UNLOCKING INDIA'S NON-LEATHER FOOTWEAR EXPORTS

Occasional Paper No. : 232

Export-Import Bank of India

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Unlocking India's Non-leather Footwear Exports

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Executive Summary

The global footwear industry is a vital contributor to the world economy, driving employment, exports, and consumer spending. The footwear industry has evolved into one of the most diverse and dynamic sectors in the consumer goods landscape with the sector being deeply intertwined with retail, manufacturing, design, and logistics, making it a key engine of industrial innovation and growth.

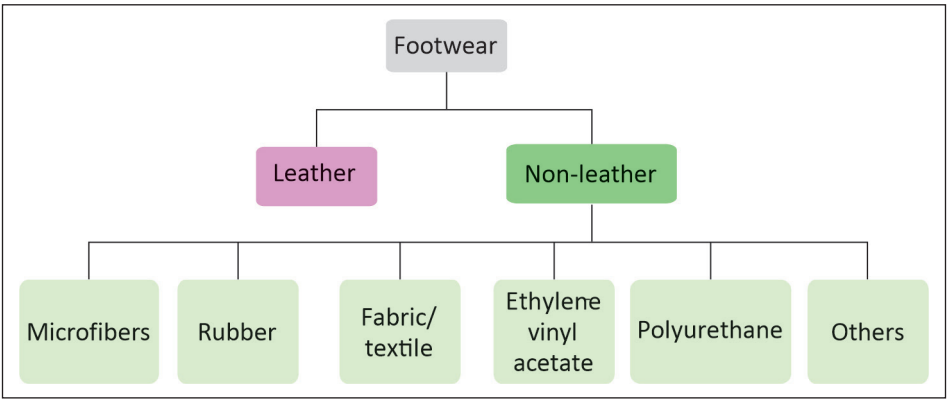
In 2025, the global footwear market is projected to surpass US$ 500 billion in revenue. About 22.4 billion pairs of footwear were manufactured globally in 2023. Notably, the footwear industry continues to be concentrated in Asia, with almost 9 out of every 10 pairs of shoes manufactured in Asia in 2023. Among the countries, China is the leading producer of footwear accounting for almost 55% of the global market share in 2023. India is the second largest manufacturer, with a share of 11.6% in global production.

Asia also topped global consumption, accounting for 54.7% of total footwear consumption in 2023, driven by its large population and economic expansion. China alone accounted for 17.1% of global consumption. The other regions with high consumption are Europe, North America, and Africa.

Growing Market for Non-leather Footwear

Based on materials, footwear products can be classified into two broad categories i.e. leather and non-leather footwear. Historically, leather footwear has dominated the global market, owing to its durability and aesthetic appeal. However, the balance is fast shifting. Non-leather footwear which includes sneakers, athletic footwear, and footwear made of textiles and other non-leather materials is witnessing rapid expansion in the global market.

Exhibit 1: Footwear Industry Based on Materials



Source: India Exim Bank Research

The growing consumption of non-leather footwear is driven by several factors which include shift to sustainable practices by both producers and consumers, growing consciousness for vegan footwear, rising demand for athleisure, non-leather footwear's suitability for specific user needs such as for medical purposes, and its cost-effectiveness, among others.

For developing countries like India, particularly, the non-leather footwear sector is acting as a catalyst for industrial development and export earnings. With relatively low investment needs, the sector provides opportunities to Micro, Small, and Medium enterprises (MSMEs) particularly.

Global Trade Trends

The world exports of footwear have risen to US$ 167.5 billion in 2024 from US$ 124.7 billion a decade ago, registering a CAGR of 3.3% during the period. The exports of non-leather footwear have witnessed impressive growth over the last decade, growing from US$ 70.4 billion in 2015 to US$ 101.7 billion in 2024, registering a robust CAGR of 4.2%. The exports of leather footwear, on the other hand, have grown at a slower pace, registering a CAGR of 2.1% during 2015-2024. Non-leather footwear's share in global footwear exports has seen a steady rise, from 56.5% in 2015 to 60.8% in 2024, highlighting the booming global demand for non-leather footwear.

Among the product categories in non-leather footwear, exports of footwear with outer soles and uppers of rubber or plastic were the highest in 2024, with exports at US$ 36.7 billion, accounting for over one third (36.0%) of the global non-leather footwear exports. Footwear with outer soles of rubber or plastics and uppers of textile materials was the next top exported category with exports at US$ 28.9 billion, constituting a share of 28.4% in global exports. This was followed by sports footwear with outer soles of rubber or plastics and uppers of textile materials, with exports at US$ 19.4 billion, accounting for 19.1% of global non-leather footwear exports.

China leads in exports of non-leather footwear, with exports at US$ 38.6 billion in 2024. China has long dominated global production and exports of non-leather footwear driven by conducive government policies, substantial investments in infrastructure, a self-sustaining manufacturing ecosystem, and strong emphasis on research and development.

Vietnam, the second largest exporter of non-leather footwear with exports at US$ 21.0 billion, has also established a formidable position in the global non-leather footwear sector in the last two decades. The rise may be attributed to its demographic advantages, deep integration into global trade networks and shifting global production dynamics.

On the import side, the US remains the top importer of non-leather footwear, with its imports at US$ 16.0 billion in 2024, a share of 17.5% in global imports. Import demand in other top importing countries, mainly European countries has also increased.

Non-leather Footwear Industry in India

India is the second-largest producer of footwear in the world, accounting for about 12% of global production. India's production of footwear stands at around 2 billion pairs a year. At present, however, the industry caters majorly to the domestic market. Being the second largest consumer of footwear globally, a large portion of footwear production in India is consumed domestically.

In 2024, the size of the footwear market in India was estimated at US$ 30.4 billion. The Indian footwear industry is targeting a market size of US$ 90 billion by 2030, including US$ 50 billion in export revenues. India's production in non-leather segments of footwear is much lower than in other top footwear manufacturing countries. India's market revenue for sneakers, running and gym and training shoes in 2024 was estimated at about US$ 3 billion, US$ 0.7 billion, and US$ 0.6 billion, respectively, while China's revenue from sneakers production stood at US$ 18.4 billion and from gym and training shoes at US$ 5.6 billion.

The non-leather footwear industry in India is fragmented, with about 75% production coming from the unorganised sector. At present, major production of non-leather footwear is occurring in Tamil Nadu in the regions like Chennai, Ranipet and Ambur. Other production hubs like Nellore in Andhra Pradesh, Kanpur and Agra in Uttar Pradesh, Bahadurgarh in Haryana and Mumbai in Maharashtra also have a growing non-leather production sector.

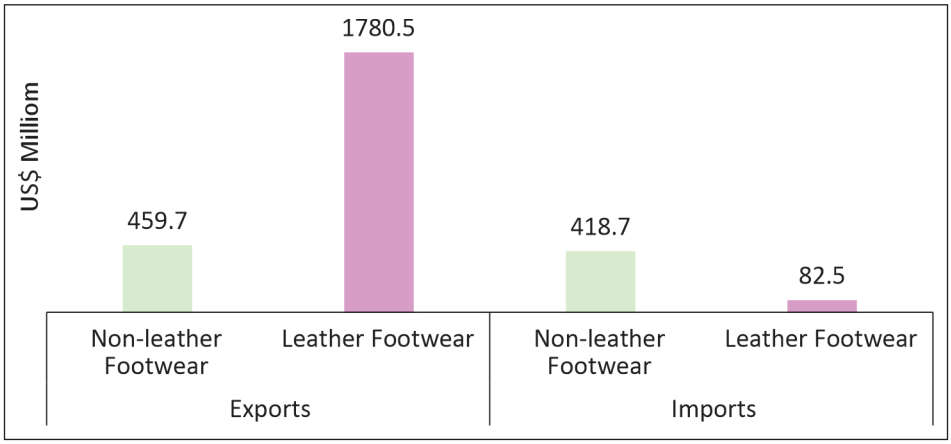
India's Foreign Trade Performance

In 2024, India was the 11th largest exporter of footwear, accounting for a share of 1.3% in global footwear exports. India's exports of footwear in FY 2024-25 stood at US$ 2.2 billion while the imports were valued at US$ 0.5 billion leading to a trade surplus of US$ 1.7 billion.

India's footwear exports are concentrated in leather categories. In FY 2024-25, India's leather footwear exports, at US$ 1.8 billion, accounted for almost 80% of the footwear exports. At the same time, India's imports of footwear are mainly of non-leather footwear and accounted for 83.5% of the footwear imports in FY 2024-25.

India's trade performance in non-leather footwear remains lacklustre. In 2024, India ranked 23rd among all the countries in exports of non-leather footwear, constituting a share of 0.4% in global exports. India's imports too, constituted a share of 0.4% in global imports in 2024. During FY 2024-25, India's exports of non-leather footwear stood at US$ 459.7 million and the imports at US$ 418.7 million.

Exhibit 2: India's Category-wise Foreign Trade in Footwear in FY 2024-25



Source: ITC Trade Map; India Exim Bank Research

Product category wise, India had the highest exports of footwear with outer soles and uppers of rubber or plastics in FY 2024-25 in the non-leather footwear sector. The exports in the category were to the tune of US$ 161.1 million in FY 2024-25, accounting for 35% of non-leather footwear exports. Footwear with outer soles of rubber or plastics and uppers of textile materials trailed behind with exports at US$ 157.5 million, a share of 34.3% in India's non-leather footwear exports during FY 2024-25.

As regards imports, over half of India's non-leather footwear imports in FY 2024-25 were of footwear with outer soles of rubber or plastics and uppers of textile materials, valued at US$ 226.7 million. The other top imported categories were footwear with outer soles and uppers of rubber or plastics with imports at US$ 103.3 million, sports footwear with outer soles of rubber or plastics and uppers of textile materials (US$ 63.8 million), and sports footwear with outer soles and uppers of rubber or plastics (US$ 9.9 million).

For exports of non-leather footwear, the US is India's top destination. In FY 2024-25, India's exports of non-leather footwear to the US stood at US$ 80.8 million, accounting for 17.6% of India's non-leather footwear exports. India's second largest export destination for non-leather footwear exports in FY 2024-25 was the UAE with exports of US$ 46.5 million, followed

by Germany (US$ 32.0 million), France (US$ 29.9 million), and Somalia (US$ 28.6 million).

While India's export partners for non-leather footwear are majorly the European countries, the US, and few countries in West Asia, for imports, India is dependent on Asia primarily. In FY 2024-25, Vietnam was India's top import source for non-leather footwear, with imports at US$ 120.6 million, accounting for a share of 29% in total imports. India's other top import sources were Bangladesh with imports at US$ 116.6 million, China (US$ 99.0 million), Indonesia (US$ 30.7 million), Thailand (US$ 18.1 million), and Nepal (US$ 11.1 million).

A handful of states account for the majority of the non-leather footwear exports from India. Tamil Nadu is the leading state for non-leather footwear exports in India with exports at US$ 140.7 million in FY 2024-25, a share of 30.6% in India's footwear exports. The other top exporting states included Andhra Pradesh with exports at US$ 80.3 million, Uttar Pradesh (US$ 57.6 million), Gujarat (US$ 19.2 million), and Maharashtra (18.1 million).

Policy Support

India's footwear sector is receiving robust policy support through multiple initiatives aimed at enhancing global competitiveness, quality, and employment. The Indian Footwear and Leather Development Programme (IFLDP) (2021–2026), with an outlay of ₹1700 crore focuses on infrastructure, technology upgrades, brand promotion, and design innovation across six sub-schemes. Complementing this, the Quality Control Orders (QCOs) mandate adherence to Indian Standards for various footwear categories, fostering quality manufacturing and curbing substandard imports, while exempting exports and small units.

Additionally, the Focus Product Scheme announced in the Union Budget 2025–26 is slated to support design, component manufacturing, and machinery for both leather and non-leather footwear, aiming to generate ₹4 lakh crore in turnover, ₹1.1 lakh crore in exports, and employment for 22 lakh people.

Together, these policies aim to transform India into a global hub for high-quality footwear production.

Strategies for Unlocking India's Non-leather Footwear Exports

Despite having several advantages like availability of a large pool of low-cost labour, well-established footwear manufacturing clusters, and robust ease of doing business environment, the country's non-leather footwear industry is predominantly domestically oriented. The ongoing reorientation of global supply chains presents a significant strategic window of opportunity for India to boost its non-leather footwear exports. Against this backdrop, the Study proposes a set of strategies to enable India to emerge as a global non-leather footwear manufacturing hub.

A. Cluster Based Development

While cluster-based development approach has proved to be successful in Tamil Nadu, other states also need to implement a similar approach. The Study has identified a few locations which have the necessary prerequisites for establishing complete manufacturing ecosystems i.e. proximity to ports, existing footwear manufacturing ecosystem, adequate availability of labour, and R&D ecosystem.

Exhibit 3: Identified Clusters for Non-leather Footwear Manufacturing

Source: India Exim Bank Research

To ensure a complete ecosystem at the identified clusters as well as other potential non-leather footwear manufacturing hubs, the following strategies may be adopted: -

A1. Boosting Manufacturing of Raw Materials and Components: To strengthen the manufacturing ecosystem for non-leather footwear in India,

achieving self-reliance in raw materials and components is critical. Thus, in the identified clusters as well as other potential clusters, setting up ancillary units for raw materials processing and component manufacturing may be incentivised by providing capital subsidies for setting up the required plants along with other relaxations such as stamp duty exemption and power tariff subsidies. The State Governments may also encourage innovation in high-performance materials through subsidies for R&D activities.

Some of the key materials to be focused on include Polyurethane (PU) coated fabrics and technical synthetics for uppers, PU, Ethylene-vinyl acetate (EVA) and rubber for outsoles and modules, and components like high performance adhesives, moulds, and accessories such as buttons, buckles, eyelets, hooks, rivets, sequin, stones, lace, and zips.

A2. Facilitating Indigenous Production of Footwear Machinery: India has high dependence on overseas markets for advanced footwear machinery. In 2024, India was the largest importer for knitting and stitch-bonding machines. Incentives may accordingly be provided for machinery including, inter alia, automated cutting machinery, injection molding machines, 3D knitting machines, and lasting machines. The rapid implementation of the Focus Product Scheme announced for non-leather footwear in the Union Budget 2025-26 is required to provide an impetus to the manufacturing ecosystem.

Besides, at the State level, governments may roll out incentives including capital subsidies and tax benefits for units engaged in footwear machinery manufacturing. Collaborations may also be encouraged between the likes of the Footwear Design and Development Institute (FDDI), the Central Footwear Training Institute, amongst others, and the various clusters to foster a culture of technological advancement.

B. Expanding Global Reach

B1. Focusing on High Growth Markets: The Study has identified countries which have registered a high import CAGR for non-leather footwear during 2015-2024 with imports in 2024 amounting to at least US$ 1 billion. These include Italy, Spain, the Netherlands, China, Belgium, Poland, Russia, South Korea, Austria, the UAE, Switzerland, Turkey, and Mexico. Steps that may

be undertaken to secure market share in these countries include setting up an Export Facilitation Desk in Council for Leather Exports (CLE) as well as other footwear industry bodies for dedicated marketing initiatives for focus countries like preparing industry catalogues and other informational material in their local languages for buyer-seller meets; appointing a dedicated investment facilitator for the focus markets; and undertaking market research to understand the specific requirements of each focus country and accordingly formulating action plan to strengthen exports.

B2. Providing Comprehensive Marketing Support: Providing comprehensive marketing support to the footwear industry is crucial at this point of time. Given that no budget has been allotted for the Market Access Initiative Scheme for FY 2025-26, an alternative export promotion programme for enhanced marketing support, particularly for participation in global trade fairs and international marketing initiatives may be introduced Besides, special emphasis may be placed on strengtheining marketing initiatives in countries with which India enjoys greater trade access through FTAs such as the UAE and Australia. Export Facilitation Centers may also be set up in the focus export markets like the US, Europe, and the Middle East with the help of Consulates to enable buyer identification and pubicity of Indian non-leather footwear products. The Indian footwear companies may be provided access to market research and data analysis tools to understand the buying patterns of overseas consumers and locate the target markets.

C. Furthering Capacity Building and Environmental and Technological Upgradation

C1. Strengthening Curriculum and Upskilling: The focus of prestigious Indian academic and research Institutions institutes is at present, largely on leather and leather goods. To expand focus towards non-leather footwear segment, institutes may introduce new degree and diploma programmes incorporating specialised modules on areas like sustainable material science, pattern engineering for synthetic and mesh fabrics, digital footwear design, and AI-based prototyping etc. Simultaneously, partnerships may be established with leading global institutes to integrate international best practices

through faculty exchange, joint curriculum design, and student immersion programmes. To ensure skilling at the shopfloor level, certification programs may be rolled out via National Skill Development Corporation (NSDC), Industrial Training Institute (ITIs), and state vocational centres, especially targeting small manufacturers and informal sector workers. Institutes may aim at multi-skilling the workers with both leather and non-leather technologies so that they are equipped to handle both leather and non-leather production lines.

C2. Ensuring Adherence to Quality Standards and Certifications: The Export Promotion Councils/ State Governments may provide support to prospective/ existing exporters including, inter alia, subsidies for certification processes through grants and low-interest loans, setting up testing centers for adhering to international standards, fostering partnerships between Indian and adhering to international labs, and encouraging exporters to get leading quality assurance certifications for greater market access. For instance, the OEKO-TEX STANDARD 100 certificate ensures that all components of the footwear, including textiles, synthetic materials, and accessories, are tested for harmful substances and meet strict human-ecological safety standards and the Global Organic Textile Standard (GOTS) for organic textile processing of footwear soles enables the domestic industry, particularly MSMEs to adopt and adhere to globally recognised standards and certifications.

C3. Adopting Cutting Edge Technologies in Manufacturing: India may focus on ramping up its adoption of technologies like 3D printing, AI driven quality assurance and Blockchain in footwear supply chains. Under the Focus Product Scheme announced for footwear and leather sectors in the Union Budget 2025-26, adoption of new technologies may be identified as a key focus area and adequate funds may be allocated for it. Furthermore, international collaborations may be initiated with countries leading in adoption of AI including the US and Germany to accelerate the localisation of advanced technologies. Regular exposure visits to these countries may also enable Indian manufacturers to learn best practices and adopt the latest technologies in footwear manufacturing.

D. Ensuring Green Growth

D1. Bolstering Sustainability: The trend towards ethical and sustainable products is leading to a rise in demand for vegan footwear made from synthetic or plant-based eco-friendly materials, that have minimal environmental impact during production and use. India's rich resources such as in agricultural by including banana fibres, coconut husk, hemp, jute etc and its cost competitiveness in manufacturing may be leveraged to establish India as leading sustainable footwear hub. India may accordingly invest in research and development for sustainable materials, encourage public-private partnerships to accelerate innovation, and build robust supply chain traceability systems. To strengthen its research ecosystem around alternative materials, India may invest in biomaterial science for developing scalable and commercially viable alternatives to animal leather and plastic-based synthetics. Besides, startups and universities working on innovation in plant-based leathers and biodegradable components may be provided incubation support along with financial assistance.

Conclusion

The non-leather footwear sector is acting as a catalyst for industrial development and exports. The ongoing reorientation of global supply chains, accelerated by rising production costs in China and the China plus one strategy being adopted by multinational corporations, presents a significant strategic window of opportunity for India. For leveraging this opportunity, a multi-pronged strategy is required that aligns with global demand trends, sustainability expectations, and technological advancements. Identifying clusters for intensifying non-leather footwear manufacturing and equipping them with state-of the art facilities would ensure increasing returns to scale. Besides, investing in upskilling and capacity building would help position India as a quality-driven export hub. With coordinated efforts between industry stakeholders and the government, India is poised to emerge as a leading exporting country for non-leather footwear.

1. Overview of the Non-leather Footwear Industry

The footwear industry plays a vital role in the global economy, serving as a major source of employment, export earnings, and consumer demand. As both a necessity and a fashion-driven product, the footwear industry reflects evolving consumer preferences. The sector's deep integration with retail, manufacturing, design, and logistics, makes it a critical driver of industrial growth and innovation.

The industry encompasses footwear design, manufacturing, and sale of footwear, including shoes, boots, sandals, and other foot coverings. It is a diverse industry that utilises various materials like leather, textiles, rubber, and plastics to create products for a wide range of activities, from athletic wear to formal attire.

The global footwear market, estimated to generate a revenue of over US$ 500 billion in 2025[1], has evolved into one of the most diverse and dynamic sectors in the consumer goods landscape. From luxury shoes to high-performance, tech-infused sneakers to biodegradable sandals, the industry caters to a vast array of needs and lifestyles.

As per the World Footwear Yearbook 2024, about 22.4 billion pairs of footwear were manufactured globally in 2023. The footwear industry continues to be concentrated in Asia. Almost 9 out of every 10 pairs of shoes were manufactured in Asia in 2023, making its share in global production a

[1] Statista. 2025. Footwear - Worldwide.

formidable 87.1%. Latin America was the second largest producing region accounting for 5.2% of global footwear production, followed by Africa (3.4%).

Among the countries, China is the leading producer of footwear. It manufactured 12.3 billion pairs in 2023, accounting for almost 55% of the global market share. India is the second largest manufacturer, with a share of 11.6% in global production.

Asia also leads in consumption, accounting for over half (54.7%) of the global footwear consumption in 2023. Not just in production, China also leads in footwear consumption, accounting for 17.1% of the global consumption in 2023. The high consumption in Asia may be partly attributed to its large population and economic growth. The other regions with high consumption are Europe (13.9%), North America (13.4%), and Africa (10.3%).

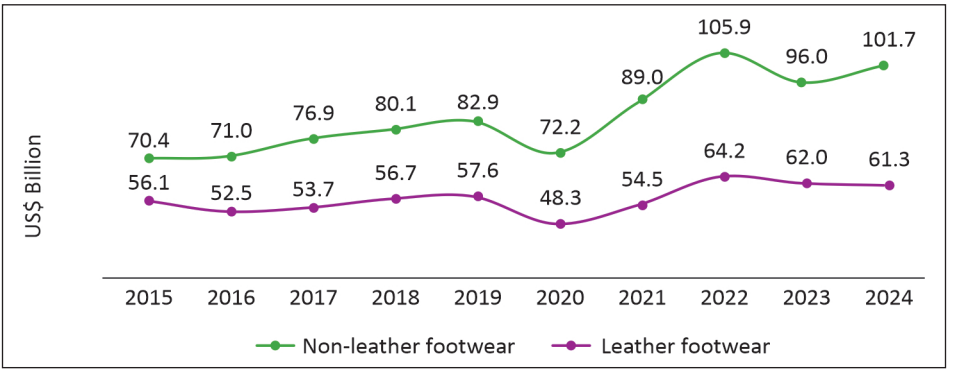
Growing Market for Non-leather Footwear

Based on materials, footwear products can be classified into two broad categories i.e. leather and non-leather footwear. Historically, leather footwear has dominated the global market, owing to its durability and aesthetic appeal. However, the balance is fast shifting. Non-leather footwear which includes sneakers, athletic footwear, and footwear made of textiles and other non-leather materials is witnessing rapid expansion in the global market.

In 2024, exports of non-leather footwear, estimated at US$ 101.7 billion, accounted for 62.4% of global footwear exports, up from a share of 55.7% in 2015. Furthermore, during 2015-2024, non-leather footwear exports registered a Compounded Annual Growth Rate (CAGR) of 4.2%, much higher than the 2.1% CAGR estimated for exports of leather footwear during the period (Figure 1.1). Likewise, the share of leather footwear in global exports has declined from 44.3% in 2015 to 37.6% in 2024.

The accelerating export growth in non-leather footwear points at the growing preferences of consumers for non-leather footwear (Figure 1.1).

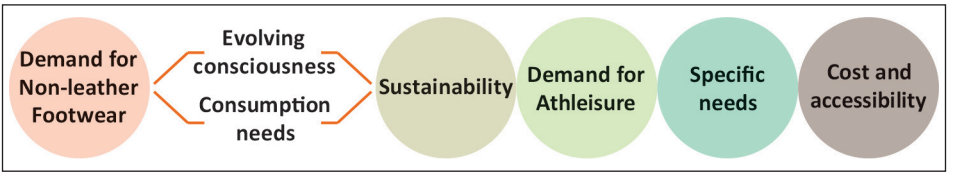
Figure 1.1: Global Footwear Exports-Leather and Non-leather[2]



Source: ITC Trade Map; India Exim Bank Research

The growing consumption of non-leather footwear is driven by several factors. These include:

Figure 1.2: Growth Drivers of Non-leather Footwear Industry



Source: India Exim Bank Research

1. Sustainability

Rising environmental consciousness has prompted both consumers and manufacturers to shift towards sustainable materials and ethical production practices. As environmental concerns mount and awareness of the ecological impact of leather production spreads, including the pollution generated by tanneries and the ethical issues surrounding animal use, consumers are seeking alternatives.

[2] HS codes Considered for Leather Footwear- HS 6403, HS 640420, HS 640510; HS Codes considered for Non-leather Footwear- HS 6401, HS 6402, HS 640411, HS 640419, HS 640520, HS 640590

Footwear brands are expected to shift to sustainable business models including use of biodegradable or organic products. Plant-based materials, recycled materials, and circular design models are increasingly being integrated into product lines. The trend towards ethical and sustainable products is also leading to a rise in demand for vegan footwear made from synthetic or plant-based eco-friendly materials, that have minimal environmental impact during production and use.

Seen as less resource-intensive with lower environmental impact than leather-footwear, non-leather footwear is gaining increasing traction.The global market for sustainable footwear is slated to witness impressive growth, with the market size estimated to almost double from about US$ 9.8 billion in 2024 to US$ 18.2 billion by 2034[3]. Sustainable footwear is hence being designed to reduce the carbon footprint of the footwear industry and promote ethical standards in manufacturing.

Box 1: Sustainability Initiatives at Adidas

Adidas created a roadmap for 2025 and beyond, to sharpen its focus on sustainability and to create and drive positive impact. As per its Annual Report 2024, the company has set a target to achieve 90% sustainable article share by 2025. In 2024, Addias set an ambitious target of transitioning from using recycled plastic bottles to using recycled textile waste and aims to achieve 10% of its polyester volume from textile waste by 2030.

Animal-derived materials accounted for 5.7% of the total materials used in 2024 with leather from cattle having the largest share of animal derived material. Adidas has committed to a deforestation- and conversion-free bovine leather supply chain, no later than 2030. Since 2024, Adidas has also stopped purchasing kangaroo leather, which would be gradually replaced with other types of leather.

[3] Future Market Insights

Adidas has also unveiled the "Stan Smith Mylo", a vegan version of its Stan Smith sneakers made from mushroom-based leather. Mycelium, the sprawling, renewable interlaced web that threads through soil and forms the root structure of mushrooms, has long cells acting like fibres, akin to leather. Mylo, the material's logo that symbolises the root structure of the mushroom, uses mycelium to form a fabric. Adidas has also launched "Plant and Grow" sandals, a vegan-friendly shoe, featuring a synthetic upper, textile lining, and rubber outsole.

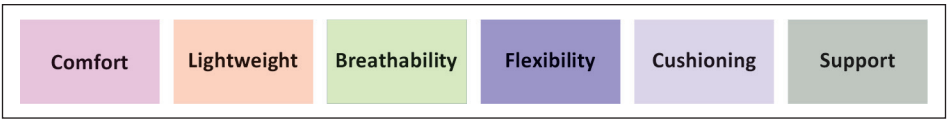
Similarly, other leading footwear brands have set their sustainability targets, such as Nike's Move to Zero Mission to reduce carbon footprint by 63% by 2030 and reach net zero by 2050, wherein focus is being laid on creating and scaling low-carbon materials.

Source: Adidas Annual Reports; India Exim Bank Research

2. Rising Demand for Athleisure

The growing demand for athleisure, a fusion of athletics and leisure, has become a strong driver for sales of casual and athletic footwear. Driven by comfort and preference for ergonomic footwear, the athletic footwear segment has expanded beyond sports, merging into everyday fashion. Non-leather footwear, mostly made of lightweight and breathable materials offers higher comfort. Besides, with rise in remote and hybrid work, consumers are prioritising comfort, leading to rise in demand for sneakers, clogs, and trainers, often made from non-leather materials.

Figure 1.3: Features Driving Demand for Athleisure Footwear



Source: India Exim Bank Research

The growth estimates for these segments corroborate this trend. It is projected that the global sneakers market size would grow from US$ 89.3 billion in 2025 to US$ 112.8 billion in 2030, registering an estimated CAGR of 4.8% during

the period. Historically, the sneakers market has exhibited a robust CAGR of 4.6% during 2018-2024[4]. Similarly, the global clogs market is projected to clock impressive growth, with an estimated CAGR of 12.1% during 2024-2031, reaching a market size of US$ 46.6 billion by 2031.

3. Suitability for Specific User Needs

A significant driver of global demand for non-leather footwear lies in its suitability for specific user needs, for instance, for the growing elderly population and for people with specific health conditions like diabetes or orthopaedic conditions etc.

Ageing Population: As the global population ages and healthcare awareness increases, the demand for customised footwear is rising and non-leather materials are proving to be well-suited to meet the evolving requirements. According to McKinsey's "The State of Fashion 2025" Report, the "Silver Generation" i.e. people aged over 50 are expected to drive 48% of incremental growth in global spending. Longer life expectancies and declining birth rates are pushing the global population of people older than 50 to grow faster than any other cohort.

In 2020, the Silver Generation represented 25% of the global population and is further expected to represent more than a third of the population by 2050. Not just developed countries, even emerging markets with relatively young populations would see the older population grow. For instance, In India, consumers aged over 50 are projected to grow from 20% in 2020 to 34% in 2050. For the Silver Generation, non-leather footwear offers several advantages such as lightweight construction leading to less strain on the legs and feet and comfort due to the use of stretchable uppers and breathable fabrics.

Medical Purposes: For medical and therapeutic purposes in hospitals and other settings, non-leather footwear is increasingly being adopted due to easy disinfection, hygiene, and wide design flexibility, among others.

[4] Statista

Non-leather footwear is emerging as the preferred option across these specialised segments. Many orthopaedic and therapeutic shoe brands now prioritise non-leather designs, and many footwear companies are expanding into health-focused lines, using advanced synthetics and engineered textiles.

Similarly, diabetic people and people with medically sensitive feet, are increasingly opting for non-leather footwear that offers tailored solutions such as reduced friction, prevention of blisters or pressure points, and moisture management. The diabetic footwear market is fast growing, estimated at US$ 8.7 billion in 2025 and projected to reach a market size of US$ 11.7 billion by 2030, an estimated CAGR of 6.3% during the period[5]. Thus, medical needs has emerged as a powerful growth driver for the non-leather footwear industry.

4. Cost and Accessibility

One of the compelling advantages of non-leather footwear lies in its cost-effectiveness. Unlike leather, which requires expensive and time-consuming processes such as animal husbandry, tanning, and finishing, non-leather materials such as polyurethane, thermoplastic rubber, recycled plastics, and textiles can be manufactured in large volumes at relatively low cost, leading to economies of scale. This cost advantage, passed on to the consumers, makes non-leather footwear more affordable for the masses. In emerging markets particularly, price sensitive consumers are driving growth in the non-leather footwear market.

Importance of Non-leather Footwear Sector for India

For developing countries, the non-leather footwear sector is acting as a catalyst for industrial development and export earnings. Unlike capital-intensive industries, footwear manufacturing can be established with modest infrastructure and relatively low investment, making it especially attractive to Micro, Small, and Medium Enterprises (MSMEs) and semi-skilled labour pools in developing countries. The sector presents a unique opportunity to

[5] Mordor Intelligence

spur economic growth, foreign investments, employment generation, and export diversification. Several developing nations such as China, Vietnam, and Indonesia have leveraged the non-leather footwear segment to strengthen their manufacturing base and expand exports.

The sector also aligns with the global sustainability goals. The non-leather footwear industry has the potential to promote greener manufacturing, when integrated with eco-friendly materials and circular economy models, such as using recycled plastics or plant-based alternatives. This shift offers developing nations a chance to participate in green industrialisation, balancing economic growth with environmental stewardship.

However, India's presence in the global non-leather footwear market remains limited. Despite having several advantages like availability of a large pool of low-cost labour, well-established footwear manufacturing clusters, and robust ease of doing business environment, the country's non-leather footwear industry is predominantly domestically oriented. Its contribution to global exports is disproportionately low, especially when compared to its more export-competitive leather footwear segment. India's exports of non-leather footwear accounted for a mere share of 0.4% in global exports in 2024. The exports of leather footwear fared better, with a share of 2.8% in global exports.

The ongoing reorientation of global supply chains, accelerated by rising production costs in China and the China plus one strategy being adopted by multinational corporations, presents a significant strategic window of opportunity for India. Additionally, geopolitical realignments, including increasing trade friction between the West and China, are prompting global footwear brands to diversify their sourcing bases. Vietnam and Indonesia have already capitalised on this shift but India remains an under-tapped alternative. The ongoing shifts offer a huge opportunity for India to boost its non-leather footwear exports and also position itself as a resilient and sustainable alternative manufacturing hub in the global footwear value chain.

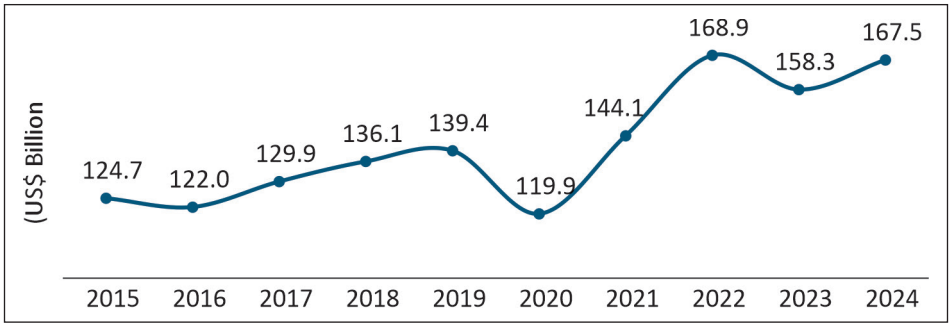
Scope of the Study

Since the non-leather footwear sector holds substantial untapped export potential, the Study examines ways to boost India's exports in the sector. The Study explores the current manufacturing and trade patterns in the global non-leather footwear industry and compares these with India's performance in the sector. The Study also delves into recent investment trends within the global and domestic non-leather footwear industry, with a particular focus on identifying strategic areas for attracting both foreign and domestic investments in India. The Study proposes a set of strategies to help India position itself as a leading global hub of non-leather footwear. These strategies are intended to align with India's goal of achieving US$ 1 trillion merchandise exports by 2030 and with the vision of "Make in India".

2. Global Footwear Scenario

The global exports of footwear[6] have risen to US$ 167.5 billion in 2024 from US$ 124.7 billion a decade ago, registering a CAGR of 3.3% during the period. After a decline of (-) 6.3% in exports in 2023, owing to a fall in consumption in major markets, global footwear exports have shown a year-on-year (y-o-y) growth of 5.8% in 2024.

Figure 2.1: World Exports of Footwear



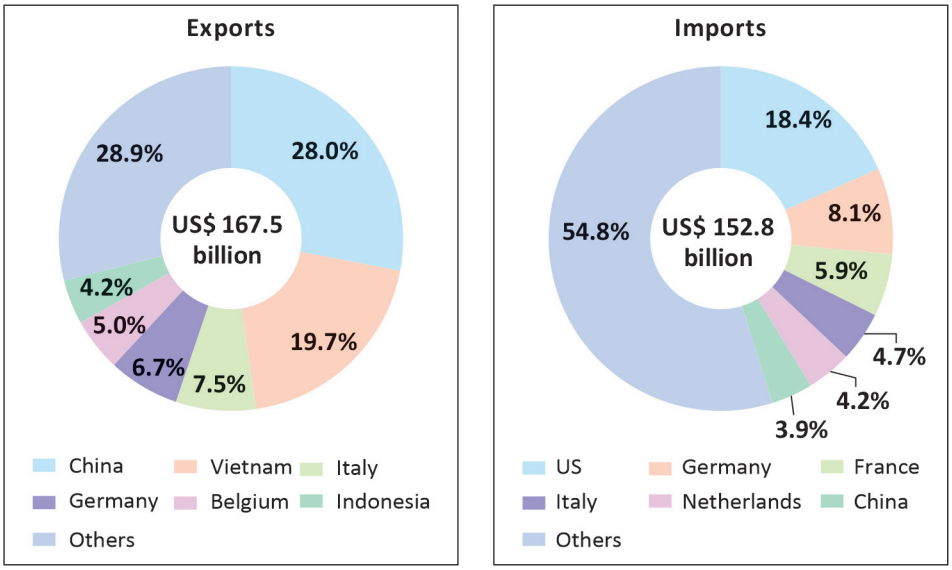
Source: ITC Trade Map; India Exim Bank Research

Top Exporting Countries: China has remained the top exporter of footwear globally since at least the beginning of this millennium. In 2024, China's exports of footwear stood at US$ 46.9 billion, accounting for 28.0% of global exports. Since about the last decade, Vietnam has emerged as the second largest exporter of footwear, replacing Italy, with its footwear exports estimated at US$ 33.0 billion in 2024, constituting a share of 19.7% in global exports. The other top exporting countries for footwear in 2024 were Italy with exports at US$ 12.6 billion, Germany (US$ 11.2 billion), and Belgium (US$ 8.4 billion).

[6] HS 6401, 6402, 6403, 6404 and 6405

Top Importing Countries: The import demand for footwear has remained the highest in the US, with imports reaching US$ 28.1 billion in 2024, a share of 18.4% in total global imports. The other top importing countries in 2024 were Germany (US$ 12.3 billion), France (US$ 9.0 billion), Italy (US$ 7.2 billion), the Netherlands (US$ 6.5 billion), and China (US$ 6.0 billion) (Figure 2.2).

Figure 2.2: Top Trading Countries for Footwear in 2024[7]



Source: ITC Trade Map; India Exim Bank Research

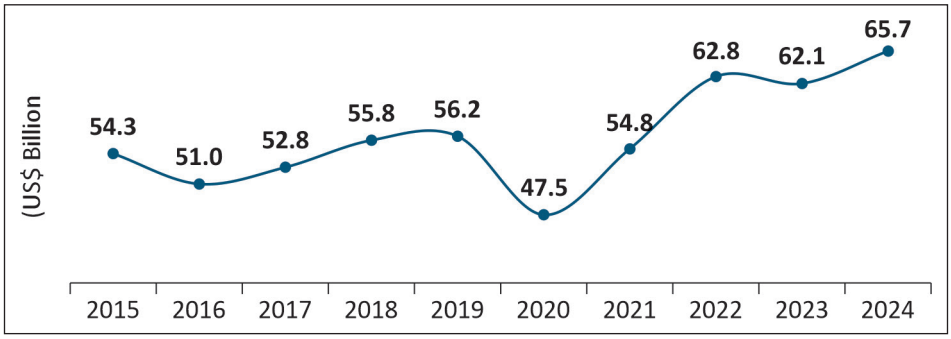
A. Trade Trends: Leather Footwear

The world exports of leather footwear have increased from US$ 54.3 billion in 2015 to US$ 65.7 billion in 2024, registering a CAGR of 2.1% during the period.

Top Exporting Countries: In 2024, Vietnam surpassed China and Italy to become the top exporter of leather footwear, globally. Its exports of leather footwear were recorded at US$ 11.9 billion, representing a share of 18.2% in global exports. The other top exporting countries in 2024 included Italy (US$ 8.8 billion), China (8.3 billion), and Germany (US$ 5.5 billion).

[7] Global export and import figures do not match because of use of different valuation methods.

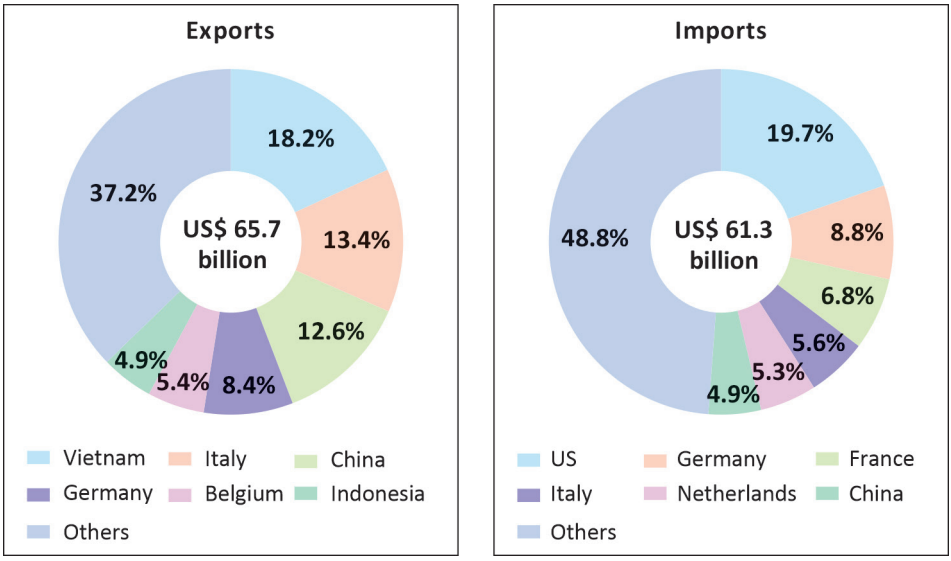
Figure 2.3: World Exports of Leather Footwear



Source: ITC Trade Map; India Exim Bank Research

Top Importing Countries: The top importing countries for leather footwear in 2024 were the US with imports at US$ 12.1 billion, followed by Germany (US$ 5.4 billion), France (US$ 4.2 billion), Italy (US$ 3.5 billion), and the Netherlands (US$ 3.3 billion) (Figure 2.4).

Figure 2.4: Top Trading Countries for Leather Footwear in 2024

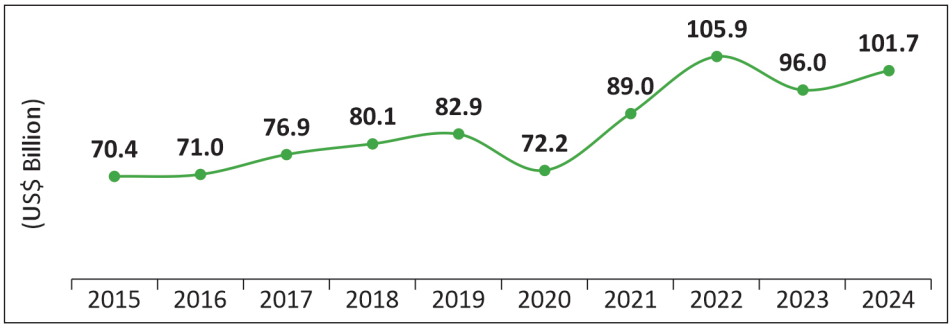


Source: ITC Trade Map; India Exim Bank Research

B. Trade Trends: Non-leather Footwear

The exports of non-leather footwear have witnessed impressive growth over the last decade, growing from US$ 70.4 billion in 2015 to US$ 101.7 billion in 2024, registering a robust CAGR of 4.2%. From US$ 105.9 billion in 2022, exports fell to US$ 96.0 billion in 2023 owing to a fall in consumption, particularly in advanced countries like the US. There was a re-bound In 2024, however, with global exports of non-leather footwear growing by 5.9% y-o-y.

Figure 2.5: World Exports of Non-leather Footwear

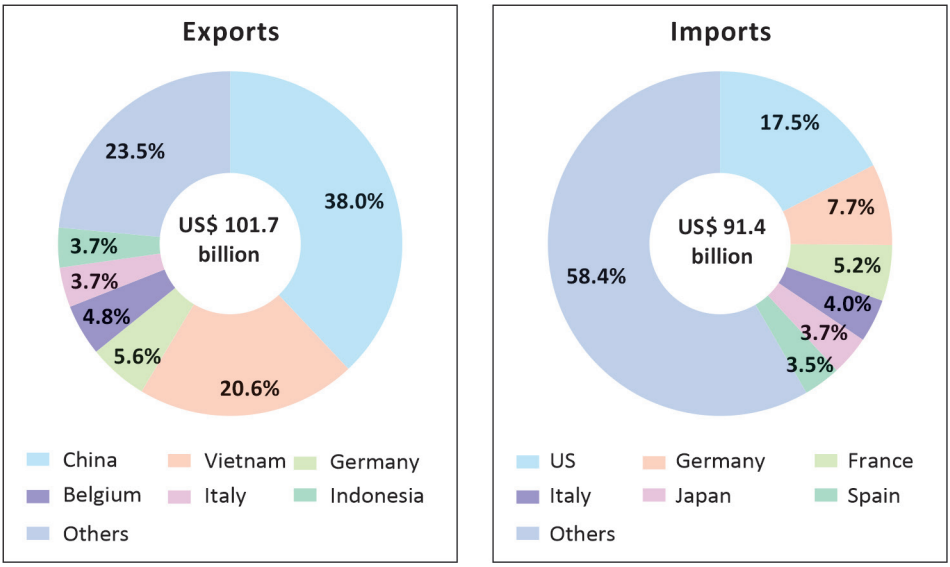


Source: ITC Trade Map; India Exim Bank Research

Top Exporting Countries: China dominates non-leather footwear exports, with exports at US$ 38.6 billion in 2024, followed by Vietnam (US$ 21.0 billion), Germany (US$ 5.7 billion), Belgium (US$ 4.9 billion), and Italy (US$ 3.8 billion). While China's share in global exports of non-leather footwear has reduced from 55.4% in 2015 to 38.0% in 2024, Vietnam's export share has almost doubled from 10.4% in 2015 to about 20.6% in 2024. China, nevertheless, has considerable influence on Vietnam's footwear industry owing to high investments and supply linkages.

Top Importing Countries: The US remains the top importer of non-leather footwear, with its imports increasing from US$ 14.7 billion in 2015 to US$ 16.0 billion in 2024, a share of 17.5% in global imports. Import demand in other top importing countries (mainly European countries) has also increased. Germany was the next largest importing nation for non-leather footwear in 2024, with imports at US$ 7.0 billion, followed by France (US$ 4.8 billion), and Italy (US$ 3.7 billion).

Figure 2.6: Top Trading Countries for Non- leather Footwear in 2024

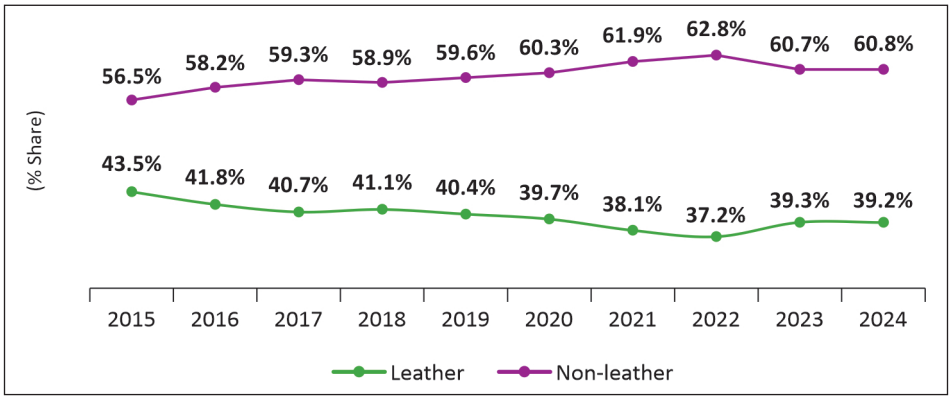


Source: ITC Trade Map; India Exim Bank Research

C. Rise of Non-leather Footwear Exports

Non-leather footwear's share in global footwear exports has seen a steady rise – from 56.5% in 2015 to 60.8% in 2024. Needless to say, this comes at the expense of leather footwear exports, the share of which in global exports, has declined from 43.5% in 2015 to 39.2% in 2024 (Figure 2.7).

Figure 2.7: Share of Leather and Non-leather Footwear in Global Footwear Exports in 2024



Source: ITC Trade Map; India Exim Bank Research

The CAGR registered for non-leather footwear exports during 2015-2024, at 4.2% in 2024 is also much higher than the CAGR of leather footwear exports during the same period, at 2.1%.

The aforementioned trends point at the growing consumption shift towards non-leather footwear globally. The section below analyses the product category-wise export trends in the non-leather footwear industry.

Among the product categories in non-leather footwear, exports of footwear with outer soles and uppers of rubber or plastic were the highest in 2024, with exports at US$ 36.7 billion, accounting for over one third (36.0%) of global non-leather footwear exports. Footwear with outer soles of rubber or plastics and uppers of textile materials (excluding sports footwear) was the next top exported category with exports at US$ 28.9 billion in 2024, constituting a share of 28.4% in global non-leather footwear exports.

This was followed by sports footwear with outer soles of rubber or plastics and uppers of textile materials, with exports at US$ 19.4 billion in 2024, accounting for 19.1% of global non-leather footwear exports. Notably, this category recorded the highest CAGR of 8.3% during the last ten years, with exports more than doubling from US$ 9.5 billion in 2015 to US$ 19.4 billion in 2024 (Table 2.1).

Table 2.1: Category-wise World Export Trends in Non-leather Footwear Industry (in US$ Billion)

HS Code	Product Category	2015	2019	2023	2024	Share in 2024	Export CAGR during 2015-2024
640299	Footwear with outer soles and uppers of rubber or plastics	27.4	26.1	34.3	36.7	36.0%	3.3%
640419	Footwear with outer soles of rubber or plastics and uppers of textile materials (excl. sports footwear)	19.5	25.8	27.6	28.9	28.4%	4.5%

HS Code	Product Category	2015	2019	2023	2024	Share in 2024	Export CAGR during 2015-2024
640411	Sports footwear with outer soles of rubber or plastics and uppers of textile materials	9.5	16.1	17.0	19.4	19.1%	8.3%
640291	Footwear covering the ankle, with outer soles and uppers of rubber or plastics	3.7	4.3	5.8	5.3	5.2%	4.0%
640219	Sports footwear with outer soles and uppers of rubber or plastics	2.6	2.6	3.5	4.2	4.2%	5.4%
640220	Footwear with outer soles and uppers of rubber or plastics, with upper straps assembled to the sole by means of plugs	2.9	2.7	2.4	1.9	1.9%	-4.4%
640590	Footwear with outer soles of rubber, plastics, wood, cork, paperboard, furskin,felt, straw, loofah, etc. with uppers other than rubber, plastics, leather or textile materials	1.5	1.6	1.8	1.7	1.6%	1.4%
640192	Waterproof footwear covering the ankle, but not the knee, with outer soles and uppers of rubber or of plastics	1.1	1.1	1.0	1.0	1.0%	-0.6%
640212	Ski-boots, cross-country ski footwear and snowboard boots, with outer soles and uppers of rubber or plastics	0.8	1.1	1.1	1.0	1.0%	3.1%
640520	Footwear with uppers of textile materials	1.0	1.1	1.0	1.0	1.0%	-0.3%

HS Code	Product Category	2015	2019	2023	2024	Share in 2024	Export CAGR during 2015-2024
640199	Waterproof footwear covering neither the ankle nor the knee, with outer soles and uppers of rubber or of plastics,	0.2	0.3	0.3	0.3	0.3%	3.4%
640110	Waterproof footwear incorporating a protective metal toecap, with outer soles and uppers of rubber or of plastics	0.2	0.2	0.3	0.3	0.3%	4.6%

Source: ITC Trade Map; India Exim Bank Research

While most of the categories have recorded robust export growth during 2015-2024, a few categories such as footwear with outer soles and uppers of rubber or plastics, with upper straps assembled to the sole by means of plugs; waterproof footwear covering the ankle, but not the knee, with outer soles and uppers of rubber or of plastics; and footwear with uppers of textile materials recorded a negative CAGR during the last decade, hinting at their declining demand.

D. Growth Drivers in Leading Non-leather Footwear Manufacturing Countries

China

China's dominance in global footwear manufacturing, particularly in the non-leather segment, is the result of a unique confluence of policy support, industrial migration, infrastructure development, and technological advancement.

The growth of this sector can be traced back to the 1980s, when the Chinese government initiated a bold economic reform by opening up 14 coastal cities to foreign investment and manufacturing activity. This move coincided with a

significant shift of the footwear industry from regions like Hong Kong, Taiwan, and South Korea to mainland China[8]. What made this transition remarkable was the transfer of a mature, fully developed production ecosystem complete with technology, market linkages, and operational know-how into Chinese territory. Guangdong Province, followed by other coastal areas, rapidly transformed into hubs for footwear production.

China's vast, underemployed labour pool, and supportive local governments, made this shift seamless. By the early 1990s, an integrated manufacturing base had taken root, driven not only by cost efficiency, but also by logistical convenience for international buyers and proximity to global shipping routes. These advantages led multinational brands such as Nike, Adidas, and Reebok to relocate their manufacturing operations to China, helping domestic manufacturers to rapidly climb up the value chain and solidify their reputation for reliable, large-scale production.

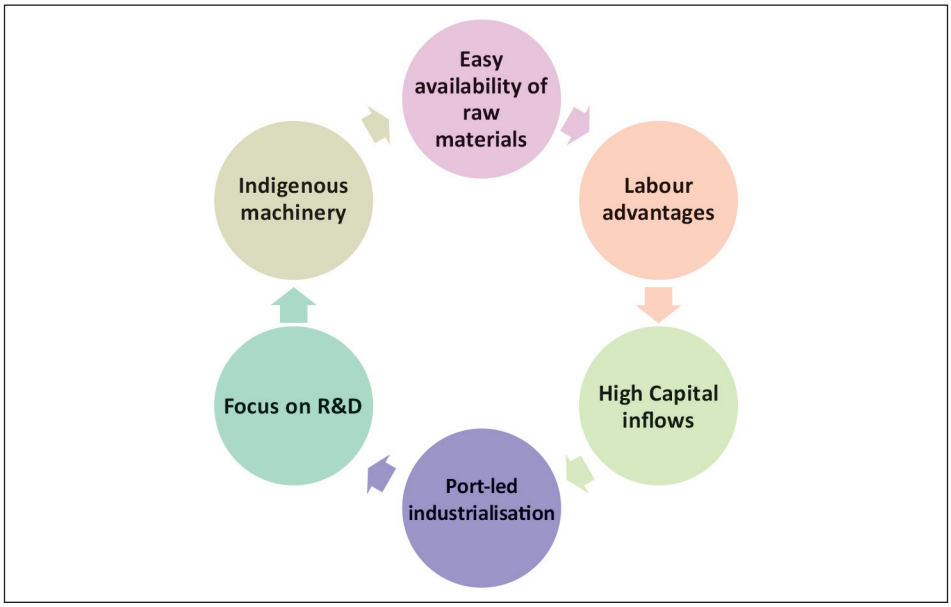
The strength of China's footwear sector also lies in its tightly interwoven supply chain. Over the decades, industrial clusters such as those in Putian, Wenzhou, and Huadu developed into self-sufficient ecosystems, providing nearly all necessary non-leather components at competitive prices. China's network of component manufacturers and raw material suppliers ensures both cost control and supply reliability. This integration has allowed firms to scale operations dramatically and reduce lead times for global orders.

Putian city in Fujian Province, often dubbed the "Shoe Capital of China," exemplifies this transformation. With over 4,000 footwear enterprises and an annual output exceeding 1.6 billion pairs, Putian represents a high point of industrial maturity[9]. Originally rooted in OEM production, the city has moved towards innovation-led growth. Its enterprises are now engaged in cutting-edge R&D, including the development of high-performance eco-friendly materials and advanced manufacturing techniques such as supercritical foam technology. Notably, these innovations are often driven by grassroots teams, highlighting the democratisation of technological progress within the industry.

[8] United Nations Industrial Development Organization. The Chinese Footwear Industry and its Influence on the World Trade. 2005.

[9] People's Daily Online. 2024.

Figure 2.8: Factors Contributing to China's Non-leather Footwear Industry's Growth



Source: India Exim Bank Research

Another critical enabler has been the availability of low-cost, locally produced machinery which was initially sourced from Taiwan but is now increasingly being manufactured within China. Though less sophisticated than European alternatives, this machinery has proved to be adequate to handle high-volume, price-sensitive, non-leather footwear production. Government support in the form of industrial parks and policy incentives has further catalysed cluster development. Moreover, China's investment in logistics and export infrastructure has made it uniquely positioned to serve global markets with speed and efficiency. With state-of-the-art ports and efficient inland connectivity, Chinese manufacturers enjoy significant advantages over competitors in Southeast Asia.

China's unparalleled rise in non-leather footwear manufacturing stems from a blend of historical shifts, government facilitation, labour advantages, and a deeply embedded industrial ecosystem. It is not merely the scale, but

the strategic coherence of policy, infrastructure, and innovation that has positioned China at the forefront of this global industry.

Vietnam

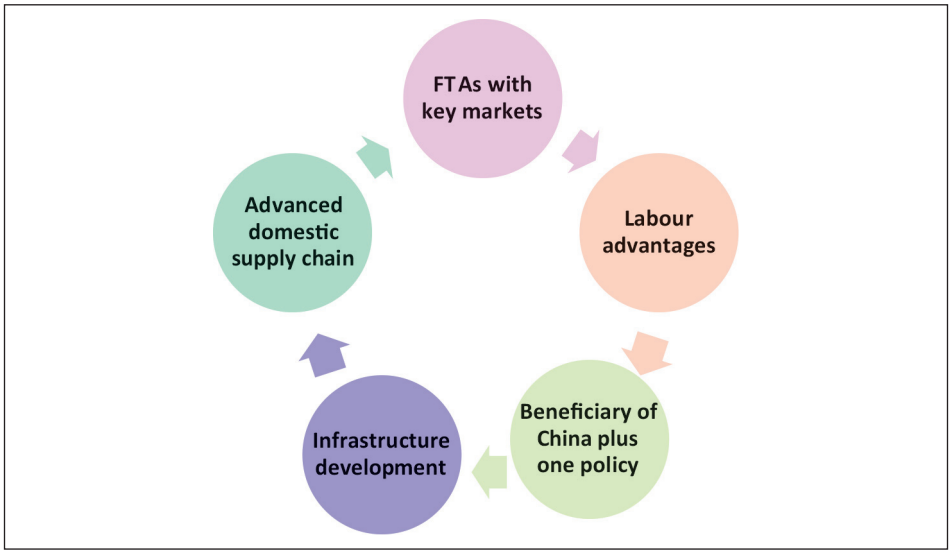
While China has long dominated the footwear sector, Vietnam has carved out a formidable position, particularly in the last two decades. The country has emerged as the second largest exporter of non-leather footwear. Vietnam's ascent in the global non-leather footwear industry is the product of a strategically cultivated industrial policy, demographic advantages, and shifting global production dynamics.

The key enabler of growth in Vietnam's footwear industry has been the country's deep integration into global trade networks, accelerated by its accession to the World Trade Organization (WTO) in 2007. Vietnam, being a signatory to several key Free Trade Agreements (FTAs) such as, inter alia, the Regional Comprehensive Economic Partnership (RCEP), Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and European Union-Vietnam Free Trade Agreement (EVFTA), has secured considerable market access, thereby boosting its footwear exports to major markets.

This has made Vietnam an attractive sourcing destination for major international brands. For instance, Vietnam is Nike's largest production base globally, with Nike's manufacturing and supply partners managing about 162 factories in the country[10]. Besides, contract manufacturers such as Pou Chen and Feng Tay, originally based in Taiwan, have expanded their operations in Vietnam, bringing with them manufacturing know-how, advanced production systems, and established relationships with global brands. Companies are drawn to Vietnam due to its diversification strategies, as they seek alternatives to China amid rising labour costs there and geopolitical uncertainties. Vietnam, with its favourable trade terms and growing industrial capability, presents a suitable alternative for international companies.

[10] Vietdata

Figure 2.9: Factors Contributing to Vietnam's Non-leather Footwear Industry's Growth



Source: India Exim Bank Research

Vietnam's abundant, relatively young labour force, which offers competitive wage levels, has also aided the industry's growth. The government has also invested heavily in vocational training programs to enhance labour skills, ensuring a steady supply of semi-skilled and skilled workers for the industry. Vietnam has also developed several key industrial zones and export processing zones that offer integrated infrastructure, tax incentives, and streamlined administrative procedures, thereby reducing costs and improving efficiency for foreign investors.

Unlike in the past, when Vietnam relied heavily on imported machinery and materials, the country has gradually built a more comprehensive domestic supply chain for non-leather footwear, especially for textiles, soles, adhesives, synthetic materials, and accessories, with most FDI enterprises actively creating linkages in the supply chain, from raw materials to production and distribution.

Nevertheless, in comparison to China, Vietnam still imports some specialised inputs, particularly high-tech components and certain chemicals, often from Taiwan and South Korea.

Summing Up

Global exports of non-leather footwear are witnessing an accelerating trend, reflecting a clear global shift in consumption towards non-leather footwear. Amongst the rapidly growing categories in the sector are footwear with outer soles and uppers of rubber or plastic; footwear with outer soles of rubber or plastics and uppers of textile materials; and sports footwear with outer soles of rubber or plastics and uppers of textile materials.

China has long dominated global production and exports of non-leather footwear driven by conducive government policies, substantial investments in infrastructure, a self-sustaining manufacturing ecosystem, and strong emphasis on research and development. Vietnam has also established a formidable position in the global non-leather footwear sector in the last two decades. The rise may be attributed to its demographic advantages, deep integration into global trade networks and shifting global production dynamics.

Countries like India could draw key learnings from the successes of China and Vietnam for building a globally competitive non-leather footwear industry.

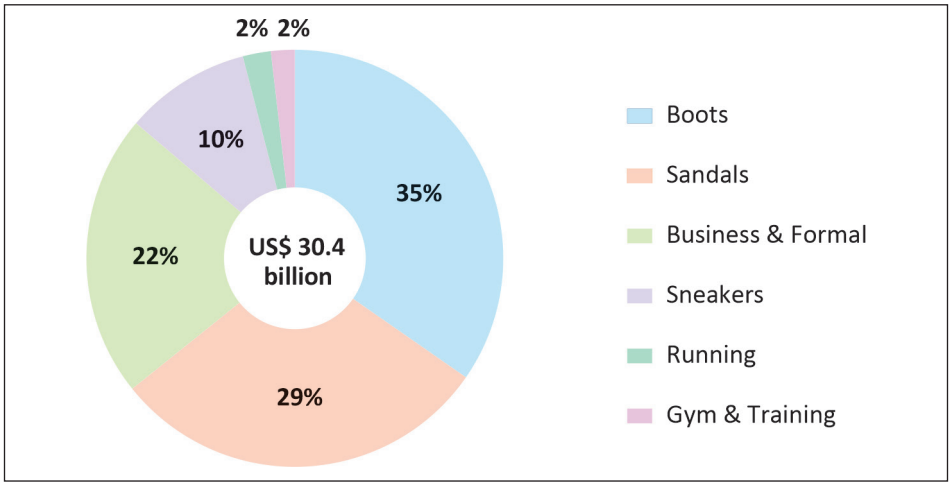
3. Non-leather Footwear Industry in India

India is the second-largest producer of footwear in the world, accounting for about 12% of the global production. India's production of footwear stands at around 2 billion pairs a year[11]. At present, however, the industry caters majorly to the domestic market. Being the second largest consumer of footwear globally, a large portion of footwear production in India is consumed domestically. Despite high production, exports are relatively modest compared to countries like China and Vietnam.

In 2024, the size of the footwear market in India was estimated at US$ 30.4 billion[12]. The Indian footwear industry is targeting a market size of US$ 90 billion by 2030[13], including US$ 50 billion in export revenues[14]. In 2024, boots was the largest segment in India's footwear industry, with revenue estimated at US$ 10.5 billion, accounting for about 35% of India's total footwear revenue. Sandals was the second largest segment with a share of 29% in market revenue, followed by business and formal shoes (22%). Sneakers, running and gym and training shoes had a modest market revenue, estimated at about US$ 3 billion, US$ 0.7 billion, and US$ 0.6 billion, respectively.

[11] Council for Leather Exports
[12] Statista. Size of the footwear market in India. 2025
[13] ITPO. India International Footwear Fair 2025
[14] PIB. Ministry of Commerce & Industry

Figure 3.1: India's Footwear Market Revenue by Segment in 2024



Source: Statista Market Insights; India Exim Bank Research

As evident by Figure 3.1, India's production in non-leather segments of footwear like sneakers and running and gym shoes is much lower than in other top footwear manufacturing countries —China's revenue from sneakers production stood at US$ 18.4 billion and from gym and training shoes at US$ 5.6 billion in 2024.

The non-leather footwear industry in India is fragmented, with about 75% production coming from the unorganised sector[15]. At present, major production of non-leather footwear is occurring in Tamil Nadu in the regions like Chennai, Ranipet and Ambur. Tamil Nadu is actively promoting the growth of non-leather footwear industry. Other production hubs like Nellore in Andhra Pradesh, Kanpur and Agra in Uttar Pradesh, Bahadurgarh in Haryana and Mumbai in Maharashtra also have a growing non-leather production sector.

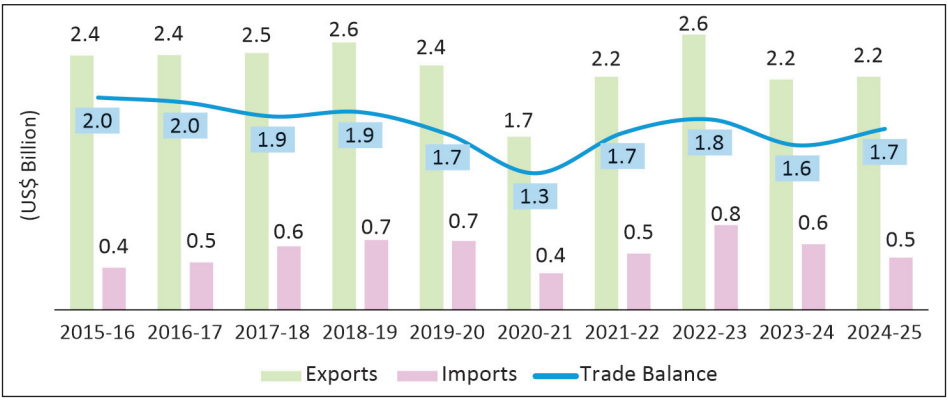
India's Foreign Trade Performance

In 2024, India was the eleventh largest exporter of footwear, accounting for a share of 1.3% in global footwear exports. India's share in global exports of

[15] Ministry of MSME, CFTI & KPMG. White Paper– Advance technologies in non-leather footwear

footwear has seen a contraction, falling from 2% in 2015 to 1.3% in 2024. India's exports of footwear in FY 2024-25 stood at US$ 2.2 billion while the imports were valued at US$ 0.5 billion leading to a trade surplus of US$ 1.7 billion (Figure 3.2).

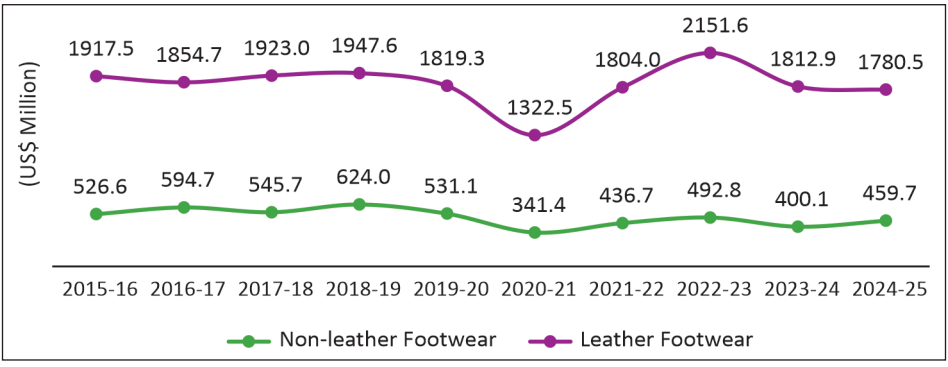
Figure 3.2: India's Trade in Footwear



Source: DGCI&S; India Exim Bank Research

India's footwear exports are concentrated in leather categories. In FY 2024-25, India's leather footwear exports, at US$ 1.8 billion, accounted for almost 80% of the footwear exports (Figure 3.3). While exports of leather footwear have not exhibited growth during the last decade, its share in India's footwear exports has remained stable at around 80%.

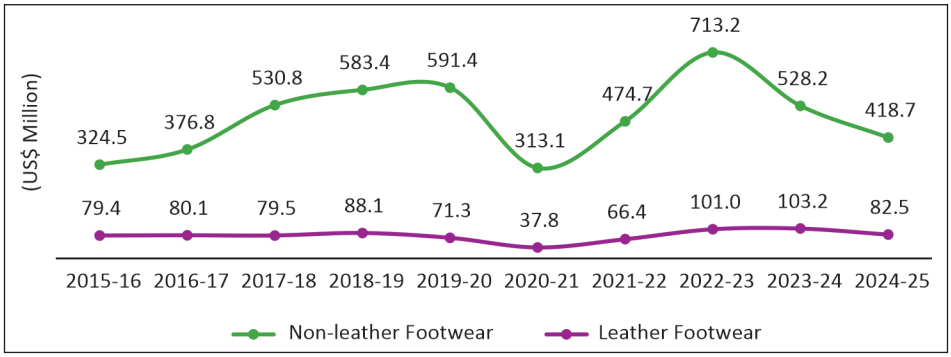
Figure 3.3: India's Leather and Non-leather Footwear Exports



Source: DGCI&S; India Exim Bank Research

For imports, the case is the complete opposite. India's imports of footwear are mainly of non-leather footwear. In FY 2024-25, India's imports of non-leather footwear were valued at US$ 418.7 million, accounting for 83.5% of India's total footwear imports (Figure 3.4). Thus, by reducing import dependence and building export capabilities in the non-leather footwear sector, India can unleash high export growth in the footwear sector.

Figure 3.4: India's Leather and Non-leather Footwear Imports



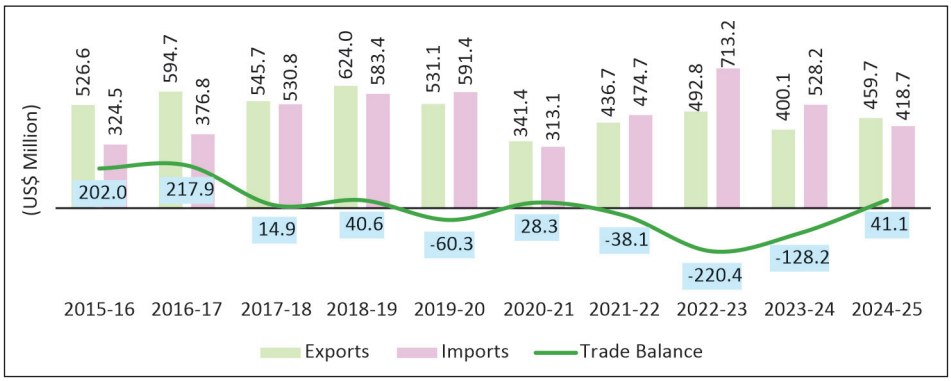
Source: DGCI&S; India Exim Bank Research

India's Trade Performance in Non-leather Footwear

India's trade performance in non-leather footwear remains lacklustre. In 2024, India ranked 23rd among all the countries in exports of non-leather footwear, constituting a share of 0.4% in global exports. India's imports too, constituted a share of 0.4% in global imports in 2024.

Exports: During FY 2024-25, India's exports of non-leather footwear stood at US$ 459.7 million, up by 14.9% from the previous year. The imports, on the other hand, witnessed a fall from US$ 528.2 million in FY 2023-24 to US$ 418.7 million in FY 2024-25. However, during the last decade (FY 2015-16 to FY 2024-25), India's exports of non-leather footwear have registered a negative CAGR of 1.5%. The imports of non-leather footwear, after peaking at US$ 713.2 million in FY 2022-23 have demonstrated a declining trend.

Figure 3.5: India's Trade in Non-leather Footwear



Source: DGCI&S; India Exim Bank Research

Product category wise, India had the highest exports of footwear with outer soles and uppers of rubber or plastics (HS 640299) in FY 2024-25 in the non-leather footwear sector. The exports in the category were to the tune of US$ 161.1 million in FY 2024-25, accounting for 35% of India's non-leather footwear exports during the year. Footwear with outer soles of rubber or plastics and uppers of textile materials (HS 640419) trailed closely behind with exports at US$ 157.5 million, a share of 34.3% in India's non-leather footwear exports during FY 2024-25. These two segments constituted nearly 70% of India's exports in non-leather footwear.

The other top exported product categories by India during FY 2024-25 were sports footwear with outer soles of rubber or plastics and uppers of textile materials (US$ 51.0 million), sports footwear with outer soles and uppers of rubber or plastics (US$ 40.6 million), and footwear with outer soles and uppers of rubber or plastics, with upper straps or thongs assembled to the sole by means of plugs (US$ 20.5 million) (Table 3.1).

Table 3.1: India's Category-wise Exports in Non-leather Footwear in FY 2024-25

HS Code	Product Category	Exports (US$ mn.)	Share in Exports
640299	Footwear with outer soles and uppers of rubber or plastics	161.1	35.0%
640419	Footwear with outer soles of rubber or plastics and uppers of textile materials	157.5	34.3%
640411	Sports footwear, including tennis shoes, basketball shoes, gym shoes, training shoes and the like, with outer soles of rubber or plastics and uppers of textile materials	51.0	11.1%
640219	Sports footwear with outer soles and uppers of rubber or plastics	40.6	8.8%
640220	Footwear with outer soles and uppers of rubber or plastics, with upper straps or thongs assembled to the sole by means of plugs	20.5	4.5%
640590	Footwear with outer soles of rubber or plastics, with uppers other than rubber, plastics, leather or textile materials; footwear with outer soles of leather or composition leather, with uppers other than leather or textile materials; footwear with outer soles of wood, cork, paperboard, furskin, felt, straw, loofah, etc., with uppers other than leather, composition leather or textile materials, not elsewhere specified	12.4	2.7%
640291	Footwear covering the ankle, with outer soles and uppers of rubber or plastics	7.1	1.5%
640520	Footwear with uppers of textile materials	3.2	0.7%
640212	Ski-boots, cross-country ski footwear and snowboard boots, with outer soles and uppers of rubber or plastics	2.8	0.6%

HS Code	Product Category	Exports (US$ mn.)	Share in Exports
640199	Waterproof footwear covering neither the ankle nor the knee, with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes	1.5	0.3%
640110	Waterproof footwear incorporating a protective metal toecap, with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes	1.3	0.3%
640192	Waterproof footwear covering the ankle, but not the knee, with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes	0.6	0.1%
Total		**459.7**	**100%**

Source: DGCI&S; India Exim Bank Research

Imports: As regards imports, over half (54.1%) of India's non-leather footwear imports in FY 2024-25 were of footwear with outer soles of rubber or plastics and uppers of textile materials, valued at US$ 226.7 million. The other top imported categories were footwear with outer soles and uppers of rubber or plastics with imports at US$ 103.3 million, sports footwear with outer soles of rubber or plastics and uppers of textile materials (US$ 63.8 million), and sports footwear with outer soles and uppers of rubber or plastics (US$ 9.9 million) (Table 3.2).

Table 3.2: India's Category-wise Imports in Non-leather Footwear in FY 2024-25

HS Code	Product Category	Imports (US$ mn.)	Share in Imports
640419	Footwear with outer soles of rubber or plastics and uppers of textile materials	226.7	54.1%
640299	Footwear with outer soles and uppers of rubber or plastics	103.3	24.7%
640411	Sports footwear, including tennis shoes, basketball shoes, gym shoes, training shoes and the like, with outer soles of rubber or plastics and uppers of textile materials	63.8	15.2%
640219	Sports footwear with outer soles and uppers of rubber or plastics	9.9	2.4%
640590	Footwear with outer soles of rubber or plastics, with uppers other than rubber, plastics, leather or textile materials; footwear with outer soles of leather or composition leather, with uppers other than leather or textile materials; footwear with outer soles of wood, cork, paperboard, furskin, felt, straw, loofah, etc., with uppers other than leather, composition leather or textile materials, not elsewhere specified	7.0	1.7%
640291	Footwear covering the ankle, with outer soles and uppers of rubber or plastics	3.7	0.9%
640220	Footwear with outer soles and uppers of rubber or plastics, with upper straps or thongs assembled to the sole by means of plugs	2.4	0.6%
640110	Waterproof footwear incorporating a protective metal toecap, with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes	0.8	0.2%

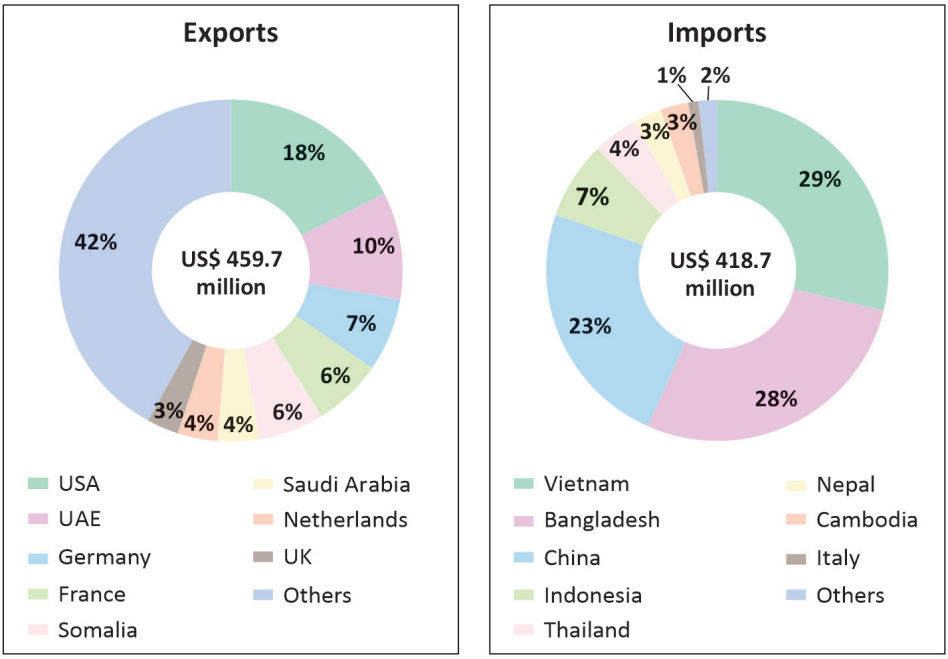
HS Code	Product Category	Imports (US$ mn.)	Share in Imports
640199	Waterproof footwear covering neither the ankle nor the knee, with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes	0.6	0.1%
640520	Footwear with uppers of textile materials	0.4	0.1%
640212	Ski-boots, cross-country ski footwear and snowboard boots, with outer soles and uppers of rubber or plastics	0.2	0.0%
640192	Waterproof footwear covering the ankle, but not the knee, with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes	0.0	0.0%
Total		**418.7**	**100%**

Source: DGCI&S; India Exim Bank Research

Trade Partners: For exports of non-leather footwear, the US is India's top destination. In FY 2024-25, India's exports of non-leather footwear to the US stood at US$ 80.8 million, accounting for 17.6% of India's non-leather footwear exports. India's second largest export destination for non-leather footwear exports in FY 2024-25 was the UAE with exports of US$ 46.5 million, followed by Germany (US$ 32.0 million), France (US$ 29.9 million), and Somalia (US$ 28.6 million).

While India's export partners for non-leather footwear are majorly European countries, the US and few countries in West Asia, for imports, India is dependent on Asia primarily. In FY 2024-25, Vietnam was India's top import source for non-leather footwear, with imports at US$ 120.6 million, accounting for a share of 29% in total imports. India's other top import sources were Bangladesh with imports at US$ 116.6 million, China (US$ 99.0 million), Indonesia (US$ 30.7 million), Thailand (US$ 18.1 million), and Nepal (US$ 11.1 million) (Figure 3.6).

Figure 3.6: India's Top Trading Partner Countries for Non-leather Footwear

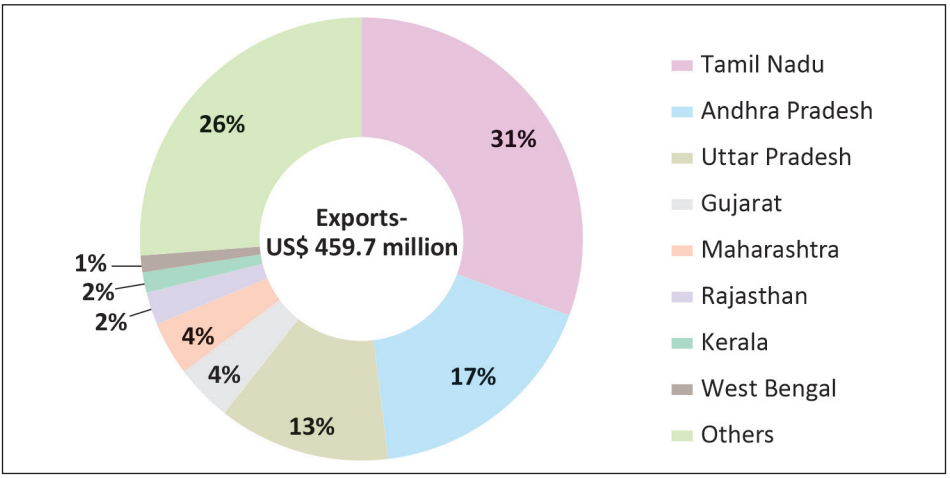


Source: DGCI&S; India Exim Bank Research

State-wise Exports: A handful of states account for the majority of the non-leather footwear exports from India. Tamil Nadu is the leading state for non-leather footwear exports in India. In FY 2024-25, with exports at US$ 140.7 million, Tamil Nadu accounted for 30.6% of India's non-leather footwear exports. Tamil Nadu's exports were the highest in the category of footwear with outer soles of rubber or plastics and uppers of textile materials, being the top exported product category from India. Tamil Nadu accounted for 39.1% of India's exports in the category. Tamil Nadu was also the top exporter for India's second largest exported category — footwear with outer soles and uppers of rubber or plastics.

The other top exporting states for non-leather footwear in FY 2024-25 included Andhra Pradesh with exports at US$ 80.3 million, Uttar Pradesh (US$ 57.6 million), Gujarat (US$ 19.2 million), Maharashtra (18.1 million), Rajasthan (US$ 10.9 million), Kerala (US$ 6.8 million), and West Bengal (US$ 5.6 million) (Figure 3.7). These states together accounted for about 74% of India's non-leather exports.

Figure 3.7: Major Exporting States for Non-leather Footwear in India in FY 2024-25



Source: DGCI&S; India Exim Bank Research

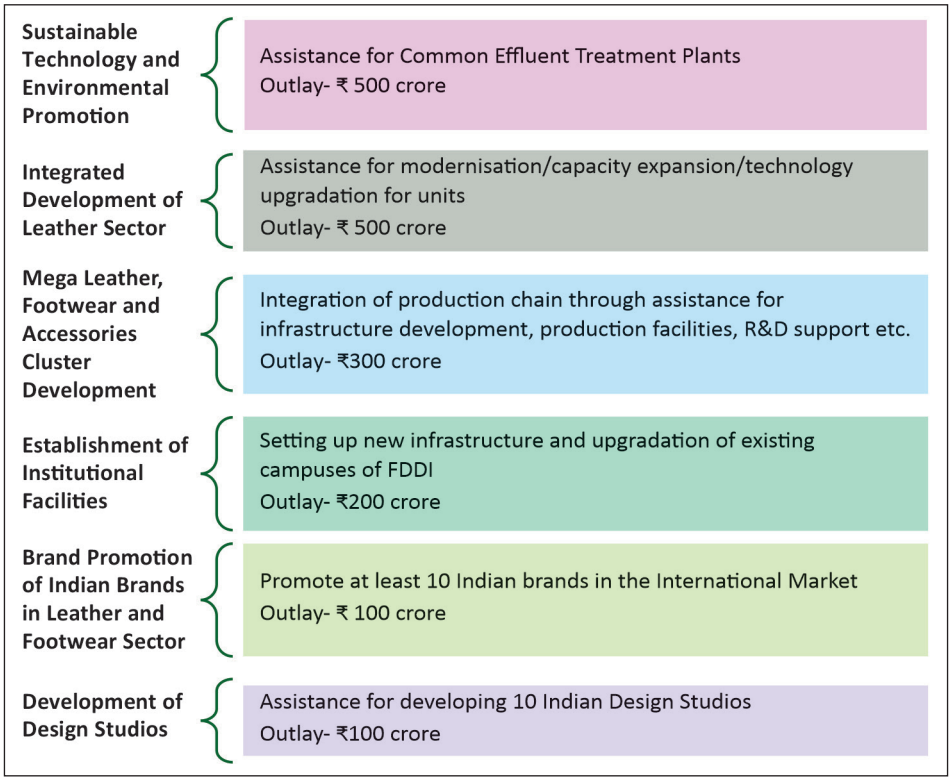
Among the top exporting clusters in India are the Apache Special Economic Zone (SEZ) in Nellore, Andhra Pradesh and the SEZs located in Thiruvannamalai, Krishnagiri, and Villupuram districts of Tamil Nadu. Due to its large volumes, footwear is generally transported by sea. Exports of non-leather footwear in India are majorly facilitated through Mundra port, Nhava Sheva port, Chennai port, and Cochin port. For the landlocked states in Northern India, Inland Container Depot (ICD) Panki, ICD Delhi and ICD Garhi Harsaru are the major facilitators of non-leather footwear exports.

Policy Support

1. Indian Footwear and Leather Development Programme (IFLDP)

ILFDP 2021-2026, with an outlay of ₹1700 crore envisions development of infrastructure for the leather and footwear sector besides facilitating investments, employment generation and increase in production. The programme aims to provide comprehensive support across the value chain right from infrastructure and technology upgrades to brand promotion and design innovation. The six sub-schemes include: -

Figure 3.8: Sub-Schemes under Indian Footwear and Leather Development Programme



Source: IFLDP; India Exim Bank Research

IFLDP is a strategic initiative to transform India's leather and footwear industry into a globally competitive, environmentally sustainable, and employment-generating sector. By integrating modernisation, infrastructure development, brand promotion, and design innovation, the programme not only supports domestic growth but also positions Indian products more prominently in international markets.

The Department for Promotion of Industry & Internal Trade (DPIIT), Ministry of Commerce & Industry, is implementing the Quality Control Orders (QCOs) for footwear. From 1st June 2022 to 1st July 2023, several QCOs came into effect including for safety, protective and occupational footwear, leather footwear; and for footwear products made from rubber and polymeric

material and their components. However, in March 2024, these QCOs have been superseded by the new Quality Control Orders 2024. These include: -

- Footwear made from leather and other materials (Quality Control) Order, 2024. This QCO is for 12 footwear products including leather safety boots and shoes; canvas shoes rubber sole; canvas boots rubber sole; safety boots for miners; leather safety footwear having direct moulded rubber sole; leather safety and protective footwear with direct moulded polymeric sole; sports footwear; high ankle tactical boots; anti-riot shoes; and shoes for services and for general purpose
- Footwear made from all rubber and all polymeric material and its components (Quality Control) Order, 2024. This QCO is for 8 footwear products and 4 items of outsoles. These include Industrial and protective rubber knee and ankle boots; rubber gum boots and ankle boots; moulded rubber outsoles; microcellular rubber sheets for outsoles; moulded Polyvinyl chloride (PVC) outsoles; sandal and slippers; Hawai Chappal; PVC industrial boots; polyurethane outsoles; unlined moulded rubber boots; moulded plastics footwear- lined or unlined polyurethane boots for general industrial use; and footwear for men and women for municipal scavenging work.

Both the QCOs came into force from August 1, 2024. The identified goods need to conform to the corresponding Indian Standard and shall bear the Standard Mark under a license from the Bureau of Indian Standards. It may be noted that these orders are not applicable for articles meant for exports; for imports to be used in manufacturing of footwear in India and to micro and small manufacturing units.

The implementation of QCOs would help prevent substandard, low-cost leather product imports and prevent unfair competition. The QCOs will help inculcate a spirit of quality among the domestic manufacturers, enabling India to become a world-class manufacturer of quality footwear[16].

[16] PIB

3. Focus Product Scheme for Footwear & Leather Sectors

In the Union Budget 2025-26, a new Focus Product Scheme was announced for the footwear and leather sector, aimed at enhancing productivity and competitiveness and boosting exports. The scheme would support design capacity, component manufacturing, and machinery required for production of non-leather quality footwear, besides the support for leather footwear and products. The scheme is expected to facilitate employment for 22 lakh persons, generate turnover of ₹ 4 lakh crore and exports of over ₹ 1.1 lakh crore.

FDI Inflows

Investments in India's footwear sector have been picking up. The footwear sector allows 100% FDI under the automatic route. During 2016-2025, according to fDi Markets, the envisaged FDI in India's footwear sector was to the tune of US$ 744 million. State-wise, Tamil Nadu received the highest FDI inflows of about US$ 519 million during the period. Maharashtra received the second highest FDI inflows, aggregating to US$ 119 million during 2016-2025, followed by Delhi (US$ 22.2 million), Punjab (US$ 14.8 million), and Haryana (US$ 9.2 million).

The top investing country during the period was Taiwan, with envisaged investments of US$ 471 million, followed by the US (US$ 149 million), China (US$ 48.2 million), the UAE (US$ 29.6 million), and Germany (US$ 16.6 million). Among the companies, the top investing companies were Pou Chen Group, Skechers, Hong Fu Industrial Group, Feng Tay Enterprises, and Shoetown Footwear.

Attracting higher FDI inflows in the footwear sector is crucial for India at this juncture. By creating a lucrative ecosystem for global companies, India can capitalise on the changing global dynamics. Enhanced FDI can help scale up production capacities, improve quality standards, and integrate Indian manufacturers into global supply chains, thereby boosting exports and strengthening India's footprint in the international footwear market.

Besides, FDI brings not just capital but also access to advanced technologies, global best practices, and international distribution networks. This can significantly improve the competitiveness of Indian firms. With the government's supportive policies, including 100% FDI under the automatic route and infrastructure development through schemes like IFLDP, India may prioritise attracting global players who are looking to diversify their production centres.

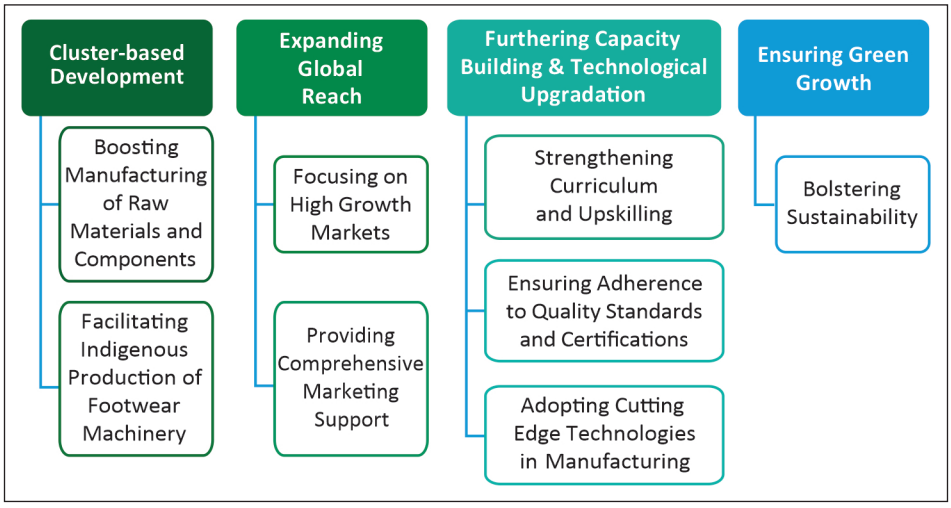
Summing Up

The non-leather footwear industry in India holds significant potential for growth, driven by a large domestic market and supportive policy measures. However, challenges such as fragmented production and low global market share persist. Currently, exports of non-leather footwear from India are concentrated in a few states only. States across India may work on building export capabilities in the sector. Strategic investments, infrastructure development, and quality enhancements can propel India to become a global leader in non-leather footwear manufacturing.

4. Strategies for Unlocking India's Non-leather Footwear Exports

India has traditionally been a frontrunner in the manufacturing of leather footwear. However, given the steady rise in global consumption of non-leather footwear, it is important for India to explore and strengthen its capabilities to produce and export non-leather footwear. By embracing non-leather production i.e. footwear made of, inter alia, Polyurethane (PU), rubber, textiles, recycled plastics, cork, and plant-based leather, India stands a chance to deepen its export participation and generate large-scale employment especially for MSMEs and women. The Study proposes a set of strategies to enable India to emerge as a global non-leather footwear manufacturing hub.

Figure 4.1: Strategies for Unlocking India's Non-leather Footwear Exports



A. Cluster-based Development

Cluster-based development approach helps in fostering a robust production ecosystem particularly for industries where the production processes are fragmented. The cluster development model has proved to be successful

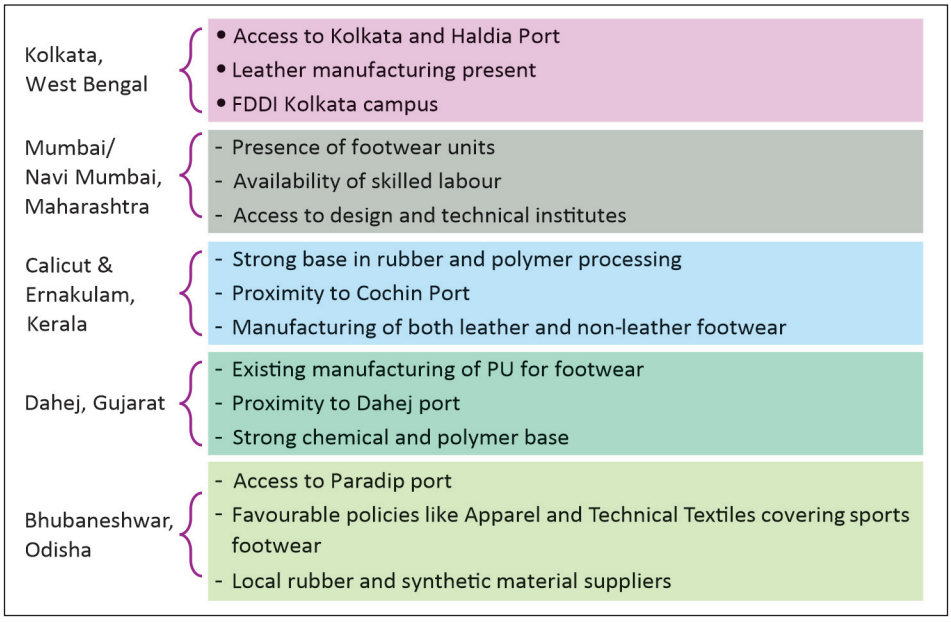
in Tamil Nadu. The State has identified land parcels for establishment of footwear parks. The State is also in the process of building a complete ecosystem in footwear parks for housing footwear manufacturing units which will also include supporting industries. These clusters are also being equipped with infrastructure like common facility centres, plug-and-play facilities, skilling centres etc.

Accordingly, to implement a cluster-based approach in other states, the Study has identified a few locations which have the necessary prerequisites for establishing complete manufacturing ecosystems. These clusters may also play an instrumental role in attracting FDI. The clusters identified are-

Figure 4.2: Important Factors for Establishing Non-leather Footwear Clusters

Source: India Exim Bank Research

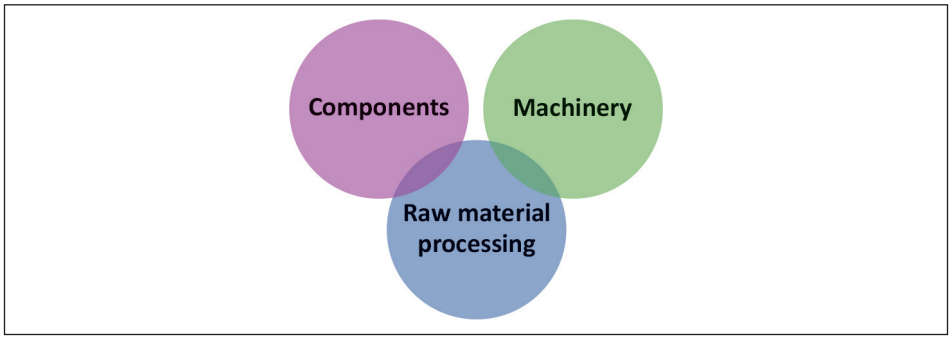
Figure 4.3: Identified Clusters for Non-leather Footwear Manufacturing



Source: India Exim Bank Research

To ensure a complete ecosystem at the identified clusters as well as other potential non-leather footwear manufacturing hubs, the following strategies may be adopted.

Figure 4.4: Enabling a Complete Footwear Manufacturing Ecosystem at the Clusters

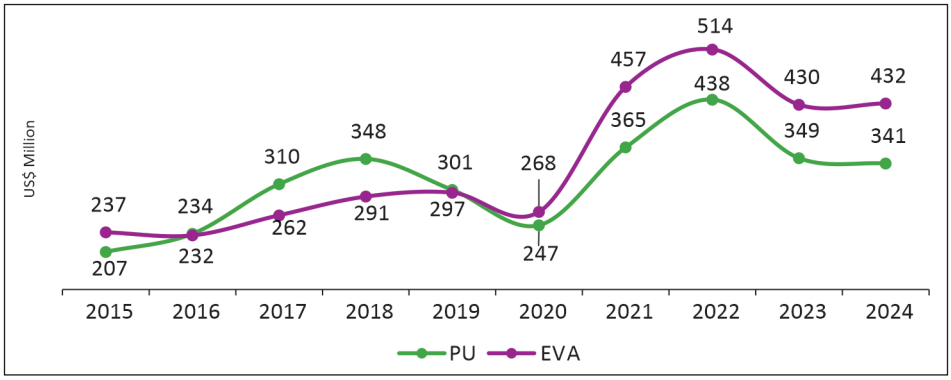


Source: India Exim Bank Research

A1. Boosting Manufacturing of Raw Materials and Components

At present, there is heavy reliance on imports for majority of raw materials required in manufacturing of non-leather footwear. This increases the production costs and exposes the businesses to greater volatility. For instance, India's imports of key materials used for manufacturing soles of footwear—PU and Ethylene-vinyl acetate (EVA) —have been burgeoning over the years. (Figure 4.5). In fact, India was the third largest importer of EVA globally, in 2024.

Figure 4.5: India's Growing Imports of Non-leather Footwear Materials

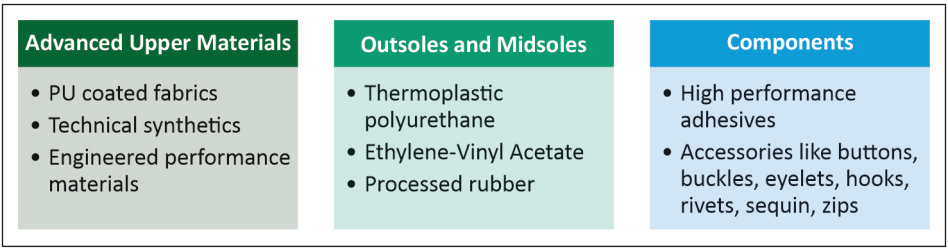


Source: ITC Trade Map; India Exim Bank Research

India's imports of PU coated fabrics have also been rising. The imports have increased from US$ 97.8 million in 2015 to US$ 126.3 million in 2024. Consequently, India's trade deficit in these key materials is on the rise. In 2024, India's trade deficit in PU, EVA and PU coated fabrics was (-) US$ 257 million, (-) US$ 427 million, and (-) US$ 117.7 million, respectively.

To strengthen the manufacturing ecosystem for non-leather footwear in India, achieving self-reliance in raw materials and components is critical. Thus, in the identified clusters as well as other potential clusters, setting up ancillary units for raw materials processing and component manufacturing may be incentivised. Some of the key materials to be focused on include PU coated fabrics and technical synthetics for uppers, PU, EVA and rubber for outsoles and modules, and components like high performance adhesives, moulds, and accessories such as buttons, buckles, eyelets, hooks, rivets, sequin, stones, lace, zips etc.

Figure 4.6: Focus Areas for Boosting Raw Materials Manufacturing



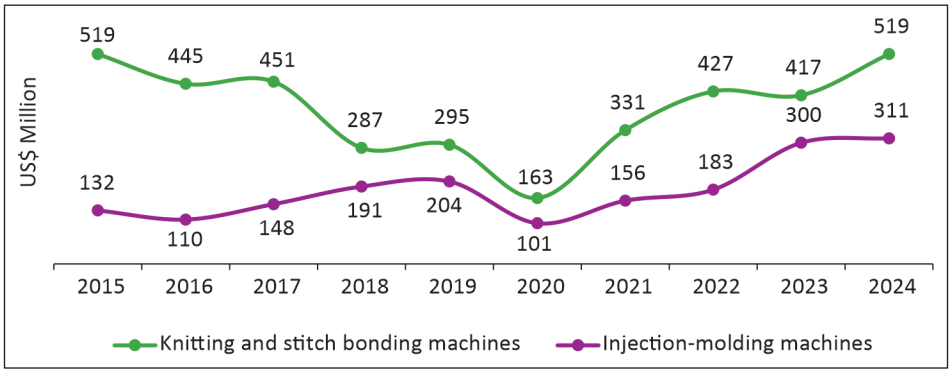
Source: Industry Inputs; India Exim Bank Research

The State Governments for the identified clusters as well as other potential clusters may introduce special packages, install plug and play infrastructure and roll out dedicated policies for strengthening the footwear manufacturing ecosystem in the states. For boosting manufacturing of raw materials and components particularly, capital subsidies may be provided for setting up the required plants along with other relaxations such as stamp duty exemption and power tariff subsidies. The State Governments may also encourage innovation in high-performance materials through subsidies for R&D activities.

A2. Facilitating Indigenous Production of Footwear Machinery

As is the case for raw materials, India's import dependence for footwear machinery is also considerably high. In 2024, India was the largest importer for knitting and stitch-bonding machines. With imports of knitting and stitch-bonding machines at US$ 519.2 million in 2024, India accounted for 22.3% of global imports. These machineries are majorly imported from China, besides Japan and Germany. Similarly, India is among the top importers of injection molding machines for working rubber or plastics, with imports at US$ 310.9 million in 2024.

Figure 4.7: India's Imports of Select Footwear Machinery



Source: ITC Trade Map; India Exim Bank Research

Given that India has high dependence on overseas markets for advanced footwear machinery, the various emerging footwear clusters may give dedicated focus on building a robust ecosystem for footwear manufacturing. Incentives may accordingly be provided for machinery including, inter alia, automated cutting machinery, injection molding machines, 3D knitting machines, and lasting machines.

A Focus Product Scheme was announced for footwear and leather sectors in the Union Budget 2025-26 to support design capacity, component manufacturing, and machinery required for production of non-leather quality footwear. The rapid implementation of the scheme would provide an impetus to the manufacturing ecosystem. Besides, at the State level, governments

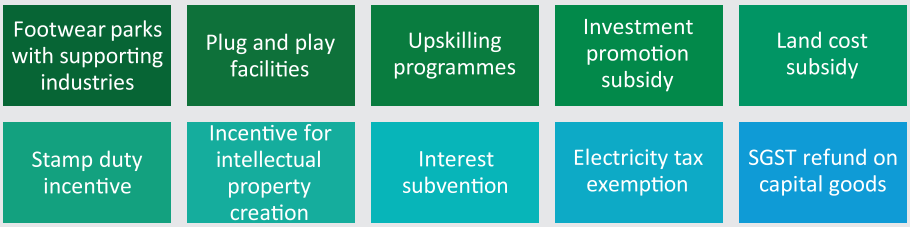
may roll out incentives including capital subsidies and tax benefits for units engaged in footwear machinery manufacturing. Collaborations may also be encouraged with the likes of the Footwear Design and Development Institute (FDDI), the Central Footwear Training Institute, amongst others, and the various clusters to foster a culture of technological advancement.

Box 2: Tamil Nadu: A Leading State for Non-leather Footwear Manufacturing in India

Tamil Nadu is at the forefront in leveraging the growing opportunities in the non-leather footwear industry. In its Footwear & Leather Products Policy 2022, realising the rising global preferences for non-leather footwear, the State aims at building a vibrant ecosystem for non-leather footwear and components and boosting its exports.

The eligibility criteria for applying for incentives for non-leather footwear manufacturing is a minimum investment of ₹ 50 crore and minimum employment of 2000 people. Besides, non-leather and leather footwear manufacturing, the Policy also incentivises setting up of component clusters and allied footwear industries.

Support for Non-leather Footwear Manufacturing under the Tamil Nadu Footwear & Leather Products Policy 2022



Tamil Nadu has emerged as a significant hub for non-leather footwear manufacturing, attracting major global brands like Nike, Crocs, Puma, and Adidas. Almost all major contract manufacturers of non-leather footwear such as Pou Chan Group, Hong Fu Industrial Group and Dean Shoes Company are in various stages of setting up their manufacturing facilities in Tamil Nadu.

Recently, JR One Kothari Footwear, a joint venture between Kothari Industrial Corporation Limited (KICL) and Shoe Town Group, a Taiwan-based contract manufacturer has set up factory in Preambular district with a planned investment of ₹1700 crore. When all the investment is deployed, the factory would employ 15,000 workers and produce 40 million pairs of Crocs every year. KICL has also inked a memorandum of understanding (MoU) with the Tamil Nadu government to invest ₹5,000 crore to make Adidas shoes in the Raipur district in the State.

The State Government has provided all-encompassing support to the sector. Notably, the State has focused on developing industrial estates in rural areas to ensure access to a ready workforce, particularly women. It has identified land in districts like Madurai and Sivasankari for future footwear investments, ensuring land availability for potential manufacturers.

The State's investment promotion agency has undertaken concerted investment promotion activities including making multiple visits to Taiwan to meet with the members of the Taiwan Footwear Manufacturers Association, stationing an official full-time in Taipei to coordinate investments, establishing contacts with major contract manufacturers of Nike like Pou Chen, Hong Fu, Tae Kwang and Changshin etc. to position Tamil Nadu as an attractive destination for manufacturing.

Having drawn in contract manufacturers, the Tamil Nadu government is now looking to build a complete footwear ecosystem by allocating land for component makers to reduce the import dependence for raw materials.

Source: Tamil Nadu Footwear & Leather Products Policy 2022; Mint; India Exim Bank Research

B. Expanding Global Reach

At present, India's non-leather footwear industry largely caters to domestic demand, presenting significant untapped potential for global expansion. The sector presents a unique opportunity to drive foreign investments and enable export diversification.

Several developing nations such as China, Vietnam, and Indonesia have leveraged the non-leather footwear segment to strengthen their

manufacturing base and expand exports. The ongoing reorientation of global supply chains, presents a significant strategic window of opportunity for India.

The Study has identified a few high demand markets for India to tap in the non-leather footwear sector and has outlined measures that may be adopted for effective marketing of the products overseas.

B1. Focusing on High Growth Markets

For accelerating India's non-leather footwear exports, it is important to focus on countries where the import demand is increasing at a fast pace. The Study has identified countries which have registered a high import CAGR for non-leather footwear during 2015-2024 with imports in 2024 amounting to at least US$ 1 billion. These are:-

Table 4.1: Focus Countries for Boosting India's Exports of Non-leather Footwear

Country	Import CAGR-2015 to 2024	Imports in 2024 (US$ million)	Share of Select Import Partners in Country's Imports in 2024
Italy	5.9%	3714.7	China-19.4%, Belgium- 12.5%, Spain-10.9%, **India- 0.2%**
Spain	6.5%	3233.6	China-35.8%, Vietnam-25.4%, Indonesia- 6.6%, **India- 0.6%**
Netherlands	7.5%	3206.1	Vietnam- 25.1%, Germany-16.4%, China-15.1%, **India-0.1%**
China	13.2%	2948.7	Vietnam-59.5%, Indonesia-15.3%, Italy- 10.8%, **India-1.4%**
Belgium	4.9%	2800.6	Vietnam (38.9%), China (16.2%), Germany (13.3%), **India (1.1%)**
Poland	14.3%	2760.5	China (41.2%), Vietnam (19.6%), Indonesia (6.1%), **India (1.1%)**
Russia	8.2%	2121.2	China (67.9%), Vietnam (13.3%), Belarus (4.8%), **India (0.2%)**
South Korea	5.9%	2056.5	China (40.8%), Vietnam (36.5%), Indonesia (11.5%), **India (0.6%)**

Country	Import CAGR-2015 to 2024	Imports in 2024 (US$ million)	Share of Select Import Partners in Country's Imports in 2024
Austria	7.6%	1355.5	Germany (36.8%), Slovakia (9.9%), Czech Republic (8.1%), **India (0.1%)**
UAE	6.9%	1328.1	China (38.8%), Vietnam (28.5%), Italy (10.3%), **India (3.2%)**
Switzerland	8.4%	1159.2	China (35.8%), Vietnam (26.7%), Italy (10%), **India (1.2%)**
Türkiye	10.2%	1068.1	China (39.3%), Vietnam (32%), Indonesia (12.2%), **India (1.2%)**
Mexico	4.6%	1064.4	China (47.9%), Vietnam (29.3%), Indonesia (13.2%), **India (1.5%)**

Source: ITC Trade Map; India Exim Bank Research

As seen in Table 4.1, India's export presence in high import growth countries is currently limited. China, Vietnam, and Indonesia are the top import sources for these countries. Even with the countries that India has trade agreements in place such as the UAE and South Korea, India's export share is low. By focusing on these high demand markets, India stands to expand its export footprint in non-leather footwear. The favourable market access to a few of these countries also needs to be effectively capitalised.

Furthermore, many of these are EU nations. With negotiations going on between India and the EU for an FTA, greater market access to these countries would be unlocked in the future. To tap these, India may focus on understanding the requirements of these countries and start familiarising the exporters with their markets. A few steps that may be undertaken to secure market share in these countries include-

- Setting up Export Facilitation Desk in Council for Leather Exports (CLE) as well as other Footwear Industry Bodies for dedicated marketing initiatives for focus countries including preparing industry catalogues and other informational material in local languages like Italian, Spanish, Danish, Korean etc and organising regular buyer-seller meets

- Appointing a dedicated investment facilitator for each of these focus markets to coordinate business and help with the entire clearance process and operational issues
- Undertaking market research to understand the specific requirements of each focus country and accordingly formulating action plan to strengthen exports

B2. Providing Comprehensive Marketing Support

One of the most pressing concerns faced by companies in India, particularly MSMEs is effective marketing of their products globally. Based on the inputs received from industry stakeholders, it is ascertained that marketing plays a crucial role for existing and potential footwear exporters to strengthen their exports. Based on the inputs it is gauged that there is an urgent need to intensify marketing support to the industry.

It may be noted that the footwear manufacturers in India rely considerably on central schemes for marketing, such as the Market Access Initiative Scheme of the Ministry of Commerce and Industry. As per the Revised Estimates in Union Budget 2025-26, an amount of ₹ 200 crore was utilised for the Scheme in FY 2024-25. However, no budget has been alllotted for the Scheme for FY 2025-26 which has been a setback for the footwear industry.

The prevailing geoeconomic shifts pose an opportunity for Indian footwear manufacturers to deepen their global participation particularly in markets like the US. Providing comprehensive marketing support to the footwear industry is thus crucial at this point of time. To ensure the same, the following measures may be considered -

- Introduction of an alternative export promotion programme that provides enhanced marketing support, particularly for participation in global trade fairs and international marketing initiatives. Besides, special emphasis may be placed on strengthening marketing initiatives in countries with which India enjoys greater trade access through FTAs such as the UAE, the UK and Australia.

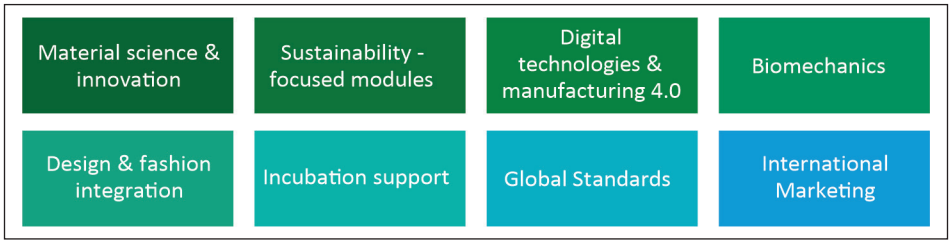
- Footwear companies of a smaller size may be handheld by Councils such as the CLE to establish a strong presence on global e-commerce platforms. Providing the companies with region- and product-specific insights would aid this expansion.
- Export Facilitation Centers may be set up in focus export markets like the US, Europe, and the Middle East with the help of Consulates to enable buyer identification and pubicity of Indian non-leather footwear products. These Centres may also undertake promotional activities such as organising India Week and highlighting Indian craftsmanship. Forging partnerships with local media outlets may also help in increasing visibility.
- The Indian footwear companies may be provided access to market research and data analysis tools to understand the buying patterns of overseas consumers and locate the target markets.

C. Furthering Capacity Building and Environmental and Technological Upgradation

C1. Strengthening Curriculum and Upskilling

Prestigious Indian academic and research Institutions like the Footwear Design and Development Institute (FDDI), Central Footwear Training Institute (CFTI), and Council Of Scientific and Industrial Research–Central Leather Research Institute (CSIR–CLRI), have over the years facilitated a robust footwear manufacturing system in the country by pioneering new technologies, developing human resources and focusing on quality enhancement. However, the focus of these institutes is largely on leather and leather goods. There is a need to expand the focus to non-leather footwear segments owing to the changing consumer preferences.

Figure 4.8: Select Curriculum Themes in Non-leather Footwear Programmes



Source: India Exim Bank Research

Accordingly, footwear design and training institutes in India may introduce new degree and diploma programmes with adequate focus on non-leather footwear technology. These programs may incorporate specialised modules on sustainable material science, pattern engineering for synthetic and mesh fabrics, digital footwear design and AI-based prototyping, ergonomic and biomechanical design, and Industry 4.0 applications in footwear manufacturing. The curriculum may also impart knowledge on international standards and global testing protocols.

Simultaneously, partnerships may be established with leading global institutes such as the Arsutoria School, Italy, Fashion Institute of Technology (FIT), New York, and University of the Arts London, UK to integrate international best practices through faculty exchange, joint curriculum design, and student immersion programmes.

To ensure skilling at the shopfloor level, modular short-term certification programs may be rolled out via National Skill Development Corporation (NSDC), Industrial Training Institute (ITIs), and state vocational centres, especially targeting small manufacturers and informal sector workers. It may be noted that upskilling for non-leather technologies should complement the existing curriculum and not be perceived as a replacement. Institutes may aim at multi-skilling the workers with both leather and non-leather technologies so that they are equipped to handle both leather and non-leather production lines.

Technical institutions may also be equipped with state-of-the-art laboratories for testing sustainable and synthetic materials, digital manufacturing, and biomechanics simulation. The Ministry of Commerce and Industry/ State Governments may provide funds for setting up infrastructure that supports the adoption of materials like breathable meshes, and biodegradable plant-based leathers. The Ministry/State Governments may also provide incentives to the institutes for obtaining patents and intellectual property rights to protect and commercialise new inventions and designs.

C2. Ensuring Adherence to Quality Standards and Certifications

Many manufacturers in the non-leather footwear industry, particularly the MSMEs often fail to align with international buyer expectations. As the requirements in major export markets like the EU and the US become increasingly stringent, it is crucial for the domestic industry to adopt and adhere to globally recognised standards and certifications.

Subsequently, the Export Promotion Councils/ State Governments may provide the necessary support to the prospective/ existing exporters to ensure compliance to international standards including the standards prescribed by International Organisation for Standardisation (ISO) and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations prescribed by the EU. The proposed support that may be extended includes-

- Conducting workshops, webinars, and training programmes for MSMEs to spread awareness about the standards and facilitate compliance
- Offering subsidies for certification processes through grants and low-interest loans
- Establishing testing centers for international standards and other certifications at the footwear clusters
- Fostering partnerships between Indian and international labs
- Encouraging exporters to get leading quality assurance certifications for greater market access like the OEKO-TEX STANDARD 100[17] certificate for footwear and the Global Organic Textile Standard (GOTS) for organic textile processing of footwear soles

For India's non-leather footwear industry to thrive globally, especially in sustainability-conscious markets, adherence to international standards is essential. The pathway to compliance involves strategic investment in awareness, financial support, and infrastructure development,

[17] The OEKO-TEX STANDARD 100 certification ensures that all components of the shoe, including textiles, synthetic materials, and accessories, are tested for harmful substances and meet strict human-ecological safety standards.

C3. Adopting Cutting Edge Technologies in Manufacturing

The footwear manufacturing sector, globally, is undergoing a technological transformation. While India is making strides in adopting advanced manufacturing technologies, especially in organised sectors, it still trails behind global leaders in terms of automation and digital manufacturing ecosystems. Low automation affects India's consistency and large-scale export readiness. Besides, since a large portion of India's footwear industry is driven by MSMEs, many of which rely on manual or semi-automated processes, there is a need to equip clusters with latest technologies.

Industry 4.0 adoption is taking place in leading footwear manufacturing countries like China and Vietnam at a fast pace with scaled robotic assembly lines and 3D printing becoming commonplace. Artificial intelligence is redefining product footwear manufacturing with an aim of enhancing efficiency and customisation.

India thus needs to considerably ramp up its adoption of technologies like 3D printing, AI driven quality assurance and Blockchain in footwear supply chains. 3D printing makes prototyping and manufacturing of shoe components much easier. 3D printing of footwear helps in minimising errors in the production process, improving the quality of designs, and opening creative possibilities and solutions for designing and minimising fabric wastes. Leading footwear companies such as Nike, Under Armour, and Reebok are adopting 3D printing methods to manufacture customised performance footwear. Adoptions of AI-driven quality control systems increases productivity and consistency. Additionally, digital tools like blockchain-based traceability systems provide transparency and build trust among global buyers.

Adoption and scaling of new technologies in the non-leather footwear industry needs to be a key priority area. Accordingly, under the Focus Product Scheme announced for footwear and leather sectors in the Union Budget 2025-26, adoption of new technologies may be identified as a key focus area and adequate funds may be allocated for it.

Furthermore, international collaborations may be initiated with countries leading in adoption of AI including the US and Germany to accelerate the localisation of advanced technologies. Regular exposure visits to these countries may also enable Indian manufacturers to learn best practices and adopt the latest technologies in footwear manufacturing.

D. Ensuring Green Growth

D1. Bolstering Sustainability

As the world grapples with the consequences of climate change, environmental degradation, and resource scarcity, the global footwear industry is undergoing a significant transformation. There is a growing shift towards sustainable materials and production processes, driven by environmentally conscious consumers, regulatory pressures, and corporate sustainability goals. Footwear brands across the globe are increasingly adopting plant-based leathers, recycled materials, and biodegradable components in their products. Materials like Piñatex (made from pineapple leaf fibres), Mylo (a mushroom-based leather), apple leather, and recycled PET bottles are becoming mainstream in sustainable design.

In regions like Europe and North America, sustainability is no longer a niche market—it is becoming a standard expectation. As this trend accelerates, the demand for cost-effective, innovative, and scalable sources of sustainable footwear manufacturing is rising globally. In this context, India stands at a strategic advantage and holds immense potential to become a global manufacturing and export hub for sustainable footwear. With its vast natural resources, strong manufacturing base, skilled labour force, and growing ecosystem of green startups, India can play a central role in the sustainable fashion supply chain.

Box 3: Introduction of Alternative Materials in Footwear by Leading Companies

Companies are increasingly manufacturing organic leather products as a replacement to animal-based leather to achieve their sustainability goals. These organic leather products are made from plant-based materials like pineapple leaf fibres, lazed cotton, waxed cotton, paper, and other ecofriendly products. These products are tanned organically using plant tannins, vegetable tannins, and smoke.

About ten years back, Marks & Spencer unveiled its first line of sustainable shoes, called "Footglove Earth". The fabric lining of the shoes is made from a yarn that uses ground coffee beans for production. The soles contain natural rubber and rice husks. The padding is made from recycled foam and internal components are made using post-consumer plastic bottles. The uppers, however, are made of leather, manufactured in Leather Working Group accredited tanneries.

From the outset, Stella McCartney has committed to using only plant-based materials in their products including footwear. In 2010, the brand went completely PVC-free, a significant step in reducing harmful plastics in fashion. One of the recent launches, the "S-Wave 1 and S-Wave 2 sneakers" are described as Stella McCartney's most sustainable trainers to date. The sneakers are made from a grape-based alternative to animal leather, sourced from agricultural waste from Italian wineries. The S-Wave symbol embellished on the sneakers, inspired by DNA strands, symbolises balance, circularity, and sustainability.

Gucci launched its vegan range of shoes in 2021. Manufactured in-house, the vegan leather, called "Demetra" is made from viscose along with wood pulp compounds and recycled steel. This innovative new material is made from about 77% plant-based raw materials. Gucci has created the new line as part of its ambitious plan to make the fashion industry more sustainable by introducing new eco-friendly bio-based materials.

The rising adoption of sustainable materials by leading footwear companies signals at a burgeoning market for alternative materials.

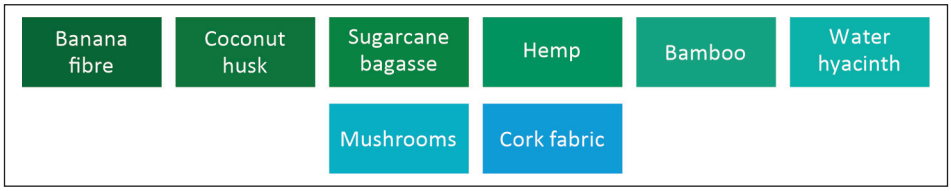
Source: India Exim Bank Research

India is rich in agricultural by-products such as banana fibres, coconut husk, hemp, jute, and sugarcane bagasse that can serve as raw materials for plant-based leathers and biodegradable shoe components. Additionally, India's cost competitiveness makes it an attractive destination for international brands seeking to balance sustainability with affordability. While sustainable manufacturing in Europe and North America often comes at a premium, India can offer eco-friendly alternatives at scale and at a lower cost. The country is also making strides in aligning policy and regulation with sustainability goals. There is growing policy momentum towards promoting biodegradable materials, circular economy practices, and low-carbon industries.

To realise this potential, India must invest in research and development for sustainable materials, encourage public-private partnerships to accelerate innovation, and build robust supply chain traceability systems. Global buyers and markets demand transparency, third-party certifications and compliance with environmental and labour standards. Indian manufacturers need to be supported to adopt these standards and integrate them into their operations. Workforce training, capacity building, and education on sustainable practices will also be key to transforming traditional footwear manufacturing units into globally competitive, green production centers.

To lead in sustainable footwear, India must strengthen its research ecosystem around alternative materials. This includes investing in biomaterial science to develop scalable and commercially viable alternatives to animal leather and plastic-based synthetics. Agricultural by-products such as banana fibres, coconut husk, sugarcane bagasse, hemp, bamboo, and water hyacinth hold enormous potential for creating innovative plant-based leathers and biodegradable components. Startups and universities working in these areas may be provided incubation support along with financial assistance.

Figure 4.9: Focusing on Alternative Materials



Source: India Exim Bank Research

India may also look at attracting global partnerships with companies, universities, and organisations that are leaders in sustainable fashion and material innovation besides addressing these issues in Joint Working Groups such as the India-EU Trade and Technology Council.

Summing Up

The non-leather footwear sector is acting as a catalyst for industrial development and export earnings. Tapping growing export opportunities in the non-leather footwear sector may reap tremendous benefits for India. Doing so requires a multi-pronged strategy that aligns with global demand trends, sustainability expectations, and technological advancements. Identifying clusters and ensuring state-of the art facilities there would ensure increasing returns to scale. Investing in upskilling and capacity building would help position India as a quality-driven export hub. With coordinated efforts between industry stakeholders and the government, India is poised to emerge as a leading exporting country of non-leather footwear.

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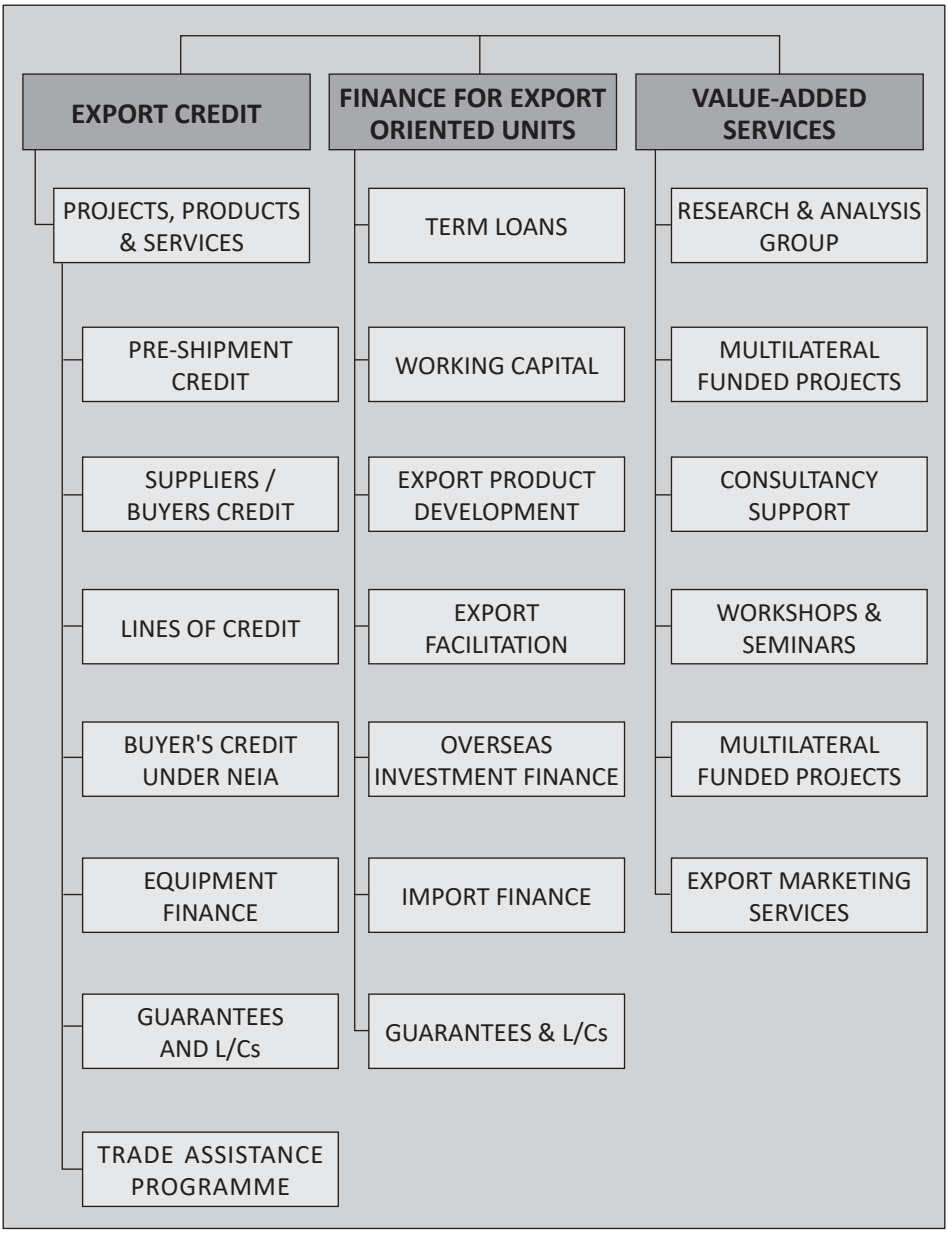

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