



FOOTWEAR EXPORT PERFORMANCE IN INDIA

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Abstract:

The Indian Footwear Component sector has exported from India are for Children, Gents and Ladies includes: Leather Shoe uppers, Leather Sandals Uppers and Leather Boot Uppers. The changing lifestyles and increasing affluence, domestic demand for footwear components is projected to grow at a faster rate than has been seen. There are already many new domestic brands footwear and many foreign brands such as Nike, Adidas, Puma, Reebok, Liberty, Bugati etc. have also have been able to enter the market. One of the major factors for success in niche international fashion market is India's ability to cater to them with the latest design and in accordance with the latest trends. The footwear industry in India is a combination of both the traditional and modern sectors, manufacturing both leather and non-leather footwear. India is the second-highest producer of footwear in the world, making it one of the leading providers of footwear and leather products. The current study titled, "footwear export performance in India" has assumed special significance in recent years

Key Words: Export Performance, Footwear.

Introduction of the Study:

The Indian Leather industry occupies a place of prominence in the economy in view of its significant potential for employment, growth and exports. It is the engine of growth for the entire Indian Leather industry and India is the second largest global producer of footwear after China. The footwear sector in the country has grown tremendously in the past couple of year due to liberalization of the industry, ranking second only after China, The domestic footwear industry is dominated by men's footwear, followed by women's footwear, with the kids segment occupying only a negligible 11% share of the footwear retail market in 2010, The report however forecasts a shift towards women's and children's footwear, particularly the women's segment thanks to the increasing number of working women leading to a greater demand, and providing immense growth opportunities to both new, and existing players. India has emerged in recent years as a relatively sophisticated low to medium cost supplier to world markets. The Leather Industry in India has been targeted by the central Government as an engine for economic growth progressively, the Government has prodded and legislated a reluctant industry to modernize. India was noted as a supplier of raw hides and skins, semi processed leather and some shoes. Highly labour-intensive, the industry enjoys several advantages including low cost of labour and skilled working professionals increased government support over the years, the foray of foreign players, as well as a rise in investments, are all factors pointing at a 9% growth in CACR between 2011-2014. The Indian footwear market is likely to drive more by the rising fashion consciousness among the young generation and growing consumer's preference to their lifestyles. Moreover, the improvement in the footwear retail sector, as well as the growing e-commerce market in India are also expected to further boost the performance of India's footwear industry in future. On the basis of end-use, the footwear market is classified into men's footwear, women's footwear, and kid's footwear.

Statement of the Problem:

The major problems are also faced in footwear industry constitutes an important sector of the economy. We can say that footwear may be considered as a basic needs item. It is conventionally made out of leather but the aforesaid can be made with synthetic material. The importance of footwear is highly realized in western and other countries, so the footwear industry developed in full motion that originated companies like Nike, Adidas, Puma, Reebok etc. Timely and efficient delivery of products. No stock rotation leading to outdated stock. Higher % of Customer Initiated Returns (CIR). Seamless management of returns and cancellations. Managing Multiple Warehouses and Stores. Increased cost of Reverse Logistics. Frequent change in fashion and styling.

Objectives of the Study:

- To analyse the export performance of footwear from India.
- To offer needed suggestion based on the finding to the footwear board.

Secondary Data:

The secondary data are those, which have already been collected by some other person for purpose and published so a circular is said to make use of secondary data. The secondary data are collected from EXIM data bank-Ministry of commerce in for the study.

Limitations of the Study:

- The analysis is made only considering Six commodities and Ten major countries
- Time constraint is one of the limitation

Period of Study:

The research data is collected in 13 financial years. That year is 2009-2010 To 20

Review of Literature:

Mr. Refeeq Ahmed (1986) in his paper “development Perspectives of Indian Footwear Industry, The Case of Indian footwear” highlights the importance of the Indian leather footwear industry’s potentiality for Exports. He brings out the need for popularizing brand name, strengthening training facilities particularly to Women, and close linkages between industry, training and educational institutions. The paper also Emphasized the need to have the service of experts from developed countries to train the local artisans in Particular lines.

Gupta in his paper analyses world demand for leather, footwear and the trend of leather footwear imports in ten major countries. He observes that the global exports of leather footwear has jumped from \$9,448 in 1983 to \$15,136 million in 1987

Akil Hussain, Bus. Dimn., Vol.3 (1), 01-06 (2016) January, 2016, Business Dimensions, www.business-dimensions.org and traders, and show how these factors shape the objectives of individual entrepreneurs. It is based on extensive primary data. This study adds a new theoretical prospective to the study of small scale production. It will be of great interest to economists and researchers in the areas of institutional economics, transaction cost economics. Socio-economic development studies and economic organization theory.

Ruchira Ganguly Scrase (1987) in her study has provided an account of The social and economic changes that have taken place within a small ethnically Identifiable artisan community is called Rabi Das living in small and not yet Industrialized town, Krishnagar in W. Bengal. She deals with socio-economic Aspects of shoe makers community from an anthropologist’s view point.

Parmeshware S. (1990) has made the study on the impact of Development agencies on cobblers of Athani town from socio political point of View. The leather footwear industry is traditional (Sarkar K. T. 1948) in India, The economic conditions of the workers remain not much changed. The industry Has not been able to provide whole time employment to all workers (Lakshman T. K. 1966) Footwear units in AthaniTaiuka producing 40 types of leather.

Export of Footwear Product:

Table 1

* Values in USD

Year	Footw Ear 64	Gro Wth Rate	Wtrp Rof Ftwe Ar 6401	Gro Wth Rate	Rubb Er Or Plast Ics 6402	Gro Wth Rate	Lthr/Cm Pstn Lthr 6403	Gro Wth Rate	Footw Ear 6404	Gro Wth Rate	Footw Ear 6405	Gro Wth Rate	Footw Ear 6406	Gro Wth Rate
200 9-10	1510.5		6.05		23.04		1223.8		22.65		11		223.99	
201 0-11	1757.4	16.34	4.22	30.25	37.63	38.77	1406.6	12.99	49.36	117.92	13.83	25.73	245.78	9.73
201 1-12	2087	18.76	2.71	35.78	63.69	40.92	1641.9	14.34	64.62	30.92	10.34	-25.23	303.7	23.57
201 2-13	2063.4	-1.13	1.53	43.54	107.7	40.86	1572.4	-4.42	94.77	46.66	10.82	4.64	276.21	-9.05
201 3-14	2547.2	23.45	2.05	-33.99	190	43.32	1902.8	17.36	112.23	18.42	9.87	-8.78	330.3	19.58
201 4-15	2948.1	15.74	2.54	-23.9	295.47	35.7	2076.3	8.36	188.66	68.1	13.72	39.01	371.45	12.46
201 5-16	2741.7	-7	2.14	15.75	294.24	-0.42	1906	-8.93	229.7	21.75	12	-12.54	297.59	-19.88
201 6-17	2765.2	0.86	1.68	21.5	325.4	9.58	1847.3	-3.18	260.19	13.27	14.83	23.58	315.74	6.1
201 7-18	2827.1	2.24	1.86	-10.71	275.14	-18.27	1915.8	3.58	258.91	-0.49	17.01	14.7	358.32	13.49
201 8-19	2908	2.86	10.05	-440.32	347.09	20.73	1939.5	1.22	242.1	-6.49	32.92	93.53	336.31	-6.14
201 9-20	2630.6	-9.54	3.43	65.87	259.22	-33.9	1813.8	-6.93	254.89	5.28	19.06	-42.1	280.17	-16.69
202 0-21	1877.5	-28.63	3.15	8.16	178.06	-45.58	1320	-37.41	151.72	-40.48	10.93	-42.7	213.6	-23.76
202 1-22	2253.7	20.04	2.35	25.4	165.38	-7.67	1622.7	18.66	207.43	36.72	10.98	0.46	244.88	14.64
AA	4.5			-21.89		10.34		1.3		25.97		5.86		2
GR														
CA														
GR	-0.033			0.08		-0.15		-0.02		-0.17		0.0001 5		-0.007

(Source in –EXIM data bank-Ministry of commerce)

Interpretation:

The above table indicates that the export of footwear from India. It totally 28663.58 USD during the period of financial year 2009-10 to 2021-22. Among the thirteen year the average export among the period of study is 2378.25out of ten year thirteen year are above average and remaining years are below average. Growth of footwear product among thirteen years shows that positive and negative growth. It shows that in the year of 2014-15, 2015-16, 2016-17and 2019-20 which shows the negative results and balance shows the positive results. The standard deviation of footwear is 480.41. The annual average growth rate defines the positive value as 4.50. The compound annual growth rate defines the negative value because of decrease in year by year CAGR -0.03. It totally 41.41 USD during the period of financial year 2009-10 to 202122. Among the ten years

the average export among the period of study is 3.37 out of thirteen year 6 years are above average and remaining years are below average. Growth of footwear product among ten years shows that positive and negative growth. It shows that in the year of 2014-15, 2015-16, 2016-17 and 2019-20 which shows the negative results and balance shows the positive results. The standard deviation of footwear is 2.35. The annual average growth rate defines the positive value as 21.89. The compound annual growth rate defines the negative value because of decrease in year by year CAGR -0.08. It totally 2562.06 USD during the period of financial year 2009-10 to 2021-22. Among the ten years the average export among the period of study is 197.08 out of thirteen year 6 years are above average and remaining years are below average. Growth of footwear product among ten years shows that positive and negative growth. It shows that in the year of 2014-15, 2015-16, 2016-17 and 2019-20 which shows the negative results and balance shows the positive results. The standard deviation of footwear is 112.16. The annual average growth rate defines the positive value as 24.23. The compound annual growth rate defines the negative value because of decrease in year by year CAGR -0.15. It totally 2562.06 USD during the period of financial year 2009-10 to 2021-22. Among the ten years the average export among the period of study is 197.08 out of thirteen year 6 years are above average and remaining years are below average. Growth of footwear product among ten years shows that positive and negative growth. It shows that in the year of 2014-15, 2015-16, 2016-17 and 2019-20 which shows the negative results and balance shows the positive results. The standard deviation of footwear is 112.16. The annual average growth rate defines the positive value as 24.23. The compound annual growth rate defines the negative value because of decrease in year by year CAGR -0.02. It totally 2137.23 USD during the period of financial year 2009-10 to 2021-22. Among the ten years the average export among the period of study is 164.40 out of thirteen year are above average and remaining years are below average. Growth of footwear product among ten years shows that positive and negative growth. It shows that in the year of 2014-15, 2015-16, 2016-17 and 2019-20 which shows the negative results and balance shows the positive results. The standard deviation of footwear is 86.63. The annual average growth rate defines the positive value as 25.97. The compound annual growth rate defines the negative value because of decrease in year by year CAGR -0.17. . It totally 187.31 USD during the period of financial year 2009-10 to 2021-22. Among the ten years the average export among the period of study is 14.41 out of thirteen year are above average and remaining years are below average. Growth of footwear product among ten years shows that positive and negative growth. It shows that in the year of 2014-15, 2015-16, 2016-17 and 2019-20 which shows the negative results and balance shows the positive results. The standard deviation of footwear is 6.21. The annual average growth rate defines the positive value as 5.86. The compound annual growth rate defines the negative value because of decrease in year by year CAGR 0.00. It totally 3798.04 USD during the period of financial year 2009-10 to 2021-22. Among the ten years the average export among the period of study is 292.16 out of thirteen year are above average and remaining years are below average. Growth of footwear product among thirteen year shows that positive and negative growth. It shows that in the year of 2014-15, 2015-16, 2016-17 and 2019-20 which shows the negative results and balance shows the positive results. The standard deviation of footwear is 50.32. The annual average growth rate defines the positive value as 2.00. The compound annual growth rate defines the negative value because of decrease in year by year.

Findings:

- Footwear holds the major share of 48.99% in the total export of leather and leather products.
- Non-Leather Footwear (10.78%) and Footwear Components (5.53%) are the products showing positive growth.
- Leather Footwear, has declined marginally by -0.56% in 2016-17 comparing to -5.75% during 2015-16. All other products segments Finished Leather, Leather Garments, and Leather Goods & Accessories and Saddler & Harness shows negative growth.
- The negative growth of -9.86% registered during April-March 2015-16 has been reduced to -3.23% during April-March 2016-17.
- India's footwear consumption has remained almost at the same level for last three years.
- China's share in global footwear exports has been on a decline for the last two years.
- Indian footwear exports have witnessed de-growth in financial year 2016 primarily due to weak microeconomic environment in the euro-zone.
- Domestic footwear companies have reported pressure on sales volumes in the recent quarters due to weak consumer sentiments.
- Both unorganized and organized markets are estimated to have an equal market size in value terms.
- Implementation of GST is expected to increase tax compliance and bring a larger share of manufacturers under the tax umbrella.
- Domestic footwear companies have reported de-growth in sales in Q1 FY2017.
- Footwear export companies are bearing the brunt of high exposure to Europe, which is passing through a weak phase; profitability for most of the companies in our sample has been adversely affected.

- Footwear companies are going slowly on incremental capex due to weak consumer sentiment and weak macroeconomic environment.

Suggestions:

- The footwear sector continues to remain highly working capital intensive due to substantial requirements of raw material as well as finished goods inventory and significant credit extended to clients/ selling partners, especially in the case of footwear exports.
- The demand for footwear products in India is expected to continue over the forecast period. Footwear in India is expected to register a retail value CAGR of 8% at constant 2015 prices over the forecast period to reach sales of Rs1.1 trillion by 2020.
- The Government of India had identified the Leather Sector as a Focus Sector in the Indian Foreign Trade Policy in view of its immense potential for export growth prospects and employment generation.

Conclusion:

Accordingly, the Government is also implementing various Special Focus Initiatives under the Foreign Trade Policy for the growth of leather sector. With the implementation of various industrial developmental programs as well as export promotional activities; and keeping in view the past performance, and industry's inherent strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and dedicated support of the allied industries, the Indian leather industry aims to augment the production, thereby enhance export, and resultantly create additional employment opportunities.

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