	127046973	122190499	127780725	111129374
6	SPAIN	104381024	90180429	86550416	90701672	92638551
7	BELGIUM	54557873	75811951	83891442	83411113	86544700
8	POLAND	44775857	78420456	117801074	88128602	80429532
9	NETHERLAND	75480880	68505420	81475701	88553508	72630409
10	CHINA P RP	30186058	35128790	41945351	39148609	54629924
11	U ARAB EMTS	56672671	50820777	41203498	55523025	52622973
12	JAPAN	31556185	31628837	36584651	30764926	29402854
13	SOUTH AFRICA	18356975	17292321	16511145	22275701	26335109
14	AUSTRALIA	24222082	23282297	25014085	26250730	22790651

(Source- DGCIS)

It becomes evident from above table that India's export to USA and Germany has been more or less stable while Belgium, China and South African market have shown positive trend. Barring above markets, all other markets have shown negative trends.

Segment wise India's Export Performance-

Footwear Leather Component- India's Export under this segment has increased from 0.228 Billion USD in 2015-16 to 0.262 Billion USD in 2019-20 but there is a downfall of 14% when compared with the export performance made in 2018-19.



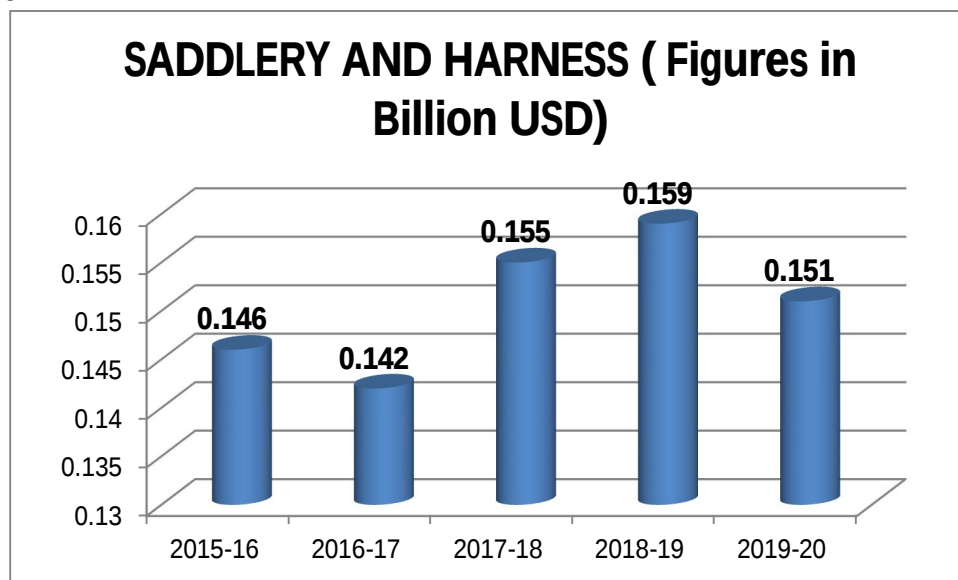
Top 15 export destination of India and it's export performance during last five years have been as under:-

Sr number	COUNTRY	2015-16 Value	2016-17 Value	2017-18 Value	2018-19 Value	2019-20 Value
1	GERMANY	47284260	52190744	61667902	64333834	55621712
2	PORTUGAL	31578634	38276942	37935523	39037739	34946988
3	U K	32647695	30383098	35104327	32009846	27315471
4	SLOVAK REP	25119554	25784203	32584327	23297980	17873391
5	AUSTRIA	5080864	7196459	8173769	9019161	15033017
6	RUSSIA	9049341	14602090	21734079	15439494	13277175
7	FRANCE	21085390	19238787	20016913	16783148	13077512
8	INDONESIA	1981288	4346345	8960321	10113884	10403981
9	ITALY	13880131	11378098	11149707	10199592	7320820
10	SWITZERLAND	9306167	8782602	8459695	8489506	7245243
11	FINLAND	3970981	5357163	7466623	8648359	6356949
12	SPAIN	8503607	8215249	7493093	7852500	5970884
13	HUNGARY	5036826	7057231	7754596	7703980	5590622
14	SOUTH AFRICA	5725129	6616421	6387343	5217202	4807643
15	U ARAB EMTS	12945118	5926687	7921841	14150812	3992109

It is evident from above table that out of top 15 countries, Austria and Indonesia have shown consistent positive growth while France, Italy and Spain have shown consistent negative growth.

Segment wise India's Export Performance.

Saddlery and Harness- India's export under this segment has increased from **0.146 Billion USD** in 2015-16 to **0.151 Billion USD** in 2019-20 however there is a decline of 5% in the year 2019-20 in comparison to the exports made in the year 2018-19.



Top 15 export destination of India and it's export performance during last five years have been as under:-

Sr number	COUNTRY	2015-16 Value	2016-17 Value	2017-18 Value	2018-19 Value	2019-20 Value
1	GERMANY	47284260	52190744	61667902	64333834	55621712
2	PORTUGAL	31578634	38276942	37935523	39037739	34946988
3	U K	32647695	30383098	35104327	32009846	27315471
4	SLOVAK REP	25119554	25784203	32584327	23297980	17873391
5	AUSTRIA	5080864	7196459	8173769	9019161	15033017
6	RUSSIA	9049341	14602090	21734079	15439494	13277175
7	FRANCE	21085390	19238787	20016913	16783148	13077512
8	INDONESIA	1981288	4346345	8960321	10113884	10403981
9	ITALY	13880131	11378098	11149707	10199592	7320820
10	SWITZERLAND	9306167	8782602	8459695	8489506	7245243
11	FINLAND	3970981	5357163	7466623	8648359	6356949
12	SPAIN	8503607	8215249	7493093	7852500	5970884
13	HUNGARY	5036826	7057231	7754596	7703980	5590622
14	SOUTH AFRICA	5725129	6616421	6387343	5217202	4807643
15	U ARAB EMTS	12945118	5926687	7921841	14150812	3992109

It is evident from above table that Austria is only one country among top 15 export destinations that has shown consistent growth while Russia and Indonesia are two countries showing a considerable growth from the export position in 2015-16.

Leather Exports from Uttar Pradesh.

Uttar Pradesh is among prominent exporting states of leather and allied products.. Uttar Pradesh (UP) is the second largest producer of Leather and Leather products in the country, after Tamil Nadu. The Leather Industry of the State contributes to about 25% in the total production of Leather and Leather products in India. The Leather Industry in the State is well-developed and contributes significantly towards export of Leather and Leather products from the country.

One of the primary reasons for the growth of Leather Industry in the State is due to the fact that UP has one of the largest livestock populations in the country, which provides a strong raw material base required for the Industry. Leather is also one of the major sectors in the MSME segment in the State with a total number of 4,991 units² in 2016-17.. Kanpur and Agra, notified as 'Towns of Export Excellence' are the two prominent Leather and Leather products' production centers. Agra is the largest centre for shoe manufacturing in India while Kanpur-Unnao majorly is into Leather processing and manufacturing of saddler products. The tanneries in Kanpur-Unnao specialize in processing hides into heavy Leather sole, harness and industrial use.

Export performance of Uttar Pradesh

STATE	Name of Product	Export made in 2017-18 (in INR)	export made in 2018-19 in (INR)	Growth
1	RAW HIDES AND SKINS	8817728	13170344.00	49.3621
2	FINISHED LEATHER	23467784054	18679243873.00	-20.4047
3	LEATHER GOODS	7733771198	9440916563.00	22.07391
4	LEATHER GARMENTS	5288620895	4717681514.00	-10.7956
5	FOOTWEAR OF LEATHER	48139106910	52846304213.00	9.778323
6	LEATHER FOOTWEAR COMPONENT	5997065495	6012532331.00	0.257907
7	SADDLERY AND HARNESS	9291412782	10302706646.00	10.88418
	Total	99926579062	102012555484.00	2.087509

(Source- DGCIS Database)

Kanpur –Unnao Cluster – a brief

Kanpur- Unnao cluster is the main cluster of exports under leather Category in Uttar Pradesh. Segment wise brief is appended below.

Finished Leateher- The Kanpur-Unnao Leather Industry Cluster is famous for the processing of buffalo leather. Approximately 50% of the finished leather produced is exported. The remainder is used for the production of leather products in Kanpur or other Indian leather production centres..

Footwear Industry ► There are **about 1400 units** in this sub sector with an annual turnover of 3500 cr. and exports more than Rs. **2000.00 cr.** Its share to overall business of the cluster is 35% percent and exports of these constitute 38.5% percent of total exports of the cluster

This sub sector comprises of units making

- a. Safety & Fashion Footwear
- b. Footwear Components
- c. Open footwear i.e. chappals & sandals

Saddlery Industry ► Kanpur Saddlery has attanined G.I status in 2009. This sub sector comprises of units making products related to horse riding and equipment & accessories used for transportation of goods by use of horses and other animals. The major products being produced in the cluster are saddle, bridals and harness.

There are about 40 organized units and 185 household and small units in this sub sector with an annual turnover of 1200 crore. Directly and Indirectly the saddlery industries provide employment to 30,000 people in the cluster.

Leather Goods & Garments Industry ► During last 5-6 years a few existing units making footwear and saddlery products have also diversified in making of leather goods like purses, wallets, bags, decorative and stationary items. There are around 100 units in the cluster so far involved in manufacturing of leather garments and goods with an annual turnover of Rs. 1500 crore. About 70 units are exporting these materials.

In view of above position, It becomes clear that Kanpur-Unnao Cluster has already a very strong environment fitted To build it as a preferred global sourcing destination for a diversified range of high quality and exquisite leather produce.

Export performance of Leather Sector of Kanpur-Unnao region.-

Value in Million Rs.				
Commodity	2015-16	2016-17	2017-18	2018-19
Finished Leather	25,862.00	24,196.10	23,008.40	17716.40
Footwear Comp.	4,266.90	4,744.70	5,766.10	5759.00
Saddlery and Harness	10,094.10	10,221.40	10,537.10	11378.20
Footwear	18,930.40	17,785.30	12,702.70	13676.80
Leather Garments	331.00	289.90	422.90	644.50
Leather Gloves	6.70	72.50	94.60	170.30
Leather Goods	4,536.80	4,833.80	5,194.80	6810.10
Non Leather Footwear	271.20	331.70	332.20	431.90
Total:	64,299.10	62,475.40	58,058.80	56,587.20

Source- Council for Leather Exports.

Export performance from Unnao Cluster.

Value in Million Rs.		
Commodity	2017-18	2018-19
Finished Leather	322.09	298.72
Footwear Comp.	45.46	39.67
Saddlery and Harness	166.42	166.93
Footwear	650.81	675.92
Leather Garments	3.18	0.77
Leather Gloves	1.55	0.18
Leather Goods	58.08	66.97
Total:	1247.59	1239.4

Source- Council for Leather Exports.

NEED ASSESSMENT & GAP STUDY

In spite of favourable factors in terms of supply of raw material and availability of skilled and technical manpower, India's share in global market is stagnant to just 03% and is actually decreasing gradually. There are some general and Kanpur-Unnao cluster specific bottlenecks observed and same are detailed below.

- a. Many of the tanneries are still working on old and obsolete technology resulting into it becoming less cost effective and non-competitive in the international market.
- b. Issue relating to erratic supply of raw hides/skins specially for small units.
- c. Tannery industry is subject of major environmental concerns due to hazardous solid and liquid waste generated by it.
- d. Poor infrastructure leading to compromise in quality and delivery time
- e. The Kanpur cluster is based in land locked states and the distance from the common seaport such as Nhava Sheva and Mundra etc is more than 1000 Kms. The transportation cost from Kanpur to Sea port is very high and increases the production cost significantly . hence puts the exporters of this region in a disadvantageous position as compared to their counterparts in the coastal states such as Tamilnadu, Maharashtra and West Bengal.
- f. Handmade saddlery is becoming extinct and artisans are facing existential crisis.
- g. Increasing Environmental concerns as the cluster lies in the Ganga Basin
- h. Less Awareness among small & micro enterprises regarding govt. schemes, environment hazards etc
- i. Insufficient flow of investment
- j. Unavailability of Skilled workers
- k. Product branding and market promotion among small & micro entrepreneurs
- l. Design & Product Innovation

Kanpur Saddlery- a G.I. Product.

Kanpur- Unnao is the only place in India where harness & saddlery goods are manufactured. Volume wise Kanpur-Unnao is the biggest harness & saddlery items manufacturer in the world. The uniqueness of Kanpur harness & saddlery industry lies in the capability of the industry in holding the product range at one end and increasing the size of the product range by including horseback rider goods on the other. The limbs size of each horse is unique and differs from one horse to the other. So size of the harness & saddler items is always order specific. The most of the orders come as export orders and come with their own specifications in respect to size. **To run an industry in which each product is size wise a unique product is in itself the uniqueness of Kanpur harness & saddlery industry. The next distinguishing feature of Kanpur harness & saddlery industry is existence of manufacturers, craftsmen and raw material, i.e. leather, at the same place. The vegetable tanned buffalo leather used in manufacturing harness & saddlery products is also manufactured in Kanpur. The sustaining and steady growing Kanpur harness & saddlery industry, which is 100 per cent export oriented, indicates the reputation and goodwill earned by the Kanpur harness & saddlery industry at the international level.**

Kanpur Saddlery has been awarded Geographical Indication status on 31.03.2014 and Harness and Saddlery Exporters Association, Kanpur 77, Industrial Estate, Kalpi Road, Kanpur, Facilitated by Export Commissioner, Uttar Pradesh is the Registered proprietor of Kanpur Saddlery G.I. Product. Total Export from this region under this category was 1137.8 Cr. During the financial year 2018-19.

As per Page number 36 of Journal Serial number 54 dated 28.09.2013 (published by Geographical Indications Registry, Chennai and available at (<http://ipindiaservices.gov.in/GirPublic/Application/Details/159>) , Kanpur and Unnao districts are the geographical area recognised for this product.

This product has a great potential for export and from Kanpur-Unnao region, the export is already of more than 1137.8 Cr. Value. However, It has also been observed that Post G.I. actions have not been taken. Though there are 100s of units working, but there is only entity registered as G.I. user. It has also been observed that G.I. status has also not been renewed since 08.02.2019 . There are following Gaps observed in tapping full export potentiality of this G.I. Product.

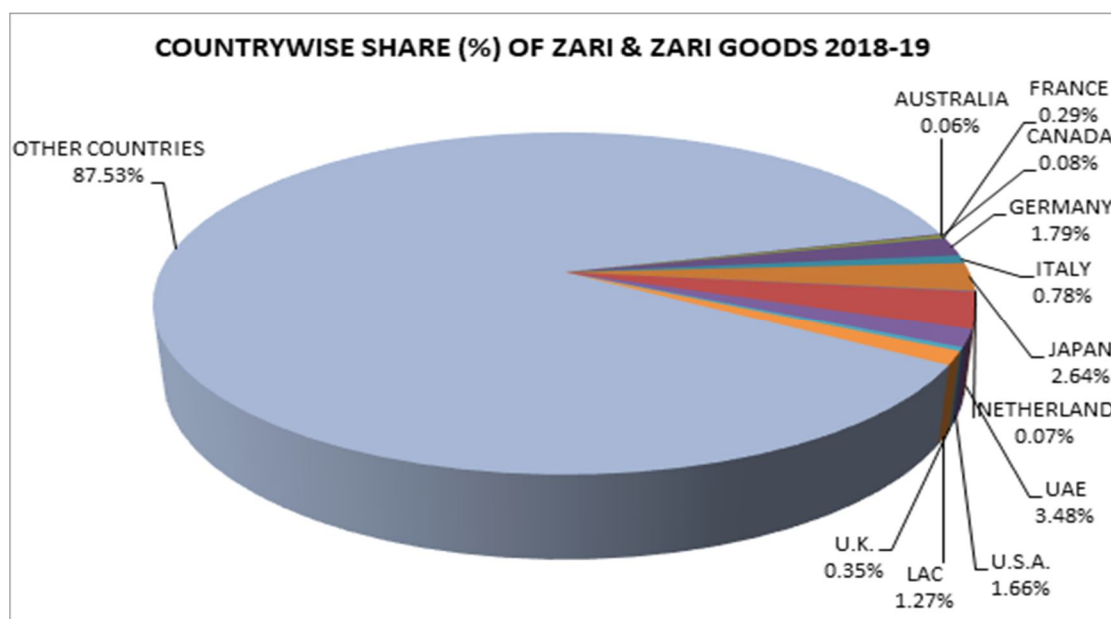
- 01- GI status not exploited post registration
- 02- Lack of initiatives in building brands and visibility
- 03- Lack of formal organization structures and/or control mechanisms
- 04- Lack of producer/artisan database
- 05- Low Share in value chain for producer
- 06- Lack of proper monitoring of quality and compliance
- 07- Identification of markets and information on market trends
- 08- Low level of online presence/e-marketing initiatives
- 09- Need for financial support for marketing
- 10- Requirement of support in form of space, equipment, R&D, Technical and Design Inputs

Zari-Zardozi Embroidery – An ODOP Product.

District Unnao is a traditional craft pocket of Zari-Zardozi embroidery. It has been identified as a product under One District One Product Scheme. The Zari Zardozi activity in Unnao region began during the mogul era. With the expansion of craft in Lucknow it has spread to surrounding districts. Villages and town areas which are in proximity of Lucknow adopted this work as their livelihood and developed this skill on hereditary basis. No reliable data source is available at local level of the export made of Zari and Zari goods however the national level data as maintained by Export Promotion Council for Handicraft is appended below.

EXPORTS OF "ZARI & ZARI GOODS" From India			
S. NO.	COUNTRY	RS. IN CRORES	
		2017-18	2018-19
1	AUSTRALIA	0.06	0.08
2	CANADA	0.06	0.11
3	FRANCE	0.64	0.38
4	GERMANY	1.58	2.33
5	ITALY	0.77	1.01
6	JAPAN	2.48	3.43
7	NETHERLAND	0.06	0.09
8	UAE	3.22	4.52
9	SWITZERLAND	0.00	-
10	U.S.A.	1.61	2.16
11	U.K.	0.32	0.45
12	LAC	1.22	1.65
13	OTHER COUNTRIES	86.67	113.81
TOTAL		98.69	130.02

Source – EPCH



Source- EPCH.

Currently, there are 12000 artisans in Unnao out of which around 2500 are semi-skilled. As rural population is increasing and agriculture land is shrinking, handicraft may be one of the alternate livelihood option. There are scores of enterprises engaged in manufacturing of Zardozi products which includes different kinds of apparels, home furnishing, shoes, bags, etc in the region.

These products are sold all over India and also exported to different parts of the world. Unnao cluster, being a satellite center for the products is vertically and horizontally integrated with the production and business hub at Lucknow. The market driven designs, techniques and products are governed by the markets in Lucknow/Kanpur.

G.I. Registration- The Geographical Indication Registry (GIR) has accorded the Geographical Indication (GI) registration to the intricate needle handicraft- Lucknow Zardozi and it was registered under the brand of 'Lucknow Zardozi' in the year 2013. The registration has been secured by Kalatmak Handicrafts Self Help Group Foundation, Lucknow. Unnao District comes under geographical Identified area but no significant progress is seen in Post G.I. Initiative in Unnao.

Zari-Zardozi Embroidery- GAP Study

GAPs Identified- The details of GAPs identified is as under:-

01- **Lack of Marketing Facility and marketing Skill**- The weavers/ artisans lack marketing facility and marketing skills and supplies the finished products to suppliers/business houses based in Lucknow/ Kanpur.

02- **Lack of Organised units**- Though there are approximately 12000.00 Artisans working on this craft but there are very few organised units dealing in this trade in Unnao. Presently artisans are not organized in the cluster. The artisans are not organized into any exclusive product based groups, hence, with poor bargaining power and low level scale advantages, the artisans are exploited to a large extent.

03- **Lack of proper financial inclusion of craftsman/weavers**. Artisans are almost universally from economically disadvantaged groups, and access to credit and working capital requirements for production is a burning need. Services offered by scheduled banks do not have the reach and penetration required to address these groups, which lack the skills of financial literacy as also are extremely vulnerable to survival pressures. This is the main reason for artisans' dependence on money lenders and informal funding through social capital.

04. **Non availability of raw material in time to prevent delay in the production cycle** – Raw material suppliers are not directly supplying the materials to the artisans, middlemen are playing crucial role resulting in reduced profit. If artisans gets direct raw material from suppliers there profit margin would increase.

05. **Low Share in value chain for producer.**

06- **Lack of technological up gradation**. Technological advancement in Zari-Zardozi in Unnao district is very rare. Artisans use adda (Wooden frame) and some hand tool for their work. Similarly, unit holders have same set up in large number. Advance machines related to Zari-Zardozi can hardly be seen in Unnao.

07- **Lack of testing labs and Design Studio**. There is no technical institute in this district to standardise the quality standard of the product . Further there is no designer for Zari Zardozi art in Unnao. Few artisan get design from designer based in Lucknow/Kanpur. Lack of idea about design forecast of the product is hampering the growth of this craft in Unnao.

08- Lack of Knowledge about Govt Schemes. Artisans lack knowledge about govt Schemes and this is one of the main reasons why they are not able to take the maximum advantage of Govt. Schemes/

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Targets and Plan to achieve the targets

Export target- Since the Current National Foreign Trade Policy is in the process of finalisation and state export policy is also in final stage, it is suggested that final export targets to be set should in sink with those policies. However, we may set the target of 10% increase in our export performance as an interim measure.

To achieve the target and to have sustainable growth, following measures are suggested as a initial draft plans for deliberations of its members.

Sr nu m be rs	Gaps Identified	Suggestions to remove the bottlenecks
01	Requirement of upgradation of Technology/ Capital Goods	01. It is noticed that different departments of the govt run the schemes for upgradation of Technology/Capital Goods. It is suggested that all the departments running such kind of schemes for upgradation of Technology / Technology may provide the detail of their schemes in 15 days to District Industry Centre which would compile all the informations at a single place for the better use of exporters. It is also suggested that District NIC may allocate some place on the District website having the detail of schemes so that all the exporters can access the information online. 02. To examine this issue in depth, it is also suggested to form a subcommittee in this regard.
02	.Environmental Issues concerning Tannery/ Leather Industry.	Promotion of modern environment friendly technologies like water less chromium tanning, up-gradation of CETP's, installation of pre treatment units & online monitoring systems, use of alternate sources of energy etc are the need of hour. The matter is placed before DEPC to have the opinion of members in this regard to find out the way to achieve the target.

03	Upgradation of Poor infrastructure leading to comprise in quality and delivery time	it is evident that lack of physical infrastructure stands as a constraint in the sustainable development of the Cluster and hence there is a dire need to upgrade the infrastructure and provide world class amenities to Manufactures so as to enable them to manufacture the product of global standard. 01.It is suggested that this committee may be a contact point for addressing the issues of general nature for the exporting units falling in industrial estates. 02.The committee may also form a sub-committee to identify the critical gaps relating to infrastructure and for suggesting the ways to remove the gaps.
04	Distance from Sea ports and high cost for the transportation of goods to the Gateway ports.	There are 3 Inland Container Depots working in the Neighbouring district Kanpur. Since United States and Europe are the major export market for leather goods , the main gateway ports for these leather products are Nhavasheva and Mundra based in Maharasta and Gujrat respectively. In addition, the best business practices are to be adopted from all the ICDs working in Kanpur to the gateway ports in order to minimise the consumption of time and money in transportation of goods. 01-In order to address the issues concerning the transportation of export goods , a sub-committee may be formed comprising the members from Customs and CONCOR under the chairmanship of Co-chair. 02. The state govt subsidises the transportation cost through the schemes run by Export Promotion Bureau with the help of District Indsutry Centre. 03. It is suggested that DIC may take necessary steps for the promotion of this scheme and ensure 10% increase in the beneficiaries in the next one year.

05	Handmade saddlery is becoming extinct and artisans are facing existential crisis.	Govt. incentives & easy access to finance can address the bottlenecks of the sector & would help artisans to carry forward the traditional way of doing business
06	Promotion of post G.I. Initiative	01. Kanpur Saddlery has attained G.I. status in 2009 but there is only one Authorised User of the product as per information available on http://ipindiaservices.gov.in/GirPublic/Application/Details/159. Zari Zardozi in Lucknow is also a G.I. Product but there is hardly any unit from Unnao despite this district being one of the prominent centres of Production. Accordingly there is a strong need to brand the Product by increasing the number of Authorised Users. There are 100s of units engaged in the manufacturing of Kanpur Saddlery products and hence District Export Promotion Committee sets a target of helping the all eligible manufactures to obtain the G.I. authorised user status in one year. 02. There has been substantial increase in number of authorised users of Varanasi Silk Saree and Bhadohi Carpet product in recent two years, DIC Kanpur may be asked to be in touch with DIC Varanasi for adopting its best practices in increasing the number of Authorised users.
07	Increasing the participation in	It is proposed to significantly increase the market presence and market share of the Kanpur –Unnao cluster in major national and

	International Trade fairs.	international markets. One of the key element would be to enhance the participation of exporters of this cluster in different national and International Trade Fairs etc through o Market Access Initiative of Ministry of Commerce / various other Schemes of Central/State Govt of similar nature. D.I.C., FIEO and Council for Leather Exports can play a pro-active role in this regard. <i>marketing, capacity building and technological services”</i> Target - 10% increase in the number of units taking part in the trade fairs organised by Council for leather Export/ FIEO may be proposed as a target under this segment.
08	Increase the use of Govt of India e-commerce portal. India Handmade Bazaar – Seller Registration/ other E-Commerce portal	India Handmade Bazaar is an online portal, which is developed by the Ministry of Textiles for direct marketing of handicrafts and handloom products. This portal facilitates the weavers and artisans to provide information about their handloom products for easy understanding of exporters. http://www.indiahandmadebazaar.com/index.php . the Key features of India Handmade Bazaar are explained in detail below: • Once registered in the portal, weaver or artisan can any time add, update or modify details of the products, process, and photographs of products. • Buyer can see the product offering states, product category wise or by simply through a search on the products name. • Buyer can view all the products available and can also make a query to the weaver or artisan. • Registered weaver or artisan can able to view the queries and send a reply e-mail to the buyer.

		The leather Handicraft products and Kanpur Saddlery , Zari Zardozi are eligible products under this category. Further the exporters should also be encouraged to promote other E-Commerce portal as well for promotion of these items.
09	Need for Market Diversification and Use of Free trade agreements as a tool	Our main exporting destinations are focussed on mainly in Europe and in United States of America. If India has to become global giant in this field, looking for other market to diversify the market is the need of hour. For an example, Japan with more than 06 Billion US dollar import is the 2nd largest Importer of Leather goods after USA but it does not figure in top 15 export destinations of India . We may treat Japan as Focus Market Country . Under India-Japan CICA, Indian goods are allowed to enter in Japan at zero rate of customs duty. Exporters may be encouraged to explore the possibilities for exporting to Japan. The Directorate General of Foreign Trade has organised on dedicated programme on the subject during last financial year in Kanpur. Such kind of Awareness programme may be frequently organised. Official website of DistrictUnnao may contain the basic information about FTAs India is having. The DGFT Kanpur would prepare such information with the help of FIEO/ CLA if DEPC agrees to this proposal.

10	Less Awareness among small & micro enterprises regarding govt. schemes, environment hazards etc	There is a greater need to create awareness among small & Micro enterprises about Govt. Schemes, norms and standards exporters need to follow in India and in different markets of the world. 01-All the Departments may provide the detail of schemes being run in this regard and same may be compiled at one place. The relevant information may also be placed in portal of District website. 02-A link of the websites such as Indian Trade Portal, DGFT, GST etc may also be available on the portal of District website. 03.MSME deptt/ DGFT/DIC/EPCs may organise awareness programmes targeting MSMEs to create awareness among them. Number of programmes organised and beneficiaries may be intimated to DEPC.	
11	Sector Specific committee	Sector Specific Demands vary in leather sector as Unnao is working in Saddlery, Harness, Finished Leather, Footwear, Garments etc. Which needs to be worked out specifically. A sub-committee may be formed under the chairmanship of Deputy Commissioner Industries, Unnao and it may comprise exporters of each segment. Convergence of Zari and leather industry for the items like Zari Footwear etc. Would be a good idea and help in building brands of Unnao.	
12	Zari Zardozi	Gaps Identified	Suggestions to remove the bottleneck
1		Marketing facility/	01 As already suggested, Export Promotion Council for Handicraft/ Concerned Export promotion Councils including FIEO may be given specific targets for giving the commercial entities to participate in the trade fair. 02- Promotion of use in E-Commerce portals

			to sell and brand the product worldwide. 03.Promotion of Post G.I. Initiative and its use in marketing of the product. Use of GI Logo in accordance with National G.I. policy should also be promoted.
2		Availability of Easy finance.	A sub committee may be formed to understand the capital and finance requirement of weavers and commercial entities . The committee should include all the relevant departments including the banks. Committee would recommend specific suggestions on maximum utilisation of the schemes. 02.Awareness programmes may be organised among all the stakeholders by the respective departments. Committee may fix specific targets for the departments in this regard.
03		Lack of timely availability of Raw material/ Upgradation of Technology and Design	01.Feasibility of establishment of Raw Material bank may be explored to ensure the availability of Raw material at reasonable rate. 02. A sub-committee on the Product should also examine the issue of promotion of Technology in the industry. Industry should be made aware of different schemes run by Both state/ Central govt for promotion of technological upgradation . 03. - Digital design banks should be set up and placed in the public domain - Artisans database should be prepared for designers to access, Design institutes like NIFT and NID etc. 04. Designer-artisan interface can be enforced

			through branding and monitoring process
04		Knowledge about availability of Markets.	DEPC should maintain a databank to guide current market trends in international markets.

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