

Exports of footwear from India remain strong in light of the generally improving global economy and the emergence of new overseas markets. These developments are expected to solidify further the country's distinction as the world's second-biggest producer in the line.

The US and the Middle East are the key destinations driving demand. Short-term forecasts indicate the EU to continue being the industry's largest foreign market in spite of the financial problems faced by a number of economies in the region.

The sector boasts a number of strengths that have aided in its development. The most important of these is the domestic availability of raw leather, which is itself one of India's leading manufacturing sectors. Robust OEM capability attracts numerous global brands to partner with local enterprises.

Key findings

1. Almost all suppliers profiled in this report plan to push up quotes within the next six months in an effort to maintain viability. Increasing expenditure on raw leather, textiles, labor and electricity are adversely affecting profitability, prompting manufacturers to adjust prices upward at least over the short-term.
2. A number of educational and support institutes provide assistance to the industry in helping improve their design technological, management and marketing capability. Some of them are operated by the government, while others are run by private and nonprofit groups.
3. Competition with other sourcing centers is the most critical hurdle facing the sector. China and Bangladesh are the major challengers since both can generally offer lower prices. The cost and availability of manpower, and inadequate power supply are other issues confronting the industry.
4. Exporters are based in various locations throughout the country, with the most significant being Delhi, and the states of Tamil Nadu and Uttar Pradesh. These areas have specially designated industrial towns where manufacturing is concentrated, raw materials are readily obtainable, and infrastructure and logistics are stable.
5. Casual footwear accounts for the largest share of exports, contributing close to two-fifths to turnover. Taking materials into consideration, leather footwear is the dominant product category as it represents more than 90 percent of exports.

Objective, methodology & scope

This India Sourcing Report is part of a series designed to provide buyers with information on new products from export manufacturers in supply markets that specialize in handmade merchandise.

The Developing Country Sourcing Report series is part of Global Sources' corporate social responsibility initiatives. It is offered in conjunction with The Kearny Alliance, whose mission is Aid through Trade. The objective is to help create jobs in developing Asia through export promotion.

To produce this report, large, midsize and emerging manufacturers, all with substantial export experience, were surveyed. The selection of suppliers is designed to reflect the composition of the industry in India in terms of geographic location, materials used and range of products offered.

For in-depth profiles, our researchers

visited the facilities of each company and interviewed senior executives who discussed their recent performance and provided forecasts for the next 12 months. All other makers in this report were either visited or contacted by phone.

In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials, including a breakdown of exports by product type and market. Suppliers also participated in a survey designed to provide insight into the industry.

This report covers different types of footwear available in India, including casual, formal, sports and children's models. Individual segments are classified as distinct product categories, each of which has its own price guide that describes features of low-end, midrange and high-end models.

In this report

- 15 in-depth company profiles
- 9 short company profiles
- 154 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics and charts

The Industry Overview section discusses key issues affecting export manufacturers. It provides insight on the composition of the industry and elaborates on the important supply centers within India.

The Products & Prices section details the features and price ranges of footwear. It also examines the design and manufacturing processes, main materials used, and sourcing centers where components are procured.