



NEWSLETTER

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A Weekly Newsletter

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FDDI signs agreement with Govt. of Ethiopia for technological upgradation of Ethiopian footwear industry

Support to Ethiopian Leather Industry by FDDI for enhancing the global competency at firm level

FDDI takes a leading role for the Technological Upgradation (Benchmarking) of Ethiopian Footwear Industries at Addis Ababa

Footwear Design & Development Institute (FDDI) has signed an agreement with Ministry of Trade & Industry (MoTI) & Ministry of Capacity Building (MoCB)-Ethiopia on 8th February 2010 for the technological upgradation and implementation of international benchmarking for the Footwear industries of Ethiopia.

"On the request of MoTI, Ethiopia, FDDI has proposed various interventions for seven Footwear industries of Addis Ababa for a period of 01 year, in the area of Production, Management, Design, Technology, Planning, Productivity, Quality etc, aimed towards enhancing the global competency at firm level."

-Mr. Rajeev Lakhara, IRS, Managing Director, FDDI.

The Leather sector of Ethiopia has a huge potential for export due to cheap labour and strong raw material base. Understanding the potential, the Govt. of Ethiopia has targeted to increase the export from this sector to US Dollar 500 millions within next five years which was US dollar 101 million in 2007-08.

But, the current limitation of technical and technological competence especially in the Footwear & Leather Product sector is being realized as the major challenge towards the development and growth of the sector.

The Ethiopian Leather industry faces constraints due to outmoded equipment and machinery; lack of market information; low quality standards; and limited supply of raw materials.

In order to overcome this, the Govt. of Ethiopia was seeking an agency/ consultant who can work in the industry to enhance the competitiveness at firm level through global benchmarking aimed towards higher export

earning and global recognition of the products manufactured.



Mr. Wondu Lggessg, Director General, LLPTI, Mr. Shahsi Bhushan Shukla, IRS, Secretary, FDDI, Mr. Tadesse Haille, State Minister of Trade & Industry, Ethiopia & Dr. Mebrahtu, Director, MoCB, after signing the agreement

In this regard, a high level of delegation from FDDI, had visited Addis Ababa, Ethiopia from 4th November 2009 to 7th November 2009 and had assessed the status of the Ethiopian Footwear & Leather Product Industries and the possibilities of increasing the manufacturing competitiveness at firm level.

The delegation during their visit to the factories observed some critical gap areas which were intimated to the Govt. of Ethiopia that were hampering the growth and performance of the sector.

Understanding the capabilities of FDDI, the Ethiopian Govt. selected to have FDDI as the partner in the growth & development programme of the Ethiopian Footwear & Leather Product Sector.

Exuberant with the development in this regard, Mr. Rajeev Lakhara, IRS, Managing Director, FDDI said "On the request of MoTI, Ethiopia, FDDI has proposed various interventions for seven Footwear industries of Addis Ababa such as Kangaroo Shoe Company PLC, Ras Dashen Shoe Factory, Anbessa Shoe SC, Peacock Shoes, Ramsay Shoe Factory, OK Jamaica Shoe Factory etc., for a period of 01 year, in the area of Production, Management, Design, Technology, Planning, Productivity, Quality etc, aimed towards enhancing the global competency at firm level."



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A high level of delegation from FDDI, consisting of Mr. B. S. Katiyar, Deputy Director and Ms. Satyam Srivastava, Consultant, under the Chairmanship of Secretary FDDI, Mr. Shashi Bhushan Shukla, IRS had visited Addis Ababa, Ethiopia for signing-up of the agreement.

"It is a moment of pride and pleasure for FDDI having the opportunity to take up such a prestigious international project and leading 07 factories at a time at Addis Ababa. FDDI having a prolonged experience/expertise in the area of international level of Training & Consultancy is totally geared up to take up the project and we are sure that on the completion of the implementation plan the Industries of Addis Ababa will be capable enough to meet the international requirements and a make a mark in global arena," added Mr. Lakhara.

Interventions to be carried out by FDDI in the area of: Production, Management, Design, Technology, Planning, Productivity, Quality etc.

The agreement was signed in the presence of a team of Directors and Members from MoCB, MoTI and ECBP (Engineering Capacity Building Programme) of Ethiopia led by State Minister of Trade & Industries, Mr. Tadessee Haille along with the Managing Directors of all the seven Industries identified to be taken up under the implementation plan.

"This being one of the most prestigious projects for the institute, FDDI would be committed to extend all kind of possible support to the Footwear Industry undertaken in the intervention plan to help them attain global competency and enhance their export performance."

-Mr. Shashi Bhushan Shukla, IRS, Secretary, FDDI.

"Having full faith on the expertise and capabilities of FDDI, we wish to achieve our ambitious target through planned technological development and benchmarking of the Footwear sector under the able leadership of FDDI. We wish FDDI to lead in all aspects in all the 07 Industries taken up under the intervention plan" said Mr. Haille, State Minister of Trade & Industry, Ethiopia.

Mr. Shashi Bhushan Shukla, IRS, Secretary FDDI while discussing with the Ministry of Ethiopia and the Footwear Industrialists present during the occasion said, "This being one of the most prestigious projects for the institute, FDDI would be committed to extend all kind of possible support to the Footwear Industry undertaken in the intervention plan

to help them attain global competency and enhance their export performance."

"I am sure that the joint efforts of FDDI and the Ministry of Ethiopia towards technological development and benchmarking implementation will give a cutting edge to the Ethiopian Leather Industry in international market," added Mr. Shukla.

Managing Director of Peacock Shoes, Mr. Allyas said "The Footwear industry of Addis Ababa is looking forward to work under the guidance of FDDI- such a prestigious institute dedicated for the development and growth of the Footwear sector."

He further added "The interventions of FDDI in the area of Design, technology, System formulation and implementation will prove to be a Renaissance for the Footwear sector of Ethiopia which is lagging behind today in many aspects and needs support in all areas of manufacturing and development."

FDDI will be commencing the implementation from 1st week of March 2010 and a team of 19 experts will be posted at Addis Ababa for the purpose.

Retail biggies hail PM statement on FDI

Major retail players on February 6, 2010 welcomed Prime Minister Mr. Manmohan Singh's statement favouring opening up of the sector, saying foreign investment will boost competition and provide more choice to consumers.

Prime Minister Mr. Manmohan Singh favouring opening up of the retail trade stated that the market requires greater competition for a check on prices.



"We need greater competition and therefore need to take a firm view on opening up the retail trade," Mr. Singh told Chief Ministers at a meeting convened to deal with the spiralling food prices.



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"We welcome the Prime Minister's statement. Foreign Direct Investment (FDI) will increase competition and we believe the Government should take some decision during this budget itself," Future Group chief executive Mr. Kishore Biyani said, when contacted.

Addressing the Chief Ministers at New Delhi on the issue of price rise, the Prime Minister said competition in the retail trade will help reduce inflation. "We need greater competition and, therefore, need to take a firm view on opening up the retail trade," he said.

Under the existing modern trade policy, up to 51 percent FDI is allowed in single brand retail, while no foreign participation is

allowed in multi-brand retail. However, in wholesale or cash-and-carry segment, 100 percent FDI is permissible.

Less than 5 percent of the country's retail industry, estimated to be over \$450 billion, is organized and several retail players have been demanding more FDI into the sector.

Besides the Future Group, other leading retail players like Vishal Retail and V-Mart also supported Mr. Singh's view.

"FDI will enhance organized retail which means proper price to farmers and reasonable price to consumers," Vishal Retail chairman and managing director Mr. Ramchandra Agarwal said.



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AN UNEASY REBOUND - INDUSTRY ON A ROLL, BUT...



Manufacturing is expected to show double-digit growth in Jan-Mar 2010, but stimulus measures need to continue, says a FICCI study of 410 manufacturing firms.

KEEPING THE TREND

12% Year-on-year manufacturing growth likely in fourth quarter. This is likely to be the highest quarterly growth of the sector since the fourth quarter of 2006-07, when the growth rate was 12.5 per cent.

11.5% Year-on-year manufacturing growth estimated for October-December 2009

STATE OF EXPECTATIONS

High growth sectors (above 10%)

- Automobile and parts, tyres, machinery, electronics, consumer durables

Moderate growth (above 4% & below 10%)

- Textiles, steel, cement

Low growth (below 4%)

- Leather & footwear, food products, chemicals & petrochemicals

THE FLIP SIDE

Manufacturers cautious on hiring as they await more sustainable recovery

Stimulus exit in 2010 could hit growth due to slow recovery in exports

BUDGET WISH-LIST

- Earliest implementation of Goods & Services Tax (GST)
- Retaining the current levels of CENVAT (Central value-added tax) and excise duties
- Increased depreciation for the automotive sector
- Extension of interest subvention of 2% beyond March 2010 for at least another nine months
- Simplification of taxation procedures

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Similar comment came from diversified large format chain V-Mart managing director Mr. Lalit Agarwal.

"Increase in FDI will bring in the much-needed money to a modern trade sector which went through a phase of gloom over the last two years. Besides funds, foreign participation will also facilitate domestic players secure technical knowhow from international retailers," Mr. Agarwal said.

According to apparel major Cantabil, any breakthrough in FDI regulations will help eliminate the "protectionist" mind-set among sections of the organized retail industry.

"When FDI will be opened further, only those will survive who will maintain their international quality and latest fashion," Cantabil Retail India managing director Mr. Vijay Bansal said.

Woodland ties up with German Co.

Homegrown footwear and apparel player Woodland Huberland on February 7, 2010 said it had tied up with a German design firm for converting its outlets into eco-friendly stores under a Rs. 100 Crore deal. The company also said it had started using German made dyes and chemicals for its products as part of the green campaign and will be setting up special treatment plants in all its 10 plants for recycling waste water.

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29.	The Skill of Stitch Down Sole Stitcher	550.00
30.	The Skill of the Edge Linking	450.00
31.	The Skill of Indent Marking	450.00
32.	The Skill of Edge Pre Trimming	450.00
33.	The Skill of Last & Upper Preparation	600.00
34.	The Skill of Insole Production	400.00
35.	The Skill of Evening & Roughing	500.00

To be continued

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