

{ **SUBSIDY FOR SETTING UP UNITS** }

New leather policy targets 22L jobs, boost to footwear hub

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LUCKNOW : The newly approved Uttar Pradesh footwear, leather and non-leather area development policy-2025 aims to strengthen the state's presence in both leather and non-leather products by offering attractive subsidies to entrepreneurs to set up units.

With the implementation of this policy, 22 lakh new employment opportunities have been created in the leather sector. Currently, this sector is employing more than 15 lakh people.

According to the MSME minister Rakesh Sachan India is the second largest producer and consumer in the world in the leather sector, in which state's participation is important.

Kanpur and Unnao alone have more than 200 active tanneries, while Agra is known as the 'footwear capital' of the country. This policy will not only boost leather and non-leather footwear manufacturing units but will also provide special encouragement to the ancillary units associated with it. This will create an integrated footwear manufacturing ecosystem.

Subsidy available

The land subsidy for setting up single unit and footwear



Leather sector employs more than 15L people.

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MINIMUM INVESTMENT

- Minimum investment of Rs 50 to 150 crore for setting up a single unit
- Rs 50 crore to 150 crore for footwear and leather machinery manufacturing unit
- Rs 150 crore for mega anchor unit
- Rs 200 crore for setting up a cluster
- Rs 150 crore for setting up a component unit
- Exports will be \$8 billion in the next five years

machinery units is 25% in Pashchimanchal and 35% in other areas, while the subsidy for setting up cluster and mega anchor units is 75% in Pashchimanchal and 80% in other areas.

The policy offers several incentives, including 100%

stamp duty exemption, reimbursement of Employees' Provident Fund (EPF) for five years, and a 30% subsidy on technical courses related to leather and footwear. It also provides a subsidy of ₹2 per unit on electricity charges for five years, capped at ₹60 lakh, along with a 75% subsidy on transport and logistics, up to ₹10 crore. Additionally, ₹1 crore will be offered for patent and copyright expenses under research and development.

In the year 2023-24, the total export of footwear, leather and non-leather sector from India was \$4.7 billion, with key markets including the US, Germany, UK, Italy, France, Spain and the Netherlands. This export is estimated to be \$8 billion in the next four years. UP is a major hub for the country's footwear, leather, and non-leather industries, with the state's leather market valued at around \$350 crore.