Leather industry in India has been identified as one of our most dependable manufacturing sectors from where steady foreign exchange earning is possible without making any compromise with the employment objective. In this dissertation an attempt has been made to assess the position of the Indian leather industry in the world market in terms of both short-run success as well as long-term sustainability of the process of development. The labour productivity of the sector has gone up significantly in the post-reform period and the capital productivity and total factor productivities are also improving over time, indicating a positive role of technological up-gradation in ensuring an accelerating growth of the industry.

In this context, the analysis of recent trends for Indian leather in the global market has been carried out in terms of four distinct dimensions identified by the constant market share analysis, viz., the exploration of trend, growth and realization value, analysis of both composition and destination of trade and finally, the discussion of price competitiveness. CMS analysis showed that the leather export is growing at an average rate of 3% per annum and both the unit value index and quantum index are growing fast, though the growth of the latter is stronger than that of the former. Regarding direction of trade the major export markets are mostly concentrated in the European Union, USA and Hong Kong, China. In these markets India is mostly competing with China, Brazil, Argentina and Bangladesh.

The nature of price and non-price barriers faced by the industry in the export market is discussed next. Since the process of leather production is polluting in nature generally, the bound rate of tariff on leather is much higher than that imposed on other industrial products. Moreover, after the inception of the WTO in 1995, Indian exports are facing different types of non-tariff barriers in the international market. Both the demand and supply side impact of these obstacles on leather export are studied at length in terms of the analysis of market share and dependency ratio. The results indicate a strong possibility of coping through technology driven strategies. To explore this possibility in greater detail an analysis of leather patent by Indian research institutes has been carried out. A significant growth in the number of patents granted in recent period indulges optimism regarding the realization of the promise of this sector.

In spite of such supportive policy back-ups Indian exporters are still supplying mostly generic type of leather and leather products in the international market and the export share of India in global trade on leather and leather products has gone down from more than 8.1% in 1987 to merely 2.62% in 2006. To locate the root cause behind this an analysis of rivals' policy has been carried out and it is indicated that the fastest growing path may not always be socially balanced and sustainable path. The dissertation ends by indicating the possibility of future research in this direction.