

## **LEATHER AND ALLIED INDUSTRIES IN BIHAR – AN OVERVIEW AND PROSPECTS**

### **PART A: Indian Leather Industry – Importance and Growth**

Leather and allied industries in India play an important role in terms of providing employment to the large number of artisans and also earning foreign exchange through exports. The major factors responsible for the growth of Indian leather industry are availability of raw materials (hides and skins), cheaper labour, technology and Government policy support. Indian Leather sector exports account for Rs.10691 crores and provides direct employment to more than 2.5 million people and among them many belong to socially and economically backward communities.

#### **Raw material**

The basic raw material for the leather industry is hides and skins. These Raw materials are recovered as byproduct from meat industry. In the case of bovine hides, fallen category i.e. animals died due to natural causes like old age, diseases also account for sizeable share. The major specie of livestock that supply hides and skins are cattle, buffalo, goat and sheep. These animals are reared for different purposes such as cattle mainly for draught purposes, buffalo for milk and goat and sheep for meat purposes.

#### **LIVESTOCK (in million Nos.)**

	<b>World</b>	<b>India</b>	<b>India's share%</b>	<b>Global Rank</b>
Cattle	1367	189	14.0	I
Buffalo	171	95	56.0	I
Goat	770	127	16.0	II
Sheep	1022	51	5.0	IV

India holds sizeable livestock both in terms of numbers and in percentage share of global livestock especially in buffalo, cattle and in goats.

### PRODUCTION OF HIDES AND SKINS

(in million pieces)

	World	India	India's share
Cattle Hides	274	23	8.0
Buffalo hides	36	28	78.0
Goat skins	347	82	24.0
Sheep skins	460	30	7.0

The above data clearly show that India commands sizeable global share in buffalo hides and goat skins. In terms of area, India produces 2 billion sq.ft. of leather which roughly accounts for about 10% of global production.

### EXPORT OF LEATHER AND LEATHER PRODUCTS

#### Trends and Structural changes

(in Rs. millions)

	1951-52	1962-62	1971-72	1981-82	1991-92	2004-05
Raw Hides and skins	82.4 (24.3)	88.3 (24.4)	6.6 (0.6)	NIL	NIL	NIL
Semi tanned leathers	253.2 (74.6)	236.1 (65.3)	858.7 (84.3)	540.0 (12.2)	110.0 (0.3)	NIL
Finished Leathers	NIL	17.1 (4.7)	43.0 (4.2)	2260.0 (50.9)	7170.0 (22.6)	25925.45 (24.25)
Finished Products*	3.7 (0.1)	20.3 (5.6)	110.5 (10.9)	1640.0 (36.9)	24450.0 (77.1)	80986.50 (75.75)
TOTAL	339.3 (100.0)	361.8 (100.0)	1018.8 (100.0)	4440.0 (100.0)	31730.0 (100.)	106911.95 (100.0)

\*Footwear, Leather goods, Leather garments etc.

Note: Figures in parentheses indicate percentage share in the total

India's exports value of Leather and leather products has gone several fold from Rs. 339.3 Million in 1951 to Rs.106911.95 Million in 2004-05. In addition, the structure of leather exports has undergone a sea change in terms of value added products. Until early 70's semi tanned leathers were claiming the major share in the total leather exports but later on, the finished leathers and then the finished products claim the major share. During 2004-05, of the total exports of Rs. 106911.95 Million, the finished products account for nearly 75% while finished leathers account for the balance. In fact, during 2004-05, India imported raw hides and skins, semi tanned leathers and finished leathers worth Rs.11367.20 million. These raw materials are being converted into finished products and exported thus generating more employment and higher foreign exchange earnings.. The major factors responsible for such structural changes and growth in leather sector are Government constant policy as well as financial support, availability of appropriate technology support, technical skills and industry's ready response to transform.

### **PART B : Bihar Leather Industry and its Prospects**

India's leather sector sector growth is an apt example of export oriented industry recording a phenomenal rate of growth and transforming towards production and export of value added finished products. While we consider it a successful story, why did the Bihar Leather industry (within the Indian leather) miss the growth path inspite of having good resource base – both raw material and technical skills?

#### **Livestock Wealth**

(in million nos)

	<b>Bihar</b>	<b>All India</b>	<b>Share of Bihar in the country %</b>
Cattle	14.74	189.22	7.99
Buffalo	4.04	95.48	4.23
Goat	15.39	127.07	12.11
Sheep	0.98	51.73	1.89

Bihar state has sizeable share of goat and cattle population of the country. In case of goats, Bihar state accounts for third rank in the country next only to West Bengal and Rajasthan.

### **Production of Hides and Skins – 2003**

(in million pieces)

	<b>Bihar</b>	<b>All India</b>	<b>Bihar's share %</b>
Cattle hides	1.32	23.0	5.74
Buffalo hides	1.32	28.0	4.71
Goat skins	4.59	82.0	5.60
Sheep skins	0.50	30	1.67

(Source: All India Survey on Raw Hides and Skins – CLRI, 2005)

As per the recent survey conducted by CLRI, Bihar State produces annually 2.64 million bovine hides and 5.09 million ovine skins. More than the number, Bihar state is known for the best quality goat skins, cow hides and buff calf skins. Goat skins are smaller in size and they are the best suitable materials for the production of glazed kid leathers which are mostly used for Ladies shoes meant for export.

### **Availability of Hides and Skins (Marketwise) 2003**

(Fig. In Lakh Pieces)

<b>Market</b>	<b>Cattle Hides</b>	<b>Cow calf skins</b>	<b>Buffalo Hides</b>	<b>Buff calf skins</b>	<b>Goat skins</b>	<b>Sheep skins</b>
Patna	0.54	0.15	0.41	0.44	4.50	0.51
Arrah	0.72	Neg	1.08	Neg	1.22	Neg
Aurangabad	0.72	0.02	0.48	0.02	1.82	Neg
Dhanbad	0.68	Neg	0.41	Neg	4.20	0.50
Munger	0.35	Neg.	0.86	Neg	1.46	Neg.
Muzaffarpur	0.14	0.36	0.04	12.00	1.44	0.06
Pabai	0.42	0.18	0.30	0.10	1.30	Neg
Purnia	0.32	0.06	0.55	0.10	2.55	Neg.

Source: Report of All India survey on Raw Hides and Skins Markets, 2005.

The above data show that for cattle hides, Arrah, Aurangabad, Dhanbad and Patna are major markets and for cow calf skins, Muzaffarpur, Pabai and Patna are famous markets. In case of buffalo hides, Arrah is the biggest market while Muzaffarpur is the major market for buff calf skins. In the case of goat skins, Patna and Dhanbad are predominant markets. According to a local tanner who is also a raw hides and skins dealer, on an average daily three truck loads of raw materials consisting of 7000-8000 pieces of goat skins and 2000-3000 cow hides are transported from Muzaffarpur to various destinations. The best season for buff calf skins is July to March every year and all the buff calf skins are being sent to Tamilnadu for further processing. A few well known Tamilnadu tanners have their own collection agents for hides and skins in all important markets in Bihar.

The local tanning industry is confined to a few working tanneries in Muzaffarpur and another BATA tannery at Mokhamaghat, as a result most of the raw material is destined to Kolkata, Kanpur and Chennai. Some wetblue leathers are sent to Dewas (MP).

## LEATHER TANNING INDUSTRY

The leather tanning industry in Bihar consists of three important segments (i) units established under Bihar Leather Development corporation (BLDC) and its sister concern viz. Bihar Finished Leather ltd. (ii) a few private tanneries working at Muzaffarpur and (iii) BATA tannery at Mokhamaghat.

### i) BLDC:

BLDC established tanneries and footwear units with technical support from CLRI during 70's. The details of the tanneries established in different locations are as detailed below:

Tanneries:

Sl.No.	Place	Processing stage	Capacity
1	BHITA near Patna- 1 tannery	Raw to finish	200 hides/day
2	BEETAIH	Raw to Wetblue Wetblue to finish	100 cattle hides/day 500 cattle hides/day
3	Muazaffarpur	Wetblue to finish	1000 goat skins/day
4	Barauni	Wetblue to finish	500 cattle hides/day
5	Sakiri (Wadhvani Dist)	Raw to finish Raw to wetblue	100 cattle hides/day 500 pcs
6	Sivan	Raw to wetblue	80 pieces cattle hides/day
7	Jahanabad near Patna	Vegetable tanned sole leather	50 buff hides/day

Present status:

All the above units were established with good planning and state-of-art imported machines were also erected. Upto early 90's the corporation was going good business and exporting finished leathers to various countries. However, it is reported that all these units were closed since 1993. The major reason for closing the units was reported as financial constraint for working capital needs. We may also infer the management problem must be the major cause for such closure of corporation activities. The frequent transfer of Managing Directors of the Corporation may one of the reasons. At present all these units are in very bad condition. The machines were rusted and many of the

machines were unserviceable. Even the roof the buildings is being damaged and rain water is entering into the units. The enquiries from private tanneries in Muzaffarpur reveal that none of them are interested to take over and operate these sick units. So there is no possible way to revive these units.

ii) Private tanneries at Muzaffarpur

Five out of nine tanneries established in BELA industrial estate in Muzaffarpur are at present working. The tannery wise details are as follows:

Sl.No.	Name of the tannery	Stage of processing	Daily capacity	Destination of end products
1	Alpha Leathers	Raw to finish (Presently doing Raw to Wetblue only)	200 cow hides (or) 2000 goat skins/day	At present the unit is processing upto wetblue and selling it to Tamilnadu tanneries
2	Green Leathers Ltd.	Raw to Wetblue	500 hides/day	Tata Unit at Dewas, MP
3	North Bihar Tanneries	Raw to Wetblue	4000 pcs goat skins a day or 400 pcs hides a day	Tata Unit at Dewas, MP
4	ESPHNA Tanners	Raw to Wetblue	800pcs goat skins a day or 70pcs hides a day	Tata Unit at Dewas, MP
5	SABA Tannery	Raw to Wetblue	3000 pcs goat skins a day or 300 pcs hides a day	Presently closed as they are establishing ETP

All these tanneries are procuring raw materials in and around Muzaffarpur and it is reported that the quality of cattle hides and goat skins available in this region is excellent. All these units have established chrome recovery plants and also individual Effluent Treatment Plants. The major problem presently faced by the tanneries is the

disposal of treated waste water. It is reported that unless the Common Effluent Treatment Plant (CETP) is established and waste water coming out of CETP is connected to nallah, it is difficult to solve the problem of disposal of treated waste water. It is reported, a few years ago, an extent of 14 acres of land was identified and allotted by the State Government authorities for construction of common effluent treatment plant. However, in course of time, this proposal was not pursued further and at present locating this land itself has become a major issue between the State Government and private tanneries. Because of this problem, four units are already closed in this complex. During the interaction the tanners in Muzaffarpur told that if the government comes forward to solve the problems faced by them they are ready to go upto the finished stage.

It is suggested that State Government may take proper steps for constructing CETP for the Muzaffarpur tanneries. In this connection, the Tamilnadu model of establishment of Common Effluent Treatment Plant for cluster of tanneries may be followed. Unless the CETP is established, the existing tanneries may also face environmental problems and ultimately they will be forced to close the production. In addition to effluent problem, Muzaffarpur tanneries have reported power supply was a major problem. It is understood that the power supply is inadequate and restricted to only a few hours in a day. However, the above tanneries were asked to pay minimum electricity charges. The team briefed the tanners about the IDSL scheme and asked them to take advantage of the scheme in modernization of their units.

**iii) BATA tannery at Mokhamaghat**

It is reported that the unit is working with low capacity due to effluent problem and also labour problem.

**FOOTWEAR UNITS**

The footwear units in Bihar consists of two segments (i) sick units owned by BLDC and (ii) other artisanal units located in all the urban centers.



### **BLDC – Footwear Units**

S..No	Units	Capacity	Product
1	Units owned by BLDC		
	i) Bikram (near Patna)	3000 pairs/month	Boots for Police and safety shoes
	ii) Bihar sharif	3000 pairs/month	Boots
	iii) Darbhanga	3000 pairs/month	Boots
2	Katuva	Common facility Centre for footwear and leather goods	
3	Bagalpur	3000 prs/month	Boots
4	Bettaiah	1000 prs/month	Shoes

All these units were closed since 1993. The equipment and machines were in bad conditions. The reasons for closing the operations in footwear units are the same as that of tanning units.

### **Artisanal Units**

Muzaffarpur: About 20 tiny footwear manufacturing units are existing. All these units are owned by traditional cobblers and these units, in addition to family workers, engage 2-3 workers on piece rate wage basis. Many of these units are producing non leather chappals and very few are producing leather chappals. All these units sell the footwear to customers who visit their shop. It is also reported that most of the local customers prefer non-leather footwear because of lower price compared to leather footwear. These units procure raw materials mostly from local wholesale dealers and sometimes from Kanpur and Kolkatta.

Bettiah: About 20 units are manufacturing mostly open footwear and selling it to the local customers. Most of the units employ 3-5 persons including family labour of the owner. All these units are owned by local cobbler community. Some of these units are making very good quality footwear and good designs too. It is reported these artisans though have traditional skills in the manufacture of footwear, they copy the designs from the local organized footwear retail shops. A large quantity of footwear manufactured at Kanpur, Agra, Calcutta is being sold in the market. These artisans are able to sell because of price advantage. The selling price for locally made

footwear is Rs.100-150/- gents shoes (non-leather), Rs.40-60 for chappals, Rs.350-400 for leather shoes and Rs.80-100 (leather chappals). The raw materials are purchased from local wholesale dealers.

### **Patna:**

About 20 cottage scale units are manufacturing chappals in Nasiriganj area of the town. Each unit manufacture about 1000 pairs of chappal/week. Out of these 75% children and 25% gents chappal. The price for children footwear is Rs.25-30 and for gents chappal Rs.85/-. 2-3 persons are employed in each unit on piece rate basis. On an average, a worker earns Rs.100-120. The raw materials are locally purchased and chappals are sold to local wholesake and retail shops. On an average Rs.10/- is paid as labour charge and each person makes about 12 pairs/day. During rainy season there will be no work and most of the workers go back to their native place. In addition to units located in Nasiriganj, there are about 70-80 units engaged in manufacturing footwear in and around Patna.

### **Job work units for Bata:**

In Danapur area of Patna, there are 25 units exclusively manufacturing components (chappal) for Bata on job work basis. Each unit manufactures about 500 pairs/day and employs about 30 workers. All workers are paid on piece rate basis. Bata is supplying all the raw materials including thread.

### **Bata India Ltd., Danapur**

This unit was established in 1942. The unit manufacture chappals and sandals including children shoes both leather and nonleather. At present this unit employs 900 persons and annually manufacture about 5 lakh pairs. Out of this, gents chappals and sandals account for 60%, childrens shoes 10%, ladies chappals 30%. It is reported that this unit is slowly reducing the manpower strength because of frequent labour unrest. This unit also reported the problem of payment of minimum electricity charges even though the power supply is restricted to 6-8 hours per day only.

**Technical Training Institute:****Muzaffarpur Institute of Technology (MIT)**

The Leather Technology department was started in 1986 at MIT. It has 4.1/2 years degree course, with 4 year academic programme and 6 months practical training. 15 persons are taken per batch. At present, a 6-member faculty is engaged for running this course. The students turned out of this college are getting readily employment outside the state since the tanning industry has dwindled in this state. It is observed that the physical infrastructure like laboratory seems to be insufficient for students. The same syllabus is followed for the past 10 years without any revision. The faculty also needs periodical refresher course especially in an Institute like Central Leather Research Institute, Chennai.

**MAJOR OBSERVATIONS AND SUGGESTIONS****BLDC**

The units owned by BLDC – both tanneries and footwear units – cannot be revived and the equipments are in unserviceable condition. The liquidation of assets on “as is where is” basis may require some administrative decision by the State Government.

**Muzaffarpur private tanneries:**

These tanneries need to be strengthened in terms of processing technology and by establishing Common Effluent Treatment Plant. The State Government may have to take necessary initiatives in association with the tanneries for establishing a Common Effluent Treatment Plant. The necessary technology inputs – both for processing leathers and for effluent treatment- can be sourced from Central Leather Research Institute. The Government support to build confidence building to the existing working tanneries in Muzaffarpur is urgently required. Already, some of the tanneries have shifted their activities to Calcutta and Tamilnadu.

### **Cottage Scale Footwear Manufacturers:**

There is a sufficient local demand for open footwear within the state. At present, a large quantity of footwear is being brought into Bihar from places like Kanpur, Calcutta and Agra. The state has large number of footwear workers and most of them have migrated to centers like Calcutta, Bombay etc. At present, a very few cobblers are engaged in footwear manufacture in every urban center. These units are making good quality chappals based on traditional skills. They need the following:

- a) Necessary financial support for working capital needs
- b) Skill upgradation

Most of these units are facing problems relating to working capital needs and some of them tried individually to get the bank loans and could not succeed due to procedural wrangles. Hence, it may be advisable to form Self Help Groups in each town and provide necessary financial aid and also marketing support.

With regard to upgradation of skills, selected young artisans can be identified and sent to Central Leather Research Institute for a Short term Skill Upgradation Programme in groups of 10-15. The State Government in association with CLRI may work out the details to implement the skill upgradation programme.

### **Bihar Institute of Technology**

This training Institute can establish links with CLRI by signing MOU for exchange of faculty members, organising faculty members refresher courses, short term training of students, revision of syllabus etc. In addition, there is a need to introduce a Diploma Course in footwear designing and manufacturing in the existing Leather Technology Department.

### **Goat Rearing Farms**

Bihar state has a sizeable number of goats. At present they are managed under extensive grazing system. Since the grazing lands are shrinking, it may be advisable to adopt and establish some intensive goat farms. This provides not only regular

employment to the youth but also additional meat and good quality skins with more area. The technical help for establishing such semi-intensive goat farms can be obtained from Central Institute for Goat Research (CIRG), Mukhdoom, U.P.

### **Buff calf fattening farms**

A large number of buff calves die during rainy and winter season even before they attain 3-4 months age. There is enough scope to collect some of these calves and fatten them in semi-intensive farms. The major advantages of rearing/fattening buff calves are employment and income generation to youth by way of producing quality buffalo meat and better quality and bigger size buff calf skins. The necessary guidance can be obtained from ICAR institutes like IVRI at Bareilly UP.

Once the existing industry is strengthened and local entrepreneurs are confident, and new people may also start industry. The State Government can think of establishing separate complexes for Footwear and Leather goods near Patna. This can accommodate small, medium and large scale units. Of course, this can be attempted at a later stage.

### **Need for constructing hygienic slaughter houses**

Depending on the demand, meat animals are regularly slaughtered in almost all urban slaughter houses in Bihar. In some urban centers, it is reported that goats are slaughtered in a specific place (slaughter house) but bovine animals are slaughtered in outskirts of the town, even in the residential premises. Resulting unhygienic meat production, damages to hides and skins, and improper recovery of slaughter house byproducts such as blood, intestines etc. By providing better infrastructure like building, hoisting, good flooring etc. we can ensure better quality of meat as well as hides and skins.

There is a need to undertake a thorough study on the prevailing conditions of urban slaughter houses in the state and construct the good slaughter houses for the production of hygienic meat in a phased manner. The slaughter houses have to be formed under public-private partnership, Municipal corporation providing building

and other infrastructure and butchers association or private entrepreneurs managing day-to-day affairs of the slaughter house. Many a time, it is inferred that construction of slaughter houses would lead to slaughter of increased number of animals, in reality it is not so. Animals are slaughtered based on the demand for meat. Hence, this facility has to be seen on health ground and economic benefits rather on religious sentiments.

### **Industrial Policy**

It is reported that the State Government is finalising new Industrial Policy to attract more entrepreneurs to establish new industries within the State. Once this is finalised, State Government may try to disseminate information by organising seminars both in Kolkata and Kanpur wherein local leather industry representatives can participate and Council for Leather Exports and Central Leather Research Institute, Chennai with their regional offices can support the State of Bihar in organising such seminars. This will help in a great way to attract the outside entrepreneurs to establish new units in the State of Bihar.

### **Conclusion**

Bihar State has good quality cattle hides and goat skins and sufficient labour force. In the absence of sufficient opportunity within the state, both raw material and work force are migrating to other states. There is enough scope to develop Leather and leather based industries within the state. The approach can be two day – initially strengthening the existing tanneries at Muzaffarpur and local footwear manufacturing units . Simultaneously, it may be possible to develop separate industrial parks for footwear and leather goods nearer to Patna city. In course of time, Muzaffarpur can be developed as a major tanning complex by inviting entrepreneurs to start medium and large scale tanning units. This could be possible after establishing CETP at Muzaffarpur.

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<b>SUMMARY OF BIHAR VISIT REPORT</b>
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### **I**

#### **RAW MATERIAL AVAILABILITY:-**

Bihar State has sizeable share of goat and cattle population of the Country. In case of goats, Bihar State accounts for 3<sup>rd</sup> rank in the country next only to West Bengal and Rajasthan.

As per the recent survey conducted by CLRI, Bihar State produces annually 2.64 million bovine hides (cattle) and 5.09 million ovine skins (Goat & Sheep). Bihar State is known for the best quality goat skins, cow hides & buff calf skins.

### **2**

#### **STATUS OF TANNING INDUSTRY IN THE STATE**

The local tanning industry is confined to a few working tanneries in Muzaffarpur District and another Bata tannery at Mokhamaghat. As a result most of the raw material is destined to Kolkata, Kanpur & Chennai. Some wet blue leathers are sent to Dewas (for Tata tanneries)

There are 5 private tanneries in BELA Industrial Estate-Muzaffarpur. All these tanneries process local raw material upto semi finished stage mostly wet blue hides. These units have established Chrome Recovery Plants and also individual Effluent Treatment Plants.

The major problem faced by the tanneries is disposal of treated waste water for which a full-fledged Common Effluent Treatment Plant need to be established so that treated waste water can be discharged after achieving required Pollution discharge norms to water bodes through connected Nullah.

Unless CETP is established the tanneries may face environmental problems and which will hamper expansion of capacities through modern machinery & equipment.

In addition to the tanneries in BELA Industrial Estate, there are 7 tannery units of Bihar Leather Development Corporation (BLDC) in different places. These were established in 70's but closed since 1993 due to various reasons. These are sick units. Machinery are all in very bad condition.

### **3 STATUS FOOTWEAR UNITS**

Footwear units in Bihar consist of two segments

#### **(i) organized units**

Mechanized unit owned by Bihar Leather Development Corporation (BLDC) in different places which are in sick condition.

One unit of Bata India Ltd, which is operational since 1942, making different types of footwear.

#### **(ii) Artisanal / Household units**

Other artisanal units located in all urban and semi-urban centres, namely Muzaffapur, Bettiah, Danapur, Patna etc. As per industries Department data, there are about 1000 household / cottage footwear units in these places, making Chappals, Sandals and handmade shoes for local wholesale and retail market both in leather and non-leather materials.

They source leather and non leather materials from Kolkata. There are a few job work units supplying stitched components to Bata India Ltd.

There is sufficient local demand for footwear manufactured through cottage/household units in Bihar. These are sold in places like Kanpur, Kolkata, Agra etc. These household /artisanal units need the following:

- a) necessary financial support for working capital needs
- b) skill upgradation and marketing support

In this background, the following strategy is suggested to develop the leather industry in the State of Bihar

#### **Phase I :**

##### **A) (I) Strengthening of Tanning Sector in the State**

- Given the inherent strength of raw material availability in good quality, the tanning sector in the Muzaffapur region can be strengthened, as a



- first step in terms of processing technology and by establishing Common Effluent Treatment Plant
- The State Government may have to take initiative in association with the tanneries to establish a Common Effluent Treatment Plant which will solve environmental problems. The State Government with technical guidance and support of CLRI can prepare a detailed project Report for establishing the CETP in Muzaffarpur (BELA Industrial Estate).
  - Based on such DPR the State Government may seek necessary fund support from the Central Government either under ASIDE or under the scheme of Union Environment & Forest Ministry to establish the CETP.
  - A SPV can be formed with tanners as stakeholders and the State Government Departments to run the CETP, by collecting necessary treatment charges from individual tanneries.

#### **A(II) Technological upgradation and modernization of tanneries**

Once the CETP is established as an environmental safeguard measure, the tanneries can be supported towards technological upgradation and modernization of facilities through installation of modern & State-of-the-machinery & equipment.

The assistance available under Leather Sector Modernization Scheme of DIPP could be of support towards such endeavour. This will pare way not only for expansion of production capacities but also to diversification towards manufacturing finished leathers

#### **(B)Developing Artisanal / Household units of Footwear manufacturing**

There are large numbers of artisanal/household units manufacturing footwear. Such units can be further developed in the form of Self Help Groups in each town. Necessary financial assistance and support available under the Swarnajayanth; GRAM SWAROZGAR YOJANA (SJGSY) of Ministry of Rural Development and also Urban Self Employment Programme (USEP) of Ministry of Urban Employment and Poverty Alleviation can be made available to these artisanal / household units towards working capital & raw material requirements, skill upgradation and marketing etc.

The State Government of Bihar may consider developing these footwear artisanal units under these schemes with involvement of the District

Administration and District Industries centres in Bettiah Muzaffarpur, Danapur and Patna to begin with.

For the upgradation of skill, respective agencies or Associations in these regions can be involved through District Administration to approach CLRI for providing necessary technical assistance and support under Human Resource Development Mission of Government of India, being implemented by CLRI.

### **Phase II :**

Bihar State has good quality Cattle hides and goat skins. There is abundant labour availability in the State

Once the tanning industry is strengthened as suggested in Phase I, the raw material availability i.e. finished leather in the State can be augmented for manufacturing of value added leather products in the State itself.

With the improvements in Basic Infrastructure facilities like Roads, Power supply etc., the State Government can consider establishing a dedicated Leather Complex, preferably with SEZ status which can house, tanneries, leather products manufacturing units as well as allied industries on the lines of Kolkata Leather Complex.

This initiative of the State Government can be taken right from now to identify the land and to develop into industrial complex.

A preliminary study can be commissioned by the State Government through agencies like ILF & S to find out the feasibility of establishing such a dedicated Leather Complex in the State.

It is understood that the Government of Bihar is expected to come out with a pragmatic Industrial Policy with host of incentives and facilities to investors. With such policy support measures and incentive packages the State Government can attract large industrial houses not only domestic investors but also investors from overseas countries. If such dedicated complexes for various other industries are also developed by the State Government the Inland container Depot (ICDs) can be established simultaneously as 'Dry Ports' to cater to logistic requirements of the export-import trade.

**Conclusion:**

There is enough scope to develop leather & leather based industries in the State of Bihar. The approach can be two way;

- Initially strengthening the tanning sector and developing local footwear manufacturing artisanal units.
- Simultaneously to develop separate industrial park for leather & leather products industries, preferably with SEZ status
- Of course with overall improvements in Common infrastructure facilities like Roads, Power supply etc.

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