



# Comparative Analysis among Minor Clusters of Leather Industry in Tamil Nadu

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## ABSTRACT

*Leather industry in Tamilnadu the state accounts for 70 per cent of leather tanning capacity in India and 38 per cent of leather footwear and components. The exports from Tamil Nadu are valued at about US \$762 million, which accounts for 42 per cent of Indian leather exports. Hundreds of leather and tannery industries are located around Vellore, Dindigul and Erode its nearby town Ranipet, Chennai, Ambur, Perundurai, and Vaniyambadi. According to an all India survey of leather product industries carried out by CLRI, there are 144 footwear/footwear components manufacturers, 155 leather garment manufacturers and 139 leather goods producers in the state of Tamilnadu. Besides these registered producers, there are a large number of small producers and job workers with 50 or 10 machines producing garments and leather goods. Their number could run into lie providing employment to over 150000 persons directly in the state of Tamilnadu. It is estimated that a significant percentage (over 75%) of workers in these factories are women.*

**Keywords:** Export, Finished Leather, Footwear Components, Leather Footwear, Leather Industry, Minor Clusters,

## 1. INTRODUCTION

The leather industry in Tamilnadu from very beginning grew to cater to the export market and production units were more on a factory basis than on a cottage basis. Tamilnadu clusters are exclusively export-oriented, with units either exporting directly, or fabricating for exporters, or doing job work for export production, or selling to exporters. The development of tanning in Tamilnadu was because of military demand for tanned leather primarily for boot production.

The minor cluster of Tamilnadu includes Gudiyattam, Pernambut, Vellore, Dindigul, Erode, and Trichy. The minor cluster concentrated their production towards finished leather, footwear components, and footwear items only and hence their production, as well as export, is on small scale. So they are categorized as minor clusters.

Hence, against this backdrop, an attempt is made in this study to “analyze export of leather and leather products covering minor clusters of Tamilnadu”.

## 2. OBJECTIVES OF THE STUDY

- To find minor clusters of leather industry in Tamilnadu.
- To analyze the average export of leather product from the minor cluster in Tamilnadu.

## 3. METHODOLOGY

Secondary data for this study were collected from various journals, books, council’s report and websites containing useful information pertaining to this study.

Comparative analyses of the clusters are calculated by using mean square.

## 4. MINOR CLUSTERS OF LEATHER INDUSTRY TAMIL NADU

The following clusters come under minor clusters

**4.1 Vellore:**

Vellore district is the top exporter of finished leather goods in the country, that leather accounts for more than 37% of the country’s export of leather and leather related products such as finished leather, footwear components, and footwear so on.

**4.2 Pernambut:**

Pernambut is a town in Vellore district, Tamil Nadu State, India. Pernambut is 35 kms away from Vaniyambadi. The town is famous for its Leather industry. This small town has about 35 tanneries where mostly items like buffalo hides and soul leathers are made for local supplies. Some are also exporting these items. Some shoe factories have also been established here. They are mostly doing job works. Much development is not seen here as perhaps there is nobody to guide them for adopting modern approaches for finance and industrial developments.

**4.3 Dindigul, Erode, and Trichy:**

Dindigul is the 13th largest town in Tamil Nadu. Dindigul is known for its leather tanning Industry. It is still a well-known center as before for E.I. tanned goat and sheep skins as most of the tanners here are addicted to doing only this popular item due to various reasons. There are very few tanners in the chrome tanning and no tanner seems to be producing finished leather here. A reliable and traditional tanner who has inherited this trade from his forefathers told me that the present situation is not conducive for the switch over to anything like full chrome, semi chrome or finished leather.

Other popular centers are Trichy and Erode. There are many tanneries in Trichy where mostly high standard E.I. tanned goat skins are produced and in the Erode tanneries wet blue cow hides are the main items done. Only very few tanners do some other leather items.

**5. EXPORT OF FINISHED LEATHER FROM MINOR CLUSTERS**

The export of finished leather from different minor clusters namely Gudiyattam, Pernambut, Vellore, Dindugal, Erode and Trichy is presented in Table 1.

**Table-1 Export of Finished Leather from Minor Clusters during 2007-08 to 2016-17**

Sl. No	Year	Gudiyattam	Pernambut	Vellore	Dindugul	Erode	Trichy
		Quantity of Export					
1.	2007-08	2698	3857932	11265	5487963	6257893	1156921
2.	2008-09	3578	3978931	13698	5689365	6458691	1213642
3.	2009-10	2015	4116918	12574	5965876	6859762	1326456
4.	2010-11	1227	4273652	13147	6123678	7254756	1395462
5.	2011-12	1565	4415371	14232	6534077	8043417	1492246
6.	2012-13	-	3851071	15624	7302845	8992308	1369320
7.	2013-14	61666	2660994	148075	3859923	10387753	723948
8.	2014-15	19931	2659086	284487	3839776	10554428	508421
9.	2015-16	62372	1326134	160657	7020098	100489956	358529
10.	2016-17	63435	1356134	163767	6830175	13130567	120458

**Source: Council for Leather Export**

It is understood from the table 1 that the export of finished leather from Gudiyattam cluster has increased from 2698 square feet in 2007-08 to 63435 square feet in 2016-17. It is further understood from the table that the export of finished leather from Pernambut cluster has declined from 3857932 square feet in 2007-08 to 1356134 square feet in 2016-17. The table shows that the export of finished leather from Vellore cluster has increased from 11265 square feet in 2007-08 to 163767 square feet in 2016-17. Table further shows that the export of finished leather from Dindugal cluster has increased from 5487963 square feet in 2007-08 to 6830175 sq.ft in 2016-17.

Table reveals that the export of finished leather from Erode cluster has increased from 6257893 square feet in 2007-08 to 13130567 square feet in 2016-17. Table further reveals that the export of finished leather from Trichy cluster has declined from 1156921 square feet in 2007-08 to 120458 square feet in 2016-17.

**6. EXPORT OF LEATHER FOOTWEAR COMPONENTS FROM MINOR CLUSTERS**

The export of leather footwear components from different minor clusters namely Gudiyattam, Pernambut, Vellore, Dindugal, Erode and Trichy is presented in the Table 2

**Table -2 Export of Leather Footwear Components from Minor Clusters during 2007-08 to 2016-17**

Sl. No	Year	Gudiyattam	Pernambut	Vellore	Dindugal	Erode	Trichy
		Quantity of Export					
1.	2007-08	48973	25346	185964	536	1857	69875
2.	2008-09	62315	31549	198697	644	1965	78965

3.	2009-10	42368	22367	215399	715	1874	80360
4.	2010-11	69875	18369	248976	829	1904	84870
5.	2011-12	86726	17047	264009	724	1057	85920
6.	2012-13	97291	47446	250368	328	379	100000
7.	2013-14	46357	21381	203698	801	5125	100080
8.	2014-15	115511	28422	187224	795	169	90000
9.	2015-16	218527	1889	257274	441	1930	87600
10.	2016-17	250250	1987	311223	320	513	70300

Source: Council for Leather Export

It is understood from the table 2 that the export of leather footwear components from Gudiyattam cluster has increased from 48973 pairs in 2007-08 to 250250 pairs in 2016-17. It is further understood from the table that the export of leather footwear components from Pernambut cluster has declined from 25346 pairs in 2007-08 to 1987 pairs in 2016-17. Table shows that the export of leather footwear components from Vellore cluster has increased from 185964 pairs in 2007-08 to 311223 pairs in 2016-17. Table further shows that the export of leather footwear components from Dindugal cluster has declined from 536 pairs in 2007-08 to 320 pairs in 2016-17. Table reveals that the export of leather footwear components from Erode cluster has declined from 1857 pairs in 2007-08 to 513 pairs in 2016-17. Table further reveals that the export of leather footwear components from Trichy cluster has increased from 69875 pairs in 2007-08 to 100080 pairs in 2013-14. Table indicates that the export of leather footwear components from Trichy cluster has declined from 90000 pairs in 2014-15 to 70300 pairs in 2016-17.

### 7. EXPORT OF LEATHER FOOTWEAR FROM MINOR CLUSTERS

The export of leather footwear from different minor clusters namely Gudiyattam, Pernambut, Vellore, Dindugal, Erode and Trichy is presented in the Table 3.

Table 3 Export of Leather Footwear from Minor Clusters during 2007-08 to 2016-17

Sl. No	Year	Gudiyattam	Pernambut	Vellore	Dindugal	Erode	Trichy
1.	2007-08	58976	149365	28654	1980	655	777
2.	2008-09	64579	154578	24563	2015	722	718
3.	2009-10	72456	160479	20346	2257	745	749
4.	2010-11	85235	165487	32456	2369	789	638
5.	2011-12	98439	170760	38482	2587	915	627
6.	2012-13	88288	323107	15521	3547	879	697
7.	2013-14	124335	342886	7269	3896	769	745
8.	2014-15	193954	388381	3588	3759	717	789
9.	2015-16	225342	247048	2987	2967	745	815
10.	2016-17	263470	144078	2875	2560	836	839

Source: Council for Leather Export

It is understood from the table 3 that the export of leather footwear from Gudiyattam cluster has increased from 58976 pairs in 2007-08 to 263470 pairs in 2016-17. It is further understood from the table that the export of leather footwear from Pernambut cluster has declined from 149365 pairs in 2007-08 to 144078 pairs in 2016-17. Table shows that the export of leather footwear from Vellore cluster has declined from 28654 pairs in 2007-08 to 2875 pairs in 2016-17. Table further shows that the export of leather footwear from Dindugal cluster has increased from 1980 pairs in 2007-08 to 2560 pairs in 2016-17. Table reveals that the export of leather footwear from Erode cluster has increased from 655 pairs in 2007-08 to 836 pairs in 2016-17. Table further reveals that the export of leather footwear from Trichy cluster has increased from 777 pairs in 2007-08 to 839 pairs in 2016-17.

### 8. COMPARATIVE ANALYSIS OF EXPORT OF LEATHER AND LEATHER PRODUCTS FROM MINOR CLUSTERS

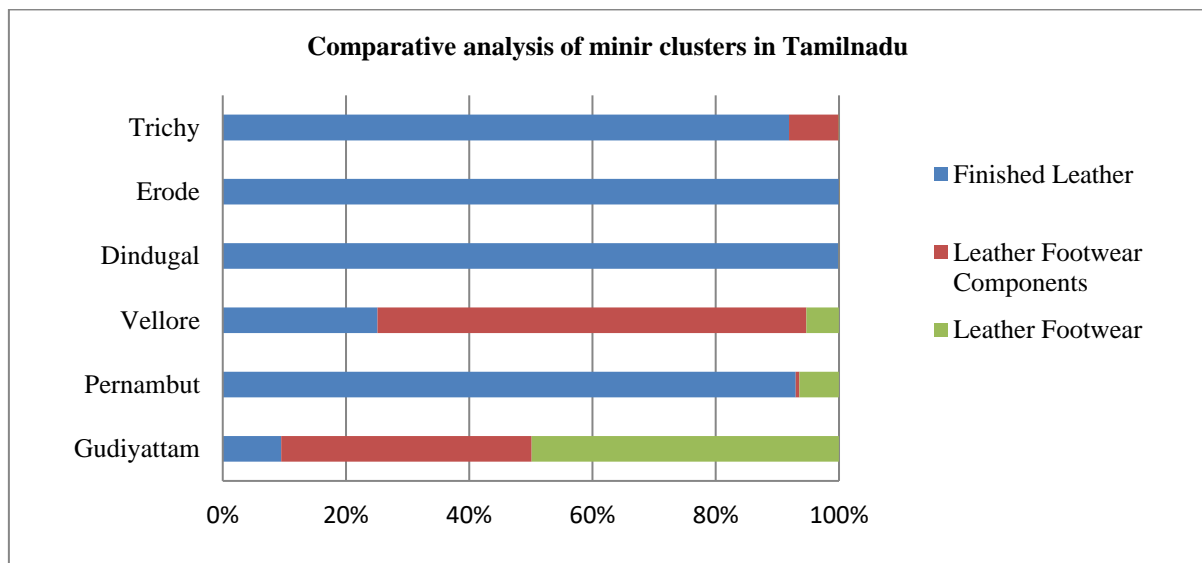
The comparative analysis of average (Mean Value) export of leather and leather products from different minor clusters is presented in the Table 4

Table 4 Comparative Analysis of Export of Leather and Leather Products from Minor Clusters during the year 2007-17

Sl. No	Minor Clusters	Finished Leather	Leather Footwear Components	Leather Footwear
1.	Gudiyattam	24276.3333	103819.3000	127507.4000
2.	Pernambut	3249622.3000	21580.3000	224616.9000
3.	Vellore	83752.6000	232283.2000	17674.1000
4.	Dindugal	5865377.6000	613.3000	2793.7000
5.	Erode	17842953.1000	1677.3000	777.2000
6.	Trichy	966540.3000	84797.0000	739.4000

Source: Computed Data

It is understood from table that the average export of finished leather is high in Erode cluster and the average export of finished leather is low in Gudiyattam cluster. It is further understood from table that the average export of leather footwear components is high in Vellore cluster and the average export of leather footwear components is low in Dindugal cluster. Table further shows that the average export of leather footwear is high in Pernambut cluster and the average export of leather footwear is low in Trichy cluster.



## 9. CONCLUSION

The main leather product industries that have developed in the past one decade are finished leather, footwear and footwear components, leather garments, small leather goods, and accessories. Minor clusters act as feeder units of the major cluster. It provides the employment opportunities for women to do their work at home. These units are functioned as a small, medium and cottage industry. Nowadays leather industry has more scope for growth.

## 10. REFERENCE

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