

Footwear & Fashion Matters



July 2018

Newsletter from LSSC



We are all aware that the Indian Leather Industry has a huge potential for exports and many global markets remain untapped. Indian manufacturers can take advantage of these opportunities if they bring in relevant changes to their approach to managing production and sales of footwear, leather goods and garments. You need to expand capacity and use latest technologies for manufacturing along with implementation of smart production systems that communicate directly with the markets, keep track of sales inventories and plan production as per the requirements.

It is equally important to ensure high productivity levels through knowledge and skill upgradation. Recognition of Prior Learning (RPL) is an effective way of bringing in consistency and standardizing skill levels of employees for optimizing productivity. By assessing the current skill levels, you can identify the skill gaps and re-train them to meet industry expectations for a particular job role. I would suggest, considering today's e-commerce scenario, there is need for multiskilling the workforce in the leather industry, since they will need appropriate digital skills to interact with online systems and a global customer base. I hope you are already taking these steps to expand your global footprint!



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



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

“ The Indian leather industry has many strengths like abundance of raw materials, traditional knowledge and experience and also abundant manpower availability. Needless to mention, the global leather and footwear market is highly competitive. High Quality Standards and Price Competitiveness are prerequisites to consolidate and expand our share in the global market. In this context, increasing productivity through enhancing skills of the workers assumes significance. The Government of India has taken a number of steps in recent years in the Skill Development arena. The HRD Scheme of Department of Industrial Policy and Promotion and Pradhan Mantri Kaushal Vikas Yojna have provided close to 0.5 million trained workers to the leather industry in the past 5 years. The HRD Scheme under the Indian Footwear, Leather and Accessories Development Programme (IFLADP) envisages to train 4.32 million people in the next 3 years. I am happy that the Leather Sector Skill Council (LSSC) has been nominated as a National Monitoring Unit of the HRD Programme of IFLADP. With its rich experience in developing Qualification Packs on various job roles and also training existing/ new workers, I am sure that LSSC will be playing a major role in the successful implementation of the HRD programme. Being a consumer oriented industry, we need to keep pace with the ever changing fashion and design trends in the global market. Hence, training institutions like FDDI, CFTI and CLRI may evolve a process of continuous association with overseas institutions as well, so that experts from such institutions can also be invited to India for training students.

With the concerted efforts of the industry, institutions and Government, I am sure that we can take a major step forward on the skill development front in the coming years. ”



You are all aware that the Government of India has announced several significant support measures for the growth and development of leather industry. These include Rs.2600 crore special package for the leather industry, reduction of GST rates for many leather industry items, extension of additional 2% scrip under Merchandise Exports from India Scheme (MEIS) for notified leather, leather products and footwear beyond June 30, 2018 and relaxation in maintaining average annual export obligation under EPCG scheme.

Though exports from leather sector registered a growth of 1.65% in dollar terms during 2017-18 after experiencing declining trend in the previous two years, the export data for April – May 2018 has shown overall negative growth of 3.37% in dollar terms which is a worrying trend. Nevertheless, I hope that we will be able to make a turnaround in the remaining part of the year.

Rebate of State Levies Scheme (ROSL) is being implemented for Textiles Sector through which state levies not subsumed under GST are refunded. We have submitted a concept note to the Department of Commerce requesting implementation of ROSL scheme for leather sector also. I hope that with the support of the Government we will be able to achieve sustainable growth of the leather industry in the coming years. ”



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



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



Global market trends have a direct impact on leather exports. I hope you are keeping track of latest economic developments. Of late, there have been few recessionary indications in many countries. Despite this trend, in India, exports have shown a growth of 1.65% USD during 2017 – 18. to meet our target of 9% to 10% growth in exports, we need re-look at our business strategy and production plans by studying significant market indicators. Going by the analysis, we need to ramp up exports in non-leather segment, which is currently at 0.40% and has huge underutilized potential in casual and sports shoes. Besides, we need to explore opportunities in EU and USA by understanding changing trends in footwear and leather garments and build our design and production units by incorporating latest technologies.

Five key areas demand immediate attention: revamping production systems and re-aligning product design, revisiting market strategy, investing in technology, developing infrastructure and most importantly, building capacity through skill development in all leather clusters. While you reflect on issues in these areas, you may need inputs from us for skilling and upskilling of your workforce. We would be glad to interact with you and help you in consolidating your plans for capacity building a and various segments of leather sector. ”

A Brief Report on the Launch of Special Package for Leather and Footwear Sector (IFLADP – 2017- 2020) in Kanpur



The Council for Leather Exports, Central Region, Kanpur had organized Launch Programme on Special Package for Leather & Footwear Sector (IFLADP – 2017-2020) on 3rd of July 2018 in Allenhouse Public School, Rooma, Kanpur.

The participants included Shri Suresh Prabhu, Hon'ble Union Minister of Commerce & Industry and Civil Aviation, Government of India and Shri Yogi Adityanath, Hon'ble Chief Minister of Uttar Pradesh launched the IFLADP 2017-2020 Package. Dr. Murli Manohar Joshi, Member of Parliament, Kanpur Nagar, , Shri Satish Mahana, Hon'ble Cabinet Minister, Industrial Development, Govt. of Uttar Pradesh, Shri Nanad Gopal Gupta, Minister of Stamp and Civil Aviation, Govt. of Uttar Pradesh, Shri Devendra Singh Bhole, Hon'ble Member of Parliament, Kanpur Dehat, Shri Mukhtarul Amin, Chairman, CLE, Shri P. R. Aqeel Ahmed, Vice Chairman, CLE, Shri R. Selvam, IAS, Executive Director, Council for Leather Exports (CLE) and other members.



Shri Mukhtarul Amin, Chairman, Council for Leather Exports (CLE), highlighted the current status and growth potential of the leather sector and mentioned that the leather sector has made significant strides in various spheres in terms of capacity expansion, modernisation and technology upgradation, product design and development, human resource development and environment management in the tanneries for eco-sustainable development. **Dr. Murli Manohar Joshi**, Hon'ble Member of Parliament (MP), Kanpur Nagar said that the industry still needs more technological advancement and innovation for growth and job creation. He stressed on lack of innovation, research and sluggishness in adoption of advanced technology in leather industry.

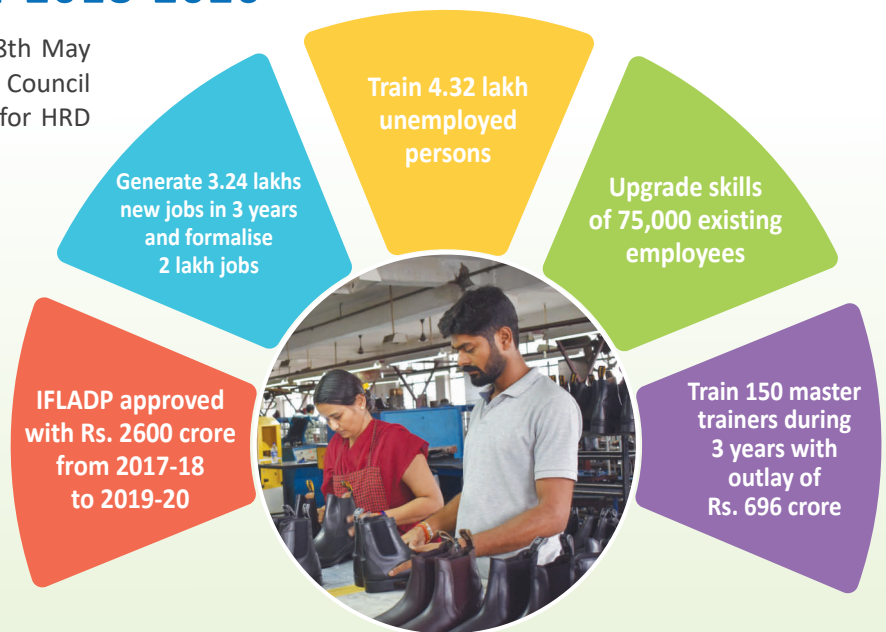
Shri Suresh Prabhu, Hon'ble Minister of Commerce & Industry and Civil Aviation, Government of India briefed about the benefits of the Special package for employment generation in Leather and Footwear Sector approved by Government of India on 15th December 2017 with an outlay of Rs.2600 crores. **Shri Yogi Adityanath**, Hon'ble Chief Minister of U.P stated that, for Uttar Pradesh, Leather is an important industrial sector for employment generation and therefore State Government is extending all necessary support to this sector. **Shri P.R. Aqeel Ahmed**, Vice Chairman, CLE presented formal vote of thanks and congratulated the Government of India for successful completion of one year of Goods and Service Tax (GST) system in India.



LSSC Appointed as National Monitoring Unit (NMU) for HRD Sub-scheme of ILFADP for 2018-2020

The Empowered Committee Meeting held on 28th May 2018 in Delhi has appointed Leather Sector Skill Council (LSSC) as the National Monitoring Unit (NMU) for HRD Sub-scheme of ILFADP for 2018 - 2020.

Highlights of the IFLADP Scheme



The Scheme: Human Resource Development (HRD) for Placement-linked Skill Development

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the special package for employment generation in leather and footwear sector. The package involves implementation of Central Sector Scheme “Indian Footwear, Leather and Accessories Development Programme” with an approved expenditure of Rs. 2600 Crore over the three financial years from 2017-18 to 2019-20. The Special Package has the potential to generate 3.24 lakhs new jobs in 3 years and assist in formalization of 2 lakh jobs as cumulative impact in Footwear, Leather & Accessories Sector. One of the sub-schemes under this package is called the **Human Resource Development (HRD) for Placement-linked Skill Development**.

HRD sub-scheme proposes to provide assistance for Placement-Linked Skill Development training to unemployed persons @ Rs. 15,000 per person, for skill upgradation training to employed workers @ Rs. 5,000 per employee and for training of trainers @ Rs. 2 lakh per person. The placement of 75% of trained persons is proposed to be mandatory for availing assistance related to skill development training component. The proposal under this sub-scheme is to train/skill 4.32 lakh unemployed persons, upgrade the skills of 75,000 existing employees and train 150 master trainers during the three years with proposed outlay of Rs. 696 crore.

How LSSC will perform the role of an NMU

Leather Sector Skill Council (LSSC) has been working closely with National Skill Development Corporation (NSDC) under the Ministry of Skill Development and Entrepreneurship (MSDE) for implementing various skill development programs in the leather sector at national and state level. As an NMU, LSSC will closely monitor the entire training cycle for 2 years through SMART and SDMS portals. By establishing a fool-proof monitoring mechanism LSSC will achieve the goals of quality assurance of the training centers and training delivery, post-training certification and placements.

LSSC will put to use digital Skill Development Management System (SDMS) and SMART Portal platforms as effective monitoring mechanisms for monitoring candidate life cycles and approving training partners respectively. The monitoring process includes activities like:

- Ensuring on-site day-to-day attendance
- Achieving Aadhaar-based linkage to enable direct bank transfer of funds to beneficiaries
- Training lifecycle management through SDMS portal to ensure data capturing at all stages of training.

LSSC will also be responsible for certification of trained candidates. The certificate will be co-branded and it will have LSSC logo along with the logo DIPP or Ministry of Commerce, or perhaps the training partners. This is yet to be decided.

Interview with Shri. Puran Dawar, Regional Chairman, North - CLE and Chairman - Dawar Group



*Dawar Group was started in 1977 with retail business in footwear and it was only in 1983 that they started manufacturing under the brand name of Shoe Style . Dawar Footwear Industries was started in 1986. Since then, Dawar Group has been exporting to many countries besides catering to the domestic market. Let's learn more about the company, in this interview with **Shri. Puran Dawar, Regional Chairman, North - CLE and Chairman - Dawar Group***

Leather industry and business in Agra

Initially, leather industry in Agra was treated as catering to lower end market. But, we consciously wanted to change this image about Agra and develop a modern industry with latest equipment and infrastructure. We emphasize on compliance with standards for conservation and preservation of environment because we believe that you can't grow without being clean, environment-friendly and socially responsible.

When you want to expand and enter into exports market, the first important step is to build relations through international networks, then, remain focused on quality of the products, this is essential for long term sustainability of your business. In fact, quality is the top most criterion for your success, along with compliance and presentation of your products to the international clients.

Another critical element of the business pertains to timely payment whether they are your employees or suppliers. At Dawar Group, we have a rule for releasing the payments on the 7th of every month and this has enhanced our credibility among the stakeholders. Automatically, this rule takes care of our receivables. We also maintain a contingency amount for helping our suppliers who are in real in need.



Importance of skills in the leather industry

Skills are the key for the growth and prosperity of any industry. It may be a blessing in disguise that Agra has always had traditionally skilled workforce since the Moghul era. These workers have marked their presence in many parts of India but the problem is that their technical and artistic skills are not supported by formal education and training. Since there was no alignment between the two, we have filled the gap by collaborating with institutions like GLI, CFTI and FDDI or B.Tech course in Dayalbagh University that offer courses to fill the gap.

Need for cluster-centric education

I strongly believe in introducing cluster-centric industrial education to transform India through skills. This could be a true game changer if we take clusters like Agra that have tremendous potential for footwear and tourism industry and introduce these subjects in schools as a part of the regular curriculum from class 7 or 8. With this, even if the kids dropout, they can be employable and get a job to sustain themselves. They can also become entrepreneurs.

The leather industry is not able to scale since it has remained a family-centric business. We need masses to get attracted to this industry. Initiatives like Startup India have not impacted the industry either.

I feel happy to say that, even with the traditional workforce, Dawar Group has pioneered lean manufacturing, by creating an assembly line. Earlier, the industry was totally unorganized in Agra, for cleaning, washing and waxing shoes no specific skills are required; finishing used to be absolutely tradition and unprofessional, we were the first ones to use brushing machines.

Apprentices and upskilling

Earlier Apprenticeship Act was a bit ambiguous. At Dawar, we always had trainees who constituted the 10% to 20% of extra workforce. They would learn by observing, practicing and thus move up the career ladder. In fact, our supervisors have all grown in the company; we always tell our new recruits that they should learn, transfer the skills to other and move up the ladder. We tell them to teach their jobs to others and that's how they grow in the organization. I understand that NAPS is an employer-friendly scheme and many companies should adopt it since the government offers financial support as well.



Focus on training and education through Skill India

Skill India mission should avoid duplication of efforts and programs, it should use existing school infrastructure. For example, MSME can create tool rooms and convert one class into tool room. Mass skilling can only be a part of mass education. There are 23 focused products in the leather sector under Make in India scheme; if we prepare the curriculum for them we will win the game!

Advice to aspiring entrepreneurs

This industry has a huge potential for entrepreneurship. Today, India's share in the global market is only 3% and this shows the scope for growth. It is not a capital intensive industry with very limited funds you can start the factory you can even start with just one line of production! For instance, stitching machines don't cost a lot, it's not a huge investment. With Rs. 1 crore you can manage right from cutting to finishing work. With this, you can employ 200 people directly or indirectly and as a startup this is a great opportunity for job creation if the person has good knowledge about leather products. Local jobs will also control migration and this ties up with the principle of cluster-centric education.

Dawar Group is committed to the growth of Agra, our country and our society. We are firmly placed in generating employment and earning foreign exchange for the country through our exports.

A Report on the NSQF Compliance Meeting and QP-NOS Curriculum Review Meeting

NSQF Compliance Consultative Meeting was held on 10th May 2018 at 11.00 AM at the CFTI Campus Meeting Hall, Guindy, Chennai. The meeting was chaired by Mr. R. Ramesh Kumar, IAS, CEO, Leather Sector Skill Council, and it had participants from the academic institutions, industry managers and training partners.



Informing about the significance of the meeting, M. R. Ramesh Kumar, IAS, said that, as per the instructions of Hon'ble Union Minister for Skill Development and Entrepreneurship, Shri Dharmendra Pradhan, all academic institutions in Leather and Footwear sector should align their courses National Skills Qualifications Framework (NSQF). This was intended to avoid duplication since many many institutions are involved in skilling in the leather sector through different schemes by Government of India and the State Governments. Hence there was a need for consensus and compliance.

Following this suggestion, LSSC had informed all leading academic and training institutions across India about NSQF compliance, alignment of

Curriculum and requested feedback on the Job Roles and Training Courses in the Leather Industry. The objective of the meeting was to discuss the action points based on the recommendations from all the members. He requested Mr. Ramachandran and Mr. Rajesh Rathnam to make a presentation on the process and benefits of NSQF compliance.

Mr. Ramachandran, Technical Head, presented an overview of NSQF Compliance, its benefits and the need to have a uniformity in Curriculum. He also briefed the members about the implementation process and explained how NSQF compliance helps in career progression at various levels.



The LSSC - QP-NOS/B.Voc/Skill Gap Study and curriculum review meeting was held on 13th June 2018 at CFTI Meeting Hall, Chennai. The meeting was chaired by Dr. Swarna V Kanth, Principal Scientist and Head, CHORD, CSIR-CLRI and it had participants from the academic institutions, industry managers and training partners.

The first part of the discussion centered on ways to coordinate for developing Curriculum and Syllabus for B.Voc Courses for Leather/Leather products as per UGC guidelines and developing New Apprenticeship Curriculum and Syllabus for Leather/Leather products job roles. Mr. Ramachandran from LSSC briefed the participants about various aspects of National

Apprenticeship Promotion Scheme (NAPS) by linking it NSQF compliance, its benefits and the need to implement the scheme in the industry. This led to a productive discussion on new job roles in the industry where apprentices can be engaged and the role of Basic Training Provider (BTP) in implementing the scheme in MSMEs. Mr. Rathnam explained the appointment of brand ambassador for the NAPS programme to widen the reach and easy access. Dr. Swarna V Kanth suggested the development of mobile application (Skill App) to enhance the skill and reading ability among the workers and apprentices. With regard to Skill Gap Study, it was proposed to identify leather clusters and deploy professionals who have experience on ground for the conducting the study.

Industry Testimonials



“ New workers who come to us are already skilled, I have been in this field for 12 years. There is a need to improve skilling programs in this industry. We participate in government programs, we try to tell them to train and demonstrate in our premises. The workers are paid as per their work and skill levels, our production capacity is 600 - 800, we work in both segments - 80% is leather, 20% is synthetic leather. Young people need to be trained. We are aware of PMKVY programs and we have two apprentices.”

Mohit Awasthi – Sr. Production Manager - Mehra Group, Kanpur (U.P.)

“ We don't employ unskilled workers, we tell them to get trained and then we recruit. We only train existing workers every fortnight. This is more on how to work in teams, motivate others etc. The supervisors are trained for higher skills, they feel encouraged. We have 28000 employees all over India, we make shoes for Nike. Sports and leather footwear making process is not the same; sports shoes have more components than leather. In leather they have to be trained in environmental issues also. We are using solar panel to reduce power consumption. The training has to focus on such differences.”

Pranshu Tiwari – Quality Manager (Nike) - Lotus Footwear, Chennai



“ We train the unskilled workers internally. We have also benefited from government programs. Training has improved the quality of products and increased quantity, and workers' confidence level has improved. We have 350-400 workers, out of which 200 are unskilled semi-skilled. Basically, I am a designer. I studied in International Institute of Saddlery Technology and Export Management (IISTEM), Unnao. We produce riding equipment like shoes and bridles. I am formally trained in footwear designing and manufacturing. I am also a Guest faculty for Government Leather Institute Kanpur. I also design shoes as a free lancer for physically challenged and special needs.”

Gaurav Mishra - Footwear Designer/ Technician Development Head, Kohali Leathers Pvt. Ltd, Kanpur (U.P.)

“ We train people ourselves; we show them pictures and movies since they are unable to read and write. We have demonstrations by experts from abroad on how to use tools. People don't like manual work. We don't have contract workers, all our employees get ESI and PF. We need an institute near Kanpur for giving special practical training for Stitchers, Skivers and Operators who deal with Saddlery, because people who work with thin leather can't handle heavy duty leather.”

Adil Siddiqui, Director, Tech Exim, Kanpur (U.P.)



“ Trained workers are very rare to find in Saddlery. You have to work hard to train them. We conduct internal training. It would be helpful if we trained workers. We need a dedicated institute for Saddlery since it involves hand crafting and it is export oriented. Ours is a micro enterprise with 9 employees; we have been into the business for 5 years. This is a niche area and we are slowly expanding by adding more products for the domestic market with a brand name Sliverstag.”

Ashutosh Shukla, Director, Swastik International, Unnao (U.P.)

“ I am a new entrepreneur, having started in 2017. I am from CFTI Agra and I've worked in Hong Kong. We hire people from FDDI and not sure if programs like PMKVY give enough practical training. Though we are self-reliant in training and production, there is a need to start training courses in Agra for skill-based certification. We have 35 employees and others are on contract depending on production requirements. The contract workers are self-trained and experienced since they learn from their families. For quality purposes our QC team trains them internally. In China, government policies promote small units, hence overheads are less. They also get subsidies in machine, materials, Land and tax relaxation especially new enterprises; we need similar support in India.”

R. Lalit Sharma, Director, Labdoo Shoes - Agra (U.P.)



Contact us

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