उत्तर प्रदेश सरकार

Department of MSME & Export Promotion, Govt. of Uttar Pradesh

Knowledge Partner

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DIRECTORATE GENERAL OF FOREIGN TRADE
सत्यमेव जयते

Districts as Export Hubs

EY
Building a better

Preface

This district export plan for Agra District is being prepared as a part of Developing District as Export Hub under the District Export Hub Scheme initiated by the Ministry of Commerce & Industry, Govt of India, and state Government of Uttar Pradesh. Hon'ble Prime Minister in his Independence Day Speech on 15th August 2019, had, inter- alia observed that each of our district has a diverse identity and potential for targeting global markets and there is a need for converting each district into potential export hubs. In order to implement Hon'ble PM's vision for each district, Department of Commerce has mandated the Directorate General of Foreign Trade to work with State Government and District Level authorities to promote the Agra district as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Agra under the chairmanship of District Magistrate. With the said objective, 'District Export Action Plan' has been prepared and being presented to concerned stakeholders.

The report encompasses in-depth information on Agra district's geographic, and demographic, along with key statistics of prominent exporting products of district, gaps identified basis diagnostic survey, recommendations proposed to mitigate the gaps and action plans required to implement those recommendations.

The report provides insights into exports from the cluster, via analysing exports over the last five years from India and UP for the respective product. The report also shares insights on availability of raw material, technology upgradation, infrastructure, designing, packaging, access to finance, skill development etc. Besides the detailed action plans, the timeline and responsibility matrix has also been defined with implementation schedule to give implementation roadmap of the product.

For this desired purpose, an extensive primary and secondary research was conducted. The report has been prepared in co-ordination with the Office of DGFT, Kanpur and Uttar Pradesh Export promotion Bureau (UPEPB). The data has been sourced from multiple avenues, including but not limited to data provided by office of DGFT, Kanpur, UAM data (2019), DICs, 2011 Census of India, Diagnostic Study Reports, stakeholder consultation and several other secondary resources.

Abbreviations

APEDA	The Agricultural and Processed Food Products Export Development Authority
API	Active pharmaceuticals ingredients
CAD	Computer-Aided Design
CAM	Computer Aided Manufacturing
CFC	Common Facility Center
CONCOR	Container Corporation of India
CPC	Common Production Center
DGFT	Director General of Foreign Trade
DHO	District Horticulture Officer
DIC	District Industries Center
DIEPC	District Industry and Enterprise Promotion Center
DPR	Detailed Project Report
EPC	Export Promotion Council
EPCG	Export Promotion Capital Goods
FIEO	Federation of India Export Organization
FPO	Farmer Producer Organizations
FTA	Free Trade Agreement
GCC	Gulf Cooperation Council
GI	Geographical Indication
HS	Harmonized System
IC	International Cooperation
IC Engines	Internal Combustion Engines
IEC	Import Export Code
IIP	Indian Institute of Packaging
ISW	Industrial Solid Waste
ITI	Industrial Training Institute

MAS	Market Assistance Scheme
MSE CDP	Micro & Small Enterprises - Cluster Development Programme
MSME	Micro, Small and Medium Enterprises
NHB	National Horticulture Board
NIC Code	National Industrial Classification Code
NIC	National Informatics Center
NID	National Institute of Design
NIFT	National Institute of Fashion Technology
NSDC	National Skill Development Cooperation
ODOP	One District One Product
PM FME	Pradhan Mantri Formalisation of Micro food Processing Enterprises
PMU	Project Monitoring Unit
QCI	Quality Council of India
R&D	Research & Development
RMB	Raw Material Bank
SGPGI	Sanjay Gandhi Post Graduate Institute of Medical Science
SIDBI	Small Industries Development Bank of India
SPS	Sanitary & Phytosanitary
SPV	Special Purpose Vehicle
SWOT	Strength, Weakness, Opportunities, Threats
TBT	Technical Barriers to Trade
UAE	United Arab Emirates
UK	United Kingdom
UP	Uttar Pradesh
UPEPB	Uttar Pradesh Export Promotion Bureau
UPICO	UP Industrial Consultancy Organisation
USA	United States of America

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1. Vision of Districts as Export Hubs

"Each district of our country has a potential equal to that of one country, each of our districts has the capacity equal to a small country in the world. why should each district not think of becoming an export hub? Each of our districts has a diverse identity and potential for global market"

- ***Honourable Prime Minister of India, Shri Narendra Modi***

Foreign trade from India constitutes of 45% of its GDP. [1] Until 2019, only the central government was engaged in the decision making of foreign trade, without any participation or involvement of state and/or district stakeholders. However, now, understanding that there are diverse elements that contribute towards an enabling and conducive foreign trade environment; the central government has identified that with policy & strategy, active support of the state governments and district administration are also equally required.

Thus, to decentralize the existing activities, to boost local production & its exports and to ensure active participation of state & district stakeholders, vision of district as export hubs was put to action. Department of Commerce, through Directorate General of Foreign Trade (DGFT) is working with the State / UT Governments to achieve this objective.

DGFT and UPEPB have aimed at synergising their efforts to identify the key products, export trends and challenges. Further in order to minimize the challenges, quantify the exports and outline export strategy; a detailed district-wise Export Action Pan has been made for all 75 districts of UP.

2. District Profile

Agra is situated in the western region of Uttar Pradesh, Agra is popularly known as the **"City of Taj"** because of the marvellous Taj Mahal which is one of the many wonders of the world. It is one of the top five tourist destinations of the country, known for its historical importance and architecture marvels. The city is home to many such architectural excellence like Agra Fort, Fatehpur Sikri etc., some of which are declared as **UNESCO's World Heritage Sites.**[3] Agra falls within the Bra cultural region. The Agra district is divided into Six Tehsils and 15 Blocks.

2.1 Geography

Agra situated in the western region of UP, has an area of 4041 sq. Km.[2] and a population of 4,418,797 making it the most populous city of UP and the 24th most populous city in India[3]. The city is bounded by Mathura in the north, Dholpur and Bharatpur of Rajasthan in the south & west and Firozabad of UP in the east.

2.2 Connectivity

- **Air**: Kheriya Airport located 9km southwest of the city is well equipped to carry air traffic and cargo. All main airline companies have their flights operating from Agra.
- **Rail**: Agra is a major rail junction connecting the north-south and east-west lines. Agra is also connected well to the north-east and eastern part of the nation via Kanpur and new Jalpaiguri. To the west Agra is well connected to north and north western Rajasthan via Jaipur.
- **Road:** Idgah is the hub of roadways in the city, Idgah Inter State Bus Terminal provides services to various important cities like Ajmer, Bikaner, Delhi, Jaipur, Jhansi, Kanpur, Lucknow, Mathura,

[1] https://commerce.gov.in/wp-content/uploads/2021/03/Devolping-Districts-as-Export-Hubs.pdf
[2] Census 2011
[3] https://agra.nic.in/about-district/

Udaipur, Varanasi, etc. Agra fort bus terminal is another roadways hub of the city. Agra also have major **national highway connectivity** access via **NH 2, NH 3, NH 11 & NH 93**. Agra is about 210 km away from the National capital of New Delhi (via Yamuna Expressway), about 336 km from state capital Lucknow (via Agra-Lucknow Expressway), and about 227 km from Kanpur (via Agra-Lucknow Expressway).

2.3 Topography & Agriculture

The region around Agra consists almost entirely of a level plain, with hills in the extreme southwest. The rivers in the region include Yamuna and Chambal. The region is also watered by the Agra Canal. The sandstone hills near Fatehpur Sikri and on the south-eastern borders of the district are offshoots from the Vindhya range of Central India. The city has an average elevation of 170 metres above sea level.[4]

Agra district is situated in the South-West semi-arid zone of UP. The average rainfall (annual) of the district is 750 mm. Temperature varies from 40˚C (During December-January) to 48˚C (During May-June) respectively. The total reported area of the district is 398460 ha, out of which net sown area is 285496 ha and the irrigated area is 235063 ha with cropping intensity of 139.51%.

The soils of the district are loam sandy loam ravines and wasteland. The fertility status of the soil is poor to very poor.

The major crops of the district are Bajra (115736 ha with the productivity of 16.68q/ha), Rice (5215 ha, with the productivity of 21.59 q/ha), Sorghum (4289 ha with the productivity of 7.55q/ha), Arhar (827 ha with the productivity of 6.95q/ha), Urd (179 ha with the productivity of 6.37 q/ha), Til (1885 ha with the productivity of 1.98 q/ha), in Kharif. In Rabi major crops are grown wheat (140427 ha with the productivity of 37.03 q/ha), Mustard (52639 ha with the productivity of 17.41q/ha), Potato (56303 ha with the productivity of 263.77 q/ha), Barley (7058 ha with the productivity of 32.98q/ha), Gram (1281 ha with the productivity of 18.57q/ha) and other vegetables.[5]

2.4 Tourism

Tourism is one of the most integral part of Agra economy. The medieval period importance, historic buildings, marvellous architecture and above all the exquisite Taj Mahal makes Agra one of the top tourist destinations not only in India but also at World level. The flow of tourist to the destination invites currency flow immensely. The other attractions include Agra Fort and Fatehpur Sikri. The promotion of tourism and tourists helps Agra a fertile land for marketing goods. Foreigners and domestic tourists equally become part of the market thus creating huge opportunity to the working mass in the city.

3. Industrial profile of the district

The district has around **9,540 functional units that employs around 4,87,460 individuals.**[6] The key enterprises of the district include leather footwear and Leather products, marble & stone craft, carpet, zari- zardozi, Hospitality & tourism, Meat processing, Engineering goods and Plastic surgical goods.

With around 7000 units of production, Agra accounts for almost 28 per cent of the total footwear exports from India, while it also caters to 65 per cent of the domestic footwear market. [7]Turnover of these units sum up to an annual turnover of Rs. 24000 crores, out of which, the export turnover is around Rs. 2000 crores.

The following table depicts the MSME units with their turnover and employment:

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[4] https://en-ca.topographic-map.com/maps/l6bg/Agra/

[5] https://agra.kvk4.in/district-profile.html#:~:text=The%20major%20crops%20of%20the,Til%20(1885%20ha%20with%20the

[6] *Information populated based on stakeholder consultations, MSME Industrial Report* and DIC, Agra

[7] *https://timesofindia.indiatimes.com/city/agra/agra-footwear-industry-stares-at-losses-due-to-coronavirus/articleshow/73943684.cms and https://smefutures.com/agras-footwear-industries-heritage-contributes-indias-economy/)*

Table 1: Industries details[8]

Industry	No. of functional units	Employment (No's)	Turnover (INR. Cr)
Leather footwear and leather products	7000	2,00,000	24000
Marble & stone handicraft	1,158	75,000	848
Zari-zardozi	680	30,000	120
Hospitality & tourism	400	1,00,000	3,100
Carpet	45	75,000	500
Meat Processing	2	1600	2426
Plastic Surgical goods	5	2860	430
Engg. Goods	250	500	125
Total	9,540	4,87,460	31,549

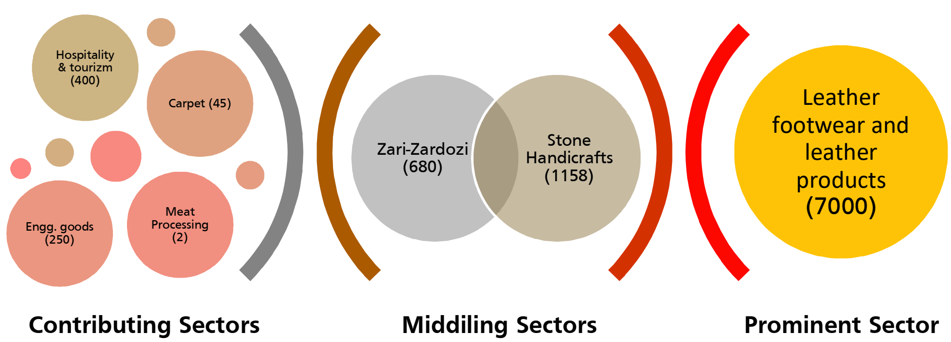

Figure 1: MSME landscape of the district

Out of total population of 44,18,797 (2011 census), 13,89,844 are working population. Out of total working population, 56% are working in other industries, 37% are cultivators and agricultural labourers and only 7% are household industry workers. This indicates that Household industry is the main source of income in the district.

Table 2: Occupational Distribution of Main Workers[9]

S. No.	Particulars	Agra	%
1	Cultivators	2,85,471	20%

8 *Information populated based on stakeholder consultations, MSME Industrial Report, DSR-Leather products, prepared by IL&FS* under ODOP scheme, *DSR*-Marble inlay, Handicrafts exporters Association Agra, *Hotel and Restrodent Association Agra, Agra truism Development Foundation (President-Sandeep Arora, Agra Carpet Manufacturing Association and Agra flooring Association) Engineering Component Manufacturing Association*, Agra, *DIC, Agra*, *Hma Agro Industries Limited*, and *https://www.infomerics.com/db-include/uploads/PR_HMA_Agro_30_09_2020.pdf*

9 *District census handbook 2011 – Agra*

S. No.	Particulars	Agra	%
2	Agriculture Labourers	2,34,455	17%
3	Household Industry Workers	94,184	7%
4	Other workers	7,75,734	56%

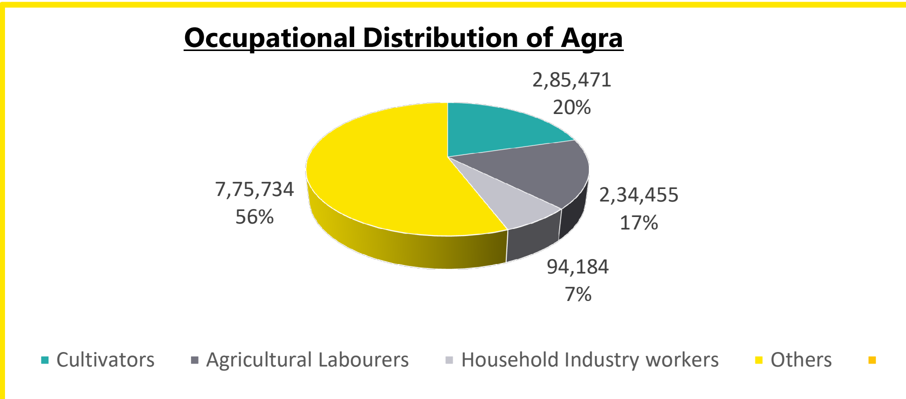

Figure 2: Occupational distribution of Agra

3.1 Major Exportable Product from Agra

The total export from Agra is approximately INR 2784.47 Crore for the period September 2020 to November 2021. [10]

The following table depicts the value of export of four major products from Agra:

Table 3: Major exportable product

S. No	Product	Export value (in INR) from September 2020 to November, 2021[11]
1	Leather products	2352.19 Cr
2	Marble & stone handicraft	407.49 Cr
3	Meat Processing	24.79 Cr
4	Carpet	Data awaited from DGFT
	Total Export from Agra	**2784.47 Cr**

4. Product 1: Leather products

4.1 Cluster Overview

Leather products cluster of Agra covers **Agra city and surrounding areas, Achnera, and Fatehpur Sikri blocks.** There are ~7000 operational units in the cluster employing around 200,000 and with a

Key Facts

7,000 Manufacturers

INR 24,000 Crores **Approximate turnover of the cluster**

INR 2352.19 Crores ~ **Export Turnover**

2,00,000 **employment directly or indirectly**

10 *http://dashboard.commerce.gov.in*

11 *District wise report for the period September 2020 to November 2021 received from DGFT*

turnover of about INR 24,000 crore [12]and export about INR 2352.19. [13]

Agra city is considered as the hub of the cluster as it has the maximum no. of units & artisans and it is well connected to neigh boring cities through road, rail, and air ways.

The footwear production unit in Agra are highly concentrated in 50 localities spread all over the city. Apart from these concentrated areas, the production units are also spread in different areas of the city with less concentration. The localities having the concentration of production units in Agra city are shown as follows: -

Table 4: Key pockets of leather products

S. No	Name of Major Area	Name of Mohalla's
1	Sadar Bhatti	DauliKhar, GhatiaMamuBhanja, NalaMantola, TeelaNand Ram and Mantola
2	Naiki Mandi	Katara Neel, ChotaGalivpura, Haveli-ka-Berka, Choti and Bari Athai.
3	Loha Mandi	Jagdish Pura, GadiBhadoria, MadiaKatra
4	Shah Ganj	Prakash Nagar, Prem Nagar, Rui kiMandi, Bara Khamba, Bhogi Pura, Prithwi Nath &Namakki Mandi
5	Taliya	NalaKaji Para, Kethwari Basti, Chakkipat
6	Agra Cantonment	Nand Pura, Naibasti, Pakki Sarai
7	Collectorate	Sunder Para, Idgah
8	Agra-Mathura Road (Bye-pass)	Khandari, Sheetla Road, Sikandra, Artoni

4.2 Product profile

Agra's shoemaking tradition began during the early days of Mughal Empire in the 16th century when the hing (Asafoetida) was imported from Afghanistan and Iran, packed in leather containers called *mushak*. These mushaks were discarded once their purpose was served. The craftsmen of Agra soon realized that these leather bags could be reused for making footwear. Thus, began the footwear industry in Agra. Even today, one of the main markets for footwear in the city goes by the name 'Hing Ki Mandi', with over 5000 shops. Shoemaking was prosperous industry under the Mughals and continued to thrive during the British period.

While initially the shoemakers worked exclusively to produce embroidered footwear in velvet and silk cloth studded with golden threads, sold under the name 'Salem Shahis', later they also started making footwear for the British army.

Agra served as one of the big headquarters for Indo British Army which needed leather for boots and sundry other items for the armed forces. This resulted in the development of Agra as a footwear industry. After the First World War the demand of leather products decreased but the outbreak of Second World War again gave an opportunity to the tanning industry. During 1960s, a large quantity of hides and skins in the country was converted into semi-tanned leather. In the beginning of the 1970s, the government realized that the country had the capacity to manufacture finished leather. Hence, export of semi-finished leather was discouraged.

The industry was encouraged to adopt the latest technology. During the 1980s, there were many changes, viz., modernization of production processes, improvement of human skills, standardization of quality of products, these all changes proved to be turning point in the development of leather industry. During the 1990s, the Exim Policy favoured export of value-added leather products and duty-free import of all types of leather was allowed.

12 *DSR-Leather products, prepared by IL&FS* under ODOP scheme

13 *District wise report for the period September 2020 to November 2021 received from DGFT*

This helped a lot in the development of footwear industry. Since 2000, the increasing demand of footwear from foreign countries, government policy support, etc., have been giving strength to footwear industry. Many institutions have been established by the Government of India for the development of leather industry, such as, CLRI, CFTI, FDDI, NLDP, CLE, etc.

The footwear industry in Agra exists mainly in the form of cottage units. Some units have developed themselves into semi-mechanized ones and undertaken exports. Today, they contribute approximately 28 per cent of the total footwear exports from India, while it also caters to 65 per cent of the domestic footwear market. [14]

4.2.1 Product Portfolio

The following are the key products manufactured in the cluster:

Mainly, there are two types of footwear:

1. **Open Footwear:** Open Footwear are of two types: Chappals and Sandals.

a. **Chappals** are the ones with an insole and a strap-across the instep, with or without a ring to hold the big toe. Sole is either stitched or cemented with a low or high heel.

b. **Sandals** consists of an insole with upper having straps across the vamp portion with flat or high heels. A belt passes round the heel to keep the foot in position by a buckle arrangement.

2. **Close Footwear:**

a. Oxford is the type of lace-up shoe with a low heel in which the quarters are kept under the vamp and stitched. Oxfords are now made from a variety of materials, including calf leather, faux and genuine patent leather, suede, and canvas. They are normally black or brown and may be plain or patterned.

b. Brogue is the rough footwear of peasants which is an oxford onstruction with the upper decorated with stitches and punches. they re most commonly found in one of four toe cap styles (full or "wingtip", emi-, quarter and long wing) and four closure styles xford, Derby, ghillie, and monk). Today, in addition to their typical form c turdy leather shoes or boots, brogues may also take the form of usiness dress shoes, sneakers, high-heeled women's shoes, or any ther shoe form that utilises or evokes the multi-piece construction and perforated, serrated piece edges characteristic of brogues.

c. **Derby (also called Gibson)** is a style of boot or shoe characterized by quarters, with shoelace eyelets that are sewn on top of the vamp. This

[14] https://timesofindia.indiatimes.com/city/agra/agra-footwear-industry-stares-at-losses-due-to-coronavirus/articleshow/73943684.cms and https://smefutures.com/agras-footwear-economy/)

construction method, also known as "open lacing", contrasts with that of the Oxford shoe.

d. **Monk** is nothing but a derby style in which strap buckle is attached across the instep.

e. **Casual** Shoes suitable for everyday wear rather than formal occasions. They are shoes which are easy to wear and have an elastic gusset across the instep or on sides.

f. **Combat Boot** is footwear covering the foot and ankle, and sometimes the lower leg. It is of derby construction with the quarters above or up to the ankle. They are military boots designed to be worn by soldiers during combat or combat training. Modern combat boots are designed to provide a combination of grip, ankle stability, and foot protection suitable for a rugged environment. They are traditionally made of hardened and sometimes waterproofed leather with PU Soles.

g. **Chukka** is derby style footwear with the quarters up to ankle with two or three eyelets. If the quarters above the ankle have an elastic gusset, they are Chelsea boot (an elastic-sided boot with a pointed toe).

h. **Ghillie tie** is a lady's style shoe with laces along the instep with its lace passing through loops instead of eyelets.

i. **Court shoe** is a woman's plain, lightweight shoe that has a low-cut upper and no fastening. It is a heeled shoe of slip-on type with a counter, toecap, vamp, and quarters.

j. **Sling-back** is a shoe held in place by a strap around the ankle above the heel. It is same as court shoe but with a strap and buckle passing round the heel.

Moccasin is a soft leather slipper or shoe originally worn by North American Indians in which the upper also passes through the bottom of the shoe. The apron is stitched by hand. Shoe may possess a heel.

k. **Children's school footwear** is a derby style one with a broad toe for boys. A shoe with a wide toe and a bar and buckle attachment for girls. Children shoes are usually made of smooth materials with much elastic properties to provide them comfort for their growing feet.

l. **Safety Boot**: A steel-toe boot (also known as a safety boot, steel-capped boot, or safety shoe) is a durable boot or shoe that has a protective reinforcement in the toe which protects the foot from falling objects or compression. Safety shoes are effective in keeping the feet of industrial workers safe from sharp and heavy objects while working in factories.

4.2.2 Status of GI Tag

Agra Footwear Manufacturers and Exporters Chamber has applied for Geographical Indications (GI) tag (Application No. 721) as "Agra Leather (Footwear)" to get the product nationally and internationally recognized.[15]

- Artisans
- Raw material suppliers
- Machinery suppliers
- Entrepreneurs
- Manufactures
- Exporters
- Banks and Financial Institutions
- DIEPC
- MSME DI

- Government Leather Institute (GLI)
- Centre Footwear Training Institute (CFTI)
- Centre of Leather Export (CLE)
- Agra Footwear Manufacturer & Exporters Chamber (AFMEC)
- Industry and Exporter Associations

Figure 3 : Cluster stakeholders

4.3 Cluster Stakeholders

4.3.1 Industry Associations

Following are four principal Industry Associations/SPVs that are working for the development of leather products in Agra:

1) **Agra Footwear Manufacturers and Exports Council (AFMEC)** - The most active association at Agra is Agra Footwear Manufacturers and Exports Council (AFMEC) and its role is confined to advocacy and redressal of grievances of its members. Formed in 1994, with 112 members, it is headed by Puran chand Dawar.
2) **Agra Juta Niramana Samiti** - mainly engaged in advocacy work. 10 micro and 68 small industry are part if this association. It is headed by Avdesh Kumar Maurya.
3) **Agra Shoe Manufacturers Association (ASMA)** - consists of 35 medium scale units and 89 small units. With 124 units it was formed in 2010.
4) **Juta Dastakara Federation** - formed in 1993 is one among the old associations formed for advocating the micro units and consists of 3000 members. It is headed by Bharat Singh.

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[15] http://ipindiaservices.gov.in/GIRPublic/Application/Details/721

5) **Council of Leather Export (CLE)** – works for exporters of leather products. The office of CLE is situated in Singana, Mathura Road.
6) **Sikandara Factory Owners Association** - was formed in 2000 for the welfare of units in Sikandara. It has 180 small units, 15 mico units and 5 meduim units as memebers registered.
7) **Bodala Bichpuri Road Industries association** - headed by Pradeep Wasan represent the 18 medium industries locatred at the Bodala Bichpuri road. It was formed in 1958.
8) **CFC-Training center of leather product**, Nawada kheda, Samsabad, road, Agra.

4.4 Export Scenario

4.4.1 HS code

The following table lists the HS codes under which the products are exported from the district:

Table 5: HS codes for Leather product- Footwear

HS codes	Description
640391	Footwear with outer soles of rubber, plastics, or composition leather, with uppers of leather, covering the ankle (excluding incorporating a protective metal toecap, sports footwear, orthopaedic footwear, and toy footwear)
640399	Footwear with outer soles of rubber, plastics, or composition leather, with uppers of leather (excluding covering the ankle, incorporating a protective metal toecap, sports footwear, orthopaedic footwear, and toy footwear)

Current Scenario

The export scenario of India and Uttar Pradesh have been analysed basis the export statistics of HS codes mentioned above under which Leather products- footwear are exported. Alongside are the key facts[16] pertaining to the analysed product codes.

Based on our analysis, we have identified key synergies that should be developed to expand our current reach and potential; These synergies are divided into immediate and long term. The immediate synergies include countries with Signed FTA's, high growth potential, and one is catered by India and not UP. Whereas the long-term synergies include

Key Facts of Export

35,419,200 (USD Thousand
Value of world exports in 2020

905,926 (USD Thousand)
Total Exports from India in 2020

441850 (USD Thousand)
Total Export from UP in 2020-21

~ 48.77%
Share of UP in India's Exports

[16] *https://www.trademap.org/*

countries with untapped market potential which can only be fulfilled if UP's exporters comply and raise the quality of the product to the highest standards, freight rates are more subsidized and major efforts is required in marketing which will require time to accommodate the same.

4.5 Export Potential

As various products are manufactured and sold under the Leather products category of Agra[17], in order to gauge our understanding of where India stands relative to the world on the trade of these products, each product has been delved into as a separate unit defined by its exports and imports in comparison to its competition and potential markets to target in the future.[18]

The consolidated list of countries that India can target, respective to the analysis carried out in each chapter are UAE, Japan, USA, Indonesia, UK, and Viet Nam as mapped below.

Product 1: 640391- Footwear with outer soles of rubber, plastics, or composition leather, with uppers of leather, covering the ankle (excluding incorporating a protective metal toecap, sports footwear, orthopaedic footwear, and toy footwear)

India's exports represent 6% of world exports for this product, ranking it number 5, behind Viet Nam, China, Italy, and Germany. The value of India's exports over the last 5 years have decreased by CAGR 2% with a sharp increase

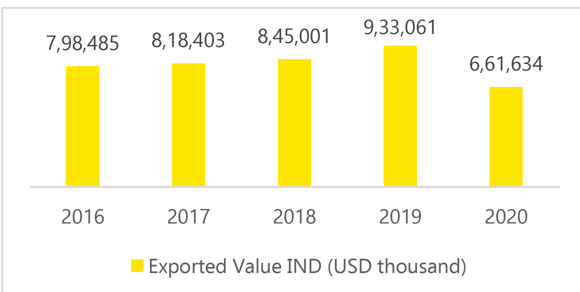


Figure 5: Exported value of India for HSN-640391

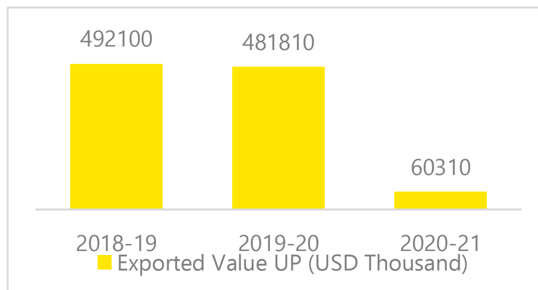
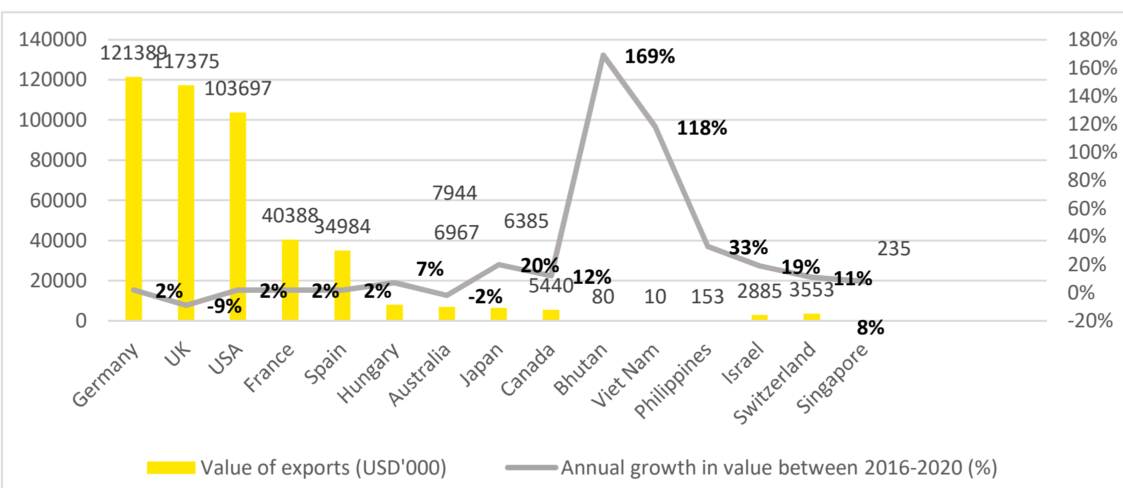


Figure 4: Exported value of UP for HSN-640391

in 2019 and then a subsequent dip post that. As per data FY 2018-19 to 2020-21 for exports from the state of UP, it is observed that there has been decreased by CAGR 9.64%, with a similarly sharp increase in 2018-19 which fell in the year post that.

The top importers for this product in the world are given below, alongside the value of the product imported in 2020.



[17] Basis stakeholder discussion, it was noticed that various leather products are exported under different product HS codes from India, hence it has been assumed that leather products of UP are also exported under these codes
[18] Since district-wise data is not available, the analysis has been performed on import and export data of India

Figure 6: The top importers for this product in the world for HSN-640391

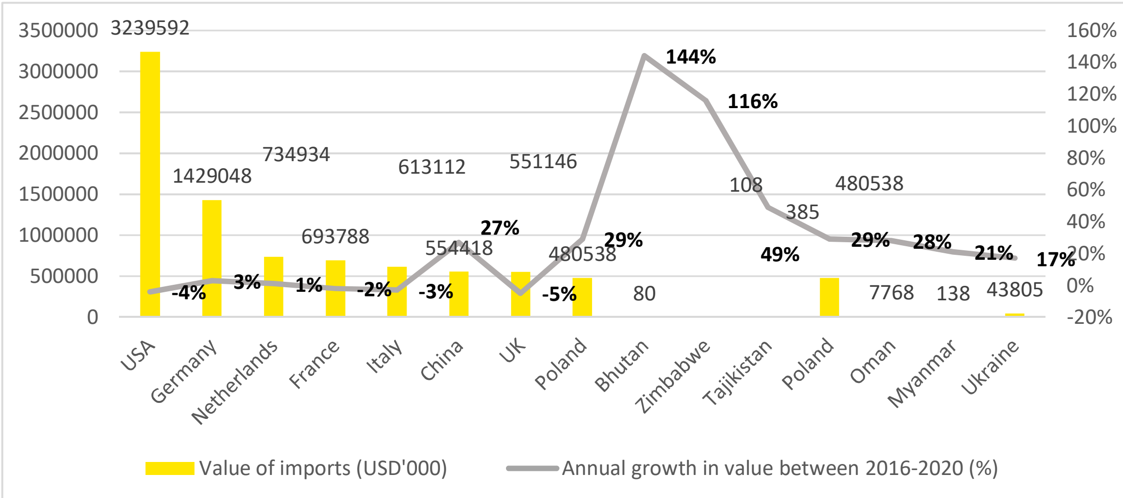


Figure 7: Prominent Import Countries to whom India export of HSN- 640391

Prominent Import Countries to whom India export this product are:-

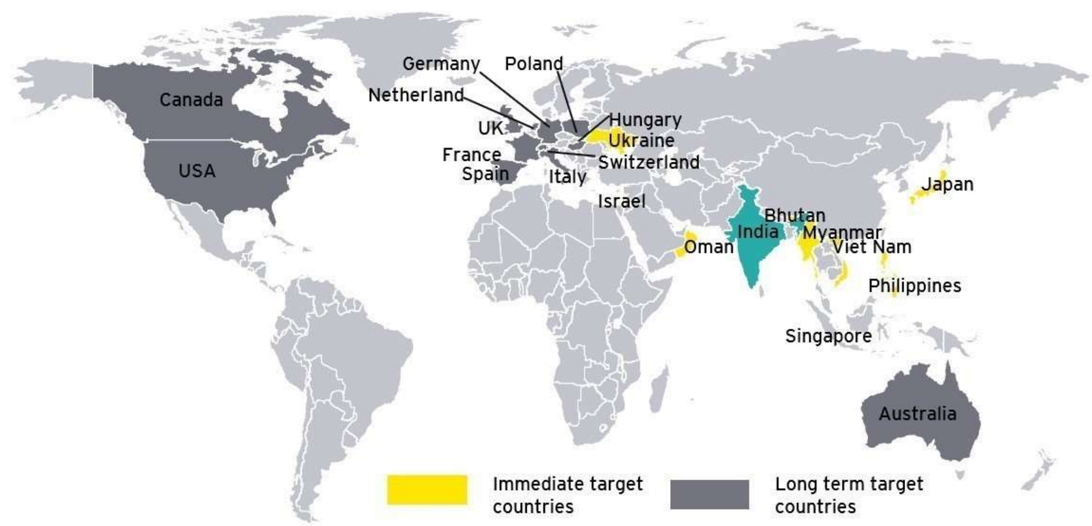
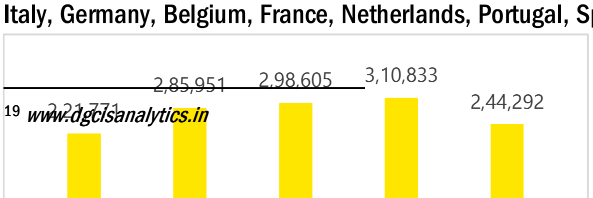


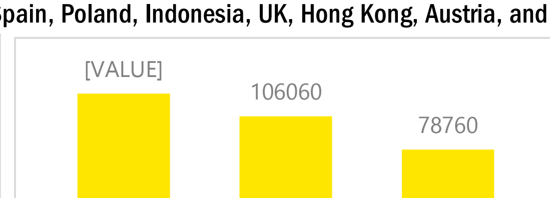
Figure 8:Markets for export potential for HSN-640391

Countries to whom UP exports this product in HSN code -640391 are **Spain, France, Germany, Saudi Arab, UK, Canada, Australia, Sweden, Pakistan, Bangladesh, Belarus, Nepal, Netherland, and Oman.**[19]

Product 2: 640399- Footwear with outer soles of rubber, plastics, or composition leather, with uppers of leather (excluding covering the ankle, incorporating a protective metal toecap, sports footwear, orthopaedic footwear, and toy footwear)

India's exports represent 1% of world exports for this product, ranking it number 16, behind China, Viet Nam, Italy, Germany, Belgium, France, Netherlands, Portugal, Spain, Poland, Indonesia, UK, Hong Kong, Austria, and





[19] *www.dgcisanalytics.in*

Switzerland. The value of India's exports over the last 5 years have increased by CAGR 3% with a sharp increase in 2019 and then a subsequent dip post that. As per data FY 2018-19 to 2020-21 for exports from the state of UP, it is observed that there has been decreased by CAGR 14.18%, with a similarly sharp increase in 2018-19 which fell in the year post that.

The top importers for this product in the world are given below, alongside the value of the product imported in 2020.

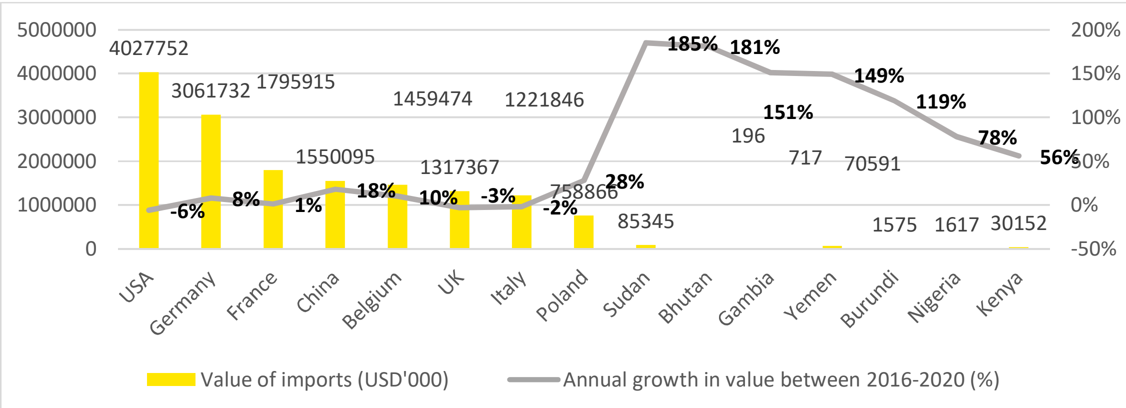


Figure 11: The top importers for this product in the world for HSN-640399

Prominent Import Countries to whom India export this product are:-

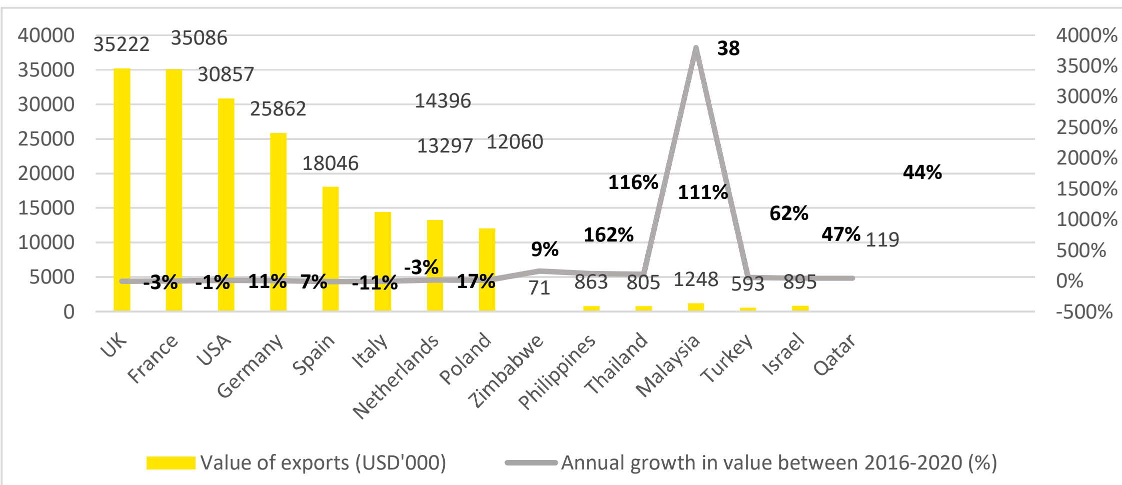


Figure 12: Prominent Import Countries to whom India export of HSN- 640399

Figure 13:Markets for export potential for HSN-640399

Countries to whom UP exports this product in HSN code -640391 are **UK, Spain, Poland, Germany, France, Netherland, Italy, USA, Belgium, Australia, UAE, Denmark, South Africa, Chile, and Slovenia.**[20]

4.6 Potential Areas for Value Added Product

Product Diversification – The Industry may focus on export of value-added items like Mineral free leather i.e., to develop leather without using chrome or other mineral tanning agents. Huge waste of leather and rubber by footwear industry is visible along the drain and job work done by people for in big numbers, which is mostly complete at home, does not recycle and instead throws waste in open areas and drains. When waste is left unattended for several days at an open dump or in dustbins, it is burned to minimise volume. At the secondary collection point, the total amount of leather and rubber waste is estimated to be around 60 MT per day. [21]Leather industries need model such as waste to wealth, below table shows the waste to wealth model:

Table 6: Waste to Wealth model

Type of Waste	Value Addition
Raw hide/skins trimmings	Pharmaceutical grade gelatine
Fleshing's	Biodiesel and fertilizers
Split	High split finish leather
Shaving dust	Separation of protein for application as fillers and bio- fertilizers
Buffing dust	Generation of Bio-gas energy from buffing dust

4.7 SWOT analysis

Table 7: SWOT Analysis of leather products

Strengths	Weakness
▶ Unique Product Offering. ▶ Leadership position in Indian Leather Footwear sector. ▶ Considerable share in world's leather footwear production.	▶ Dependence on supply of raw material. ▶ Lack in welfare of skilled workers. ▶ Lack of Association among small and micro level units. ▶ Weak Physical Infrastructure and Production

20 *www.dgcisanalytics.in*
21 *https://www.ijtsrd.com/papers/ijtsrd46358.pdf*

▶ Ability to deliver to varied order sizes. ▶ Labour intensive industry providing livelihood to skilled manpower. ▶ High level of innovation in design and material. ▶ Availability of research and design centre. ▶ More than 5000 manufacturing and around 150 exporting units. ▶ Strong historical background of Leather Footwear. ▶ Many big cities are linked up with this cluster.	infrastructure at cottage level units. ▶ Limited direct market access for large section of micro and small manufacturers. ▶ Lack of educated certified and professionally trained work force. ▶ Designing and R&D facilities not rising to the mark. ▶ Lack of awareness of Social compliance and Environmental issues. ▶ Limited knowledge of any quality control and standards. ▶ Lack of international marketing skills among the vast micro and small-scale units.
Opportunities	**Threats**
▶ Huge potential for exports. ▶ Growing market for Leather Footwear, both domestic and international. ▶ Product Diversification. ▶ Domestic Retail Opportunity. ▶ Technical up gradation. ▶ International exhibitions. ▶ International warehouses. ▶ Branding for market conquering. ▶ Large scale employment. ▶ Extension of market base.	▶ Rising input prices. ▶ Migration of skilled designers and researchers. ▶ Rising competition from China and Bangladesh. ▶ Absence of new designs. ▶ Dependence on global brands in marketing. ▶ Increasing labour demands. ▶ Lack of raw material availability within the area/Dependency on other leather markets such as Chennai, Kanpur, etc. which are established production centres.

4.8 Challenges and interventions

Parameter	Challenges	Intervention
Raw Material	▶ Absence of tanneries ▶ Mostly raw materials being outsourced ▶ Constant price fluctuations ▶ Distances between the source of raw materials & consumption point	**Hard Interventions** ▶ Establishment of a Raw Material Bank within the CFC ensuring easy availability of 15,00,000 sq. ft/day of leather & synthetic material demand, considering a storage capacity of 20 days ▶ A provision of trade centres may be considered in identified clusters and industrial area for setting up dealers' outlets for easy availability of the raw materials **Soft Interventions** ▶ Promoting units for producing non-leather/synthetic materials to reduce dependency non china
Technological upgradation	▶ Unawareness of the technological advancements among the traditional workers, taking place in the	**Hard Interventions:** ▶ Establishment **of Common Production Center** with modern machines including Automatic Rotary Machine, Cerim pulling over, Toe and Forepart Lasting Machine Back Counter Moulding Machine,

Parameter	Challenges	Intervention
	international industry. ▶ Due to lack of finance and awareness, the units are running on conventional methods with mostly outdated machines. ▶ Cluster majorly imports Chinese tools, equipment and machinery which are technologically inferior compared to European equipment. For e.g., DESMA direct soling machines. ▶ The time lag in applying for incentive for technology upgradation under Technology Development & Modernisation Fund (TDMF) Scheme and actual receipt of the incentive is 6 months, which is too long by industry standards.	Stable sewing machine, and PU double density moulds for safety & non-safety shoes etc. **Soft Interventions:** ▶ Short term training programs and visits to Industrial Trade Fairs/Units for the traditional. ▶ Artisans living in different localities/clusters must be encouraged to organize SPVs for setting up Common Facility centre in their localities for arranging latest machines to meet the specific requirements of their products. ▶ **Preferential trade agreement with leading EU nations like Germany, Italy** etc. which are the world leaders in automation to leverage the best technology at affordable costs and reduce dependency on unreliable Chinese equipment. ▶ GoI schemes like Indian Footwear Leather and Accessories Development Programme (IFLADP) Scheme has stringent applicant guidelines which favours the established players, needs to devise customised Technology Development & Modernisation Fund (TDMF) Scheme into small components for micro enterprises. ▶ DIEPC may conduct awareness programme among cottage and MSEs to avail the offerings of schemes such as MUDRA Yojana and benefits of TDMF scheme set up by SIDBI, GoI.
Design	▶ Lack of innovative design inputs/design centre, which leads to imitation of designs from large showroom and repetitive manufacturing of same design products. ▶ Very little effort is made to create indigenous and innovative designs.	**Hard Interventions:** ▶ It is proposed that a Design and Innovation center be set up in the cluster. The centre will include following components: ▪ Design Lab ▪ Design Bank and Product Library ▪ Database of various vendors/suppliers ▪ Database of designing facilities ▪ Sample Development ▪ Training Centre ▪ IT Lab and Resource Centre **Soft Intervention:** ▶ Design training and certificate courses for local aspirants in collaboration with institutes like Central Footwear Training Institute (CFTI) & Footwear Design and Development Institute (FDDI) ▶ Onboarding renowned designers ▶ In case any CFC comes up with designing facility, it shall be prudent on its part to maintain confidentiality of the designs and its process until

Parameter	Challenges	Intervention
		it is given away to the assigning unit.
Marketing & branding	▶ Dependency of cottage units upon the middlemen/commission agents for sales of their products. ▶ Need for infrastructure for marketing and trading for marketing the product ▶ Absence of usage of information and communication facilities ▶ Not utilized common marketing and sales platform ▶ Micro enterprises are mostly run by semi-literate individuals who are severely hampered by lack of knowledge of new age marketing tools ▶ Lack of the participation in International Trade fairs / events ▶ Limited Market diversification ▶ Lack of knowledge of existing schemes and govt. initiatives	**Hard Intervention:** ▶ Leather Development & Marketing Corporation Ltd. Agra (Popularly known as LAMCO) shall be revived ▶ Revival of Juta Mandi **Soft Intervention:** ▶ Awareness and outreach for participating in international fairs and exhibitions. ▶ Encourage to leverage ODOP MDA scheme for financial assistance. ▶ Organize state and national level exhibitions ▶ Collaboration with major industries, private organizations, and government bodies (for e.g.: footwear used by forces). ▶ Collaboration with **E-commerce companies** ▶ Exposure visits to Kanpur, Chennai, and Italy clusters to study the best practises and understand their modus operandi and value chain. ▶ DIC and FIEO can play a pro-active role in this regard. 10% increase in every year in the number of units taking part in the trade fairs organised by FIEO and other organizations may be proposed as a target under this segment ▶ The DGFT/FIEO can set targets for participating in events per year. Example: Participation in at least 3 international events for this sector every year to create foreign linkages and increase.
Quality Improvement	▶ Unawareness of global standards and quality ratings ▶ Only exporters of the cluster try to maintain the quality standard of global market ▶ Undefined quality standards of the products.	**Soft intervention** ▶ Collaboration with National institutes to support artisans in improving quality of footwear and helping them understand the importance of maintaining these standards. ▶ Special focus should be given on creating Brand labels with uniform quality standards. ▶ Collaboration with Quality Council of India (QCI) will help in setting the quality standard of these footwears, to increase the sales in international markets, and they can be exported across the globe with brand logo which ensures its authenticity.
Access to finance	▶ Lack of awareness about existing Financial institutions and their schemes & policies ▶ Blockage of working capital owing to extended payment timelines due to existing "Purcha system" run by hundreds of unlicensed micro finance agents ▶ Unavailability of financial assistance loans at 0 or 2%	▶ Awareness and outreach program for raising consciousness about existing central and state government schemes that can be leveraged ▶ GoUP may term the use of "Purcha system" as an illegal activity and direct the use of post-dated cheque system. ▶ Indian government shall consider establishment of manufacturing focused banking system which can allow the manufacturers to avail loans at lower rates. ▶ Collaboration with nationalized banks

Parameter	Challenges	Intervention
	interest rate offered in countries like Germany or Vietnam in spite of having the best world class infrastructure.	▶ Collaboration with SIDBI ▶ Handholding in listing of units on NSE/BSE.
Packaging	▶ Lack of innovative packaging	**Hard Intervention** ▶ **Innovative and modern packaging unit** is required to overcome this challenge in cluster. **Soft Intervention** ▶ Collaboration with Indian Institute of Packaging (IIP) for conducting workshops/ seminars or training program for leather footwear manufacturers to upgrade their packaging techniques.
Skill Development	▶ Vacuum of the floor level workers within Industry. ▶ New generation of skilled artisans/entrepreneurs of Agra are not inclined towards learning the footwear manufacturing skills of their forefathers. ▶ Weaker section cannot afford skill development trainings.	▶ Cluster centric skill development programme shall be introduced and Government may allow the students to have apprentices from the age of 16 to 18 years. ▶ ODOP Skill Development Scheme could be leveraged to provide training/skill-upgradation to the artisans and toolkit distribution. ▶ Entrepreneurship and Skill Development Programme (ESDP) scheme may be leveraged.
Business Environment	▶ Delay in resolutions of industrial disputes among industry stakeholders. ▶ Industrialists faces various audits (like fire, electrical safety, environment, etc.) related challenges done by various government agencies. ▶ Lack of financial and social security among footwear sector entrepreneur in case of contingency. ▶ Protection to the local cottage footwear Industry from low priced dumping material footwear by foreign manufacturers like china, Vietnam, etc.	▶ Divisional commissioner may be empowered and directed to resolve the disputes faced by industry stakeholders in time bound manner. ▶ Compliance audits shall be carried out by 3rd party audit agencies, which have also got expertise in environmental controls and monitoring the remedial measures to be taken by the unit and concerned government departments, ▶ A certain part of the revenue collection from the industry must be deployed back by creating development fund. ▶ Footwear being imported from other countries shall be subjected to the custom duty as if that footwear is sent by the foreign manufacturer @ Rs.4000 per pair. This will boost up the national market for civil shoes being manufactured locally.
Waste management by Agra leather industry	▶ Wastage of the leather/non-leather cuttings from the cottage sector units is usually dumped into nearby drainage which chocks the system.	▶ Nagar nigam may be directed to monitor the waste produced by cottage sector units, clear the runnels and other affected part of Agra. ▶ Government should make the installation of air pollution and discharge meter mandatory in every unit, define their waste limits and guide UPPCB to monitor the same.

Parameter	Challenges	Intervention
	► MSME footwear enterprises hardly have any idea that how wastage dump given to few unknown vendors and nagar nigam is being treated further.	► UPPCB and Agra municipal corporation (AMC) to share timely reports on waste management status of Agra, ► DIEPC may organise health awareness and waste management programs for MSMEs & large enterprises in association with NGOs, AMC and UPPCB. ► Government should encourage new company to make products like biofertilizer pharmaceutical grade gelatine from waste
Environment	► Industry faces growth challenges, due to National Green Tribunal has notified a 60km radius around the vicinity of Taj Mahal or Taj Trapezium Zone (TTZ) within which no industrial enterprise which comes under the orange/red category are allowed to operate.	**Hard Intervention:** ► Setting up modern technology based CETPs would ensure in reduction of effluents in TDS levels of liquid discharge. **Soft Intervention:** ► Awareness and outreach program for raising consciousness about environment issues due to the pollutants. ► Use of codes of conduct (COC) for assessment of suppliers on social and environmental compliance. ► AFMEC has been advocating the fact that the footwear manufacturing industry does not come under orange/red category since tanning is not involved. ► Government may direct the chairman (Divisional Commissioner, Agra) of TTZ to initiate better coordination amongst various government agencies for the resolution of industry and National Green Tribunal (NGT) concerns.
Exporter's issue	► No focal point to address exporters ongoing issues.	► DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.
Cost Structure	► U.P. is a land-locked state hence this increases the transportation cost which in turn adds to the overall production expenses ► Since the start of Covid 19 Pandemic, the availability of containers and the Freight Charges by the Shipping lines has been main concern of the industry	► The DIC office should organize workshops for exporters to apprise them about **Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.** ► The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website. ► The formation of the sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.
Health related	► No periodic health check-ups of workers in MSME	**Hard Intervention**

Parameter	Challenges	Intervention
challenges faced by artisans	and larger enterprises. ▶ Widespread addiction of alcoholism among workers. ▶ Tuberculosis is one of the major threats found among artisans/labourers ▶ Pathetic and unhygienic living conditions of artisans in different clusters across Agra.	▶ The Government may consider about rehabilitation of the small units out of Agra city and relocate them to some ideal place of working. Such place can be designated as Modern Leather Craft Village. **Soft Intervention** ▶ Ministry of Labour and Employment, GoI, MSME GoUP and/or MSME GoI may join hands with ESI Hospitals to get the medical check-ups of all the workers of the units periodically carried out. ▶ Removal of wine/liquor shops nearby artisan's locality.

4.9 Future Outcomes

Annual Turnover	Cluster exports
Increase in annual turnover from existing **INR 24000 Cr. to 27783 Cr. by 2025**	Substantial targeted growth in cluster exports expected to be 15% in short term and **approx. INR 2178 cr. by 2025**

5. Product 2: Marble / Stone handicrafts products

5.1 Cluster Overview

Uttar Pradesh has been undertaking large scale manufacturing of stone handicrafts since the Mughal era. The primary hubs of production in the state are the clusters of Agra and Varanasi. In comparison, Agra's production is much larger than that of Varanasi.[22]

As of today, the cluster has around **1,158 registered and un-registered functional units**Error! Bookmark not efined. spread across **Agra city, Bichpuri, Achanera, Kheragadh and Fatehpur Sikri,** employing over 75,000 individuals directly and indirectly at various value chain activities including **8,000 artisans** [23]solely employed in the production process of marble inlay and stone carving. Apart from the artisans, cluster also has unitholders, Merchant Exporting Firms (MEFs)/ exporters, raw material & machinery suppliers and various financial and non-financial support institutions who are the major stakeholders of the cluster.

Key Facts

1158 Manufacturers

INR 848 Crores **Approximate turnover of the cluster**

INR 427.77 Crores ~ **Export Turnover**

75,000 **employment directly or indirectly associated**

The cluster's annual turnover in FY 21 was INR 848 Cr and it's exported around 50% of it to countries like **USA, UK, Germany, France, Italy, Canada, Switzerland, Singapore etc.,** [24]while, the rest is sold domestically in the local markets. Thus, making this industry one of the major contributors to the GDP of the district.

5.2 Product Profile

The cluster mainly manufactures **high-quality marble inlay and stone craft products** that include kitchenware, decorative product, tabletops, jewellery boxes, statues, and souvenirs etc. The production of the cluster largely depends on the tourist traffic and the demand of oversea markets.

Figure 14: Key products of the cluster

22 *Basis stakeholder consultations*

23 *Basis stakeholder interaction and Letter of Handicrafts Exporters Association, Agra*

24 *Basis stakeholder interaction and Letter of Handicrafts Exporters Association, Agra*

The price of marble and stone handicraft product is directly proportional to the type of stone used, type of design and labour charges. Hence, the exact cost for each type of product is hard to quote.

Status of GI Tag

Handicrafts Exporters Association of Agra, has applied (Application No. 661) for Geographical Indications (GI) tag as "Agra Stone Craft" to get the product nationally and internationally recognized.[25]

5.3 Cluster Stakeholders

- Artisans
- Raw material suppliers
- Machinery suppliers
- Manufactures unitholder
- Manufacturing Export Firms / Merchant Export Firms (MEF) / Merchant cum manufacturer exporter
- Handicrafts Exporters Association - Agra
- Agra Stone Handicraft Producer Company Ltd., Agra

- Banks and Financial Institutions (FIs)
- District Industry and Export Promotion Centre (DIEPC), Agra
- MSME- Development Institute (MSME- DI), Agra
- Development Commissioner (Handicrafts), Ministry of Textiles
- Export Promotion Council for Handicrafts (EPCH), Agra
- National Small Industries Corporation (NSIC),

Figure 15: Cluster Stakeholders

5.3.1 Industry Associations

Only One Industry Associations/SPVs that is working for the development of Stone handicrafts :

- Handicrafts Exporters Association - Agra

5.4 Export Scenario

5.4.1 HS Code

HS codes under which the product is exported from the district.

Table 8: HS Code with description

HS Code	Description	Value of exports (in INR)
681599	Articles of stone or other mineral substances, N.E.S. (excluding containing magnesite, dolomite or chromite and articles of graphite or other carbon)	INR 407.49 Crs (From Sept. 2020 to Nov. 2021)

Key Fact of Export

1,738,034 (USD Thousand)

Value of world exports in 2020

104,551 (USD Thousand)

Total Exports from India in 2020

65270 (USD Thousand)

Total Exports from UP in 2020

62.42%

Share of UP in India Exports in 2020

Current Scenario

Marble inlay and stone crafts including stone carved handicrafts have managed to stay relevant even in these modern times. The international audiences from UAE,

[25] http://ipindiaservices.gov.in/GIRPublic/Application/Details/661

Saudi, Iran, USA, UK, France, Germany, Canada is seen to have a strong affection to the stone crafts. Tabletops, miniatures of monuments, kitchenware, stands etc.

India also manages to supply the above stated items in the international market. The handicrafts of India have its own demand due to its Unique Selling Point- “hand-made”. The artifacts of India are popular due to the fact that it is still not entirely machine made. A lot of cluster in India still follow the traditional approach and tools while manufacturing the products.

A large percentage of the exports from India is catered by UP, particularly Agra. The products manufactured from Agra are exported under the codes 681599.

5.5 Export Potential for Marble / Stone handicrafts products

- The total exports of stone handicrafts products from Agra district were around INR 427.77 Cr in year 2020-21.
- India's exports represent 6% of world exports for this product, its ranking in world exports is 7. [26]
- Other prominent products exported from Agra District are Leather footwear, Meat, Engineering goods, etc.

Product 681599: Articles of stone or other mineral substances, N.E.S. (excluding containing magnesite, dolomite or chromite and articles of graphite or other carbon)

As per trade indicators, India's exports **represent 6%** for this product code **ranking in 7th** in world exports, behind China, Germany, Taipei Chinese, Austria, USA, and Japan. The value exported in 2020 is **USD 1,04,551 Thousand**.

However, the value of India’s exports over the last 5 years have increased by CAGR 7%. And, as per data FY 2018-19 to 2020-21 for exports from the state of UP, it is observed that there has been a decrease in the CAGR by 7.07%.

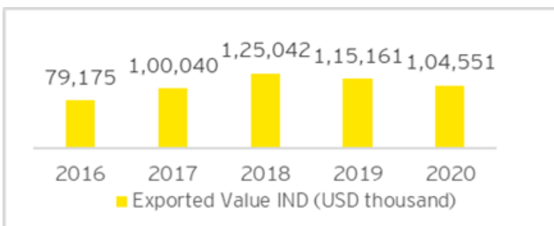


Figure 17: Exported value of India for HSN-681599

India exported this product to **USA, UK, Germany, Japan, UAE, France, Netherlands Turkey, Australia, China, Bangladesh, Brazil, Romania, Egypt, Nigeria etc.**

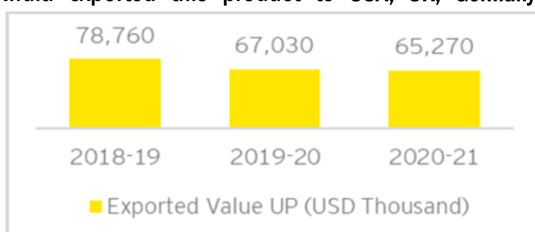


Figure 16: Exported value of UP for HSN-681599

Importers of the product:

The following figure highlights the top importers of the world along with their value of exports (2020) and annual growth in value:

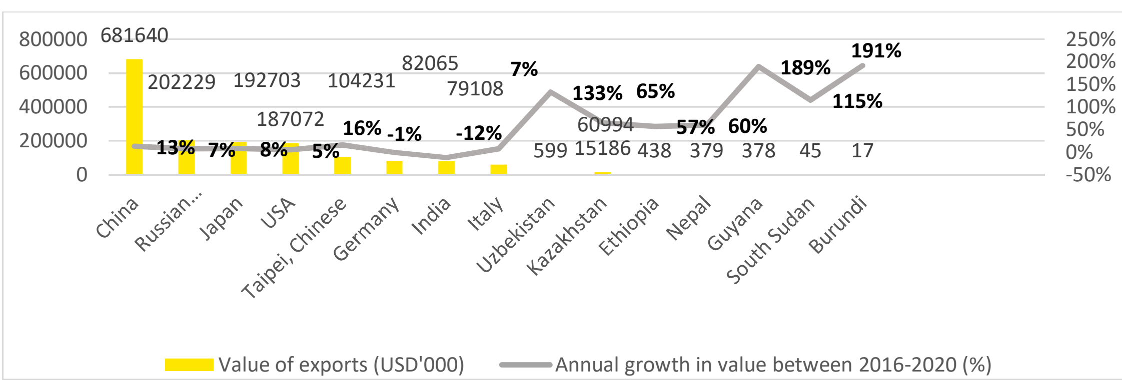


Figure 18: The top importers for this product in the world for HSN-681599

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[26] *https://www.trademap.org/*

The following figure highlights the top 15 countries importing from India along with their value of exports (2020) and annual growth in value

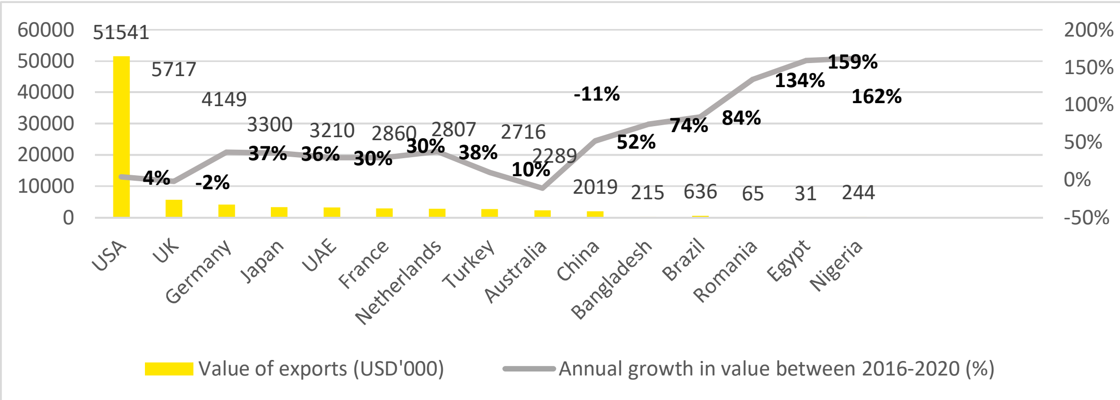

Figure 19: Prominent Import Countries to whom India export of HSN 681599

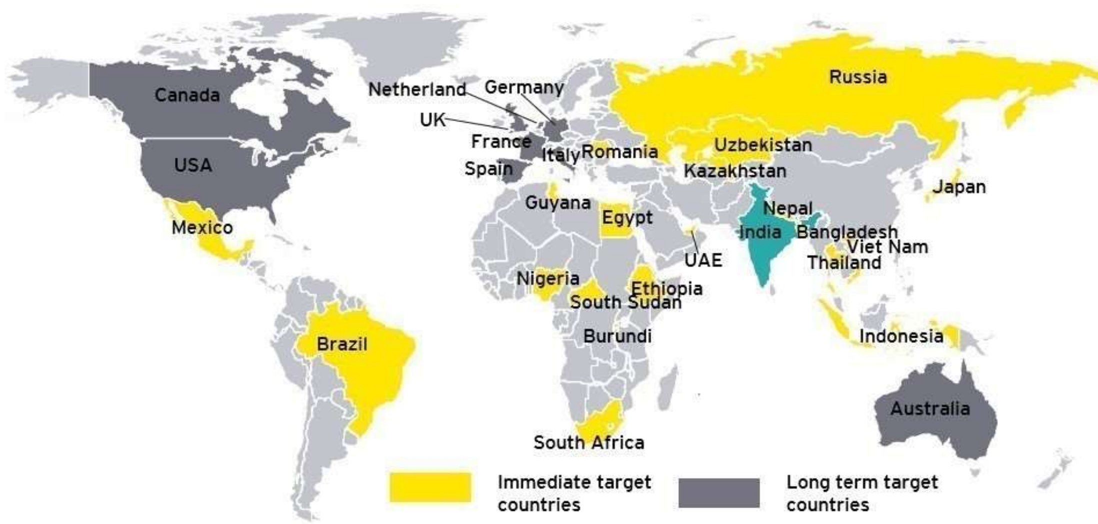

Figure 20: Markets for export potential

In the financial year 2020-21, UP exported 65,270 USD Thousand to **USA, UK, Germany, Turkey, Australia, China P, Netherland, UAE, Canada, Korea RP, Saudi Arab, Spain, Brazil, South Africa, and Mexico.** [27]

5.6 Potential Areas for Value Added Product

Product Diversification – The Industry may focus on export of value-added items of daily use like kitchenware, bathroom ware etc. to generate additional revenue.

5.7 SWOT Analysis

Table 9: SWOT Analysis for stone handicraft

Strengths	Weaknesses
▶ Availability of various types of raw materials in the market	▶ Artisans and most micro units are financially constrained to directly procure materials from

[27] *http://www.dgcisanalytics.in/dgcis/EXIM-Analytics#/home?_g=()*

• The unit holders of the cluster know the variety and have sufficient knowledge on verifying the quality of raw materials • Traditional designs and patterns are still in demand in some of the international countries • Hand-made artifacts of India are quite popular in the foreign market • The industry creates employment opportunities for the individuals of the district • Artisans are trained in traditional approach from their ancestors in most cases • Presence of 520 banks and financial Institutions in the district • Presence of various govt. schemes and policies	local market to avoid transportation cost and due to inadequate storage facilities for bulk procurement • Locally sold raw materials are expensive • The cluster has no standard pricing • Lack of design innovation and inadequate technology for designing in the cluster obstructs growth • Artisans are unaware of latest trends and market demand • Inadequate facilities for packaging and testing and limited knowledge of artisans on them • Limited access to modern technologies and unaware of its applications in the process • Poor working condition and low wages of artisans • Lack of access to formal training • Declining interest of youth in traditional industries • Non-participation and limited knowledge of artisans and most unitholders in marketing and allied activities • Limited domestic demand of the product • Lack of infrastructure for marketing/ selling the products that are manufactured within the cluster • Lack of awareness of Govt. initiatives • Lack of interest in availing financial aid from banks • Unaware of procedures of banks • Poor statements/ no financial records
Opportunities	**Threats**
• Access to finance/ working capital loan for procuring raw material • Establishment of CFC with Raw material bank will ensure raw material sale at reasonable and standardized pricing • Adopting new designs and market forecasting through continuous trainings and collaboration with design institutes • Establishment of a design bank • Shift to CAD and CAM for designing • Establishment of Common Production Centre with latest machinery for allied processes for production • Formal training and exposure visits will ensure cluster actors to be well versed with the machines	• Dependence on MEF and exporters might restrict innovation amongst the artisans • Setting up of new units and expansion of small units are often at risk due to high dominance of few manufacturers and MEFs • Low level of adaptability and motivation among the artisans to acquire new skill sets • Tough competition from other countries • Lack of interest in availing formal financial support

▶ Collaboration with skill development institutes for capacity building and imparting formal training I the cluster ▶ Increased roles of artisans in other end-to-end value chain activities ▶ Potential for increasing export by identifying untapped export potential of countries ▶ World market for stone handicraft product is growing ▶ Establishment of a display centre will help build direct relation with customers ▶ Support from Government on export through various initiatives and relaxations ▶ Leverage Financial Assistance schemes by Government	

5.8 Challenges and interventions

Parameter	Challenges	Intervention
Raw material	▶ Lack of storage facilities in case of bulk procurement of raw materials ▶ Lack of participation of artisans in direct procurement ▶ Locally supplied raw materials are expensive as it includes 40-50% margin of the supplier over the procurement cost ▶ Stone and semi-precious raw material is usually sold in block/cob, slab/ bricks, and chip form. And, while production, the artisans usually brick the stone further which ends up in wastage	**Hard Intervention:** ▶ Establishment of Raw Material Bank (RMB) within the CFC with warehousing facilities of (43,560 sq. ft) to store various types of main and semi-precious stones. ▶ The RMB is envisaged to have slabs and blocks of stones of various sizes especially the most commonly required ones. This will ensure minimal wastage and also save the time the artisan usually spends on cutting the slab/ block **Soft Intervention:** ▶ Workshops/ training programmes in the cluster for identification and determining the quality of raw materials and identification of its characteristics during procurement by leveraging schemes.
Designing	▶ Traditional designs especially floral patterns and geometric shapes are still prominent in the cluster ▶ Most artisan of the cluster are oblivious about trend forecasting and design innovation ▶ Designs are hand traced and majority of the artisans ▶ Absence of design software within the cluster and the lack of knowledge in their existence or application	**Hard Intervention:** ▶ Establishment of a Design bank with the following facilities to ease the designing process: ○ Access to design software: **CAD and CAM** ○ Access to **dye sublimation and paper transfer machines** ○ Printers- **regular and large** for creation of designs of variable sizes ▶ Creation a catalogue with old and new designs that will come handy while deciding designs for the products and while collecting orders for the district. ▶ **Exposure visits** to clusters of Jaipur, Turkey etc. to learn best practices in design

Parameter	Challenges	Intervention
		aspects ▶ **The collaboration with retail players** can also help in ensuring usage of latest designs ○ The design experts of the retail players can guide the artisans of the cluster **in creation of new designs**
Technology	▶ The cluster has only **33 advance machines used for cutting, carving, drilling** etc. used by the medium unit and a couple of small units. While the rest of the machines used in the cluster are outdated ▶ Some of the cluster actors also have limited understanding of latest machineries ▶ As per the baseline survey, **~60% of the unitholders are short of finishing and polishing machineries**	**Hard Intervention:** ▶ Establishment of a **Common Production Centre** within the CFC with advanced machineries like **CNC engraving machine, CNC grinding machines** etc. for easing the production process ▶ **Establishment of finishing and polishing facilities** at the CFC with **CNC polishing machine, Polisher Machine / Buffer Machine.** **Soft Intervention:** ▶ **Exposure visits** to clusters of Jaipur, Turkey etc. to learn best practices on the use of technology in the production process
Marketing & Branding	▶ The marketing activities majorly undertaken by the exporters/ MEFs ▶ Only a few units sell on e-commerce platforms ▶ The artisans are unable to create a direct link with customers due to lack of marketing infrastructure within the cluster	**Hard Intervention:** ▶ A **display centre** at the CFC will help provide a space for conducting events and engaging with end users by displaying key products. **Soft Intervention:** ▶ **Collaboration with e-commerce companies-** Flipkart and Amazon to sell products like inlayed table-top, coaster set, flowerpot, marble decorative box etc. ▶ **Collaboration with retail companies** like Big Bazar, D-Mart etc. & hospitality players like FabHotel Alpine Tajganj, Tajview Tajganj, FabHotel Taj Pearl, Radisson Hotel of Agra will help engage with more consumers, increase sales and ensure free marketing of the cluster
Packaging	▶ Very few unitholders ensure the use of corrugated boxes and bubble wrap for packaging. While majority of the packing is undertaken by packing agents through the exporters ▶ Lack of knowledge in sustainable packaging techniques	**Soft Intervention:** ▶ Collaboration with Indian Institute of Packaging (IIP) for ensuring training/ workshops in the cluster on sustainable packaging
Skill development	▶ Majority of the artisans learn their skills from their family or on the job as the cluster ▶ The cluster lacks a training centre that can undertake formal training courses ▶ Lack of recognition for formally	**Hard Intervention:** ▶ Establishment of training centre with required machines and tools as per specifications of NSDC/ UPSSDM to ensure skilling and upskilling of individuals in the value-chain activities

Parameter	Challenges	Intervention
	trained artisans ▶ Lack of encouragement to setup/ expand their business ▶ Limited knowledge of artisans in business operations	**Soft Intervention:** ▶ Collaboration with NSDC/ UPSSDM for undertaking skilling and upskilling under design, marketing, accounting, production process etc.
Access to finance	▶ Shortage of working capital amongst the cluster actors ▶ Apprehensions and unwillingness to apply for loans ▶ Lack of awareness on schemes, policies, and financial products ▶ Continuous rejection from formal sources leaves the artisans to accept informal sources for availing credit ▶ FIs fear NPA and fail to understand the MSME's business set up	**Soft Intervention:** ▶ Access to revolving working capital loans ▶ Promote digital lending ▶ Collaborations with Fintech, NBFCs and MFIs ▶ Awareness and outreach on schemes, policies like SIDBI-SMILE, ODOP Margin Money etc. and financial products
Exporter's issue	▶ No focal point to address exporters issues.	▶ DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.
Cost Structure	▶ U.P. is a land-locked state. India's cost of logistics is one of the highest in the world. ▶ Since the start of Covid 19 Pandemic, the availability of containers and the Freight Charges by the Shipping lines has been the main concern of the industry	▶ The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme. ▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website. ▶ The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.

5.9 Future Outcomes

Annual Turnover	Cluster exports
The increase in turnover from INR **848.05 Crs. to 1030.81 Crs. by 2025.**	Substantial growth in cluster exports expected to be **more than INR 510 Crs.** by **2025**

6. Product 3: Carpet

6.1 Cluster Overview

Agra Durrie is a traditional hand-woven textile product. It is a flat woven pileless rug having a rich variety of designs and colours. It is essentially a thick cotton woven fabric meant for spreading on the floor. It is a weft-faced fabric on both its sides as warp is completely covered by the weft. In its simplest form it is made in plain weave and in simple stripes in different colours running from side to side or broken into rectilinear sections or with simple patterns in single colour or multi colours.

Antique Agra Rugs Agra has been a major center of area rug and carpet production since the great period of Mughal art in the sixteenth and seventeenth centuries. When the carpet industry was revived there under British rule in the nineteenth century, the great Mughal tradition got a new lease on life, accompanied by a new interest in the sorts of classically derived designs current in Persian rug production during the same period. Because of this, nineteenth and early twentieth century Agra carpets enjoyed a varied and eclectic background that could draw on all the great achievements of Oriental carpet weaving. Antique Agra rugs present elegant all-over designs alongside medallion or centralized patterns. They have the rich pungent palette of classical Indian and Persian carpets as well as soft, cool earthy tones.

Less widely known is that Agra has also been a large center for rug weaving since the 16th century. When Agra first became the Mughal capital in 1566, it also established its presence as a rug weaving center. The carpets here are known for their unmatched style and elegance. India's carpet weaving marked its beginning in 1580 AD, when Akbar introduced Persian design carpet weaving in Fatehpur Sikri. Mughal carpets were brightly coloured, and the hand knotted silk carpets had 4224 knots per square inch with designs depicting the court life, animals, and floral decoration. The Indians themselves had never had much need for large carpets and the craft was introduced relatively late. During Jehangir's reign in 1605 AD, the carpets became customised to Indian culture and taste, the use pf silk and pashmina permitted a greater number of knots resulting in a tight texture. During the 17th century, a number of skilful Persians were called in to impart their weaving knowledge in India. Large carpet factories were started in Lahore; the patterns as well as the knotting closely resembled Persian work. A number of antique carpets from this time are now found in museums throughout Europe and America. Production of fine rugs continued here through the decline of the Mughal Empire in the 17th century after which most antique Agra rugs were categorized as Indo Isfahan weaving.

Since the end of the 19th century rugs in India have been primarily woven to order and have been made with the finest quality in mind. Although later rugs do derive patterns from their predecessors, the changing style of Agra carpets can be most clearly seen during the British rule of the 19th and 20th centuries. Production ceased after the 1920's but resumed again in more recent times. Now, Agra carpets are considered some of the most decorative pieces internationally.

Agra Rugs are difficult to classify as they vary in size, design, and composition. Although they often exhibit open fields with smaller medallions and guards, they can also be woven with all-over designs. Similarly, the fields are usually composed of olive greens, blues, fawns, and tans, but can also be red or other colors. They are usually woven with wool, but can also be found with cotton. The older Mughal pieces are relatively rare (they are usually found in fragments or are re-sized and heavily restored) and as such are much more valuable. The weight of an Agra is one telling factor between the older Mughal Agra carpets which are lighter and the newer Agra rugs that are heavier.

As of today, the cluster has around **90 registered and un-registered functional units** spread across **Fatehpur Sikri, Etmadpur Khandauli, Shamshabad, Fatehabad, Jagner, Kheragarh, Sainya, Achanera, Akola, Bichpuri, Barauli Ahir, Bah, Pinahat & Jaitpur Kalan of Agra district,** employing over 75,000 individuals directly and indirectly at various value chain activities including **500 artisans** [28]solely employed in the production process of marble inlay and stone carving. Apart from the artisans, cluster also has unitholders, Merchant Exporting Firms (MEFs)/ exporters, raw material & machinery suppliers and various financial and non-financial support institutions who are the major stakeholders of the cluster.

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28 *Agra Carpet Manufacturing Association and Agra flooring Association*

The cluster's annual turnover in FY 21 was INR 500 Cr and it's exported around 50% of it to countries like **USA, UK, Canada, Australia, Sweden, Italy, UAE etc.,** while, the rest is sold domestically in the local markets. [29]

6.2 Product Profile

Agra Durrie is a flat woven pileless rug having a rich variety of designs and colours in simple stripes in different colours running from side to side or broken into rectilinear sections or with simple patterns in single colour or multi colours.
Agra Durries being woven in and around Agra can be classified in three types as follows:

Durries of Cotton / jute / Hemp :

This kind of Durries are made of Cotton / jute / Hemp and can be woven into different sizes and needs, such as large durries for decoration of large halls, lobbies, stair cases, up to about eighty feet in length and twenty five feet width, Durries for saddle cloth or animal cover, large grain carrying bags. Cotton – smaller room durries, bed durries, ja-namaz (prayer mat) with single or multi niche.

Woollen Durrie:

Woollen durries are in which warp is cotton yarn and weft is woollen yarn. Woollen durries are stripped or having repeated geometric motifs, framed by simple borders as well as pictorial designs with a woven narrative including images of flowers, birds, reptiles and people are woven. These Durries are used in Big Tents, Halls, Darbar Halls, Marriage pavilions, smaller room durries, bed durries, ja-namaz (prayer mat) with single or multi niche.

Chindi Durrie:

The Chindi Durrie or rag rug in which waste cloth (chindis) are formed into a weft strand and used in weft determines in weight of rag-rug. It was originally made from scraps of old apparel, the wrap being the stout cotton thread, but the scraps have now changed and now they come in bluk, right out of the garment manufacturing units that is why the chindi durrie appears in all colours of the rainbow. An innovation on the same theme is leather scrap durrie. With thriving leather industry at Agra, Kanpur and other places, leather scrap is no problem, and this being fashioned into elegant and unusual rugs.

6.2.1 Product Portfolio

- Hand Made/Knotted carpets, Kilim, Durries

6.2.2 Status of GI Tag

Agra Durries has been awarded Geographical Indication (G.I.) status in 2013 and is valid up to 2031.[30]

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29 *Agra Carpet Manufacturing Association and Agra flooring Association*

30 *https://search.ipindia.gov.in/GIRPublic/Application/Details/155*

- Artisans
- Raw material suppliers
- Manufactures
- Exporters
- Banks and Financial Institutions
- DIEPC
- MSME DI, Agra

- Carpet Export Promotion Council (CEPC), New Delhi
- Indian Institute of Carpet Technology (IICT)
- Garmin Hastkala Vikas Samiti
- DC, Handicrafts, Agra
- Agra carpet manufacturers association

6.3 Cluster Stakeholders

6.4 Export Scenario

6.4.1 HS Code

HS codes under which the product is exported from the district

HS Code	Description
570241	Carpets and other floor coverings, of wool or fine animal hair, woven, not tufted, or flocked, of pile construction, made up (excluding Kelem, Schumacks, Karamanie and similar hand-woven rugs)

Current Scenario

The export scenario of World and India have been analysed basis the export statistics of HS codes 570241 under which carpets is exported. Alongside are the key facts pertaining to the analysed product code.[31]

Key Fact of Export Error! Bookmark not defined.

171,290 (USD Thousand)

Value of world exports in 2020

31,534 (USD Thousand)

Total Exports from India in 2020

13950 (USD Thousand)

Total Exports from UP in 2020

44.23%

Share of UP in India Exports in 2020

6.5 Export Potential for Carpets

- India's exports represent 18.4% of world exports for this product, its ranking in world exports is 2nd under HS code 570241.[32]

[31] *www.trademap.org*
[32] *www.trademap.org*

► Other prominent products exported from Agra District are Leather footwear, Stone handicrafts products, Engineering goods, etc.

Product 570241: Carpets and other floor coverings, of wool or fine animal hair, woven, not tufted, or flocked, of pile construction, made up (excluding Kelem, Schumacks, Karamanie and similar hand-woven rugs)

As per trade indicators, India's exports **represent 18.4%** for this product code **ranking in 2nd** in world exports, behind China. The value exported in 2020 is **USD 31,534 Thousand.** [33]

However, the value of India's exports over the last 5 years have increased by CAGR 21%. And, as per data FY 2018-19 to 2020-21 for exports from the state of UP, it is observed that there has been a increased in the CAGR by 11.88%.

India exported this product to USA, UK, Germany, Japan, Netherlands, Sweden, Poland, Australia, China, etc.

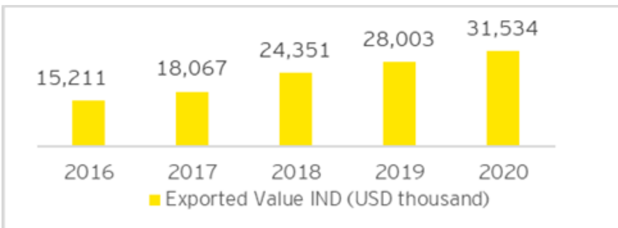


Figure 22: Exported value of India for HSN-570241

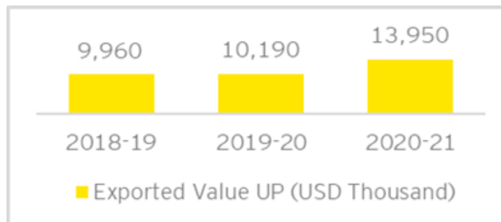


Figure 21: Exported value of UP for HSN-570241

Importers of the product:

The following figure highlights the top importers of the world along with their value of exports (2020) and annual growth in value:

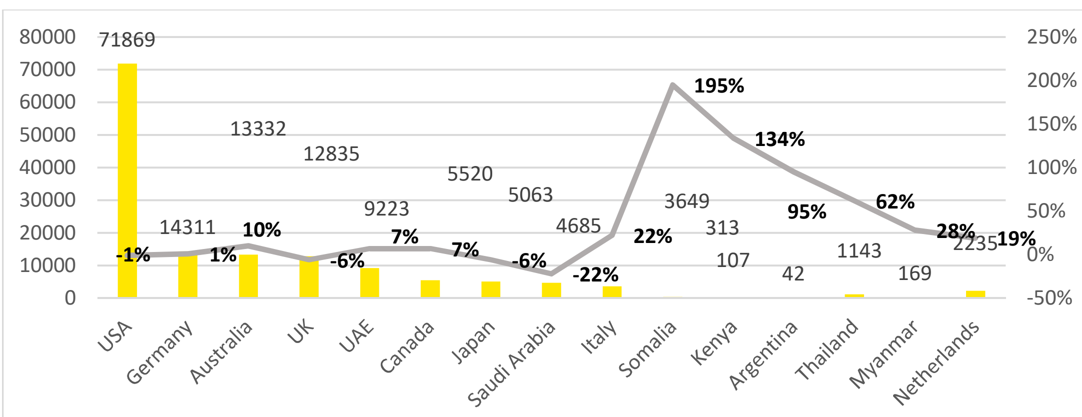


Figure 23: The top importers for this product in the world for HSN-570241

The following figure highlights the top 15 countries importing from India along with their value of exports (2020) and annual growth in value

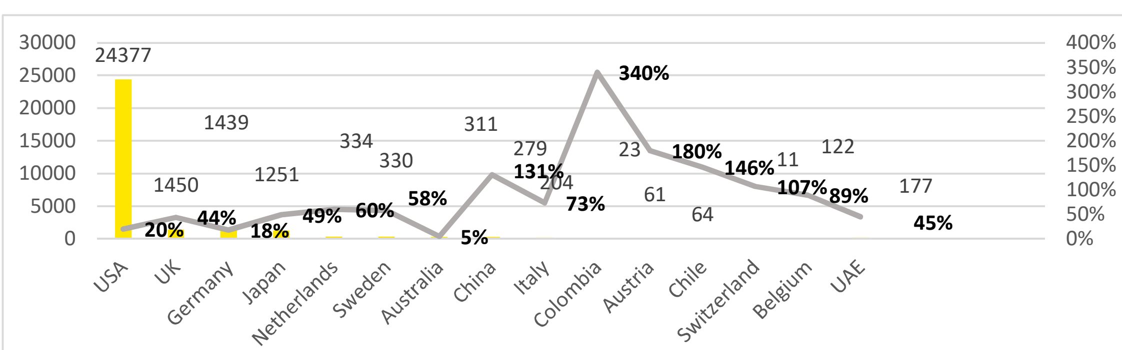
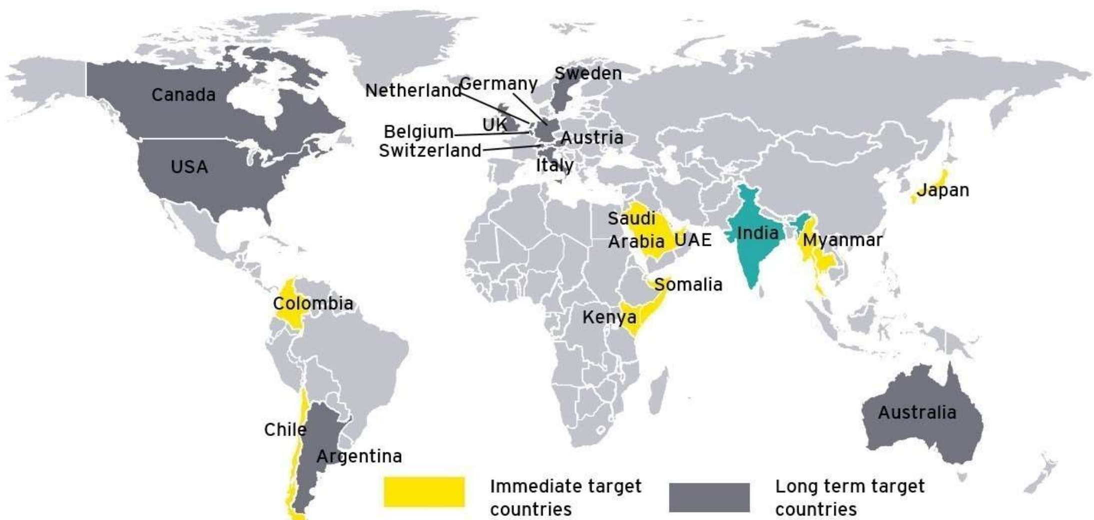


Figure 24: Markets for export potential

Figure 25: Prominent Import Countries to whom India export of HSN -570241



In the financial year 2020-21, UP exported 16,70,500 USD Thousand to USA, Germany, Japan, China P RP, Sweden, Italy, Beglgium, UAE, Poland, Brazil, Latvia, Denmark, Australia, UK, Malaysia. [34]

6.6 SWOT Analysis

Table 10: SWOT Analysis for Carpets

Strengths	Weaknesses
▶ High market demand all over the world.	▶ Poor working condition for weavers.

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[34] *http://www.dgcisanalytics.in/dgcis/EXIM-Analytics#/home?_g=()*

▶ Traditional weaving done in the craft. ▶ Large employment-oriented crafts. ▶ Availability of indigenous and improved wool of different grade and price. ▶ Availability of antique carpets. ▶ Quantity and quality of traditional designs and patterns. ▶ Availability of the natural dyes. ▶ Alternative source of casual employment for many people.	▶ Low wages. ▶ Unorganized sector ▶ Nonparticipation of weavers in marketing activity. ▶ Little quality control with home-based weavers. ▶ Limited domestic demand for traditional handmade carpets. ▶ Low technical expertise on processing wool, dying, cutting and cleaning of carpet. ▶ Finishing and washing facilities are not sufficient. ▶ Lack of infrastructure such as power and link roads. ▶ Low demand of hand knotted high quality bid size carpet.
Opportunities	**Threats**
▶ Home furnishing market is moving towards Carpet industry, which results in evolution of new carpet designs. ▶ Export directly to nearby countries. ▶ Learn new styles and adapt to market demand. ▶ Wool processing (spinning, dyeing, washing) ▶ World market for carpets is growing. ▶ Sympathetic government policy on export. ▶ Access to vertical looms for large carpets. ▶ Creating a brand. ▶ It is used as a marketing tool and gives opportunity to provide stocking and warehousing services to various players in the market.	▶ The competition of cheaper machine-made carpets from other countries such as China, Belgium, Turkey etc. ▶ Tough competition from Pakistan, China, Nepal etc. ▶ Competition of modern style carpets from other countries. ▶ Appreciation for product is subject to fashion influences (interior decoration) ▶ Growing tendency among customers to buy lower quality carpets.

6.7 Challenges and interventions

Parameter	Challenges	Intervention
Raw Material	▶ Constant price fluctuations of the raw materials ▶ Only 5-10% of cluster current demand is supplied by local spinning units.	**Hard Intervention:** ▶ Raw material bank with raw material processing facility for processing different varieties of yarn ▶ The raw material processing facility under Common Facility Centre should ensure availability of New Zealand and Desi

Parameter	Challenges	Intervention
		Woollen yarn at discounted price **Soft Intervention:** - Micro credit facility to weavers / artisans for procuring yarn.
Design	- Floral and geometric patterns are still made - Majority of stakeholder face problems in creating their designs by latest trends. - Unique designs are usually created based on demand of the buyer - 60-70% of the designs are made manually	**Hard Intervention** - The Agra carpet industry should focus on having a state of art design lab or **Design Bank** as a CFC along with **sample designs.** - Use of design software: CAD and CAM' **Soft Intervention:** - Collaboration with National Institutes like Indian Institute of Carpet Technology (IICT), - Collaboration with renowned interior designers to provide design inputs
Technology	- Current dyeing process is not environment friendly as 80% of current demand is dyed manually. - 45 dyeing plants are equipped with ETP but meet only 10-15% of the cluster demand. - 85% of tufting is done by manual tufting machine - Majority of the weavers do not have iron frame looms. - Vertical looms have adverse effect on the health conditions of the weaver	**Hard Intervention:** - Establishment of Common Production Centre with technology -enabled machine - Financial assistance should be provided through Integrated Processing Development Scheme (IPDS) introduced by GoI, to set up inhouse dyeing units with ETPs **Soft Intervention** - Institutions such as IICT Bhadohi, Dr. A.P.J. Abdul Kalam Technical University, Lucknow can be consulted for upgradation of dyeing and washing technology being used in Agra. - Financial assistance to weaver in buying machine tufting gun and Iron frame vertical looms by UP state government. - Facilitate the weavers to procure the IICT developed Loom for testing purpose
Market	- Need for infrastructure for marketing and trading for marketing the product - Decreasing demand in domestic market - Lack of customers in global market when compared to other countries - Decrease in demand for hand-woven carpet in international market. - Increasing the participation in International Trade fairs - Lack of knowledge of existing schemes and govt. initiatives - Lack of participation in national	**Hard Intervention:** - **Expo Mart** should be established to encourage and help exporters outgrow in international markets. - Awareness and outreach for participating in international fairs and exhibitions. **Soft Intervention:** - Collaboration with **E-commerce companies** - Tie-ups with companies like IKEA and wall-mart - Encourage to leverage **ODOP MDA scheme** for financial assistance. - Organize state and national level

Parameter	Challenges	Intervention
	and international events related to the sector	exhibitions ▶ Collaboration with major hospitality industries, private organizations and government bodies for flooring of their offices with carpets manufactured in Agra region.
Quality Certification	▶ Currently there are no checks and balances made for quality certification/ maintenance ▶ Only exporters of the cluster try to maintain the quality standard of global market ▶ Lack of knowledge amongst most weavers about the quality certificate required for each product	**Hard Intervention:** ▶ Upgradation of Testing lab of IICT to enable advance testing to be conducted within the cluster **Soft Intervention:** ▶ Setting the quality standard of these carpets using the MoU between ODOP and Quality Council of India (QCI), to increase the sales in international markets. ▶ Collaboration with National institutes ▶ Collaboration with IICT to certify Bhadohi carpets meeting quality standards defined and give 'Certification mark' to ease out export compliances and enhance trust of buyers.
Packaging	▶ Packaging is done in Agra as per the requirement of buyers for exports. ▶ Larger units are using standard packaging material for packaging of the products, but many of the smaller units are not aware of innovative packaging.	**Soft Intervention:** ▶ Workshops/seminars or training program for leather footwear manufacturers can be organized using the MoU signed between ODOP and Indian Institute of Packaging (IIP), to upgrade their packaging techniques.
Environmental Issues	▶ Challenges faced by carpets industries in complying pollution control norms regarding treatment of effluents and TDS levels of discharge. ▶ There is lack of awareness of global environmental and social norms. ▶ Smaller units find it difficult to bear the operational cost of CETP.	**Hard Intervention:** ▶ Setting up modern technology based CETPs would ensure in reduction of effluents in TDS levels of liquid discharge. **Soft Intervention:** ▶ Awareness and outreach program for raising consciousness about environment issues due to the pollutants. ▶ Use of codes of conduct (COC) for assessment of suppliers on social and environmental compliance.
Exporter's issue	▶ No focal point to address exporters issues.	▶ DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.
Cost Structure	▶ U.P. is a land-locked state. India's cost of logistics is one of the	▶ The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption

Parameter	Challenges	Intervention
	highest in the world. ▶ Since the start of Covid 19 Pandemic, the availability of containers and the Freight Charges by the Shipping lines has been the main concern of the industry	Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme. ▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website. ▶ The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.

6.8 Future Outcomes

Annual Turnover	Cluster exports
The increase in turnover from INR **500Crs. to 578Crs. by 2025.**	The increase in export of the product from **INR 250 Crs.** during the 2020-21 to **289 Crs.** by 2025

7. Product: Meat Processing

7.1 Cluster Overview

Agra is famous for processed meat. Export of processed meat from Agra holds a prominent place in the Indian economy. There are around 1000 meat shops and small slaughterhouse in the city areas of Agra. There are only two licensed slaughterhouses in Agra employing around 1600 workers direct and indirectly involve. One is civic body's own facility at kuberpur while the other slaughterhouses belong to a private firm. The civic body's slaughterhouse has a capacity of 250 animals every day, approximately 50% export of the manufactured products to different countries while the One has a capacity of 500 animals per day and exports 100% manufactured products to different countries. [35]Buffalo Meat is the main source of meat production and export.

Key Facts

INR 24.79 Cr ~ Export Turnover Error! Bookmark not defined.

1600 Workers / Butchers directly or indirectly associated Error! Bookmark not defined.

The export turnover from September 2020 to November 2021 was INR 24.79 Cr. [36]Total employment in the cluster is around 1600.

7.2 Product Profile

1. Boneless Meat of Bovine Animals

7.2.1 Product Portfolio

- Frozen Boneless Buffalo Meat

7.3 Cluster Stakeholders

[35] https://www.infomerics.com/db-include/uploads/PR_HMA_Agro_30_09_2020.pdf
[36] *DGFT Kanpur*

- Butchers
- Raw material suppliers- Farmers, Livestock feed providers, Fertilizer, and pesticide suppliers, Agro-chemical suppliers
- Veterinaries,
- Abattoirs / slaughterhouses
- Canned, hydrated, and frozen packaged meat-based convenience food manufacturers
- Exporters
- Banks and Financial Institutions
- DIEPC
- MSME DI, Agra
- Agricultural and Processed Food Products Export Development Authority (APEDA)

7.4 Export Scenario

7.4.1 HS Code

HS codes under which the product is exported from the district

HS Code	Description	Value of exports (in INR)
020230	Frozen, boneless meat of bovine animals	24.79 Crs (From Sept. 2020 to Nov. 2021)

Current Scenario

The export scenario of World and India have been analysed basis the export statistics of HS codes 020230 under which meat is exported. Alongside are the key facts pertaining to the analysed product code.[37]

Key Fact of Export Error! Bookmark not defined.

24,712,215 (USD Thousand)

Value of world exports in 2020

2,762,444 (USD Thousand)

Total Exports from India in 2020

1,670,500 (USD Thousand)

Total Exports from UP in 2020

60.47%

Share of UP in India Exports in 2020

7.5 Export Potential for Meat Processing product

- The total exports of boneless meat from the district as per HS code 020230 is around INR 24.79 crores from September 2020 to November 2021.[38]
- India's exports represent 11.2% of world exports for this product, its ranking in world exports is 3 under HS code 020230.
- Other prominent products exported from Agra District are Leather footwear, Stone handicrafts products, Engineering goods, etc.

[37] *www.trademap.org*
[38] *DGFT, Kanpur*

Product 020230: Frozen, boneless meat of bovine animals

As per trade indicators, India's exports **represent 11.2%** for this product code **ranking in 3rd** in world exports, behind Brazil and Australia. The value exported in 2020 is **USD 2,762,444 Thousand.** [39]

However, the value of India's exports over the last 5 years have decreased by CAGR 8%. And, as per data FY 2018-19 to 2020-21 for exports from the state of UP, it is observed that there has been a decrease in the CAGR by 6.02%.

India exported this product to **Hongkong, China, Vietnam, Malaysia, Egypt, Indonesia, Iraq, Saudi Arabia,**

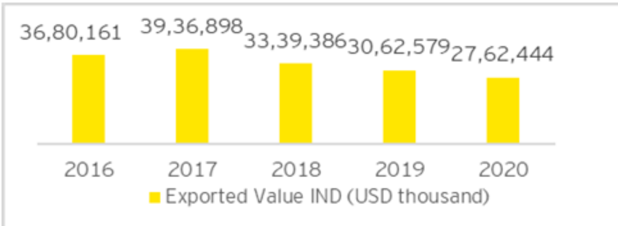

Figure 27: Exported value of India for HSN-020230

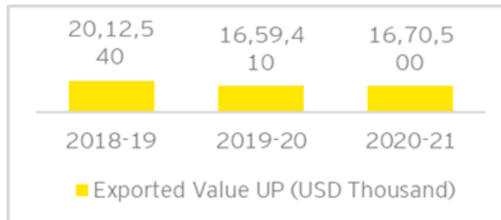

Figure 26: Exported value of UP for HSN-020230

Philippines, UAE etc.

Importers of the product:

The following figure highlights the top importers of the world along with their value of exports (2020) and annual growth in value:

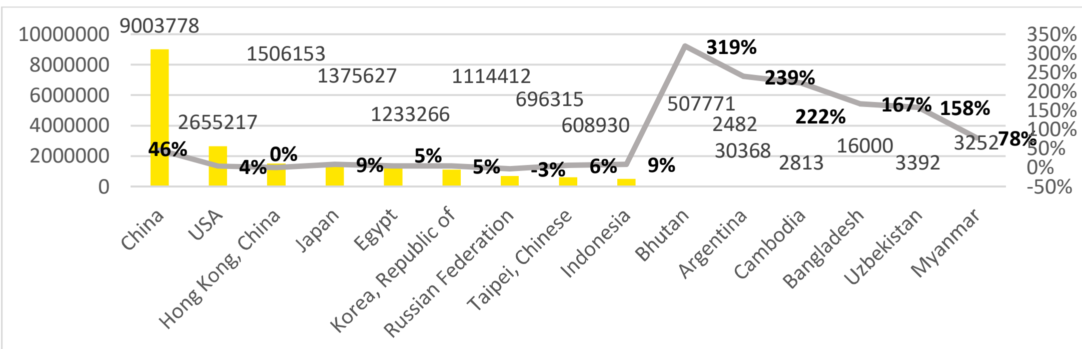

Figure 28: The top importers for this product in the world for HSN-020230

The following figure highlights the top 15 countries importing from India along with their value of exports (2020) and annual growth in value

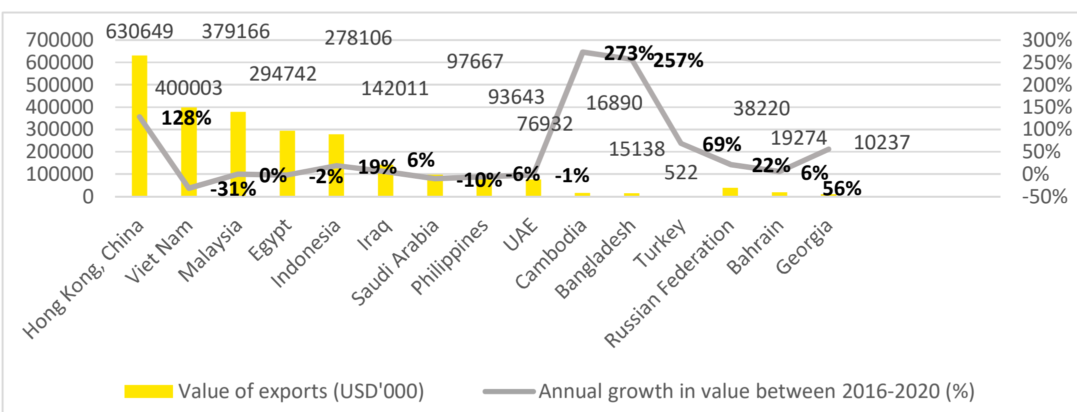

Figure 29: Prominent Import Countries to whom India export of HSN -020230

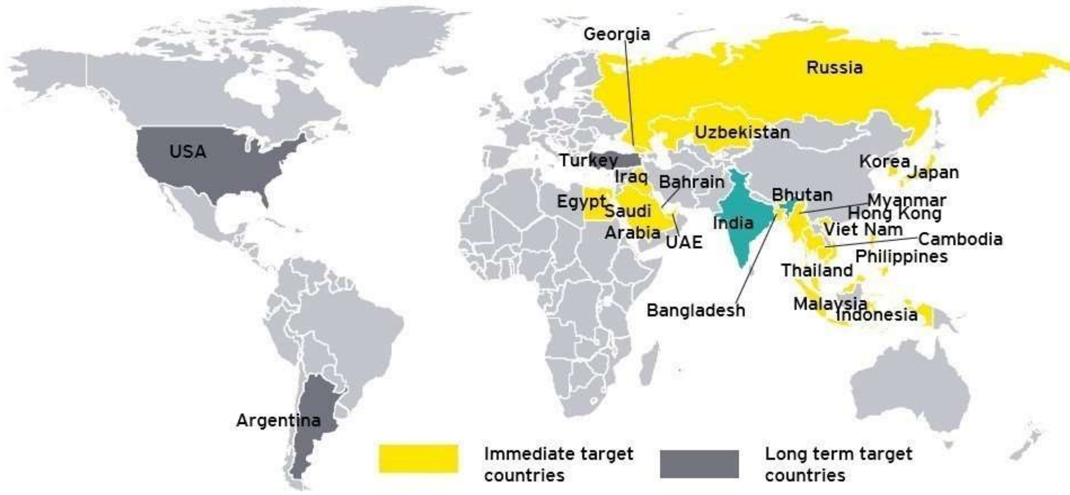

Figure 30: Markets for export potential

In the financial year 2020-21, UP exported 16,70,500 USD Thousand to **Hongkong, Vietnam, Egypt, Indonesia, Malaysia, Iraq, Saudi Arab, UAE, Philippines, Oman, Algeria, Jordan, Myanmar, Cambodia, Bahrain.** [40]

7.6 SWOT Analysis

Table 11: SWOT Analysis for Frozen, boneless meat of bovine animals

Strengths	Weaknesses
▶ Rich experience in meat processing ▶ Institutional Support ▶ Low-cost manpower ▶ Leadership position in export of boneless meat ▶ Favourable trade policies	▶ Inadequate Environmental compliance by smaller units ▶ Suboptimal backward integration of supply chain ▶ Lack of quality testing facility ▶ Cost of running CETP is very high ▶ Lack of awareness of govt. schemes
Opportunities	**Threats**
▶ National & International Exhibition ▶ Increasing demand for buffalo meat in global market ▶ Exposure to new markets through fairs	▶ Strict environment compliance laws ▶ Polluting Industry ▶ International Competition ▶ Temporary or permanent closure of slaughterhouses

[40] *http://www.dgcisanalytics.in/dgcis/EXIM-Analytics#/home?_g=()*

7.7 Challenges and interventions

Parameter	Challenges	Intervention
Technological Upgradation	▶ In Agra, slaughterhouses and the units involved in production of meat employ traditional skilled workers who are mostly illiterate but follow the process after learning from the seniors in their units. They are not aware of the technological advancements taking place in the international industry.	**Hard Intervention:** ▶ Establishment of fleshing machine and lime splitting machine in the units will resolve the issue of solid waste management and this will reduce the operating cost and ensure working capital for the unit. The solid waste can be used as by-product for other use.
Environmental Issues	▶ Challenges faced by slaughterhouses/ industries in complying pollution control norms regarding treatment of effluents and TDS levels of discharge. ▶ There is lack of awareness of global environmental and social norms. ▶ Smaller units find it difficult to bear the operational cost of CETP.	**Hard Intervention:** ▶ Setting up modern technology based CETPs would ensure in reduction of effluents in TDS levels of liquid discharge. **Soft Intervention:** ▶ Awareness and outreach program for raising consciousness about environment issues due to the pollutants. ▶ Use of codes of conduct (COC) for assessment of suppliers on social and environmental compliance.
Marketing & Branding	▶ Offline marketing is broadly used over online marketing. ▶ Increasing the participation in International Trade fairs ▶ Limited Market diversification ▶ Lack of knowledge of existing schemes and govt. initiatives ▶ Lack of participation in national and international events related to the sector	▶ Collaboration with retail brands like Licious, Big Basket etc. ▶ DIC and FIEO can play a pro-active role in this regard. 10% increase in every year in the number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target under this segment ▶ Conduct awareness workshops at block level to create awareness about schemes like International Cooperation (IC), Market Assistance Scheme (MAS) etc. which provides assistance to individuals/ associations wishing to participate in marketing events ▶ The DGFT/FIEO can set targets for participating in events per year. Example: Participation in at least 3 international events for this sector every year to create foreign linkages and increase
Packaging	▶ Larger units are using standard packaging material for packaging of the products, but many of the smaller units are not aware of innovative packaging.	**Hard Intervention:** ▶ Common Packaging Center can be established for better and innovative packaging. ▶ Packaging materials like trays made of polystyrene, LDPE, shrink films PVC should be used for improved packaging.

Parameter	Challenges	Intervention
		Soft Intervention: ▶ Workshops/seminars or training program for leather footwear manufacturers can be organized using the MoU signed between ODOP and Indian Institute of Packaging (IIP), to upgrade their packaging techniques.
Testing and Quality Certification	▶ Unaware of global standards and quality ratings. ▶ Only exporters of the cluster try to maintain the quality standard of global market.	**Hard Intervention:** ▶ A state-of-the-art Testing laboratory can be established for ensuring production of certified quality products. **Soft Intervention:** ▶ Setting the quality standard of these footwears using the MoU between ODOP and Quality Council of India (QCI), to increase the sales in international markets.
Exporter's issue	▶ No focal point to address exporters issues.	▶ DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.
Cost Structure	▶ U.P. is a land-locked state. India's cost of logistics is one of the highest in the world. ▶ Since the start of Covid 19 Pandemic, the availability of containers and the Freight Charges by the Shipping lines has been the main concern of the industry	▶ The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme. ▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website. ▶ The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.

7.8 Future Outcomes

Cluster exports
The increase in export of the product from **INR 24.79 Crore** during the September 2020 to November 2021 to **28 Crore** by 2025Error! Bookmark not defined.

8. Various Schemes being run by Export Promotion Bureau, Uttar Pradesh

A) Marketing Development Scheme (MDA)

S.No	Incentives offered	Amount of incentive against total expenditure
1	Participation in foreign fairs/exhibitions (total three fairs /annum) a. Stall charges b. Air fare (economy class)	a. 60% of stall charges (max 01 lac /fair) b. 50% (max 0.5lac for one person /fair)
2	Publicity, advertisement, development of website	60 % (max 0.60 lac/annum)
3	Sending of samples to foreign buyers	75 % (max 0.50 lac/annum)
4	ISO /BSO certification	50 % (max 0.75 lac/annum)

B) Gateway Port Scheme

Particulars	Details
Brief Description	Assistance is given to all manufacturing exporting units on expenses incurred on the rail transport of their goods from ICD/CFS to Gateway ports.
Eligible units	Micro, small & medium enterprises.
Incentives Offered against actual expenditure	25% of the total expenditure or Rs 6000 (20 ft' container) & Rs 12000 (40 ft' container) (whichever is less)
Maximum limit	Rs 12 lacs /unit /year
Empowered committee	District Users Committee under the chairmanship of district magistrate.

C) Air Freight Rationalization Scheme

Particulars	Details
Incentive offered	20% of the actual expenditure or Rs 50 / kg (whichever is less)
Eligible Units	Manufacturer & merchant exporter
Maximum limit	Rs 2 lacs /unit /year
Recognized Cargo Complexes	Varanasi & Lucknow

9. Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation[41]
Increasing the overall exports from the state		
Sensitization and facilitation in availing Import/ export documents: Majority of the cluster actors though interested and sensitized on exports are unaware of Import-Export Code which is crucial for participating in global trade. While some of them are aware, they face challenges in applying. Thus, at district level, a camp should be set in every three months to help the individuals interested in trade to understand about the requisite documents required for undertaking import/ export and provide support in availing them	ODOP cell, DIEPC UPEPB	Continuous initiative
Creation of an event calendar comprising of events to be conducted in a Financial Year with a **focus on international marketing events.** Further, DGFT and FIEO can finalize a target to participate **in at least 3 international events in a year per product category/industry** (food, engineering & auto components, handicrafts, textile& apparel etc.) by **utilizing schemes like IC and MAS**	ODOP cell, DIEPC UPEPB	Continuous initiative
Sensitization of cluster actors: **a.** The individuals of a cluster should be **sensitized on the plethora of schemes**[42] available for them for maximizing the potential of exports. **Merchandise Exports from India Scheme, Service Export from India Scheme** etc. provides **various exemptions** for facilitating exports. Further, schemes like **Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials** **b.** Currently, majority of the exporters and traders focus on selling their goods to USA, UK, and European countries without correctly analyzing the demand market. Thus, these cluster actors should be **sensitized on target countries identified through export analysis mentioned in DAPs and EAP**	ODOP cell, DIEPC UPEPB	Continuous initiative

[41] Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months
[42] List of available schemes facilitating exports: https://cdn.s3waas.gov.in/s3555d6702c950ecb729a966504af0a635/uploads/2020/12/2020120965.pdf and https://www.ibef.org/blogs/indian-export-incentive-schemes:

DIC and FIEO can play a pro-active role in this regard. **10% increase** in every year in the number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target under this segment	DIC, UPEBP and FIEO	Intermediate
Common interventions across sectors/ clusters		
Collaboration with e-commerce companies like Amazon, Ebay, Flipkart etc. and Onboarding workshops to be conducted for handholding to artisans and entrepreneurs	UPEPB/DIEPC	Short term
Creation of video for branding of the products by highlighting its quality benefits and historical background.	UPEPB/DIEPC	Short term
Promotion of products by DIEPC across the State through branding within their premises and through events like Udyam Samagam	DIEPC	Ongoing activity
Increase the usage of the portal as this portal facilitates the weavers and artisans to provide information about their products for easy understanding of exporters.	UPEPB/ODOP Cell	Ongoing activity
MoU with QCI for defining quality standards of the products	UPEPB/DIEPC	Short term
Collaboration with IIP to define cluster-wise packing standards	UPEPB/DIEPC	Short term
Sensitization of banks and bankers to help them understand the niche sectors of MSME and their specific requirements which shall help banks evaluate projects better while lending credit	UPEPB/DIEPC and banks	Short term
Introduction of revolving working capital within the cluster to help MSMEs procure raw materials and undertake production without hinderances	UPEPB/DIEPC and banks	Intermediate
Tie up with the banks/financial institutions (SIDBI, BoB etc.) for better interest rates, enhanced working capital limits etc.	UPEPB/DIEPC and banks	Intermediate
Handholding of MSMEs for increasing their awareness on schemes of state & centre and the procedure to apply to avail financial assistance	UPEPB/DIEPC	Intermediate
Sensitization of cluster actors from this sector on **Make in India initiative and PLI** for leveraging	DIEPC UPEPB	Short term

the assistance provided to the sector to enhance productivity and expand exports		
DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.	DIEPC/DGFT/UPEPB	Long term
Leverage Integrated Processing Development Scheme (IPDS) introduced by GoI, to set up **inhouse dyeing units with ETPs** required by exporters through PPP model	ODOP Cell / UPPCB / DIEPC	Long term
Setting up of a common effluent treatment plant to minimize pollution caused by disposal of untreated Solid / chemical waste Treatment	UPEPB/DIEPC	Long term
Cost Structure: a. The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme. b. The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website. c. The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.	DIEPC/UPEPB DIEPC/UPEPB DIEPC/UPEPB/FIEO	Long term Long term Short term
Product 1: Leather products		

Establishment of Common Facility Centre with: a. Raw Material Bank b. Common Production Center c. Design and display center with CAD/CAM facilities and space to showcase products to undertake sale d. Marketing centre for undertaking marketing events	DIEPC, DGFT and ODOP Cell	Long term
Research for design and development of leather shoes 1. Initiate talks with Technical Institute involved in leather footwear research, design & Product development viz.: ► Central Footwear Training Institute (CFTI) ► Government Leather Institute (GLI) ► AFMEC (Agra Footwear Manufacturing & Export council) ► Council for Leather Exports (CLE) 2. Development of technological upgraded design	GOI/MSME UP/ Research Institute/ Technical Institute /AFMEC/CLE/CFC	2 months
Technology Upgradation and Infrastructure Development Infrastructure development for micro units through establishment of CFC. ► Technology upgraded Machine, low wastage ► Common Usage on rental base	MSME UP/DI/SPV	Ongoing as per Implementation schedule
Follow up and monitoring of testing laboratory	DIEPC/ODOP Cell/UPEPB	Long Term
Marketing and Promotion of Leather Shoes Revival the plan for the LAMCO.	DIEPC, Agra	1 year
Follow up of GI tag approval and Promotion of post GI initiative: ► Follow up of GI tag approval with Association and Registrar of Geographical	DIEPC/UPEPB/ODOP Cell	Intermediate term

Indications. ▶ DIC to identify 100 authorized users to become IEC holder in a year ▶ Organize one seminar within two months to apprise the stakeholders about the importance of Geographical Indication (GI) and for increasing the authorized users		
Product 2: Stone Handicrafts products		
Establishment of Common Facility Centre with: ▶ CPC ▶ RMB, ▶ Training centre, ▶ Design and display centre, ▶ Packaging, barcoding and labelling facilities ▶ Polishing and finishing facilities	DIEPC, DGFT and ODOP Cell	Long term
Collaboration with NSDC/ UPSSDM for providing job-oriented training for skilling and upskilling.	NSDC/ UPSSDM and ODOP cell	Medium term
Facilitation in exposure visits of cluster actors to Jaipur, and other countries like Italy, China, etc. to learn best practices are followed.	DIEPC and cluster associations	Continuous Initiative
Collaboration with players of hospitality industry and retail outlets like home centre	Key players and ODOP cell	Long term
Workshops/ training programmes on procurement practices and identification of stone characteristics by leveraging schemes	SPV and/ or associations and ODOP cell	Medium term
Maximizing exports ▶ Increasing the participation in marketing events ▶ Workshops on export compliances ▶ Ensuring uniform branding ▶ Market diversification ▶ Collaboration with fintech	DIEPC, ODOP Cell, fintech etc.	Continuous initiative
Follow up of GI tag approval and Promotion of post GI initiative: ▶ Follow up of GI tag approval with Association and Registrar of Geographical Indications.	DIEPC/UPEPB/ODOP Cell	Intermediate term

► DIC to identify 100 authorized users to become IEC holder in a year ► Organize one seminar within two months to apprise the stakeholders about the importance of Geographical Indication (GI) and for increasing the authorized users		
Product 3: Carpet		
Establishment of Common Facility Centre with: ► CPC ► RMB, ► Training centre, ► Design bank and display centre, ► Testing Lab ► Expo Mart	DIEPC, DGFT and ODOP Cell	Long term
Engaging Uttar Pradesh Handlooms Corporation to work on the design aspects of the products	ODOP Cell	Intermediate term
Collaboration with National Institute of Design (NID) **shall help weavers bring design innovation in the market.**	ODOP Cell	Intermediate term
Collaboration with renowned interior designers for design inputs	ODOP Cell	Intermediate term
Collaboration with Walmart, IKEA, TARGET, and big retailers	ODOP Cell / DIEPC	Intermediate term
Collaboration with major hospitality industries, private organizations, and government bodies for flooring of their offices with carpets manufactured in Agra region	ODOP Cell / DIEPC	Intermediate term
MoU with **Indian Institute of Carpet Technology (IICT)**, Bhadohi to support weavers in improving quality of carpets by adhering international quality standards like European or American standards. - Define quality standards required for certification - Design and register certification logo - Discuss and align modalities of certification (viz. charges, validity etc.)	ODOP Cell, DIEPC and IICT, Bhadohi	Intermediate term
Product 4: Meat processing		

Setting of modern technology based **CETPs**	UPEPB/DIEPC/District Administration	Long term
Collaboration with E-commerce companies **like Big Basket, Nature Basket etc.**	UPEPB and DIEPC	Short term

Department of MSME & Export Promotion,
Govt. of Uttar Pradesh

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DIRECTORATE GENERAL OF FOREIGN TRADE

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