

EXPORT ANALYSIS OF LEATHER AND LEATHER PRODUCTS

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ABSTRACT

Depending on the design chosen for the production of leather goods, leather can be used alone or together with various supporting materials which give form and strength to it. Reinforcements are extremely important component of leather goods whether wallet or purse, handbags or suitcases, belts or portfolio. Reinforcements which provide support to the leather are used to change the drape and handling of leather goods. The physico-mechanical properties of the leather goods may vary depending on the supporting material used. In this study, the mechanical properties of leather for handicrafts reinforced with supporting materials, in particular, salpa and syntex with different thicknesses were examined. For this purpose, the measurement of thickness, tear load, tensile strength and percentage extension have been performed.

(Keywords: Leather products, Export performance, Leather industry, future growth)

INTRODUCTION

Evolution of the Indian Leather Industry over the last fifty years makes an excellent reading. Like any other business the Indian leather industry had its beginnings mainly as a trader of hides and skins. The intrinsic desire to add value to the business, introduces manufacturing activities in a gradual manner. The manufacturing activities started off with the preservation of hides and skins and further to tanning and post-tanning activities. The prime purpose of tanning is to soften raw hides and skins and introduce the necessary quality required by the end products that are made out of leather.

STATEMENT OF THE PROBLEM

The Global import of Leather and Leather Products is growing at a cumulative annual growth rate of 5% (Council for Leather Exports) and this trend is expected to follow in the near future. Also, among the different products imported within the leather sector, world demand for leather footwear comprises of 70.64%. To bring into line to the trend of the global imports, the percentage share of leather footwear among the different leather products for export is also the highest in India. The footwear sector is a very important segment of the leather industry in India and is considered the engine of growth for the entire Indian leather industry.

OBJECTIVE OF THE STUDY

The following are the major objectives of the present study.

1. To analyze the export performance of leather and leather products in India.
2. To examine the country wise export performance of leather products from India.
3. To provide necessary suggestions based on the findings of the study.

RESEARCH METHODOLOGY

Research methodology is a scientific and systematic way to solve the formulated research problem. It includes the plan of research activities starting from collection of reviews to report preparation. The research methodology deals with research methods and takes into consideration the logic behind the methods.

The methodology adopted in the present study includes the selection of the study area, research design, and the collection of data, tools applied and framework of analysis.

RESEARCH DESIGN

Research design is defined as the clearly defined structures within which the study is implemented. The research design in the present study is both descriptive and analytical in nature.

COLLECTION OF DATA

The study is based on the use of data collected from secondary sources. The secondary data are collected from the websites of Ministry of Commerce and Council of leather exports, UN Comtrade, WTO Publications and annual reports of Leather Promotional Councils.

TOOLS APPLIED

After completion of data collection for this study, the analysis was done by using the following statistical tools:

- Percentage analysis
- Growth rate
- Mean
- Standard Deviation
- Trend Analysis
- Correlation
- CAGR

PERIOD OF THE STUDY

Secondary data relating to export of leather and leather products for a period of 10 years from 2013-14 (April) to 2021-22(March) were collected.

LIMITATION OF THE STUDY

- The study is limited to leather industry only.
- Data collected for the study is limited to eight years only.
- This study is carried out purely based on secondary data, which has its inherent Limitation
- This study is based on the data collected and published sources hence, the inferences cannot be generalized.

ANALYSIS AND INTERPRETATION

LEATHER AND LEATHER PRODUCTS AND ITS EXPORT VALUE

YEAR	FINISHED LEATHER	LEATHER FOOTWEAR	FOOTWEAR COMPONENTS	LEATHER GARMENTS	LEATHER GOODS	SADDELERY ANDHARNES	NON- LEATHER FOOTWEAR
2014	81263.05	139296.09	22090.86	36952.09	88831.47	9948.33	18736.82
2015	68509.14	140625.23	18613.91	36288.62	89626.45	9583.06	20054.67
2016	59619.47	143259.05	20125.09	35988.87	88642.82	9596.66	22792.11
2017	56348.84	141405.2	21608.01	33449.57	88031.66	10053.31	19137.55
2018	50465.48	153513.36	22312.11	32757.34	100286.34	11142.04	27453.76
2019	29185.73	112099.51	14198.54	24032.3	74532.86	8138.28	15869.07
2020	19665.91	76786.26	10887.9	17293.1	50300.51	9382.09	9827.69
2021	24888.75	109820.2	14627.33	21858.9	69752.42	13744.8	14330.12
2022	33997.24	152626.42	18622.25	25488.03	95962.23	20575.55	15997.38
Total	423943.61	1169431.32	163086	264108.82	745966.76	102164.12	164199.17
Average	47105	129937	18121	29345	82885	11352	18244
SD	21265.12	25321.30	4029.64	7272.42	15484.83	3790.11	5082.63
CAGR	-9.23%	1.02%	-1.88%	-4.04%	0.86%	8.41%	-1.74%

(Source: Secondary data, Leather Export Promotion Council)

FINDINGS

- Average export of Finished Leather during the study period stood at Rs. 47105 lakhs, Standard deviation for export of Finished Leather during the study period stood at Rs. 21265.12 lakhs. The CAGR value for the export of Finished Leather is -9.23%.
- Average export of Leather Footwear during the study period stood at Rs. 129937 lakhs, Standard deviation for export of Leather Footwear during the study period stood at Rs. 25321.30 lakhs. The CAGR value for the export of Power loom Mat is 1.02%.
- Average exports of Footwear Components during the study period stood at Rs. 18121 lakhs, Standard deviation for exports of Footwear Components during the study period stood at Rs. 4029.64 lakhs. The CAGR value for the export of Footwear Components is -1.88%.
- Average export of Leather Garments during the study period stood at Rs. 29345 lakhs, standard deviation for export of Leather Garments during the study period stood at Rs. 7272.42 lakhs. The CAGR value for the export of the export of Leather Garments is 4.04%.
- Average export of Leather Goods during the study period stood at Rs. 82885 lakhs, standard deviation for export of Leather Goods during the study period stood at Rs. 15484.83 lakhs. The CAGR value for the export of the export of Leather Goods is 0.86%.
- Average export of Saddlery Andharness during the study period stood at Rs. 11352 lakhs, standard deviation for export of Saddlery Andharness during the study period stood at Rs. 3790.11 lakhs. The CAGR value for the export of the export of Saddlery andharness is 8.42%.
- Average export of Non-Leather Footwear during the study period stood at Rs. 18244 lakhs, standard deviation for export of Non-Leather Footwear during the study period stood at Rs. 5082.63 lakhs. The CAGR value for the export of the export of Non-Leather Footwear is -1.74%.

COUNTRY WISE EXPORT OF LEATHER PRODUCTS

Chart 1.1

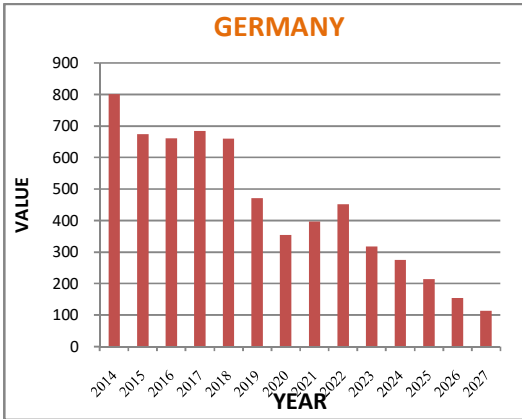


Chart 1.2

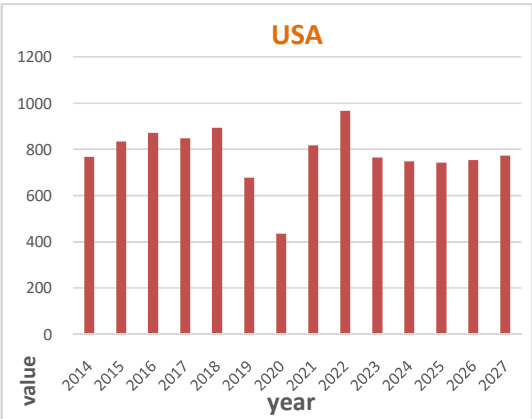


Chart 1.3

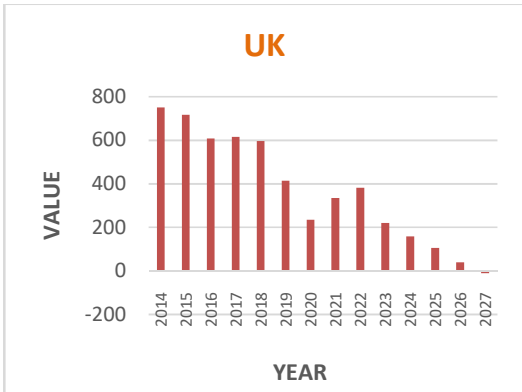


Chart 1.4

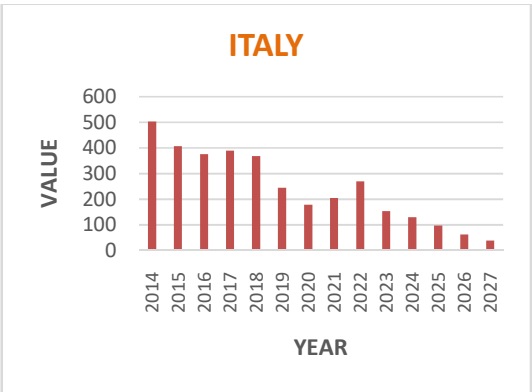


Chart 1.5

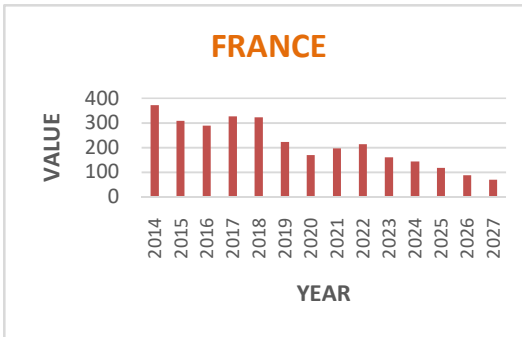


Chart 1.6

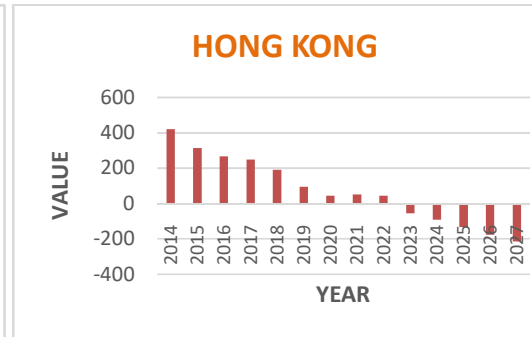


Chart 1.7

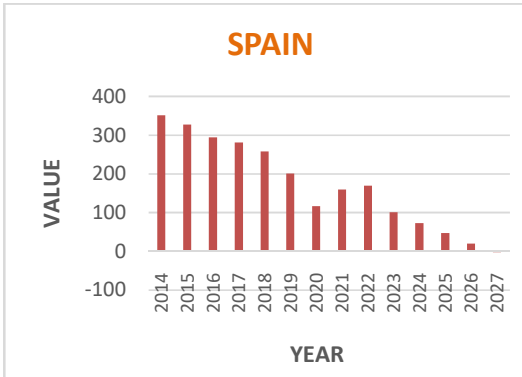
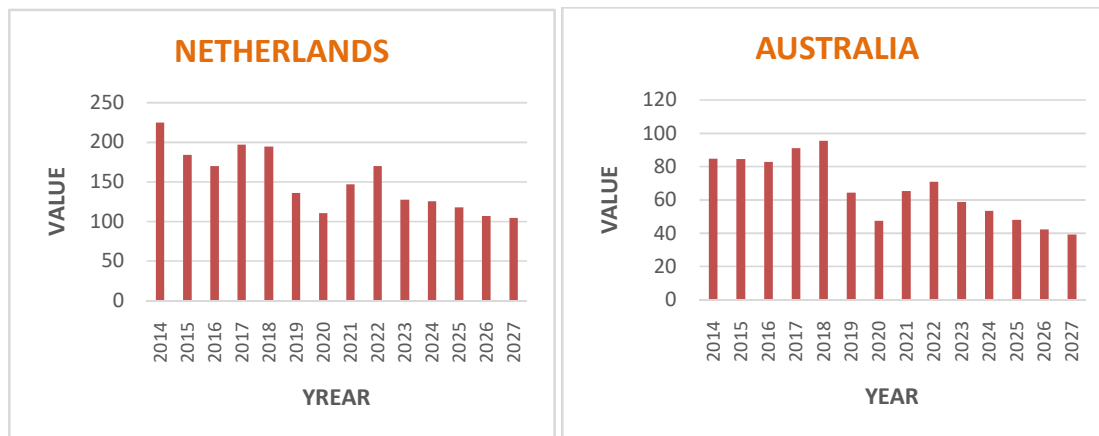


Chart 1.8



Chart 1.9 Chart 1.10



FINDINGS

- While calculating trend analysis for leather product to **GERMANY**, it clearly shows, there maybe chance for decrease in the export value due to demand and consumers taste and preferences.
- While calculating trend analysis for leather product to **USA**, it clearly shows, there may be chance for decrease in the export value due to demand and consumers taste and preferences.
- While calculating trend analysis for leather product to **UK**, it clearly shows, there maybe chance for decrease in the export value due to demand and consumers taste and preferences.
- While calculating trend analysis for leather product to **ITALY**, it clearly shows, there maybe chance for decrease in the export value due to demand and consumers taste and preferences.
- While calculating trend analysis for leather product to **FRANCE**, it clearly shows, there maybe chance for decrease in the export value due to demand and consumers taste and preferences.
- While calculating trend analysis for leather product to **HONG KONG**, it clearly shows, there maybe chance for decrease in the export value due to demand and consumers taste and preferences.
- While calculating trend analysis for leather product to **SPAIN**, it clearly shows, there maybe chance for decrease in the export value due to demand and consumers taste and preferences.
- While calculating trend analysis for leather product to **RUSSIA**, it clearly shows, there maybe chance for decrease in the export value due to demand and consumers taste and preferences.
- While calculating trend analysis for leather product to **NETHERLANDS**, it clearly shows, there maybe chance for decrease in the export value due to demand and consumers taste and preferences.

**CORRELATION ANALYSIS OF LEATHER AND LEATHER PRODUCTS
DURING THE STUDY PERIOD FROM 2014 TO 2022**

Leather & Leather Products		Finished Leather	Leather Footwear	Footwear Components	Leather Garments	Leather Goods	Saddlery & Harness	Non-Leather Footwear
Finished Leather	Pearson Correlation	1						
Leather Footwear	Pearson Correlation	.656	1					
Footwear Components	Pearson Correlation	.813**	.911**	1				
Leather Garments	Pearson Correlation	.957**	.787*	.886**	1			
Leather Goods	Pearson Correlation	.641	.993**	.902**	.772*	1		
Saddlery & Harness	Pearson Correlation	-.284	.323	.063	-.242	.297	1	
Non-Leather Footwear	Pearson Correlation	.626	.806**	.833**	.790*	.830**	-.135	1
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05 level (2-tailed).								

Table 7.1 indicates the correlation analysis of Leather and Leather products during the study period from 2014-2022. The positive correlation was observed between Footwear component and Finished Leather (.813) and Leather footwear (.911). The Leather garments and Finished Leather was (.957) and Footwear components is (.886). The Leather goods and Leather footwear is (.993) and Footwear components was (.902), followed by Non leather footwear and Leather footwear are (.806), Footwear components was (.833) and Leather goods are (.830) were significant at 0.01 level. The Leather Garments and Leather Footwear (.787), followed by Leather goods and Leather garments (.772). The Non-leather Footwear and Leather garments is (.790) were significant at 0.08 level.

CONCLUSION

It is seen that India is a growing economy in various fields, and leather manufacturing is one of them. India stands at 6th position in the list of leather exporters. The Leather manufacturing Industry is flourishing all over the world, and the Indian leather industry has got a significant position in it. Leather products like footwear, apparel, interiors of automobiles, etc. are very popular these days. The top 10 leather manufacturing companies in India have taken India in the top 10 leather-producing countries globally. India is leading the leather exports in the world.

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