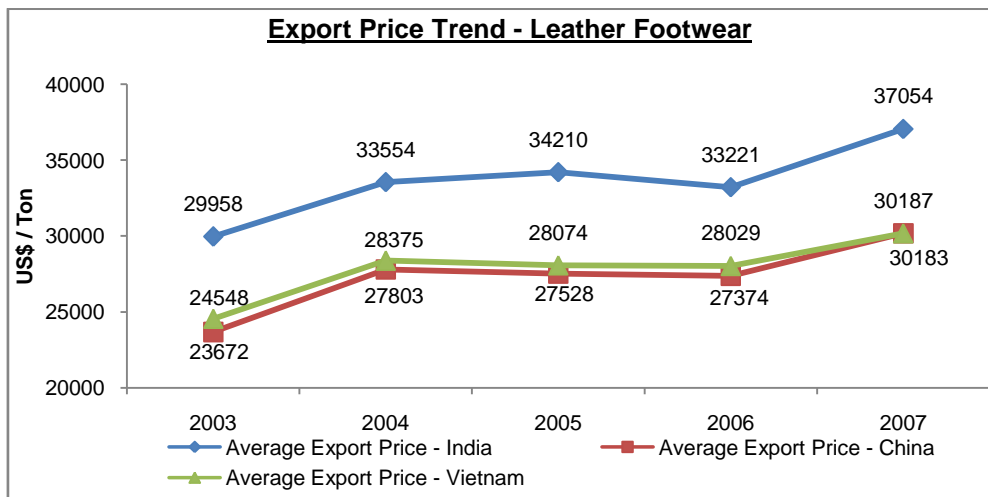


## Leather & Footwear: Export Price Comparison

Export pricing is the most important factor for promoting exports and facing international trade competition. It is important for the exporters to keep the prices low keeping in mind all export benefits and expenses. Increases in the EPI are typically due to strong foreign demand or higher internal costs within the exporter's country.

### Leather Footwear

The Indian leather footwear industry has been selling at consistently higher prices as compared to Chinese & Vietnamese industry. The cost determinants and productivity parameters have been discussed in the further sections to understand the areas in which the Indian industry lags behind or is uncompetitive.



Source: ITC, D&B Calculations (Export Price for the sector has been arrived at by averaging the export price of individual product segments)

### Leather Goods

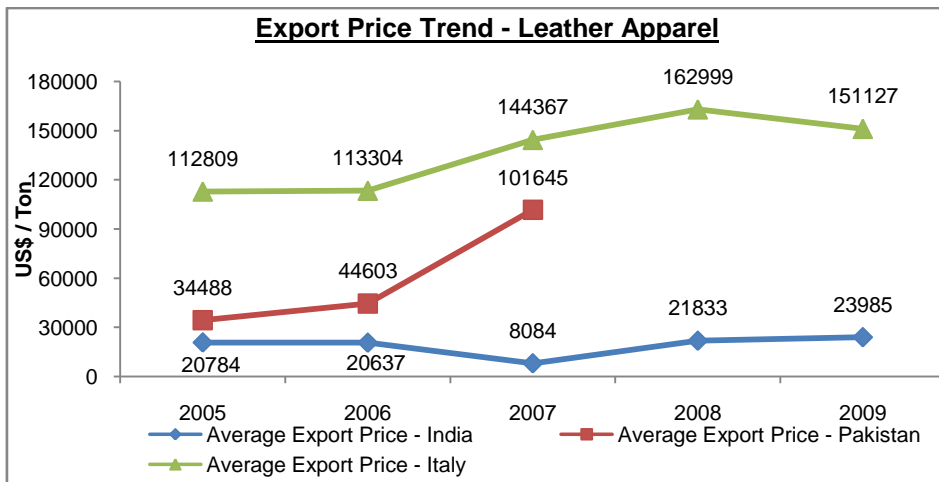
While the export prices of Indian leather goods industry has gone up by nearly 3.5 times for the period 2002 - 09, the Chinese industry has been able to reduce its prices by half. It would be interesting to dissect the Chinese leather goods industry to identify its various cost components and other productivity parameters.



Source: ITC, D&B Calculations (Export Price for the sector has been arrived at by averaging the export price of individual product segments)

### Leather Garments

The Indian leather garments manufacturers have been able to export their wares at relatively lower costs for the period 2005 - 09. The Italian industry in the meanwhile has focused on the higher end of the market, which is evident from its export prices which are almost 6 times that of the Indian market.



Source: ITC, D&B Calculations (Export Price for the sector has been arrived at by averaging the export price of individual product segments)