DECLARATION

I declare that the thesis entitled “A STUDY ON EXPORT PERFORMANCE OF THE LEATHER INDUSTRY IN TAMIL NADU DURING 1991 - 2011“, submitted by me for the Degree of Philosophy (Ph.D.) is the record of work carried by me during the period under the supervision of Dr. Victor Louis Anthuvan, and has not formed the basis for the award of any Degree, Diploma, Associate ship, Fellowship or other Titles in this university of any other institution of higher Learning.

Chennai

D. Madhava Priya

Date:
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ABSTRACT

Leather industry is amongst the top ten foreign exchange earners in India. Export trade in raw hides and skins and leather began in the 1830s. It began to be recognized that India, with the largest cattle population in the world, could become a potential supplier on the world market. Tamil Nadu is the major contributor in the export of leather and leather products in India since 1880 and the value of the leather exported was Rs.3.5 million. Tamil Nadu was contributing around 70 percent in the whole of the India Leather exports, it started to decline after 1996. Now in 2010-2011 Tamil Nadu contributes 37.48 % i.e., Rs. 65658.18 million in India’s leather export basket.

Leather and allied industries in Tamil Nadu play an important role in terms of providing employment to the large number of artisans and also earning foreign exchange through exports. The growth of Tamil Nadu export of leather and leather products in comparison to India exports is quite high and when compared to the world import it is quite low. This study empirically investigates the export performance and various internal and external factors influencing the export performance of the firms in Tamil Nadu leather industry. A conceptual framework was adopted linking export performance to various internal and external variables related to this industry. Secondary data used in this study is collected from Council for Leather Exports and Primary data is collected through Schedule from the Leather Firms.
Analysis of the data supports most of the hypothesized relationships. India’s share in the Global Leather market has come down from 20 percent in 1950s to 3 percent in 2011-12. Similarly, Tamil Nadu’s share of India’s Leather output has fallen from 70 percent in 1960’s to 35 percent in 2011-12. Every effort should be taken to promote domestic investment in the Leather industry. A combination of infrastructural development especially ETPs and balanced fiscal policies with appropriate incentives should encourage investment in the Leather industry and enhance the productivity levels. This is very significant and relevant because this industry offers a great potential for export promotion and employment generation. The labour intensity of this industry will definitely help the country to reduce unemployment, atleast to some extent. The environmental problems demand immediate attention and close monitoring. In the interest of national development, appropriate policies should be hammered out. A strategy should be evolved to use this industry and its development to promote employment. The study provides a guideline for managers of the firms suggesting how to improve their attitude towards the export market environment, building their knowledge and enhancing commitment to exporting for better success in the international operations. This study provides guidelines for the policymakers and the industrialists to protect and promote exports of the industry. Finally, the limitations of the study are considered and possible directions for future research outlined.

Key Words: Leather Industry, Export Performance, Internal and External Factors
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