



## **FOOTWEAR EXPORT PERFORMANCE IN INDIA**

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### **Abstract:**

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.

**Key Words:** Export Performance, Footwear

### **Introduction of the Study:**

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 CAGR 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 examine countries wise export of footwear products.
- To offer needed suggestion based on the finding to the footwear board

### **Research Methodology:**

#### **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.

#### **Period of the Study:**

The period of the study taken between March 2022 To May 2022.

#### **Limitations of the Study:**

- The analysis made only by considering products and ten major countries.
- Period of the study limited to two months.
- The study is limited only to export of footwear in India

#### **Review of Literature:**

Padmini Swaminath (1996) in her paper "Development Experiences: Gender Prospective on Industrial Growth, Employment and Education" explains how the industrial development in India lacks the co-Ordination between the govt/ industry and the labour. The paper attempts to assess the quality of state interventions. And

their impact on industry and labour. The author emphasizes the need for transforming the state interventions into Strategic gender needs.

Bhaskara Rao, (1992) Wearing shoes sometimes causes atrophy in the muscles of the foot and can cause the arch of the foot to go flat. A shod arch, when weight bearing at rest, has been shown to have muscle inactivity, with the shoe supporting the weight instead of the musculature of the foot. (Robbins, 1987) In a 1992 study of 2300 children (age 4-13 years) from India, children who wore shoes compared to children who were habitually barefoot had an 8.6% rate of instance of flat feet compared to only 2.8% respectively (Bhaskara Rao, 1992).

Tiwari (2005) has stated that one of the major problems of Indian footwear industry lies in the area of industrial relations. Labourers working in the footwear industry are not satisfied with the wages or salaries, working conditions of the footwear companies are very poor, there is no provision for the health insurance of the employees and there are few arrangements for the sanitation or for safety of the employees.

Statista (2020) showed the revenue generation in luxury and non-luxury Indian footwear market. It revealed that 94% of footwear sales were attributable to non-luxury segment in 2019, whereas, 6% of sales were attributable to luxury segment. It also showed that luxury Dogo Rangsang Research Journal UGC Care Group I Journal ISSN : 2347-7180 Vol-10 Issue-07 No. 4 July 2020 Page | 62 UGC Care Group I Journal Copyright © 2020 Authors footwear sales were only 4% in 2015 which increased to 6% in 2019 which indicate the growing trend of luxury footwear segment in India

**Export of Footwear from India:**

Table 1

\*Values in USD

Year	Australia	Growth Rate	France	Growth Rate	Germany	Growth Rate	Hong Kong	Growth Rate	Italy	Growth Rate	Japan	Growth Rate
2009	13.28		145.12		224.72		224.72		210.17		5.46	
2010	15.51	-84.49	8.26	-91.74	286.65	186.65	286.65	186.65	219.08	119.08	7.52	-92.48
2011	15.46	-84.54	159.67	59.67	356.12	256.12	356.12	256.12	223.27	123.27	14.51	-85.49
2012	22.36	-77.64	157.49	57.49	274.41	174.41	274.41	174.41	163.03	63.03	18.91	-81.09
2013	23.92	-76.08	183.22	83.22	344.97	244.97	344.97	244.97	185.36	85.36	23.23	-76.77
2014	23.36	-76.64	205.42	105.42	381.68	281.68	315.04	215.04	181.06	81.06	36.51	-63.49
2015	24.9	-75.1	172.78	72.78	315.04	215.04	320.02	220.02	142.26	42.26	36.73	-63.27
2016	24.17	-75.83	155.93	55.93	320.02	220.02	349.42	249.42	139.67	39.67	42.44	-57.56
2017	26.4	-73.6	190.61	90.61	349.42	249.42	350.31	250.31	136.9	36.9	38.99	-61.01
2018	28.41	-71.59	186.06	86.06	186.06	86.06	350.31	250.31	14.9	-85.1	36.11	-63.89
2019	24.26	-75.74	168.02	68.02	336.37	236.37	10.17	-89.83	121.15	21.15	36.11	-63.89
2020	20.34	-79.66	136.8	36.8	257.01	157.01	8.15	-91.85	100.42	0.42	29.31	-70.69
2021	22.5	-77.5	136.8	36.8	257.01	157.01	8.15	-91.85	100.42	0.42	29.31	-70.69
Total	284.87		2006.18		3889.48		3198.44		1937.69		355.14	
Average	21.91		154.32		299.19		246.03		149.05		27.32	
(source in – Exim data bank – Ministry of commerce)												
<b>Trend Analysis</b>												
2022	27.24		180.37		285.68		99.77		62.78		43.76	
2023	27.22		186.61		267.2		50.66		47.99		44.62	
2024	27.09		167.1		252.6		3.16		36.03		44.66	
2025	26.45		163.85		252.6		-36.51		27.78		44.63	
2026	26.5		158.89		252.6		-90.53		12.6		44.28	

**Interpretation:**

The above table indicates that the export of footwear, gaiters and the like; parts of such Australia from India. It totally 284.87 used during the period of financial year 2009- 10 to 2021-22. Among the thirteen years the average export among the period of study is 21.91 out of thirteen year are above average and remaining years are below average. /The above table indicates that the export of footwear, gaiters and the like; parts of such France from India. It totally 2006.18 used during the period of financial year 2009- 10 to 2021-22. Among the thirteen years the average export among the period of study is 154.32 out of thirteen year are above average and remaining years are below average. The above table indicates that the export of footwear, gaiters and the like; parts of such Germany from India. It totally 3889.48 used during the period of financial year 2009- 10 to 2021-22. among the thirteen years the average export among the period of study is 299.19 out of thirteen year are above average and remaining years are below average/ The above table indicates that the export of footwear, gaiters and the like; parts of such hongkong from India. it totally 3198.44 used during the period of financial year 2009- 10 to 2021-22. among the thirteen years the average export among the period of study is 246.03 out of thirteen year are above average and remaining years are below average /The above table indicates that the export of footwear, gaiters and the like; parts of such italy from India. It totally 1937.69 used during the period of financial year 2009- 10 to 2021-22. Among the thirteen years the average export among the period of study is 149.05 out of 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 2019-20which shows the negative results and balance shows the positive results. Trend analysis of 2022 to 2026 defines the both positive value and negative value because of decrease in year by year.

**Findings:**

- 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.
- 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 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:**

Indian exporters of Footwear Components should be encouraged to export to medium size exporters to European Countries as not only big brands require footwear components but also there are medium size players in the European market. The Council for Leather Exports takes care of all marketing strategies yet there is still an urgent need for an Effective International Marketing Strategy should be adopted instead of antiquated and ineffective marketing strategy. There is still a great scope for improving India's export of Footwear Components as it is a major sector from which India earns which not only generates employment opportunity but also the much needed foreign currency.

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