

WOONG INVESTMENT

With policy revision, infra push, UP aims to make Agra-Kanpur 'twin footwear hubs of country'

Govt plans to combine Kanpur's raw leather industry with Agra's finished product units to attract investment of up to Rs 8,000 crore in next four years

MAULSHREE SETH
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WITH KANPUR and Agra accounting for over 75 per cent of the total registered leather units in Uttar Pradesh, the state government has laid out an elaborate plan to make them "twin footwear hubs" of the country.

"We are working with the idea to capitalise on the strategic and comparative advantage Agra and Kanpur have in the footwear sector — right from raw materials to production to skilled workforce," said a senior official of the state Industry Department.

To begin with, the state government is comprehensively revising its leather industry policy "to anchor not just domestic but also foreign investors".

Pointing to the recent investment trend in the leather sector, officials said that while Kanpur has attracted investors mainly in large-scale units and tanneries, promising investment of up to Rs 7,450 crore, Agra has mainly attracted investment in the small footwear manufacturing units.

"The government plans to now promote the two as twin cities by combining raw materials and finished production. Thus, the upcoming policy

would not just aim at providing financial support to the interested investors but also provide assistance in technology upgrade, and at the same time offer export subsidies to both manufacturers as well as exporters," the official added.

The government aims to increase Agra's share in the national leather export revenue, which is proposed to reach Rs 46,000 crore, to close to 40 per cent, while Kanpur 20 per cent.

It is expected to receive investment of up to Rs 8,000 crore in the two cities in the next four years. "We already have a competitive edge in the international market in the sector with Kanpur famous for raw products and Agra for finished products. Products from both these cities are already being exported to Europe, UK, USA, Australia among others," said the official.

The edge the state has in raw leather production is being showcased to attract invest-

ment. Uttar Pradesh already contributes to about 30 per cent of India's raw leather production and about 46 per cent of the country's leather export to not just the US and Europe, but also to the Middle East.

"Highly skilled labour in this sector is a plus for investors. Therefore, the idea is to create an environment as per the need of the international market to further boost the sector," the official added.

Recently, a delegation of senior officials had also visited Guangzhou in China to explore the further possibilities to grow the two cities as the footwear hub.

Furthermore, the government is developing footwear parks in both Agra and Kanpur. The state's first such footwear park, spread over 132 acres, is ready in Kanpur with about 75 industrial plots already being offered. A similar park is being planned in the next phase for Agra as well.

"The government is inviting EOI (Expression of Interest) for footwear and its accessories companies to set up shops in the two cities with world class infrastructure, and skilled workforce. Besides good road connectivity — both the cities are connected with each other as well as national capital through expressways, a supportive government policy has been drafted with incentives, subsidy and rebate to investors in the sector," the official added.

After Tamil Nadu, Uttar Pradesh is the second state in the country to come up with a dedicated footwear and leather policy.

Under the policy, parks developed on 25–100 acres will be eligible for up to Rs 45 crore in capital subsidies, and parks over 100 acres can receive up to Rs 80 crore. "All parks must be completed within five years, and at least 25 per cent of the land must be allocated to green and open spaces," according to the policy draft.

Investors will be required to invest a minimum of Rs 150–200 crore, depending on the nature of the unit (plant, cluster, or park), potentially generating 1,000 to 3,000 new jobs per unit. For every Rs 1 crore invested, the state expects to create 20 employment opportunities.

FOOTWEAR INDUSTRY

	KANPUR	AGRA
Registered MSME units in 5 years	3,500	7,500
Proposed share in export revenue	20%	40%

