



**Department of MSME & Export Promotion  
Government of Uttar Pradesh**

**Draft District Export Action Plan, Kanpur Dehat, Uttar  
Pradesh**

Knowledge Partner



## Preface

This district export plan for Kanpur Dehat 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 Kanpur Dehat as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Kanpur Dehat 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 Kanpur Dehat district's geographic, demographic, and administrative profile, 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.

# Contents

1.	Vision of Districts as Export Hubs .....	5
2.	District Profile .....	5
2.1	Geography.....	5
2.2	Topography & Agriculture.....	5
3.	Industrial profile of the district .....	6
3.1	Major Exportable Product from Kanpur Dehat .....	9
4.	Product 1: Leather Product .....	9
4.1	Cluster Overview .....	9
4.2	Product profile.....	9
4.3	Cluster Stakeholder .....	10
4.4	Industry Associations .....	10
4.5	Export Scenario .....	10
4.5.1	HS code .....	10
4.6	Potential Areas for Value Added Product.....	13
4.7	SWOT analysis .....	13
4.8	Challenges and interventions .....	14
4.9	Future Outcomes .....	17
5.	<b>Product 2: Plastic Product.....</b>	<b>17</b>
5.1	<b>Cluster Overview .....</b>	<b>17</b>
5.2	Product Profile.....	18
5.2.1	Product Portfolio .....	18
5.3	Cluster Stakeholders (Plastic Products).....	19
5.3.1	Industry Associations (Plastic Product).....	19
5.4	Export Scenario .....	20
5.4.1	HS Code.....	20
5.5	Export Potential .....	20
5.6	Potential Areas for Value Added Product.....	23
5.7	SWOT Analysis .....	23
5.8	Challenges and interventions .....	24
5.9	Future Outcomes .....	26
6.	Scheme under Uttar Pradesh Export Promotion Bureau.....	27
7.	Scheme run by Govt. of India for Export Promotion.....	28
8.	Action Plan.....	31

## List of Tables

Table 1: Industrial areas in Kanpur Dehat.....	6
Table 2: Type of industries in Kanpur Dehat.....	6
Table 3: Occupational Distribution of Main Workers .....	8
Table 4: Major exportable product .....	9
Table 5: HS codes for Leather Products.....	10
Table 6: Wate to Wealth Model .....	13
Table 7: SWOT Analysis .....	13
Table 8: Key Products manufactured in Kanpur Dehat District.....	18
Table 11: India's Export (Plastic Product) over the year.....	20
Table 12: SWOT Analysis .....	23

## List of Figures

Figure 1: MSME landscape of the district.....	7
Figure 2: Occupational distribution of Kanpur Dehat .....	8
Figure 3: Exported Value of UP for HSN Code 640391 .....	11
Figure 4: Exported Value of India for HSN Code 640391.....	11
Figure 5: Top importing countries in the world under HSN Code 640391.....	12
Figure 6: Prominent Importers to whom India Export the Product under HSN code 640391 .....	12
Figure 7:Market for export potential under HSN code 640391 .....	13
Figure 8: Cluster Stakeholders.....	19
Figure 10: Year wise export from India under HSN code 391721.....	21
Figure 9: India's export compares to world under HSN code 391721.....	21
Figure 11: prominent importing countries under HSN code 391721 .....	22

## 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. 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 Plan has been made for all 75 districts of UP, where EY has contributed as Knowledge Partner.

## 2. District Profile

Kanpur Dehat is surrounded by districts Kanpur Nagar, Hamirpur, Jalaun, Auraiya and Kannauj. River Yamuna divides Kanpur Dehat and Jalaun. The district name has been changed to Kanpur Dehat on 30/07/2012. Earlier Kanpur Dehat district was renamed as Ramabai Nagar on 1-7-2010. Initially this district was with Kanpur and then divided and got the name as Kanpur Dehat in year 1977. It has very large stretch of industrial belt starting from Rania to Jainpur.

Kanpur Divided into two districts namely Kanpur-Nagar and Kanpur-Dehat in year 1977. Reunited again in year 1979. Again, separated in year 1981. District was renamed as Ramabai Nagar by notification no. 1857/1-5-2010-114-2010-Ra0-5 dated 1-7-2010. The district has been renamed as Kanpur Dehat vide notification No.946/1-5-2012-123/2012-Rev.-5, dated July 30,2012.

### 2.1 Geography

The Kanpur Dehat district occupies the central part of Uttar Pradesh on eastern bank of Yamuna river and encompasses a total geographical area of 3021 sq. km., lying between latitude 26° 06'30" - 26° 50'15" N and longitude 79° 30'00" - 81° 10'15" E. It is surrounded by Kanpur Nagar, Jalaun, Hamirpur, Auraiya and Kannauj district. The headquarter of Kanpur Dehat district is at Mati on Kanpur – Jhansi Highway No.25.

### 2.2 Topography & Agriculture

The topography of Kanpur Dehat district comprises of two type of soil smooth & Domat. Entire district has plain land and flow of water north west to south-east. The main rivers of district are Yamuna, Pandu and Rindh. The main source of living for the people of this district is agriculture. The main crops of the district are wheat, rice, maize, gram, mustard, bajra and jowar.

### 3. Industrial profile of the district

Kanpur Dehat has nine industrial area their details are mentioned below:

*Table 1: Industrial areas in Kanpur Dehat*

S. No.	Name of Ind. Area	Land acquired	Land developed	No of Plots	No of allotted Plots	No of Vacant Plots	No. of Units in Production
1	a) Govt. Indl. Estate, Rania	26.40 Acre	26.40 Acre	108	108	-	51
	b) Indl. Area Rania Site 1	10.52 Acre	10.52 Acre	41	41	-	30
	c) Indl. Area Rania Site 2	14.65 Acre	14.65 Acre	68	56	12	40
2.	a) UPSIDC Indl. Area Jainpur	424 Acre	424 Acre	262	248	14	40
	b) Growth Centre, Jainpur	351.15 Acre	351.15 Acre	463	450	13	4
	e) Plastic City Mati (Housing)			399	300	99	0
3.	Mini Indl. Area Jhinhak	28.12 Bigha	28.12 Bigha	48	45	03	1
4.	Mini Indl. Area Rasuslabad	17.04 Acre	17,04 Acre	57	57	00	0
5.	Mini Indl. Area Derapur	6.17 Bigha	6.17 Bigha	62	00	62	0

Kanpur Dehat has around 3500 registered micro, small & Medium enterprises and approx. 5 large scale industries. They are engaged in various sectors, but major industries of Kanpur Dehat are agro based, Wooden, chemical, leather & plastic products based. Detail of industries with employment and their investment are mentioned below.

*Table 2: Type of industries in Kanpur Dehat*

Type of Industry	Number of Industrial Units	Investment (INR Cr.)	Employment
Agro based / Food Products	505	2619.80	1694
Soda Water	01	169.01	23
Cotton Textile	02	48.50	15
Woolen, Silk & Artificial Thread based clothes	01	150.00	11
Ready-made Garments / Hosiery &	65	156.54	232

Embroidery			
Wood/Wooden based Furniture	<b>44</b>	<b>184.31</b>	185
Paper & Paper products	<b>3</b>	<b>64.00</b>	39
Leather based products	<b>11</b>	<b>1460.9</b>	647
Rubber, Plastic & Petro based	<b>120</b>	<b>1589.6</b>	2489
Chemical/Chemical based	<b>20</b>	<b>950.07</b>	191
Mineral based (including non-metallic)	<b>43</b>	<b>1854.07</b>	1269
Basic Metal Industries (Steel Fab.)	<b>20</b>	<b>1048.09</b>	230
Metal products	<b>22</b>	<b>374.15</b>	231
Machinery parts excluding Electricals /Engineering units	<b>2</b>	<b>46.00</b>	12
Electrical Machinery and Apparatus	<b>4</b>	<b>24.72</b>	21
Misc. manufacturing / Others	<b>249</b>	<b>3023.78</b>	1267
Repairing & Servicing	<b>780</b>	<b>2451.81</b>	1825

Repairing and servicing sector of MSME with 780 units in the district is the most prominent and economy contributing sector of the district. It is followed by sectors such as “Agro/Food products”, “Misc. Manufacturing”, Leather Based Products and Rubber, Plastic and Petro based etc.

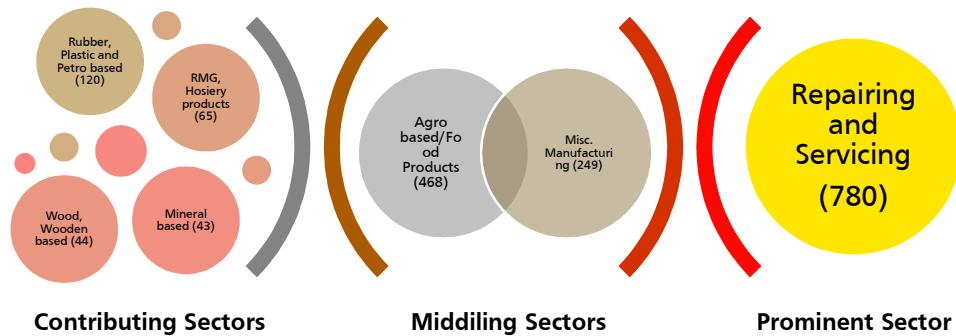


Figure 1: MSME landscape of the district

Out of total population of 17,97,184 (2011 census), 6,28,864 are working population. Out of total working population, 23.7% are working in other industries, 73% are cultivators and agricultural labourers and only 3.3% are household industry workers. This indicates that agriculture is the main source of income in the district.



Table 3: Occupational Distribution of Main Workers<sup>1</sup>

S.No.	Particulars	Kanpur Dehat	%
1	Cultivators	2,24,986	35.8%
2	Agriculture Labourers	2,34,069	37.2%
3	Household Industry Workers	20,783	3.3%
4	Others	1,49,026	23.7%

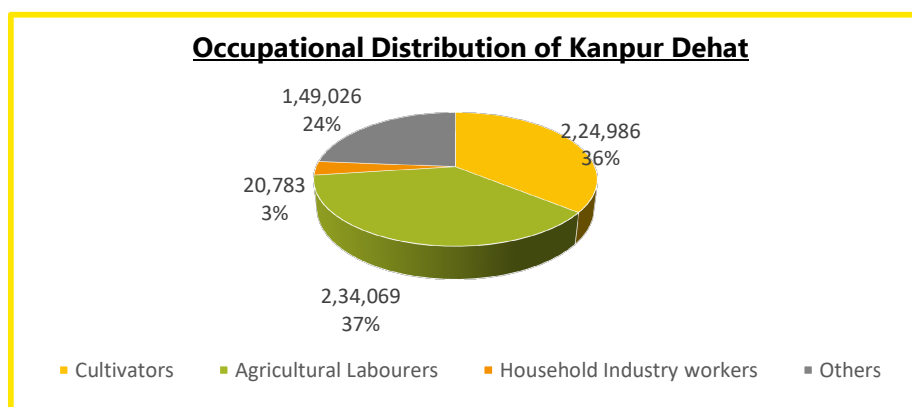


Figure 2: Occupational distribution of Kanpur Dehat

#### Large Scale Industries / Public Sector undertakings:

- ▶ M/s PEPSICO INDIA HOLDINGS PVT. LTD., Jainpur, Kanpur Dehat .
- ▶ M/s KANSAI NEROLAC PAINTS LTD., Jainpur, Kanpur Dehat .
- ▶ M/s SPARSH Industries Ltd. Jainpur, Kanpur Dehat .
- ▶ M/s Ganesh Polytex Ltd., Rania, Kanpur Dehat .
- ▶ M/s The Supreme Industries Ltd., Jainpur I.E. Jainpur, Kanpur Dehat.

#### Service Enterprises:

- ▶ M/s Rooru Cold Storage & Ice Factory Pvt. Ltd., Rooru, Kanpur Dehat.
- ▶ M/s Kalpana Cold Storage Pvt. Ltd., NH-2, Bara Akbarpur, Kanpur Dehat.

#### Potential Areas for Service Sectors:

- ▶ Computer Institute
- ▶ Cyber Cafe
- ▶ Mobile Handset Repairing
- ▶ Automobile Repairing
- ▶ Electrical / Electronic goods repairing & maintenance
- ▶ Refrigeration & Air Conditioning Servicing & Maintenance
- ▶ Beauty Parlour

<sup>1</sup> District census handbook 2011- Kanpur Dehat





### 3.1 Major Exportable Product from Kanpur Dehat

The following table depicts the value of export of major products from Kanpur Dehat:

Table 4: Major exportable product

S. No	Product	Export value (in INR) <sup>2</sup>	Time Period
1	Lather footwear of plastic and synthetic sole	2,02,40,66,751	September 2020 to November 2021
2	Leather uppers(prepared)	2,18,35,141	
3	Personal protective garments (e.g., Bullet proof jackets, bomb disposal jackets etc)	43,53,48,330	
4	Wheat	8,99,60,854	
5	Boneless meat of bovine animals, frozen	2,37,94,608	
6	Meal of soyabean, solvent extracted (defatted) variety	6,40,02,157	
7	Other residues of rape or colza seeds	7,60,62,478	
8	Other/hides/skins including sides	4,86,05,154	
9	Saddlery and harness for any animal (including tracts leads, knee pads, muzzles, saddle cloths, saddle bags-dog coats and the like) of	3,16,27,827	
10	Garments other than dressing gowns and bathrobes of cotton	3,68,54,176	
11	Leather boots and other footwear with rubber sole	2,77,45,336	
12	Parts of turbojets/turbo propellers	12,71,91,366	
13	Machinery for liquefying air/other gases	3,56,79,600	
14	Plastic Products	1,50,00,00,000	
<b>Total Export from Kanpur Dehat</b>		<b>4,54,27,73,778 (~ 454.27 Cr.)</b>	

**Total Export from Kanpur Dehat District is INR 4,54,27,73,778 i.e., ~ 454.27 Cr. from September 2020 to November 2021.**

## 4. Product 1: Leather Product

### 4.1 Cluster Overview

In Kanpur Dehat, there are no specific clusters or pocket for leather product manufacturing. They are scattered in different small, segmented areas. In the cluster around 11 units are engaged in manufacturing variety of leather products. This industry employs around 647 people in Kanpur Dehat District. This cluster has annual turnover of INR 1460.9 Cr approx. out of which 200 Cr is exports and rest are domestic turnover.

Some of the industries in the district are AFPL Global Private Limited, Jama Corporation Private Limited, Clod 9 Exports Private Limited, Prachi Leathers, Tirubala Exports (Tannery) India Private Limited, Global Exports, Leayan Global Private Limited, R.S. International, Allied Leather International Private Limited, etc.

### 4.2 Product profile

Types of Leather products manufactured in Kanpur Dehat district are footwear, saddlery, and leather.

<sup>2</sup> District wise report for the period September 2020 to September 2021 received from DGFT

Approximately 50% of the finished leather produced is exported. The remainder is used to produce leather products in Kanpur or other Indian leather production centres. The cluster is comprised of finished leather making tanneries and final products made of that i.e., **footwear, Leather Uppers, saddlery, and leather garments and goods.**

<ul style="list-style-type: none"> <li>▶ Artisans</li> <li>▶ Raw material suppliers</li> <li>▶ Machinery suppliers</li> <li>▶ Entrepreneurs</li> <li>▶ Manufactures</li> <li>▶ Exporters</li> <li>▶ Banks and Financial Institutions</li> <li>▶ DIEPC</li> <li>▶ MSME DI</li> </ul>	<ul style="list-style-type: none"> <li>▶ Centre Footwear Training Institute (CFTI), Kanpur Extension Centre</li> <li>▶ Centre of Leather Export (CLE)</li> <li>▶ CSIR-CLRI, Regional Centre Kanpur</li> <li>▶ Kanpur -Unnao Leather cluster development company Ltd.</li> <li>▶ Industry and Exporter Associations</li> </ul>
---	---

### 4.3 Cluster Stakeholder

### 4.4 Industry Associations

Following are principal industry associations that are working for the development of leather products:

- ▶ **Council for Leather Exports (CLE):** CLE is an outfit of Ministry of Commerce & Industry, GoI having office in KLC Complex, Banthar, Unnao. It is a member-based organization, and its mandate is to provide support to its members for increasing export. The membership fee is being charged based on export turnover. Major services provided by them are:
  - i. Dissemination of information related to export marketing
  - ii. Organizing trade fairs and buyers & sellers meet
  - iii. Marketing Development Assistance
  - iv. Advocacy support
- ▶ **Indian Institute of Technology, Kanpur:** It has a separate consultancy department catering to needs of SMEs created for providing services in Energy conservation methods, Market & Finance, Innovative Product Design, Packaging, IT applications, Application of Multimedia
- ▶ **MSME- Development Institute (MSME- DI), Kanpur:** MSME-DIs are the subordinate offices of Development Commissioner, MSME. These offices are responsible for assisting MSMEs financially through schemes and improving their technical skills through skill upgradation / training programmes.
- ▶ **Indian Industries Association (IIA)**
- ▶ **Provincial Industries Association (PIA)**
- ▶ **Testing Lab at KLC Complex (Kanpur-Unnao Leather Cluster)**
- ▶ **MSDC (Multi Skill Development Centre)**

### 4.5 Export Scenario

#### 4.5.1 HS code

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

*Table 5: HS codes for Leather Products*

HS Code	Description
---------	-------------

64039120	Leather Footwear of Plastic and Synthetic Sole
64061020	Leather Uppers (Prepared)
41079900	Other/Hide/Skins including Sides
42010000	Saddlery and harness for any animal (including tracts leads, knee pads, muzzles, saddle cloths, saddle bags-dog coats and the like) of
64039110	Leather boots and other footwear with rubber sole

### Current Scenario

The export scenario of India and Uttar Pradesh have been analysed basis the export statistics of HS code 640391 mentioned above under which Leather products- footwear are exported. Alongside are the key facts<sup>3</sup> pertaining to the analysed product codes.

### Export Potential

As various products are manufactured and sold under the Leather products category of Kanpur Dehat<sup>4</sup>, 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.

### Product HSN Code: 640391- Leather Footwear of Plastic and Synthetic Sole

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 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.

**Key Fact of Export**

**11027233 (USD thousand)**  
Value of world exports in FY 2020

**661634 (USD thousand)**  
Total Exports from India in year 2020

**60310 (USD thousand)**  
Total Exports from UP in FY 2020-21

**9.11%**  
Share of UP in India's exports

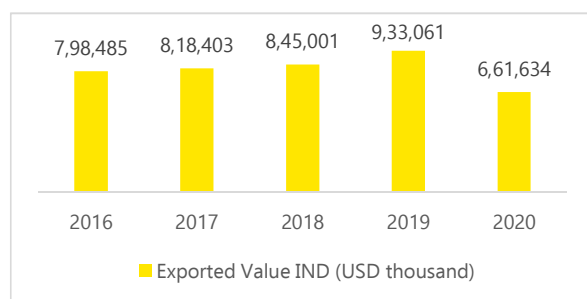


Figure 4: Exported Value of India for HSN Code 640391

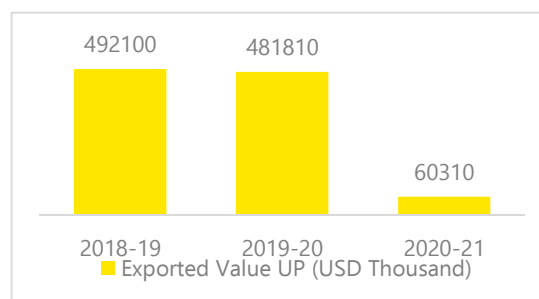


Figure 3: Exported Value of UP for HSN Code 640391

<sup>3</sup> <https://www.trademap.org/>

<sup>4</sup> Basis stakeholder discussion



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

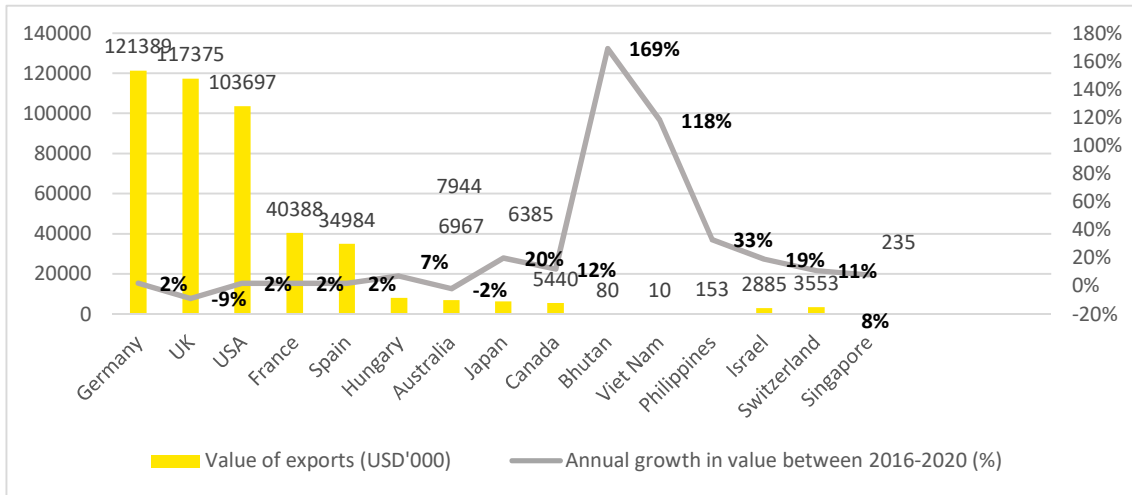


Figure 5: Top importing countries in the world under HSN Code 640391

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

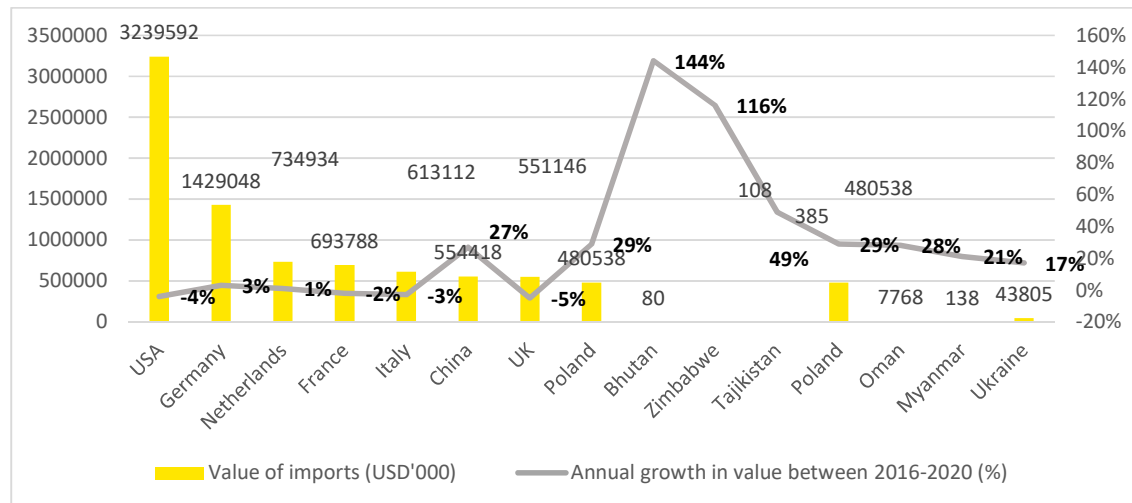


Figure 6: Prominent Importers to whom India Export the Product under HSN code 640391



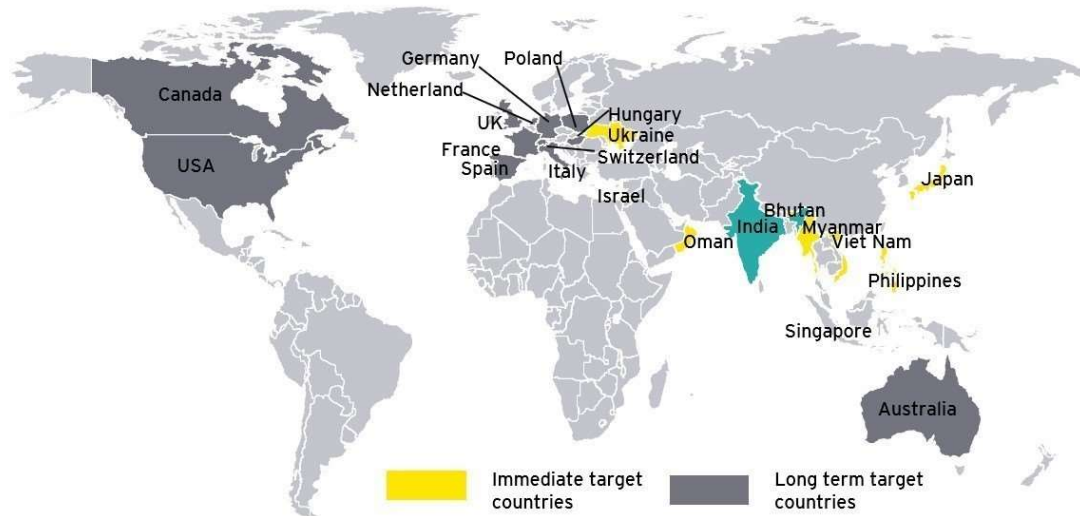


Figure 7: Market for export potential under HSN code 640391

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.**<sup>5</sup>

#### 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. 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
Tannery Sludge	High compressive bricks making
Buffing dust	Generation of Bio-gas energy from buffing dust

#### 4.7 SWOT analysis

Table 7: SWOT Analysis

Strengths	Weaknesses
-----------	------------

<sup>5</sup> [www.dgcisanalytics.in](http://www.dgcisanalytics.in)



<ul style="list-style-type: none"> <li>▶ Rich experience in leather processing</li> <li>▶ Institutional Support</li> <li>▶ Low-cost manpower</li> <li>▶ Leadership position in export of Harness and Saddlery</li> <li>▶ Presence of supporting institutions like KLC, CLE, CLRI, CFTI etc.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Suboptimal backward integration of supply chain</li> <li>▶ Lack of quality testing facility</li> <li>▶ Cost of running CETP is very high</li> <li>▶ Lack of awareness of govt. schemes</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▶ Opulence of synthetic support material</li> <li>▶ National &amp; International Exhibition</li> <li>▶ Demand for leather outpacing supply</li> <li>▶ Growing fashion conscious</li> <li>▶ Exposure to new markets through fairs</li> <li>▶ Increasing demand of Make in India products</li> </ul>	<ul style="list-style-type: none"> <li>▶ International Competition due to lack of quality certificates.</li> <li>▶ Supply of raw material shrinking</li> <li>▶ Lack of technical knowledge among artisans</li> <li>▶ Handcrafted saddlery getting extinct</li> </ul>

#### 4.8 Challenges and interventions

Parameter	Challenges	Intervention
<b>Warehouse for storage</b>	<ul style="list-style-type: none"> <li>▶ It is estimated that demand will double over the next five years while the supply of raw hides from indigenous sources will not be in the same proportion. There is a need to improve the supply position of raw hides for the cluster.</li> <li>▶ Constant fluctuation of raw material prices.</li> </ul>	<p><b>Hard Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Warehouse for import, storage, and sale of raw hides through large trading houses could augment raw material supply.</li> <li>▶ 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. It will reduce the wastage of time, costing, and concentration of traders as well.</li> </ul>
<b>Technological Upgradation &amp; Innovation</b>	<ul style="list-style-type: none"> <li>▶ In Kanpur Dehat, shoe manufacturing units 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.</li> </ul>	<p><b>Hard Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of fleshing machine and lime splitting machine in CFC 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.</li> <li>▶ Manufacturers may also be sensitized about the new innovations in leather industry e.g. CSIR-CLRI and MV Diabetes Hospital and Diabetes Research Centre, Chennai have developed special footwear, called DIASTEP/diabetic footwear, to reduce diabetic foot complications and ensure a better quality of life.</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>▶ Challenges faced by smaller tanneries / industries in</li> </ul>	<p><b>Hard Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Setting up modern technology based CETPs</li> </ul>

Parameter	Challenges	Intervention
Issues	<p>complying pollution control norms regarding treatment of effluents and TDS levels of discharge.</p> <ul style="list-style-type: none"> <li>▶ There is lack of awareness of global environmental and social norms.</li> <li>▶ Smaller units find it difficult to bear the operational cost of CETP.</li> </ul>	<p>would ensure in reduction of effluents in TDS levels of liquid discharge.</p> <ul style="list-style-type: none"> <li>▶ In leather industry, Tannery wastewater treatment process may be initiated in all units to minimize residual organics and generation of primary chemical sludge.</li> </ul> <p><b>Soft Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Awareness and outreach program for raising consciousness about environment issues due to the pollutants.</li> <li>▶ Use of codes of conduct (COC) for assessment of suppliers on social and environmental compliance.</li> </ul>
Marketing & Branding	<ul style="list-style-type: none"> <li>▶ Absence of usage of information and communication facilities</li> <li>▶ Lack of common marketing and sales platform</li> <li>▶ Micro enterprises are mostly run by semi-literate individuals who are severely hampered by lack of knowledge of new age marketing tools</li> <li>▶ Increasing the participation in International Trade fairs</li> <li>▶ Limited Market diversification</li> <li>▶ Lack of knowledge of existing schemes and govt. initiatives</li> <li>▶ Lack of participation in national and international events related to the sector</li> </ul>	<ul style="list-style-type: none"> <li>▶ Collaboration with E-commerce companies.</li> <li>▶ 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</li> <li>▶ 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</li> <li>▶ 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</li> <li>▶ Exposure visits to Chennai and Kolkata clusters to study the best practises and understand their modus operandi and value chain.</li> </ul>
Testing and Quality Certification	<ul style="list-style-type: none"> <li>▶ Unaware of global standards and quality ratings.</li> <li>▶ Only exporters of the cluster try to maintain the quality standard of global market.</li> </ul>	<p><b>Hard Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Testing laboratory can be established for ensuring production of certified quality products.</li> </ul> <p><b>Soft Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Collaboration with National institutes to support artisans in improving quality of footwear by maintaining the standards.</li> <li>▶ 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.</li> </ul>
Designing of Products	<ul style="list-style-type: none"> <li>▶ Lack of innovative design inputs/design centre, leads to imitation of designs from large showroom and repetitive manufacturing of same design products.</li> </ul>	<p><b>Hard Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ It is proposed that a Design and Innovation center be set up in the cluster. The centre will include following components: <ul style="list-style-type: none"> <li>○ Design Lab: It would undertake research and development on Design, Product and</li> </ul> </li> </ul>

Parameter	Challenges	Intervention
		<p>Technology keeping in view the current and future trends. These designs would originate by matching the skill base of manufactures with market demand, based on which prototypes will be developed.</p> <ul style="list-style-type: none"> <li>○ Sample Development: The Centre would manufacture samples for the benefit of all cluster participants. The challenges in developing a sample design would enable the center to come up with innovative solutions and improvisations for the introduction of new materials, techniques, tools etc.</li> <li>○ Training Centre</li> <li>○ IT Lab and Resource Centre</li> </ul> <p><b>Soft Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Design training and certificate courses to local aspirants who have inclination towards designing of leather products via Design and Innovation center or collaboration with institutes like IIT Kanpur, FDDI, CFTI etc.</li> </ul>
<b>Exporter's issue</b>	<ul style="list-style-type: none"> <li>▶ No focal point to address exporters issues.</li> </ul>	<ul style="list-style-type: none"> <li>▶ 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.</li> </ul>
<b>Cost Structure</b>	<ul style="list-style-type: none"> <li>▶ U.P. is a land-locked state. India's cost of logistics is one of the highest in the world.</li> <li>▶ 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</li> </ul>	<ul style="list-style-type: none"> <li>▶ 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.</li> <li>▶ The DIC office should organize workshops for exporters to apprise about Export Promotion Scheme of the Department of MSME &amp; Export Promotion, UP such as <b>Market Development Assistant (MDA), Financial Assistance for Foreign fairs/exhibition, Financial Assistance for sending samples to foreign buyers, Subsidy on freight charges upto gate way port Air Freight Rationalisation Scheme</b> etc.</li> <li>▶ 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.</li> </ul>



Parameter	Challenges	Intervention
Skill Development	<ul style="list-style-type: none"> <li>▶ Internationally, the market for leather and leather products is moving towards high quality.</li> <li>▶ The cluster doesn't have enough access to talents on modern technology, increased efficiency and productivity, enhanced quality and design parameters.</li> <li>▶ Currently, a Government owned Leather Institute is working in Kanpur Nagar. It is proposed to conduct the training programmes in the existing training institute.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The skill upgradation program will address the current limitation of cluster by enabling production of high value added and diversified products. Standardized training modules will be prepared in consultation with domain experts and reputed institutions for comprehensive development of the skill levels in the cluster.</li> <li>▶ DIEPC may examine the feasibility of proposal for upgradation of the institute with an eye to cater the training requirement of the industry within 03 months.</li> </ul> <p>For capacity building and quality enrichment, various skill development initiatives and training programs may be started in collaboration with NSDC, CLRI, LSSC etc. The Leather Sector Skill Council (LSSC) has been undertaking various skill development initiatives and apprenticeship training in the Kanpur leather cluster. CSIR - CLRI has also been offering various training courses in leather processing &amp; technology upgradation.</p>

## 4.9 Future Outcomes

Annual Turnover
Increase in annual turnover from INR 350 Crore in 2020-21 to 600 Crore by 2030.

Cluster exports
The increase in export of the product from INR 219 Crore during the September 2020 to November 2021 to 500 Crore by 2030.

## 5. Product 2: Plastic Product

### 5.1 Cluster Overview

The emergence of Kanpur Dehat as a plastic products cluster makes district as emerging business hub for plastic sector. The development of this cluster has been driven on account of the opportunities emerging from its proximity to Delhi. The units in district have subsequently proliferated by continuously reinventing their product portfolio. Indeed, Kanpur Dehat today is a hub of several plastic enterprises, manufacturing a wide range of plastic products: products such as HDEP Pipes, Boring Pipes, Sacks, Bags, Household items like bucket, mugs, chairs, packaging cans & ropes etc.

Further, the overall industrial scenario of Kanpur Dehat reveals presence of no. of units engaged in other various significant clusters such as Aluminium utensils, food processing and agricultures based etc. ***“Plastic Products”* is identified as second ODOP Product of Kanpur Dehat** whereas “Aluminium utensils” was initially declared ODOP product for the district. It comprises of products covering more than 20 product codes.

This cluster is spread over an area covering 3,021 sq. km covering the entire district. The turnover of the plastic products industry from Kanpur Dehat is approx. Rs. 1589.6 crores as per baseline study and further discussion with associations and DIEPC, Kanpur Dehat. The plastic industry provides employment to approx. 2,489 workers in the district. There are over 120 micro, small and medium manufacturers and exporters in the area who are engaged in the production of variety of products and exporting to the markets in Australia, New Zealand, Nepal, Bhutan & Bangladesh through indirect route.

Some of the industries in the district are A & C Braid & Rope Co. Pvt. Ltd., Kanpur PlasticPack , Aditya Flexipack Pvt. Ltd.etc.

## 5.2 Product Profile

The word plastic itself comes from the Greek word plastics, which means to be able to be shaped or moulded by heat. As we will see, shaping plastics by using heat is a basic part of nearly all plastics manufacturing processes.

Like timbers, which is divided into hardwoods and softwoods, plastics is also divided into different categories:

- ▶ **Natural Plastics** - These are naturally occurring materials that can be said to be plastics because they can be shaped and moulded by heat. An example of this is amber, which is a form of fossilised pine tree resin and is often used in Jewellery manufacture.
- ▶ **Semi synthetic Plastics** - These are made from naturally occurring materials that have been modified or changed but mixing other materials with them. An example of this is cellulose acetate, which is a reaction of cellulose fibre and acetic acid and is used to make cinema film.
- ▶ **Synthetic Plastics** - These are materials that are derived from breaking down, or 'cracking' carbon-based materials, usually crude oil, coal or gas, so that their molecular structure changes. This is generally done in petrochemical refineries under heat and pressure and is the first of the manufacturing processes that is required to produce most of our present day, commonly occurring plastics. Synthetic and semi synthetic plastics can be further divided into two other categories. These two categories are defined by the ways in which different plastics react when heated.
- ▶ **Thermoplastics** - These are plastics that can be softened and formed using heat, and when cool, will take up the shape that they have been formed into. But if heat is reapplied, they will soften again. Examples of thermoplastics are acrylic and styrene, probably the most common plastics found in school workshops. Polyethylene (PE), polypropylene (PP), polytetrafluoroethylene (Teflon), polyethylene terephthalate (PET), polyamide (PA), polyvinyl chloride (PVC) and polystyrene (PS) are the other example of thermoplastic.
- ▶ **Thermosetting Plastics** - These are plastics that soften when heated, and can be moulded when soft, and when cool they will set into the moulded shape. But if heat is reapplied, they will not soften again, they are permanently in the shape that they have been moulded into. Examples of thermosetting plastics are polyester resins used in glass reinforced plastics work, and melamine formaldehyde used in the manufacture of Formica for kitchen work surfaces.

### 5.2.1 Product Portfolio

In Kanpur Dehat, key products manufactured under plastic product are Boring pipe, packing materials (Sacks), Household item like Tub, Bucket, chair, mug, Jerry Cans, storage drums & rope. Some of the units use virgin plastic grains as a raw material whereas few are using reprocessed grain (Waste/old plastic scrap/grain). Those who are using the reprocessed grain, their units are small, and the price of their finished products are low as quality of their material is inferior as compare to virgin material finished products.

Main product of plastic which is manufactured in Kanpur Dehat are below.

*Table 8: Key Products manufactured in Kanpur Dehat District*

Sr. No	Main product
1	HDPE/Boring Pipes

2	Packaging Material (Sacks)
3	Bottle
4	Chair
5	Mug
6	Tub
7	Bucket
8	Jerry Cans
9	Storage Drum

### 5.3 Cluster Stakeholders (Plastic Products)

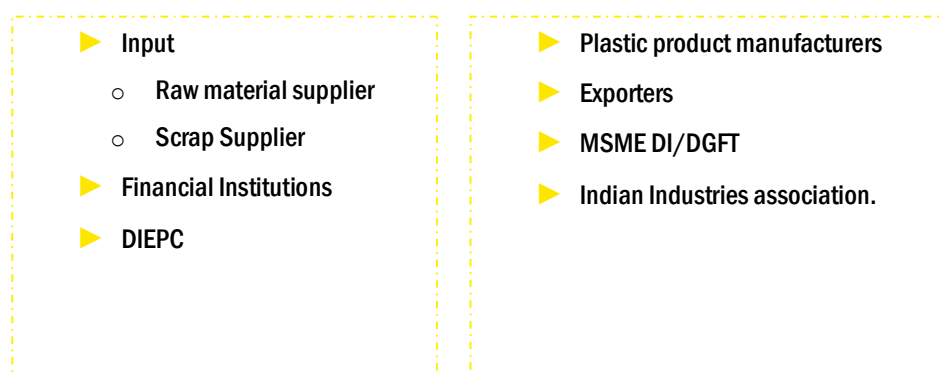


Figure 8: Cluster Stakeholders

#### 5.3.1 Industry Associations (Plastic Product)

Following are main Industry Associations that are working for the development of Plastic products sector:

- ▶ Indian Industries Association (IIA)
- ▶ Engineering Export Promotion Council (EEPC)
- ▶ All India Manufacturers' Organization (AIMO)
- ▶ Exporters Association
- ▶ Industrial Area Manufacturers' Association (AIMA)
- ▶ The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- ▶ Confederation of Indian Industry (CII)
- ▶ Federation of Indian Chambers of Commerce & Industry (FICCI)
- ▶ Plastics Export Promotion Council (PLEXCONCIL)
- ▶ All India Plastics Manufacturers' Association (AIPMA)

## 5.4 Export Scenario

### 5.4.1 HS Code

HS codes under which the product is exported from the district.<sup>6</sup>

Sr. No.	HSN Code	Product Description
1	391721	Rigid tubes, pipes and hoses, of polymers of ethylene
2	391723	Rigid tubes, pipes and hoses, of polymers of vinyl chloride
3	630533	Sacks and bags, for the packing of goods, of polyethylene or polypropylene strip or the like (excluding flexible intermediate bulk containers)
4	392310	Boxes, cases, crates and similar articles for the conveyance or packaging of goods, of plastics

## 5.5 Export Potential

### Major highlights of India Export

- ▶ India exported plastics raw material worth US\$ 352.04 million in July 2021, and the export during April 2021 to July 2021 was US\$ 1.57 billion.
- ▶ The total plastics raw material export during April 2021 to August 2021 was US\$ 1.57 billion.
- ▶ In FY21, India exported plastics raw material worth US\$ 3.29 billion.
- ▶ The total plastic and linoleum export during April 2021 to August 2021 was US\$ 4.15 billion and for the month of August 2021, it was US\$ 754.37 million.
- ▶ The total plastic and linoleum export in FY21 was US\$ 7.45 billion and for the month of March 2021, it was US\$ 719.15 million.
- ▶ In FY20, plastic and linoleum export from India stood at US\$ 7.55 billion.
- ▶ In FY21 export of plastic sheets, films, and plates stood at US\$ 1.53 billion and packaging material was US\$ 863.62 million.
- ▶ The Indian plastics industry produces and export a wide range of raw materials, plastic-moulded extruded goods, polyester films, moulded/ soft luggage items, writing instruments, plastic woven sacks and bags, polyvinyl chloride (PVC), leather cloth and sheeting, packaging, consumer goods, sanitary fittings, electrical accessories, laboratory/ medical surgical ware, tarpaulins, laminates, fishnets, travel ware, and others.
- ▶ The Indian plastics industry offer excellent potential in terms of capacity, infrastructure, and skilled manpower. It is supported by many polymer producers, plastic process machinery and mould manufacturers in the country.
- ▶ Among the industry's major strengths is the availability of raw materials in the country. Thus, plastic processors do not have to depend on import. These raw materials, including polypropylene, high-density polyethylene, low-density polyethylene, and PVC, are manufactured domestically.

*Table 9: India's Export (Plastic Product) over the year*

Financial year	Exports (\$ billion)
----------------	----------------------

<sup>6</sup> DGFT, Kanpur

2015-16	7.64
2016-17	7.56
2017-18	8.85
2018-19	10.98
2019-20	10.00

#### Major Highlights of UP Exports<sup>7</sup>:

- ▶ Total Export from U.P. is 1843.38 Cr. In 2020-21.
- ▶ Total export from Kanpur Dehat is Rs. 150.00 Cr.
- ▶ Main item of export - P.P. woven Sacks/ F.I.B.C, P.P. woven Fabric and Multi filament yarn.
- ▶ P.P. Granules is the main raw material.
- ▶ Germany, USA, Spain, Italy, U.K., France, Canada, Netherland, Belgium, Chile, Israel and Malaysia are amongst prominent export destination from the district.

#### HSN Code-391721- Rigid tubes, pipes and hoses, of polymers of ethylene<sup>8</sup>

India's exports represent 0.7% of world exports for this product & it's ranking is number 29, behind Germany, Italy, China, UK & USA. While the value of India's exports over the last 5 years has fluctuated but with an overall decrease by CAGR 1.49% , as per data FY F2015-16 to 2018-19 for exports from the state of UP, it is observed that there has been an increase. Being in the same region, India is primarily in competition with Italy, China, UK and USK who account for 11.8% ,8.6 % , 6.4%, and 5.9% of world exports for this product i.e., china nearly twelve times or more than India's level of exports.

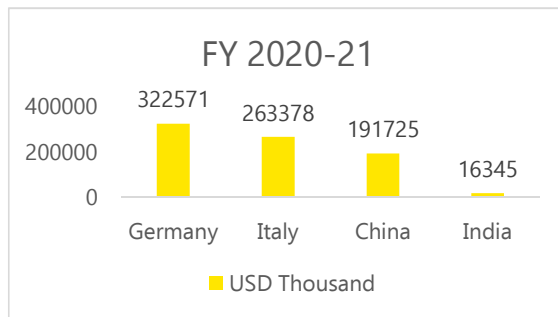


Figure 10: India's export compares to world under HSN code 391721

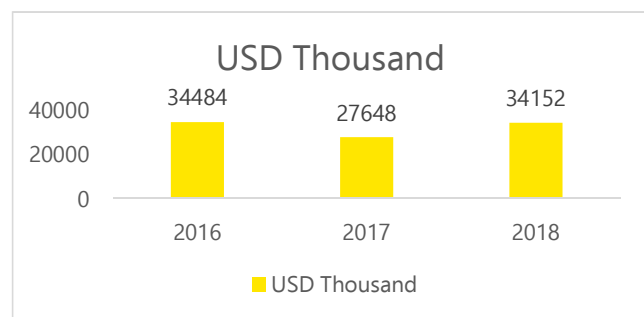


Figure 9: Year wise export from India under HSN code 391721

The following chart showcases the prominent import countries in 2020 of the HSN Code- 391721<sup>9</sup>

<sup>7</sup> DGFT, Kanpur Nagar

<sup>8</sup>Trademap.org for HSN Codes 391721



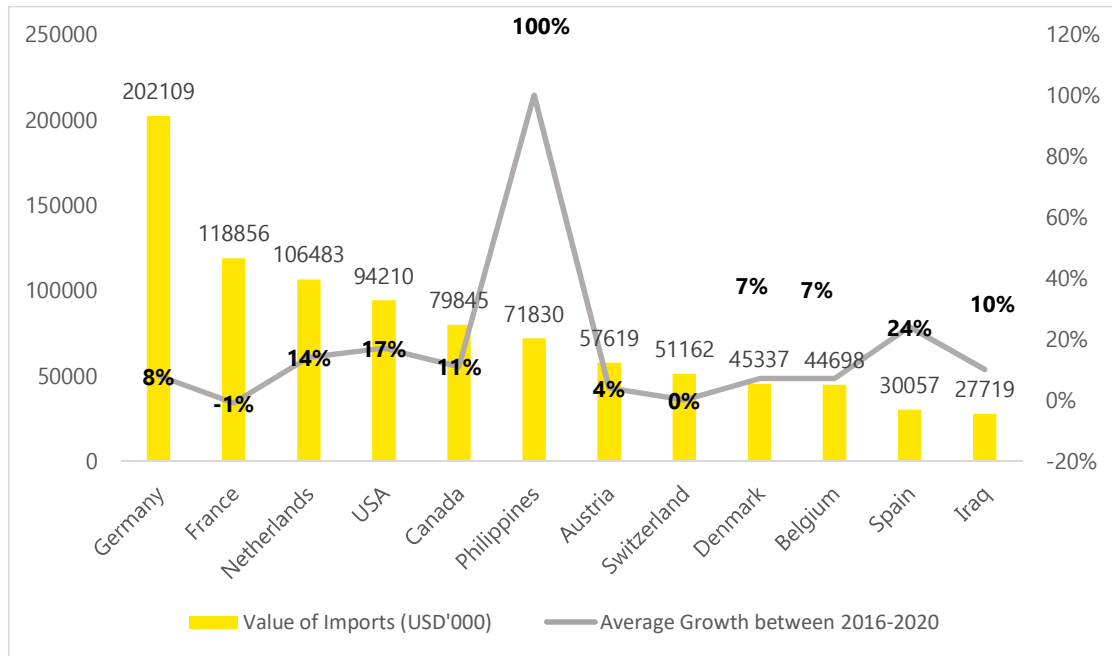
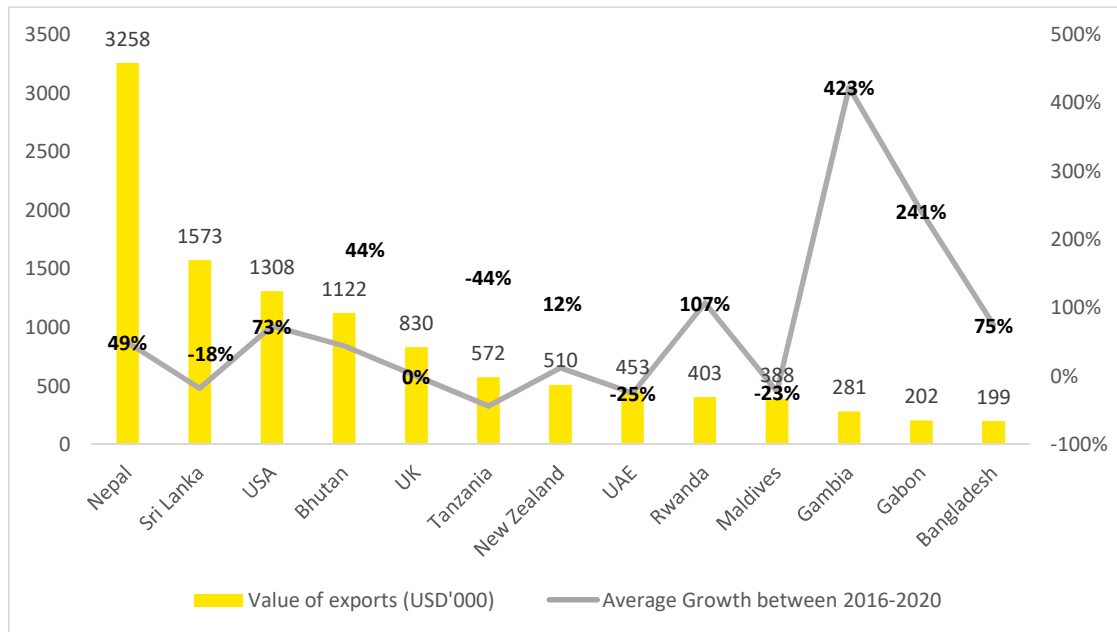


Figure 11: prominent importing countries under HSN code 391721

The following chart showcases the prominent import countries in 2020 to whom India exports this product 391721<sup>10</sup>



<sup>9</sup>Trademap.org for HSN Codes 391721

<sup>10</sup>Trademap.org for HSN Codes 391721



Countries to whom UP exports this product in HSN code 391721 are Nepal, Greece, South Africa, Philippines, USA, Bhutan, Singapore, Sri Lanka, Slovenia, Thailand, Iraq, Saudi Arabia, China and Uganda<sup>11</sup>. Exports from UP- USD 410 (USD Thousand) for the year 2020.

## 5.6 Potential Areas for Value Added Product

### Product Diversification:

This plays a vital role in any products exports as it is a product uplifting strategy. Most of the SMEs aren't bothered about changing their product range and they fail to understand that it is an integral part of comprehensive marketing. Diversification can be brought in the cluster by:

- ▶ **Development of new products:** The SMEs of the district should be encouraged to diversify the product categories and adequate resources should be provided to make innovative products without losing the real essence of Kanpur Nagar plastic products. The SMEs going forward should focus on making products according to the need of the market,
- ▶ **Modifications of Existing Products:** It has also been found that most of the SMEs use traditional designs or those which was old by the time it arrived at Kanpur Nagar, they need to work according to the latest designs.

## 5.7 SWOT Analysis

Table 10: SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▶ India has solid base in polymers</li> <li>▶ Cluster produces large quantity of recycled products of plastic.</li> <li>▶ Widespread uses of plastic products</li> <li>▶ Availability of cheap and skilled labour for the cluster</li> <li>▶ Availability of various financial and non-financial assistances from state and central government pertaining to the cluster.</li> <li>▶ Strong supporting industries.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Lack of proper infrastructure facilities for designing and new product development.</li> <li>▶ Lack of infrastructure for testing of plastic products.</li> <li>▶ Outdated technology and machineries/equipment</li> <li>▶ Lack of focus on export</li> <li>▶ Financial blockage</li> <li>▶ Insufficient marketing on foreign market</li> <li>▶ Lack of awareness of government schemes</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▶ Development of activities in management, marketing, quality, research and branding.</li> <li>▶ Important investments projects in infrastructural development.</li> <li>▶ Increase in domestic market demand of products for construction and packaging.</li> <li>▶ Culture for the use of plastic still at a nascent stage in India holds immense opportunities</li> <li>▶ Entering high prices processes plastic export segment.</li> <li>▶ Demand generated by industries like retail</li> </ul>	<ul style="list-style-type: none"> <li>▶ Reduced buying power of the domestic market consumers.</li> <li>▶ Aggressive competition faced from clusters of India as well as Asian countries.</li> <li>▶ Fluctuating raw material prices.</li> <li>▶ Ever increasing crude oil prices</li> <li>▶ Neighbouring countries specializing in processing industries could lead to imports</li> <li>▶ Replacement threat from substitutes.</li> </ul>

<sup>11</sup> Trademap.org for HSN Codes 391721

<ul style="list-style-type: none"> <li>▶ Booming automotive sector and Food Packaging Sector</li> <li>▶ Changing consumer behaviour</li> </ul>	
--	--

## 5.8 Challenges and interventions

Parameter	Challenges	Intervention
<b>Technology</b>	<ul style="list-style-type: none"> <li>▶ Low Automation</li> <li>▶ Unawareness of global best practice</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establishment of Common Facility Centre.</li> <li>▶ Exposure visits of desired units in developed clusters like Aluva Plastic Cluster, Ram Nagar Plastic Cluster</li> <li>▶ Increase in the limit under technology development scheme from 15 lakhs to 30 lakhs for unit upgrading their technology of manufacturing</li> </ul>
<b>Marketing</b>	<ul style="list-style-type: none"> <li>▶ Over reliance on traditional marketing (offline marketing)</li> <li>▶ Unavoidable dependency on wholesalers and traders.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establishment of Display center of finished products.</li> <li>▶ Setting up of a Business promotion Cells for new product development based on analysis of international data to forecast trends. Sharing this information with manufacturers and other stake holders will enable them to stay ahead of the curve and develop products according to the market demand.</li> </ul>
<b>Design, innovation &amp; product development centre</b>	<ul style="list-style-type: none"> <li>▶ Unavailability of tool room for casting new moulds.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establishment of Design, innovation &amp; product development centre</li> <li>▶ For this we can collaborate with National Institute of Fashion Technology (NIFT), The Central Institute of Petrochemicals Engineering and Technology formerly central institute of Plastic and Technology (CIPET) &amp; National Institute of Design (NID) to provide new and innovative designs as per the market trend.</li> <li>▶ Used plastic may be recycled with the use of new technology, innovation, and design tools.</li> <li>▶ Awareness program may be started on use / recycle of plastic and innovations in the field of Biodegradable / Compostable Plastics - Oxo-biodegradable and Hydro-biodegradable (Starch-based plastics, Bacteria-based plastics, Soy-based plastics, Cellulose-based plastics, Lignin-based plastics and Natural fibres</li> </ul>



Parameter	Challenges	Intervention
		reinforcement plastic).
<b>Product Quality, Testing and Certification Technology</b>	<ul style="list-style-type: none"> <li>▶ Unawareness about technical standards in international market</li> <li>▶ Unavailability of testing lab &amp; Certification Agency</li> </ul>	<ul style="list-style-type: none"> <li>▶ A testing lab should be established as a Common Facility Center in the Cluster which is accredited with internationally accepted certification agencies to facilitate exports in the cluster</li> <li>▶ Certification cost for certifications is very high which many firms are unable to pay.</li> <li>▶ Government should provide 50% subsidy in the cost incurred by the firm to obtain these certificates.</li> </ul>
<b>Common infrastructure</b>	<ul style="list-style-type: none"> <li>▶ Poor Infrastructure of Industrial area/Roads</li> <li>▶ Inadequate transport connectivity</li> </ul>	▶ Industrial Infrastructure development and maintenance
<b>Skill Development</b>	<ul style="list-style-type: none"> <li>▶ Low skilled/ unskilled Manpower</li> <li>▶ Low confidence due to less skill in risk taking</li> </ul>	▶ New Artisans can gain skills by making use of training provided under Skill Development schemes like PMKVY.
<b>Access to Finance</b>	<ul style="list-style-type: none"> <li>▶ Lack of awareness of government financing schemes</li> <li>▶ Tedious paperwork and long waiting time of banks usually persuade artisans from not taking financial support from banks</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sensitization camps should be conducted to educate enterprises of the financial assistance a being provided under government schemes and by banks and NBFCs such as : <ul style="list-style-type: none"> <li>○ MoU signed between MSME Department of Govt of Uttar Pradesh and SIDBI to facilitate easy loans through SIDBI schemes</li> <li>○ MoU with Bank of Baroda (BoB) to promote quick approval of loans through digital lending</li> </ul> </li> </ul>
<b>Exporter's issue</b>	▶ DIEPC to act as a focal point for all exporters issue	▶ Deputy Commissioner Industries may be given this responsibility to monitor the cell.
<b>Warehouse for Raw Material / Raw Material Bank</b>	<ul style="list-style-type: none"> <li>▶ Inadequate availability and rising rates of raw material (polymers)</li> <li>▶ Increasing shipping freight, container shortage and inverted duty structure due to certain free trade agreements.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establishment of a RMB to ensure availability of raw materials at affordable prices and portal for better tracking of raw material purchased.</li> <li>▶ A central repository to be created about the challenges being faced by MSME units on availability of raw material. Such issues will be taken up with concerned departments and resolved.</li> </ul>

## 5.9 Future Outcomes

### Annual Turnover

Increase in annual turnover by 10% annually from existing with the help of financial outreach of government programmes and other interventions.

### Cluster exports

Substantial growth in cluster exports expected to grow by 5% annually by **2025**.

## 6. Scheme under Uttar Pradesh Export Promotion Bureau

Various schemes being run by Export Promotion Bureau to apprise the exporters are as follows:

### A. Marketing Development Scheme (MDA)

S. No	Incentive 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 lakh / fair) b. 50% (max 0.5 lakh 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)

Source: <https://epbupindia.in/Home/MDA>

### B. Gateway Port Scheme:

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 12,000 (40 ft' container) whichever is less
Maximum limit	Rs 12 lacs /unit /year
Empowered committee	District Users Committee under the chairmanship of district magistrate.

Source: [Export Promotion Bureau, Uttar Pradesh \(epbupindia.in\)](http://Export Promotion Bureau, Uttar Pradesh (epbupindia.in))

### C. Air Freight Rationalization Scheme:

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

Source: [Export Promotion Bureau, Uttar Pradesh \(epbupindia.in\)](http://Export Promotion Bureau, Uttar Pradesh (epbupindia.in))

### D. State Export Award:

All manufacturer and merchant Exporters online registered with EPB Minimum Export turnover 30,00,000/-, Given by Govt of U.P. to Outstanding exporters of the State in each of 25 specified categories  
Application form available with DC, DIC office/ EPB office/ EPB website.

*Source: [Export Promotion Bureau, Uttar Pradesh \(epbupindia.in\)](http://Export Promotion Bureau, Uttar Pradesh (epbupindia.in))*

#### **E. Niryat Avasthapan Vikas Yojna (NAVY):**

Under this Scheme funding will be given for the development of projects like Export oriented common facility center in the state. The implementation will be done by the MSME and UPEPB. Under this scheme, 70 % of the project cost will be financed by the state government and 30% will be funded by the pre-Appropriation Implementation Unit (SPV).

*Source: [Export Promotion Bureau, Uttar Pradesh \(epbupindia.in\)](http://Export Promotion Bureau, Uttar Pradesh (epbupindia.in))*

#### **F. Capacity Building:**

Training for Export Marketing, Procedure and Documentation and various Topics related to exports. Eligibility criteria included Existing Exporters and any person willing to get into the export field. Workshops/Seminars on various Topics as WTO Design Development, Currency Management, Custom Procedures, Incentives etc. are organized in association with Apex Trade/Industry bodies in U.P.

*Source: [Export Promotion Bureau, Uttar Pradesh \(epbupindia.in\)](http://Export Promotion Bureau, Uttar Pradesh (epbupindia.in))*

## **7. Scheme run by Govt. of India for Export Promotion**

Various schemes being run by Govt. of India to apprise the exporters are as follows:

#### **A. Merchandise Exports from India Scheme (MEIS):**

A scheme designed to provide rewards to exporters to offset infrastructural inefficiencies and associated costs. The Duty Credit Scrips and goods imported/ domestically procured against them shall be freely transferable. The Duty Credit Scrips can be used for:

- ▶ Payment of Basic Customs Duty and Additional Customs Duty specified under sections 3(1), 3(3) and 3(5) of the Customs Tariff Act, 1975 for import of inputs or goods, including capital goods, as per DoR Notification, except items listed in Appendix 3A.
- ▶ Payment of Central excise duties on domestic procurement of inputs or goods,
- ▶ Payment of Basic Customs Duty and Additional Customs Duty specified under Sections 3(1), 3(3) and 3(5) of the Customs Tariff Act, 1975 and fee as per paragraph 3.18 of this Policy.

Objective of the Merchandise Exports from India Scheme (MEIS) is to promote the manufacture and export of notified goods/ products.

*Source : [Directorate General of Foreign Trade | Ministry of Commerce and Industry | Government of India \(dgtf.gov.in\)](http://Directorate General of Foreign Trade | Ministry of Commerce and Industry | Government of India (dgtf.gov.in))*

#### **B. Service Exports from India Scheme (SEIS):**

SEIS is an incentive scheme for eligible service exports offering reward at 3 per cent or 5 per cent of Net Foreign Exchange (NFE) earned. Services rendered under two modes viz. services exported out of India and services provided to a foreign consumer in India are eligible for SEIS. This scheme covers 'Service Providers located in India' instead of 'Indian Service Providers', which has been the case in the earlier policy. Under the new scheme,

the incentive scrips issued are fully transferable. SEIS benefits have also been extended to Special Economic Zones (SEZ) units.

All eligibility criteria are outlined in FTP and HBP however salient ones are:

- ▶ Should have an active IEC at the time of rendering services
- ▶ Should have certain minimum earnings
- ▶ Should have exported eligible services as notified in Appendix 3D/3E/3X (Appendix 3X will be applicable on claim for FY 2019-20 and Appendix 3D/3E will be applicable for other year claim)
- ▶ Does not fall under ineligible categories as in Public notice 45 dated 05.12.2017
- ▶ Services provided under Modes 1 and 2 only are allowed for claim for eligible services
- ▶ Negative Net Foreign Exchange earnings (NFE) makes the entitlement under zero for the financial year

Source: [Directorate General of Foreign Trade | Ministry of Commerce and Industry | Government of India \(dgft.gov.in\)](#)

### **C. Rebate of State & Central Taxes and Levies (RoSCTL):**

The RoSCTL scheme acts as a rebate for embedded state and central taxes on garments. The objective of this scheme is to increase competitiveness in these textile sectors in international markets. It is an export incentive through which transferrable credit scrips are given to exporters that can be used for payment of customs duties. Through this scheme, exporters can cut down on high logistics costs, enhancing global competitiveness. Merchants or manufacturer-exporters who are directly exporting garments and apparel that are manufactured in India are eligible for this scheme.

The benefits of Rebate of State Levies RoSCTL are available to exporters of readymade garments and made-ups for now. The scheme aims to help them cut high logistics and other costs and enable them to compete globally. An exporter can benefit from this scheme for all exports done after 1st April 2019.

Source: [Directorate General of Foreign Trade | Ministry of Commerce and Industry | Government of India \(dgft.gov.in\)](#)

### **D. Duty Free Import Authorization (DFIA):**

DFIA scheme was introduced on 1st May 2006 in place of the Duty-Free Replenishment (DFRC) scheme, and it is similar to the Advance Authorisation Scheme with certain differences. Duty Free Import Authorisation is issued to allow duty free import of inputs. In addition, import of oil and catalyst which is consumed / utilised in the process of production of export product, may also be allowed. DFIA shall be issued only for the products for which standard Input and Output Norms (SION) have been notified; hence import entitlement must be limited to the quantity given in SION.

- ▶ Only the payment of basic customs duty (BCD) is exempted under the Duty-Free Import Authorisation scheme.
- ▶ IGST and compensation Cess are not exempted under the DFIA scheme.
- ▶ Manufacturer exporter as well as Merchant exporter are eligible to apply for DFIA License.
- ▶ Duty Free Import Authorisation shall be issued on post export basis for products for which Standard Input Output Norms have been notified.

Source: [Directorate General of Foreign Trade | Ministry of Commerce and Industry | Government of India \(dgft.gov.in\)](#)

### **E. National Programme for Organic Production (NPOP):**

The Ministries of Industries and Commerce, Government of India has implemented the National Programme for Organic Production (NPOP) to provide a focused and well-directed development of **organic agriculture** and quality products. This national programme proposes for the promotion of organic farming and provides an institutional mechanism for the implementation of National Standards for Organic Production and provides information on systems, criteria and procedure for accreditation of Inspection and certification bodies, the national organic logo.

Source: [National Programme for Organic Production \(NPOP\) \(apeda.gov.in\)](#)

#### **F. Assistance to States for Development of Export Infrastructure and Allied Activities (ASIDE):**

The Department of Commerce Govt. of India has formulated a scheme called Assistance to states for Developing Export Infrastructure and Allied Activities (ASIDE). The objective of the scheme is to involve the states in the export effort by providing assistance to the state Governments for creating appropriate infrastructure for the development and growth of exports. The 80% of the outlay is the State Component, which is used to allocate the states on the basis of approved criteria. Remaining 20% is the Central Component.

*Source: [Trade Promotion Assistance - Mcommerce](#)*

#### **G. PM Formalisation of Micro food processing Enterprises (PMFME):**

PM Formalisation of Micro food processing Enterprises (PMFME) Scheme, **an initiative under Aatma Nirbhar Bharat Abhiyan**, is being implemented by Ministry of Food Processing Industries (MoFPI) with an outlay of 10,000 Crore over a period of 5 years from 2020-21 to 2024-25.

*Source : [PM Formalisation of Micro Food Processing Enterprises Scheme \(mofpi.gov.in\)](#)*

## 8. Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation <sup>12</sup>
<b>Increasing the overall exports from the state</b>		
<b>Sensitization and facilitation in availing Import/ export documents:</b> 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	DIEPC, UPEPB	Continuous initiative
<b>Creation of an event calendar</b> comprising of events to be conducted in a Financial Year with a <b>focus on international marketing events</b> . Further, DGFT and FIEO can finalize a target to participate in <b>at least 3 international events in a year per product category/industry</b> (Leather Products, Engineering products, Plastic product, Hosiery and textile product etc.) by <b>utilizing schemes like IC and MAS</b>	DIEPC, UPEPB	Continuous initiative
<b>Sensitization of cluster actors:</b> <ol style="list-style-type: none"> <li>a. The individuals of a cluster should be <b>sensitized on the plethora of schemes<sup>13</sup></b> available for them for maximizing the potential of exports. <b>Merchandise Exports from India Scheme, Service Export from India Scheme</b> etc. provides <b>various exemptions</b> for facilitating exports. Further, schemes like <b>Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme)</b> ensure procurement of imported duty-free raw materials</li> <li>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</li> </ol>	DIEPC, UPEPB	Continuous initiative

<sup>12</sup> Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

<sup>13</sup> 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>:

cluster actors should be sensitized on target countries identified through export analysis mentioned in DAPs and EAP		
DIC and FIEO can play a pro-active role in this regard. <b>10% increase</b> 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
<b>Common interventions across sectors/ clusters</b>		
Collaboration with e-commerce companies like Amazon, ebay, Flipkart etc.	UPEPB/DIEPC/ODOP Cell	Short term
MoU with QCI for defining quality standards of the products	UPEPB/DIEPC/ODOP Cell	Short term
Collaboration with IIP to define cluster-wise packing standards	UPEPB/DIEPC/ODOP Cell	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/ODOP Cell	Intermediate
Handholding of MSMEs for increasing their awareness on schemes of state & center and the procedure to apply to avail financial assistance	UPEPB/DIEPC	Intermediate
Sensitization of cluster actors from this sector on <b>Make in India initiative and PLI</b> for leveraging the assistance provided to the sector to enhance productivity and expand exports	DIEPC UPEPB	Short term
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
<b>Cost Structure:</b> a. The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme /	DIEPC/UPEPB	Long term





**Product 3: Plastic Products**

Awareness on Market Diversification	DGFT/ UPEPB	Continuous initiative
<p><b>Establishment of common facility center with:</b></p> <ul style="list-style-type: none"> <li>▶ Advanced tool room facility for production of injection molds.</li> <li>▶ Common Production Center.</li> <li>▶ Testing Lab accredited with internationally accepted certification agency.</li> <li>▶ Raw Material Bank.</li> <li>▶ Design and display center with CAD/CAM facilities and space to showcase products to undertake sale.</li> <li>▶ Marketing center for undertaking marketing events</li> </ul>	DIEPC/UPEPB	Long term
Collaboration with E-commerce companies	UPEPB/ DIEPC	Short term

## Abbreviations

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

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

**USA**

United States of America



**Knowledge Partner**



विदेश व्यापार महानिदेशालय  
DIRECTORATE GENERAL OF  
FOREIGN TRADE

सत्यमेव जयते

**Districts**  
as Export Hubs

**EY**  
Building a better  
working world