CHAPTER I
INTRODUCTION

1.1. INTRODUCTION

Industrialisation has a major role to play in the economic development of the underdeveloped countries. Iron and steel, jute, cotton textiles, sugar, cement and engineering, all these are important major industries of India. Apart from that leather industry is one of the major established manufacturing industry in India. It plays an important role in the Indian economy and contributes considerably to the foreign exchange earnings. It has also good potential for employment and export. It is an indigenous industry in which the country is well endowed with all the necessary raw materials, manpower, machinery, equipments, technological know-how etc. It is one of the labour intensive and consumer- oriented industry of India.

It is one of the key industries which supplies the essential requirements of the people both during peace and war, as it has been meeting the defence needs of the country. Its products is required by firms, factories and households. Product like footwear and many other leather goods are daily necessities providing health and comfort to the people. The industry produces a host of finished goods such as industrial gloves, harness, saddlery, clothes, upholstery, wallets, wrappers, bags, and many other accessories. It has wide national and international market (AIMO 1948).

1.2. NATURE OF THE LEATHER INDUSTRY

The leather industry can be segregated into five different segments viz; finished leather, leather footwear, footwear components, leather garments and
leather products or accessories. The finished segment comprise manufactures who tan hides and skins, process them and sell the finished leather. The footwear segment purchases finished leather to manufacture shoes, slippers and sandals. The footwear component consists of manufactures of shoe uppers and soles. The leather garments segment consists of manufactures who sells garments like jackets, trousers and skirts. The leather goods segment constitute manufacturers of leather accessories like bags, wallets and belts etc. (Monthly Commentary, 1996).

Leather is an unique product, which is not easily or completely duplicated in other materials. Leather is animal hide or skin that has been converted by chemical treatment and processing, known as tanning, to a stable and putrescible state. Tanning is an intermediate stage dependent on the suppliers of skins and hides and on the manufactures of leather products. Where as hides and skins are liable to decay in a short while, especially when wet, leather is resistant to such decompositions. Tanning process gives leather certain properties for specialised uses. The objectives of tanning are to render hides and skins resistant to decomposition or bacterial decay, to improve certain physical properties such as tensile strength, flexibility, abrasion and permeability to water vapour and to impart chemical properties of non-solubility in water relatively high temperatures. In addition, the attractive appearance of its grains gives leather an important aesthetic quality.

After a preliminary preparation, hides and skins are ready for chemical conversion to leather by a process known as tanning. The vegetable tanning is the oldest system of tanning process, which relied on the action of vegetable material
containing tanning or tannic acid, but modern technology has developed a large range of chemical agents and processes to produce leather chrome tanning, with chrome compounds emerged to be the most important method of production although vegetable tanning remained basis for certain kinds of leather. The processes following tanning are; (a) drying (b) fat-lacquering (c) curing and stuffing and (d) dyeing. A major series of final operations in the tannery can be broadly described as finishing (ILTA, 1966).

1.3. HISTORICAL PERSPECTIVES

The history of leather manufacture in India can be traced back to thousands of years as there are references to it in our ancient scriptures and reports from Marco Polo. The traditional leather making activities were mainly in the hands of village communities at a scale of operation sufficient to meet local needs. "For Mahatma Gandhi, the development of leather industry became one of the tools for the development of the Harijans themselves. Export to overseas countries started only during the 1880's and the twentieth century marked a new phase in the trade history of the Indian leather industry. Following are important landmarks in the growth of the industry in India.

1. The tanning techniques used were bag tanning, using vegetable tanning materials like barks of Babul, Arjun, Divi, Syzygium, Catechu etc.
2. The tanned buffalo and bullock hides and goat and sheep skins were of generally substandard quality.
3. The English and French introduced chrome tanning in the second half of the last century.

4. The trend towards improved tanning was concentrated in few regions, spurred mostly by the needs of the market. Thus, Kanpur developed to meet the needs of the army. In Madras chrome tanning was pioneered by Chrome Tanning Company (in today's Chromepet) and Gordon Woodroffe whereas the Chinese tanners and footwear manufacturer's developed the industry in Kolkata. Over the years the tanning industry grew in these centres mainly to support saddlery and harness industry in Kanpur and the footwear industry in Agra, Kanpur and Kolkata.

5. India started as an exporter in the Eighteenth century itself. The thrust was on raw hides and skins mostly to England, initially from Mumbai. During the later half of the 19th century Kolkata and Chennai also joined as exporters of raw salted as well as tanned hides and skins. The volumes doubled in just one decade of 1851-61 (CLRI, 1990).

1.4. GLOBAL SCENARIO

Leather is unique in that it links the weak rural farmer with the fashion world. The global trade in leather is vibrant, estimated currently at $54 billion per annum, the manufacturing and trading of leather has provided economic opportunities for many nations. India has vast raw hides and skins resources, skilled manpower and
developed expertise. The country has made rapid strides during the last decade and export earnings have multiplied fivefold. The leather sector has figured among the top five foreign exchange earners during the last decade.

The global import profile of the leather industry has been very impressive over the past few decades, particularly in the current decade, with a global turnover of US $ 52374.8 million for leather and leather products in 1993 compared to a mere US $ 4000 million in 1972, the market of leather products has allied components accounted for US $357140.08 million. However, India's share in the global market is still around one per cent in this sector. India's export constituted 4 per cent of the global import of leather and leather products. The rising demand for various leather products at competitive prices led to the movement of this industry from advanced countries to low cost locations. A number of leather footwear units in Korea and Taiwan are shifting to China because of cheap labour and other factors. Some of them have gone in for collaborative ventures and are migrating to Indonesia, Singapore and Vietnam. India is also now adopting strategic measures to attract such entrepreneurs to give boost to the product industry. It may be noted that shoe makers in Asia today manufacture two out of every three pairs of shoes produced in the world and China accounts for half the Asian total manufacture. As this industry is moving to low cost labour countries, India is making use of the opportunity. With regard to the import profile of leather garments in the world market India's share in this sector is maintained at an average share of
7 per cent. With leather garment production being concentrated in the Asian region, major consumers are from Europe and the US. Germany is the largest importer of leather garments while the US, Italy, France, Denmark, Netherlands and CIS countries were the other major importers. The global import of leather goods was US and 1458 million in 1993 and it is expected to rise substantially in the coming years. India's share in this sector is 15 per cent.

The Indian leather goods are making headlines in fashion circle all over the world and the Indian entrepreneurs are well in touch with global trends. A clear understanding of world market enables them to create their hitches in the selective product categories. Indian manufacturers market better value at lower prices and this helps them to fight the fierce global competition.

The growth of China in the global leather trade presents a challenge to the Indian industry. Constant innovations are necessary and cost reduction is mandatory. The major market for Indian products are Germany, U.S.A., Italy and France and the Government in these countries is committed to environmental causes and has been periodically banning several chemical substances used in the traditional leather industry (Ramasami, 1996).

1.5. SIGNIFICANCE OF LEATHER INDUSTRY IN THE NATIONAL ECONOMY

The contribution of any sector of economic activity to the economic system is measured by the value of its output or the value added. Value addition indicates a measure of the contribution made by the factors of production employed in the
industry, excluding the purchases of inputs from other industries. It represents the contribution to the Gross National Product. The leather industry derives significance in the Indian economy due to the following reasons.

India is the largest live stock holder in the world, and utilization of the hides and skins by producers is a necessity apart from its economic value. The leather industry is fed by by-products and generates further by-products in its production process. Any development of this industry is likely to add more wealth from wastage utilization. And it is very significant from the point of view of country's Economic Development.

Each unit of demand for leather products generates within the industry a high percentage of value-addition and each unit of value addition and by the industry demands reflects the linkage effects.

The leather industry provides employment to the depressed classes of society. So any measure for the development of this industry tends to result in socio economic benefit accruing to them.

The leather industry being largely rural based and unorganised, is amenable to development on a labour intensive basis providing gainful employment to a number of people. The ramifications of leather manufacturing and related activities have reached out to many sectors of the economy. It is in fact, a crucial resource generating activity and its role in pushing up the pace of economic development of a backward region can not be over emphasised.
The leather products of India are exquisite and attractive. With the advent of mechanisation and modernisation, the leather goods has created an ever expanding international market. Therefore, there is very wide scope for earning foreign exchanges in this industry.

1.6. LINKAGES OF LEATHER INDUSTRY

No industry in any economy operates in isolation. All productive sectors are inter-related. It is true of leather industry as it is of any other activity. Leather industry for its normal operation requires raw materials. Semi-finished intermediary goods and services and other primary factors of production. Requirements of inputs, services and capital goods are supplied by the other productive sectors domestically produced or procured from abroad. Thus a demand for leather and leather products eventually generates activity in number of industries and ancillary concerns. In other words, leather industry has a backward linkages to the rest of the economy. It implies that the demand for leather and leather goods are not confined the leather industry itself but are spread among various sectors of the economy. For instance, raw hides and skins and chemicals are the major inputs required in leather tanning. And leather from tanning sector along with chemicals, rubber, textile, plastic and metal accessories are the major input in the manufacture of footwear and other leather products.

Direct or backward linkages of leather industry to the rest of the economy, given the technology, is directly related to the demand for leather, footwear and other leather products. The demand for leather and leather products can have direct, indirect and induced effects in the economy.
a) Direct effects relates to the activities within the industry itself, b) Indirect effects relates to the activities created in other industries and ancillary establishments supplying raw materials to the industry and c) Induced effects relate to the secondary activities generating income in the form of factor payments or export earnings. The income so generated creates induced effect equal to that part of income spent on other domestic products.

The magnitude of demand for leather products determines the full effect of the leather industry on the economy. Its full effect on the regional and national economy consisting of the direct and indirect and induced effects, is estimated by working out the multiplier. The significance of the leather industry however, does not lie so much in the overall size for multiplier effect but in the role it plays in the face of three specific problems pertaining to:

i) regional economic backwardness and disparity,

ii) rural unemployment, and

iii) deficit in balance of payments.

Thus, leather industry plays a very effective role not only in creating employment opportunities but also acts as an effective means of reducing regional economic disparity of the state and correcting adverse balance of payments of the country. It occupies a pivotal economy where the basic parameters of the backward and inequality is highly pervasive and persistent. The industry is very old as well as nascent. It continues to be young facing myriads of problems and constraints.
All kinds of efforts of the public authority to develop this industry have either culminated in a cul-de-sac or accentuated the regional imbalances in the growth of this industry. The present pattern of its growth is very much undesirable and inefficient. There is high degree of concentration and market imperfections, where competitive forces are not working satisfactorily. The gap between the international demand and its supply is ever widening, the productivity had remained at a very low level. The employment generation and labour share has not risen substantially. The industry has not undergone any diversification during planning era in spite of tinkering in various industrial policies. The export performance of the industry is not satisfactory. There is high degree of instability in the export earnings. And the geographical as well as commodity concentration is highly pronounced. It is equally necessary to have modernisation and mechanisation and continued introduction of new techniques, ideas, modes and methods of production in order to maintain the national and international standards and desirable growth pattern of the industry (Subas C. Kumar, 1997).

1.7. INDIAN LEATHER INDUSTRY

Leather industry has acquired a place of prominence in the Indian economy. Since it came to be recognised as high export and employment generating industry, there has been an increasing emphasis on its planned and systematic development, aimed at maximum returns, particularly from exports. Liberalised economic development policies by the government of India have been instrumental to the industry's growth. This growth of leather industry has been sustained by the
country's large livestock population. With the increased levels of production of leather and leather goods, both for the domestic and export markets, the structure of the leather industry has undergone rapid changes. From an industry, which was mainly catering to the domestic market with its production based mostly in the cottage sector, the leather industry has rapidly moved over to modern factory production catering significantly to the export market. However, production remains largely in the small sector with investment below Rs. 7.5 million on plant and machinery. The total domestic production of various leather products is estimated during 1996 to be 501 million pairs of leather footwear, 63 million pairs of shoe-uppers, 73 million pieces of leather goods and about three million pieces of leather garments. There is virtually no domestic demand for leather garments compared to leather footwear and leather goods which is 465 million pairs and 32 million pairs respectively (Leather land 1996).

1.8. TECHNOLOGY MISSION

The Union Government has launched a leather technology mission. A national leather development programme (NLDP) is now being implemented with financial support from the U.N. Development Programme. An initiative of the U.N. Industrial Development Organisation to promote development of the leather sector with environmental safeguards in Southeast Asia has been sited in India. A number of initiatives have been taken for the private sector to participate in the marketing of Indian leather. The Council for Leather Exports has played a key role in popularising Indian leather products.
To improve the quality of Indian leather products, attention to tanning and testing is being given by development institutions. The Council of Scientific and Industrial Research, through its constituent laboratories, including the CLRI, is assuming a crucial role in enabling the development of the leather industry with environmental safeguards.

India's advantages in the leather sector can be capitalised to gain global leadership. A target share of 17 per cent of the global leather trade by 2010 AD seems achievable on the basis of a technology forecast made. It is estimated that global demand for uppermoulds for footwear will soon reach 40 billion sq.ft, which is twice the annual supply of leather.

The Indian leather sector has begun well to perform during the last decade in the emerging order of the global economy; but the best is yet to come. It has the materials, manpower and methods. Only management, motivation to emerge as the global leader in the sector needs to be catalysed, sustained and supported by the Government, institution, industry and the society (Ramasami, 1996).

1.9. GOVERNMENT POLICY INITIATIVES

Until the end of the 1960s, India was an exporter of either raw hides and skins or semi-processed (wet blue) leather. Domestic production of leather products was confined to the cottage or small-scale sector and fell far short of world quality standards. The Seetharamiah Committee (1973) recommended a radical transformation of the existing structure of the industry. It suggested a ban on export of raw hides and
skins and a gradual reduction in export of 'wet blue' leather over the next decade to 25 per cent of the 1971-72 level with the remaining 75 per cent to be exported in the finished.

Based on these recommendations, the government adopted a conscious strategy of promoting exports of leather and leather products. The industry was identified as a 'thrust area' in the country's export effort and the government acknowledged that "the main thrust of the strategy for leather exports is required to be directed towards value-added leather goods, and away from export of finished leather and semi-finished leather." Consequently, encouragement was provided to strengthen indigenous tanning units and to upgrade finishing capabilities to increase value addition. As a result, production has steadily shifted from the traditional cottage to the modern factory.

The main features of the government's leather policy include:

1. Duty free import of all types of leather up to the semi-finished (curst) stage.
2. Import of bovine finished leather under the Open General License (OGL) at a concessional rate or as a replenishment against exports.
3. OGL imports of capital goods with a reduced import duty of 35 per cent and valorem.
4. Liberalization of the licensing policy to facilitate manufacture of leather footwear and other products in the organized sector.
5. Assistance in design and product development.
Intensification of marketing efforts in selected world markets: gradual reduction in export quotas of semi-finished leather to phase out is export, and constant policy review of finished leather exports are some of the other measures instituted.

1.10. EXPORT OF LEATHER AND LEATHER PRODUCTS FROM INDIA

During the last three decades there has been a rapid progress in Indian leather industry, transforming it into a vibrant export oriented sector imbibed with immense potential to earn valuable foreign exchange and to provide gainful employment to more than 15 lakh people of which greater proportion belong to weaker section of the community. With a share of 5.6 per cent of the country's foreign exchange earnings, the Indian leather industry ranks fourth among the commodities that are being exported. Its tremendous performance with fourteen fold growth in the exports from Rs.387* crores in 1980-81 to a level of Rs.5778 crores in 1996-97, it has been considered as one of the illustrious success stories in the export front. However, despite this performance, India's share in the leather trade has not significantly been improved, though the world trade has gone up over the years. The country has missed the finest opportunity to establish itself earlier, when global trade shifted to South Korea, Taiwan, HongKong etc, during 1970s. Since the industry is moving again to low cost labour countries, such as China, Indonesia and Thailand, it is an opportune time for India to register sufficient jump in the export of leather products to claim from the current level of 4.5 per cent in 1995 to 10 per cent share in the world market by 2000 AD to achieve a global share of 10 per cent.

* 10 million = 1 crores
Indian leather sector today has greater opportunities for augmenting its exports. All the developed countries which are major consumers of leather products in the world today depend increasingly on imports because of their drastic decline in domestic production mediated by rising cost. Indian Government is placing an emphasis on export of leather products such as footwear, leather goods and leather garments in view of their potential for contributing towards economic growth of the nation. The leather products industry has an advantage to capitalise the low labour costs available in India. The industry should also exploit of liberal export policies of the government and introduce new technologies in processing and automation.

India's exports have increased over the past few years. However, there is inconsistency between the growth and opportunities available solely because many exporters in small scale do not care too much for quality consistency and delivery schedules. As leather products constitutes 79 per cent in the total export value of Rs. 5778 crores in 1996-97, there is an urgent need to improve the image impressively by demonstrating to the buyers the excellent facilities available in the country to produce high quality products.

1.11. PATTERN OF INDUSTRIALISATION AND GROWTH IN TAMIL NADU

The growth of modern industry in Tamil Nadu has taken place over a considerable period of time with its beginning in the hands of British private interests and in primary sector based industries. These industries depended on the locally available raw materials and had significant growth only in the twentieth
century with the weakening of colonial power in India. This history of industrial
development in Tamil Nadu is a classic illustration of the grit and determination of
the sons of the soil to fight and overcome all odds in setting an example with few
parallels not only in the history of India but also the world over. Like postwar Japan,
post independence Tamil Nadu too was considered a washout from the industrial
map of the country.

Tamil Nadu being one of few industrially advanced State in India still
remains one of the industrially developed State among the four southern States.
The manufacturing sector in Tamil Nadu has made rapid strides. The industries in
Tamil Nadu have carved a niche for itself in the industrial map of India.

Tamil Nadu registered a spectacular industrial growth in the first three plan
periods. The disability caused by deficiency in natural resources was overcome by
intelligent planning and soon the non-starter Tamil Nadu rose to be bracked with
Maharashtra and West Bengal as one of the most industrialised state in India.
The growth in industrial production had been positive in most of the year but the
growth was not steady.

The various factors analysed in determining the place of Tamil Nadu in the
industrial map is contributed from the well developed industrial sector in
Tamil Nadu. The State has about 2,000 medium and large scale industries and has a
rich concentration of the country's industrial production and enjoys a dominant
position in respect of a number of product groups. For instance, Tamil Nadu
accounts for half of the country's production of power-driven pumps, one-fifth of cement, cotton yarn, caustic soda and nitrogenous fertilizers, one-third of diesel engines, three-fifth of safety matches and one-tenth of bicycles, sugar and calcium-carbide. Beside Tamil Nadu has about 70 per cent of the installed capacity of manufacturing of finished leather and leather products and sizable share of consumer electronic and software. The production of electronic industry has increased from a modest production level of Rs.95 crores in 1983 to Rs.802.72 crores in 1990-91. The engineering industry in the state is also well-developed because of substantial concentration of automobile industry in Tamil Nadu with diversified products. Chennai thus has been considered as the 'Detroit' of the East (Kurien C.T. and James J., 1979)

Industrial growth in Tamil Nadu has also played a significant role in the export front. The contribution of Tamil Nadu is about 10.8 per cent with a major share in the all India export of leather products, marine products, textile-based products and readymade garments. Besides these major items the export basket also includes textile machinery and spares, auto vehicles and parts and industrial castings. Inspite of tremendous growth by the industries in Tamil Nadu their performance has been subjected to changes from time to time (MIDS,1988).

1.12. LEATHER INDUSTRY IN TAMIL NADU

The leather industry in Tamil Nadu occupies a very important position in the manufacture and export of leather from the whole country. Out of 1083 tanneries present in India, 577 tannneries are located in Tamil Nadu. High concentration of
tannery centres is noticed in North Arcot district which accounts for more than
50 per cent of total workers in tanneries in Tamil Nadu. Chengalpet ranks as the
second district in its importance. The other districts wherein tanneries are in
existence are Coimbatore, Madurai, Tirunelveli, Tiruchi and Salem.

In terms of exports, Tamil Nadu accounts for two thirds to three-fourth of all
the leather exports that goes out from India. The tanneries and finishing plants in
Tamil Nadu contributed to 50-60 per cent of the employment in all the tanneries and
finishing plants in India. A further evidence of concentration of industry in
Tamil Nadu is that it is utilising nearly 75 per cent of all raw goat and sheep skins
produced in India.

The Tamil Nadu leather industry differ in some aspects from the rest of the
leather industries in India. Firstly though there are two methods of tanning i.e., for
producing the intermediate product, most of the tanneries in Tamil Nadu tanned
their leather using vegetable abstracts. The other method is that of tanning using
chrome salts. The produce of tanners is known as vegetable tanned or East India
Coast i.e., Tamil Nadu, hence the name East Indian Leather. Secondly the tanning
industry in Tamil Nadu from its initial stage developed to cater the export markets.
Thirdly, the East Indian tanning industry in, and then Madras Presidency came to be
concentrated here. Finally most of the manufacturers in the industry are also
exporters. That is why the export policy had a direct impact on the manufacturers
and on the internal structure of the industry (Usha, P., 1985).
The leather industry in the state enjoyed the following favourable factors.

a) Head Quarters of organisation like Central Leather Exports and Council for Leather Research Institute are located here.

b) Over a period of time this area has created a vast pool of trained technical personnel for this section.

c) This exporters in the region have established long standing links with buyers abroad.

d) The communication facility from Chennai is fairly good (Hashim, M.M et al., 1990).

1.13. STATEMENT OF THE PROBLEM

The very nature of the leather industry in India and Tamil Nadu are dualistic. It is widely dispersed in cottage, small and organised sector. Owing to the nature of leather making, raw material base and many historic reasons, even after a long period of planned economic development the leather industry at length is a traditional industry hovering in and around the cottage and small scale sectors. The basic raw materials i.e., hides and skins are available throughout the country which are far from the factory points of metropolis. It has been rightly said that most of the cattles live in villages which are not always near the limited number of curing and collecting centres in India.

The study covers the time period of 17 years ranging from 1980-81 to 1996-97. The time period of seventeen years is considered long enough to record the growth and export performance of the industry. The initial year i.e. 1980-81 has
been selected and considered significant for the present purpose because of the Government policy focused on leather industry in 1980's to provide incentives and support for the production and export value added product. Further it is chosen as the base year of the study because since many regulatory and policy changes, with regard to export promotion have been adopted and the year 1996-97, has been selected as the terminal year of the study without any other reason because it is the latest year after which data and related informations pertaining the industry are not available.

India's export of leather is suffering from adverse competitive position. The concept, competitive position, includes both price competition and quality competition. Despite Governments liberal policy and various incentives is not quite alluring. The market for Indian leather products in world market is quite low owing to its poor quality. It is unfortunate that the Indian products are sold at the mercy of some principal contract buyers who market the Indian products under their own brand. This has led to in-house competition and under cutting of prices by the exporters. There are number of causes which explain the low performance of export of leather products, such as abating increase of prices of raw hides and skins, difficulties in obtaining requisite capital, imported machinery and poor product quality. Frequent fashion changes, long shipping distance, and cumbersome discriminatory custom tariffs, currency fluctuations, reluctance to invest in export promotion measures such as advertisement, test marketing, providing free samples and non-availability of proper market intelligence are some of the constraints that
have affected the export performance of the industry. These problems have been encouraged the researcher to analyse the growth and export performance of Indian leather Industry with special reference to Tamil Nadu.

1.14. NEED FOR THE STUDY

It is observed that a large number of studies have been pursued by different scholars and institutions. But unfortunately there is not a single comprehensive and in-depth study touching upon various aspects of the leather industry as yet. Most of the studies are partial and confined to export efforts of the industry only. Unlike other industries, the leather industry has not been able to draw the attention of researchers and experts to any noticeable extent. No comprehensive study has been made so far covering the aspects like, Growth of output, Growth of employment, Export performance, Direction of export performance and Government policies of leather industry in India with special reference to Tamil Nadu. Leather industry plays a vital role in the economy of India. It provides employment and generate income to thousands of people at all India and state level. Further no study has been carried out at regional level with respect to growth of employment, output and export performance. Therefore an attempt is made by the researcher to study the growth considering the above three aspects.

1.15. METHODOLOGY

The study is pursued with secondary data drawn from various published sources. Data relating to output and employment collected from Annual Survey of
Industries by Central Statistical Organisation, New Delhi. Data relating to export of leather and leather products were collected from Monthly Statistics of Foreign Trade of India, Exports and Re-exports published by D.G.I.S., Kolkata compiled by Economic Research Division, Council for Leather Exports, Chennai. Data relating to different five year plans and annual plans were collected from accounts relating to Foreign Trade and Navigation of India. The data related to livestock population of India and Tamil Nadu had been taken from Techno-Economic Survey of Leather and Leather Industries, Jammu and Kashmir, prepared by LTM and CLRI, Chennai.

1.15.1. TOOLS USED FOR ANALYSIS

To study the different objectives, few statistical tools like simple arithmetic mean, Annual growth rate and compound growth rate were used.

1.16. OBJECTIVES

1. To estimate the growth of leather and leather products in India & Tamil Nadu in terms of employment and output.

2. To analyse the product wise export performance of various leather and leather products in India as well as Tamil Nadu.

3. To examine the direction on export performance of leather products in India.

4. To evaluate the role of government policies of Indian leather industry in increasing the production and export.
1.17. CHAPTER SCHEME

The broad framework of the study is organised as per the following chapterisation plans. First chapter deals with introductory aspects of the leather industry. Chapter two makes an attempt to review the existing theoretical and empirical studies made by various researchers and institutions. Chapter three deals with an analysis on growth of employment and output of leather industry in India and Tamil Nadu. Chapter four discusses the trends in export performance of leather and leather products from India and Tamil Nadu. Chapter five deals with an analysis of direction on export performance of leather industry in India. In chapter six the study undertakes the regulatory and policy changes of leather industry. Final chapter draws some useful conclusions and provides broad guidelines in order to ensure a better performance of the industry.