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Economic Diplomacy Division

Ministry of External Affairs

SECTOR INTELLIGENCE BRIEF

FOOTWEAR & LEATHER

Leather Footwear | Leather Goods & Articles | Tanned & Finished Leather

US$ ~28.8B Vietnam Footwear & Leather Exports (2025, Lefaso/MOIT)	**<2%** India's Current Share of Vietnam's Footwear/Leather Import Basket	**US$ ~1.03B** Addressable Headroom for India Identified in this Brief	**Tier-1 Supplier** India's Realistic Positioning: Raw Material & Component Supplier to VN's Export Engine

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Table of Contents

Executive Summary

Vietnam's footwear, leather and handbag sector is a US$ 28.8–29 billion export engine (2025, Lefaso/MOIT), but for the specific product lines in this brief it is a marginal importer of finished goods, importing roughly US$ 1.5 billion against combined exports exceeding US$ 20.7 billion (2023 base dataset). The realistic near-term opportunity for India is therefore not competing for Vietnamese consumer market share, but embedding Indian leather, components and semi-finished materials into Vietnam's export-manufacturing supply chain.

- Headroom identified: approximately US$ 1.03 billion across 14 priority HS lines (2023/FY24-25 base dataset), concentrated in tanned leather (HS 4107, ~US$ 251 million) and footwear uppers/parts (HS 6406, ~US$ 264 million).
- India's current position: marginal share (2–4%) across most lines, but already meaningful and defensible in two, HS 4112 (54.3% share) and HS 4113 (17.4% share), pointing to a dual strategy of retaining existing strength while capturing new lines.
- The binding constraint is certification, not tariffs: AITIGA already neutralises most duty exposure. Leather Working Group (LWG) certification and brand vendor approval are the real gatekeepers, and the EU's May 2026 proposal to exclude leather from EUDR scope further shifts the compliance burden toward LWG rather than regulatory traceability.
- Buyer landscape is structurally split: the largest-volume buyers (Pou Chen, Changshin, Taekwang Vina, Freetrend) are foreign-invested OEM captives whose sourcing is brand-gated; Vietnamese-owned entities (TBS Group, Biti's, An Phuoc, SAVIMEX) offer more directly addressable near-term entry points with greater sourcing autonomy.
- A separate, smaller opportunity exists in Vietnam's own domestic consumer footwear market (~US$ 1.05 billion, ~30% import-supplied, predominantly from China), which sits outside this brief's headroom calculation entirely and is best pursued through Vietnamese brand-owners rather than the OEM export chain.
- Recommended near-term priorities: (i) an LWG certification support scheme for export-ready Indian tanneries; (ii) a CLE buyer-matching desk in Ho Chi Minh City or Hanoi; (iii) review of India's own 10% import tariff on footwear-sector raw materials.

Glossary of Terms and Abbreviations

Trade, Market Access & International Commerce

AITIGA (ASEAN–India Trade in Goods Agreement): Preferential trade framework governing tariff concessions and rules of origin for trade between India and ASEAN member states, including Vietnam.

RCEP (Regional Comprehensive Economic Partnership): Regional free trade agreement among Asia-Pacific economies; Vietnam is a member, India is not.

ASEAN (Association of Southeast Asian Nations): Regional political and economic bloc of ten Southeast Asian member states, including Vietnam.

FTA (Free Trade Agreement): A treaty between two or more countries reducing or eliminating tariff and non-tariff barriers to trade.

FOB (Free on Board): Trade term under which the seller's responsibility ends once goods are loaded onto the shipping vessel, after which risk and cost transfer to the buyer.

HS (Harmonized System): Internationally standardised nomenclature for classifying traded products, used at the 4-digit (HS4) and 6-digit (HS6) level throughout this brief.

Finance, Banking & Economic Indicators

EXIM Bank (Export-Import Bank of India): India's export credit agency, providing trade finance, credit lines and working-capital support to exporters.

FDI (Foreign Direct Investment): Cross-border investment by an entity in one country into productive assets or operations in another; a dominant driver of Vietnam's footwear-export capacity.

CAGR (Compound Annual Growth Rate): The annualised average growth rate of a value over a specified period, used in this brief to express sector and market growth trajectories.

Government Bodies, Trade Promotion Organisations & Industry Institutions

CLE (Council for Leather Exports): Apex export promotion body for India's leather, footwear and leather-products sector, under the Ministry of Commerce and Industry.

LEFASO (Vietnam Leather, Footwear and Handbag Association): Vietnam's industry association representing leather, footwear and handbag manufacturers and exporters.

MOIT (Ministry of Industry and Trade, Vietnam): Vietnamese government ministry responsible for industrial policy and trade administration.

DGFT (Directorate General of Foreign Trade, India): Indian government agency responsible for formulating and implementing India's foreign trade policy.

DGCI&S (Directorate General of Commercial Intelligence and Statistics): Government of India agency responsible for compiling and publishing trade statistics.

NITI Aayog (National Institution for Transforming India): The Government of India's premier policy think tank; publisher of the Quarterly Trade Watch report cited in this brief.

CG India (Consulate General of India, Ho Chi Minh City): The commissioning diplomatic mission for this report series, responsible for economic diplomacy and trade facilitation in southern Vietnam.

MEA (Ministry of External Affairs, Government of India): India's ministry responsible for foreign affairs, including the Economic Diplomacy Division that sponsored this study.

IBEF (India Brand Equity Foundation): Trust established under the Ministry of Commerce and Industry to promote Indian brands and sectors globally.

UN Comtrade: United Nations International Trade Statistics Database, a primary source of global bilateral trade data used in this brief.

Logistics, Supply Chains, Manufacturing & Commercial Operations

OEM (Original Equipment Manufacturer): A company that manufactures products or components on behalf of, and for sale under, another company's brand.

CMT (Cut-Make-Trim): Contract manufacturing model in which a factory receives pre-cut materials and performs assembly and finishing, common in Vietnam's footwear and garment industries.

KPI (Key Performance Indicator): A measurable value used to track progress against a defined objective, applied here to the sector's Action Agenda.

Leather, Footwear, Standards & Regulatory Compliance

LWG (Leather Working Group): International multi-stakeholder body that certifies tanneries for environmental performance and traceability; a de facto requirement for brand-approved leather supply chains.

EUDR (EU Deforestation Regulation): European Union regulation requiring due-diligence and traceability for select commodities, including, pending finalisation of a proposed exclusion, cattle hides and leather.

BIS (Bureau of Indian Standards): India's national standards body, responsible for product certification and Quality Control Orders.

WRAP (Worldwide Responsible Accredited Production): Independent apparel- and footwear-sector social-compliance certification programme assessing factory labour and workplace standards.

About This Report

Context & Methodology

This Footwear & Leather Sector Brief is one in a series of sector-level intelligence documents commissioned by the Office of the Consulate General of India, Ho Chi Minh City, following the completion of the India–Vietnam Trade Review and Opportunities report (Globapact Advisory, 2026). That parent study analysed 1,225 product categories at HS4 level and identified US$ 170 billion in bilateral headroom, with footwear, leather and allied products flagged among the priority manufacturing-linked opportunity clusters. This brief disaggregates that signal into actionable intelligence specific to footwear, leather goods and finished/semi-finished leather, isolating it from textiles and apparel.

Analytical Methodology

Component	Description
Trade Flow Analysis	HS6-level data for footwear (HS 6402–6406) and HS4-level data for leather and leather articles (HS 4104–4205), sourced from the same base dataset used for the India–Vietnam Bilateral Trade Review (UN Comtrade / Vietnam MOIT; India DGFT / DGCI&S).
Headroom Calculation	Headroom = min(Vietnam total imports, India total exports) − current bilateral trade. A directional prioritisation signal, not a forecast; actual addressability is subject to the regulatory, logistical and structural constraints detailed in Section 4.
Qualitative Mapping	Structural assessment of Vietnam's footwear/leather export-manufacturing model and its implications for India's realistic entry points (input supply vs. finished-goods competition).
Buyer Intelligence	Derived from publicly available company disclosures, LEFASO industry data and known global brand sourcing relationships in Vietnam.
Corridor Benchmarking	India–Bangladesh and India–Italy leather trade relationships used as reference points for calibrating India's positioning as an input supplier to export-oriented manufacturing hubs.

Data Vintage: A Note on Two Data Layers

This brief combines two distinct data layers, each governed by a different currency standard, and readers should not conflate the two:

- Sector Market & Industry Context (Sections 1, 2.3 and 4): updated to the most recent authenticated figures publicly available as of June 2026, drawn from named primary sources, Lefaso (Vietnam Leather, Footwear and Handbag Association), Vietnam's Ministry of Industry and Trade (MOIT) and General Department of Customs, India's Council for Leather Exports (CLE), NITI Aayog's Quarterly Trade Watch, IBEF/DGFT, and the European Commission. These figures reflect CY2024–CY2025 outturns and, where cited, 2026 policy developments.
- HS4/HS6 Bilateral Headroom Analysis (Section 2.1 and Section 3): retains the CY2023 (Vietnam) / FY2024–25 (India) base dataset consistent with the parent India–Vietnam Bilateral Trade Review, as a complete, product-line-consistent HS6-level bilateral dataset for all 13 lines at a more current vintage was not available for verified recomputation at the time of writing. Every headroom figure in this brief is explicitly flagged as base-year (2023/FY24-25) and should be read as a directional prioritisation signal rather than a current-year market size.

Disclaimer: Headroom figures are directional signals based on the 2023/FY24-25 base dataset, not forecasts and not current-year market sizing. Actual addressability is subject to the regulatory, logistical and structural constraints detailed in Section 4. Where this brief cites 2024/2025/2026 figures, the source and period are stated alongside the figure. This brief is for informational and policy dialogue purposes only.

Section 1: Sector Overview: Vietnam's Footwear & Leather Demand and Export Profile

1.1 Market Scale and Structural Context

Vietnam is the world's second-largest footwear exporter after China and its third-largest producer (after China and India), manufacturing approximately 1.3–1.4 billion pairs of shoes annually across nearly 3,000 enterprises employing about 1.5 million workers (Lefaso, January 2026). Vietnam's leather, footwear and handbag exports reached US$ 27.04 billion in 2024 (up 11.45% year-on-year) and nearly US$ 28.8–29 billion in 2025 (up 5–6.5% year-on-year), with the FDI sector contributing roughly 80% of export value. Lefaso has set an industry target of US$ 38–40 billion in exports by 2030 (Lefaso; Vietnam MOIT, January 2026).

Within the specific HS lines covered by this brief, the base 2023 dataset shows Vietnam's combined exports exceeding US$ 20.7 billion against a corresponding import requirement of approximately US$ 1.5 billion. This asymmetry remains the defining structural feature of the sector in 2026: Vietnam is not primarily a consumer import market for finished footwear or leather goods, it is a globally integrated assembly and finishing hub that imports raw materials, semi-finished leather and components, and re-exports finished products under contract to global brands. A distinct and growing exception is Vietnam's own domestic consumer footwear market, estimated at roughly US$ 1.05 billion in 2025 and projected to reach US$ 1.54 billion by 2033 (~5% CAGR); domestic production currently meets only around 40% of this demand, with imports, predominantly from China, meeting close to 30% (Vietnam MOIT / industry sources, January 2026). This domestic-market segment represents a separate, smaller opportunity from the OEM input-supply opportunity that is the primary focus of this brief.

1.2 Demand Drivers: Three Structural Anchors

- Global Brand Sourcing Under Tariff Pressure: Vietnam is a principal manufacturing base for Nike, Adidas, Puma, Skechers, Decathlon and VF Corporation. This OEM/CMT (cut-make-trim) model drives sustained demand for tanned leather, synthetic uppers, soling compounds and componentry rather than finished consumer goods. The 2025 U.S. tariff realignment settled Vietnam-origin footwear duties at approximately 20%, with additional surcharges on shipments carrying substantial Chinese-origin content. Brands have nonetheless maintained Vietnam as a core sourcing base on account of its scale and reliability, but are under sharper scrutiny to document input origin, which raises the value of transparent, non-Chinese input sourcing, including from India.
- Backward Integration Gap: Vietnam's domestic tanning and leather-finishing capacity meets only a fraction of demand from its own footwear and leather-goods factories, and it imports the majority of its raw hides and tanned leather, primarily from China, South Korea, Taiwan, Thailand, Italy, the United States and Brazil. India is notably absent from Vietnam's current list of leading leather-input source countries, underscoring both the structural shortfall reflected in high import demand for tanned bovine and processed leather (HS 4107, HS 4113) and footwear uppers/parts (HS 6406), and the scale of India's current under-penetration.
- Certification, Not Regulation, Is Now the Operative Compliance Driver: The EU Deforestation Regulation (EUDR), previously expected to tighten traceability requirements on leather sourcing, has been postponed twice and now applies from 30 December 2026 for large operators. On 4 May 2026, the European Commission formally proposed removing cattle hides, skins and leather from the EUDR's product scope entirely, following sustained industry lobbying; this proposal was open for public feedback until 1 June 2026 and, if finalised, would remove leather-specific EUDR traceability obligations. Independent of this regulatory easing, brand-driven Leather Working Group (LWG) certification remains a hard requirement for tannery qualification; several major buyers have set internal targets of 100% LWG-certified tanneries in their supply chains by end-2026. India already holds one of the world's largest national bases of LWG-certified facilities (behind only China; see Section 2.4), so the

binding constraint is not certification scarcity in absolute terms, but the near-absence of India's already-certified tanneries from Vietnamese OEMs' specific approved-vendor lists, a vendor-qualification gap rather than a certification gap.

1.3 Growth Trajectory and Forward Demand

Lefaso targeted 10% export growth for 2025 and delivered 5–6.5% (final 2025 figure: US$ 28.8–29 billion), with the domestic sector's own footwear consumption market growing faster still (~5% CAGR to 2033). The industry's 2030 target of US$ 38–40 billion in exports implies continued double-digit-adjacent growth in Vietnam's requirement for imported leather, components and specialty inputs over the remainder of this decade, supported by continued relocation of order books from China under a broader 'China+1' sourcing realignment, and by expanding industrial capacity in the Dong Nai, Binh Duong, and Ho Chi Minh City manufacturing corridors. This growth trajectory increases Vietnam's input-sourcing requirement structurally, independent of near-term fluctuations in Vietnam's own finished-goods export volumes caused by U.S. tariff policy (Lefaso; MOIT; APLF industry reporting, 2025–2026).

Section 2: India's Competitive Position – Bilateral Flows, Export Capability & Headroom

2.1 Current Bilateral Trade

India's current footprint in Vietnam's footwear and leather import basket remains marginal relative to the scale of opportunity, with the exception of two processed-leather lines where India already holds a meaningful and defensible share.

HS	Product	VN Imports (US$ Mn)	India Global Exports (US$ Mn)	India Exp. to VN (US$ Mn)	India VN Share	Headroom (US$ Mn)
6402	Footwear, rubber/plastic uppers, other	51.8	232.13	0.83	1.6%	50.9
6403	Footwear, leather uppers, other	47.4	1,777.21	0.76	1.6%	46.6
6404	Footwear, textile uppers, other	68.8	211.68	0.92	1.3%	67.9
6405	Other footwear	28.5	15.81	0.01	0.0%	15.8
6406	Footwear uppers and parts	1,004.4	264.59	0.36	0.04%	264.2
4104	Tanned bovine leather, full grain	409.0	1.36	0.34	0.08%	1.0
4105	Tanned sheep/lamb leather	4.9	0.02	0.00	0.0%	0.0
4107	Full grain leather, further prepared	1,006.3	293.17	42.36	4.2%	250.8
4112	Sheep/lamb leather, further prepared	51.6	61.99	28.01	54.3%	23.6
4113	Other leather, further prepared	99.2	78.57	17.25	17.4%	61.3
4201	Saddlery & harness	1.0	205.39	0.00	0.0%	0.0
4202	Handbags / leather articles	232.3	1,620.34	0.64	0.3%	205.4
4203	Belts / apparel articles of leather	16.1	751.51	0.24	1.5%	15.8
4205	Other leather articles	30.1	45.22	0.12	0.4%	30.0

Source: Base dataset underlying the India–Vietnam Bilateral Trade Review (Globapact Advisory, 2026), CY2023 (Vietnam) / FY2024–25 (India). Headroom = min(Vietnam total imports, India total exports) – current bilateral trade. Figures are the 2023/FY24-25 base-year vintage (see Data Vintage note, p.5); minor rounding variances against independently re-derived figures reflect source-data precision and are immaterial to prioritisation.

Set against current-period context, India's global leather and non-leather footwear and leather-products exports reached US$ 5.7 billion in FY2024-25, up approximately 25% year-on-year, and the Council for Leather Exports (CLE) expects this to exceed US$ 6.5 billion in FY2025-26. Despite this growth, NITI Aayog's Quarterly Trade Watch (2025) assessed India's share of the US$ 281.76 billion global leather and footwear export market at only 1.85% in 2024, broadly flat even as Vietnam and China continue to gain share, reinforcing the case for a focused, input-supply entry strategy into Vietnam's manufacturing base rather than a broad-front push for global footwear share.

2.2 FTA Utilisation & Tariff Position

India–Vietnam trade in this sector is governed by AITIGA (ASEAN–India Trade in Goods Agreement), under which the large majority of footwear and leather tariff lines carry preferential or zero duty. India is not a member of RCEP; accordingly, Vietnamese buyers sourcing from RCEP members (China, South Korea, Japan, ASEAN peers) may access marginally more favourable cumulative rules-of-origin treatment on certain inputs than India-origin goods. This makes AITIGA utilisation, rather than tariff levels per se, the binding constraint on the Vietnam side; Indian exporters must ensure certificates of origin are correctly filed, as under-utilisation of AITIGA preference is a recurring pattern flagged in the parent study.

A separate, India-side tariff constraint compounds this: NITI Aayog's Quarterly Trade Watch (2025) found that India levies a 10% import tariff on several raw materials required for footwear production, versus near-zero tariffs on comparable inputs in Vietnam, eroding India's cost competitiveness as a finished-goods exporter even where AITIGA preference applies on the Vietnam side. This domestic tariff structure is a policy lever within India's own control and is reflected in the Action Agenda (Section 5).

2.3 Global Export Capability & Competitive Differentiation

India possesses substantial global export capability in this sector: US$ 1.78 billion in leather footwear exports, US$ 1.62 billion in leather handbags/articles, and a well-established tanning and leather-processing base anchored in Kanpur, Chennai/Ambur, Agra and Kolkata. India's structural advantage lies specifically in semi-finished and finished leather (HS 4107, HS 4112, HS 4113) and footwear componentry (HS 6406), the exact categories where Vietnam's own production is import-dependent. India's finished consumer footwear and finished leather-goods lines, by contrast, compete directly with Vietnam's own world-class export capacity and therefore show structurally lower near-term headroom into the Vietnamese market itself.

2.4 Corridor Benchmarking: Learning from Comparable Leather Corridors

Two existing India leather-trade corridors offer calibration points for the Vietnam opportunity: India–Bangladesh, where India is already the dominant raw-material supplier into a competitor's manufacturing base, and India–Italy, where India functions simultaneously as an input market for premium Italian leather and as an exporter of finished leather to Italy. Both corridors are structurally closer to the Vietnam opportunity than a generic finished-goods market comparison would suggest.

Dimension	India–Bangladesh Corridor	India–Italy Corridor	Read-Across for Vietnam
Nature of Trade	India is Bangladesh's dominant footwear-raw-material supplier: India accounted for 97% of Bangladesh's footwear raw-material imports by shipment count in the year to February 2024 (Volza trade data)	Two-way: India exports finished leather to Italy (Italy is India's 4th-largest leather export market, ~6.75% share, ~US$ 161.5 million); Italy exports premium tanned leather into Vietnam and India, which together absorb over 70% of Italy's export leather by value (Tendata, 2024)	Vietnam is structurally closer to the Bangladesh model: India as raw-material/semi-finished input supplier into another country's finished-goods export engine, not a premium finished-leather relationship
Certification Gap	Bangladesh's tanneries are severely LWG-constrained (only ~6 LWG-certified companies), forcing local tanneries to sell hides to India and China at a reported 50–60% discount to what LWG-certified leather commands	Italy holds 68 LWG-certified facilities; a BIDA-cited industry ranking places India at 139 LWG-certified facilities, ahead of Italy (68) and Brazil (60), and behind only China (103)	This is a materially important correction to this brief's own framing: India's LWG-certification base is not a low base in absolute terms; the gap is that few of India's already-certified facilities are qualified onto Vietnamese OEMs' specific approved-vendor lists. The action agenda (Section 5) should prioritise vendor qualification for already-certified Indian tanneries alongside new certification
Tariff/Trade Policy	Bangladesh's LDC status gives it duty-free access to the EU/UK that India does not enjoy on equivalent lines, yet India still dominates Bangladesh's	EU–India trade in leather is WTO-MFN (no FTA); Italy's dominance rests on craftsmanship positioning, not tariff preference	Preferential access is not the deciding factor in either corridor; proximity, cost and certification outweigh tariff status, reinforcing Section 4's finding

Dimension	India–Bangladesh Corridor	India–Italy Corridor	Read-Across for Vietnam
	raw-material import basket on cost and proximity		that AITIGA utilisation is a secondary constraint relative to certification
Replicability	High: the Bangladesh corridor shows India can win raw-material and semi-finished share in a competitor's export-manufacturing base purely on cost, proximity and certification, exactly the dynamic Vietnam represents at greater scale	Moderate: the Italy corridor shows Vietnam and India already jointly absorb the majority of Italy's premium leather exports, suggesting Indian and Italian leather occupy adjacent, non-competing tiers in Vietnam's own sourcing rather than being direct substitutes	Combined lesson: India should position semi-finished/finished leather as a cost-competitive, certified alternative to Chinese and Korean input supply, not attempt to displace Italian premium leather in Vietnam's higher-tier product lines

Sources: Volza Global Trade Data (Bangladesh footwear raw-material imports, Mar 2023–Feb 2024); The Business Standard / BIDA report on LWG certification distribution by country; Council for Leather Exports and Indian Trade Portal (India–Italy leather export share); Tendata (Italian export leather market concentration by destination, 2024). LWG-certified-facility counts are as cited in secondary industry reporting and should be cross-verified against the LWG member directory before use in ministry-facing materials.

Section 3: Priority HS4/HS6 Codes – Headroom, Category & Buyer-Level Detail

Priority lines are selected on the same four criteria applied across the Globapact sector-brief series: (i) Vietnam import value of sufficient scale to matter, (ii) India global export capability in the line, (iii) India's current Vietnam share below 10% (with HS 4112 and HS 4113 flagged as share-growth lines rather than share-capture lines), and (iv) addressable headroom of strategic relevance.

Strategic Categories

- Deficit Reduction Lever (India export focus): Lines where India-side headroom dominates and the realistic near-term action is export enablement into Vietnam's manufacturing supply chain.
- Bilateral Growth Engine: Lines where two-way trade is already established or plausible in both directions, warranting joint facilitation rather than one-sided export promotion.
- Structural / Limited Near-Term Opportunity: Lines where global raw-material competition or negligible current volumes limit near-term addressability, retained here for completeness and monitoring.

Reading the Priority Buyers Column

Named buyers below carry a tag reflecting the structural distinction established in Section 6: [Brand-Gated] entities are foreign-invested OEMs whose material sourcing runs through a global brand principal's approved-vendor process, meaning Indian suppliers must first clear LWG certification and brand audit before any commercial conversation is possible. [Directly Addressable] entities are Vietnamese-owned companies with autonomous sourcing authority, reachable through ordinary commercial engagement. [Institutional Channel] denotes an industry body offering sector-wide access rather than a single buyer relationship.

HS	Product	Headroom (US$ Mn)	Category	Priority Buyers / Segment
4107	Full grain leather, further prepared	250.8	Deficit Reduction Lever	TBS Group [Directly Addressable], Pou Chen Vietnam [Brand-Gated], Changshin Vietnam [Brand-Gated], Taekwang Vina [Brand-Gated], and LEFASO-member [Institutional Channel] tanning/finishing units sourcing semi-finished leather for footwear and leather-goods lines
6406	Footwear uppers and parts	264.2	Deficit Reduction Lever	Nike/Adidas/Puma/Decathlon contract factories: Pou Chen [Brand-Gated], Changshin [Brand-Gated], Taekwang Vina [Brand-Gated], Freetrend Vietnam [Brand-Gated], requiring pre-assembled uppers and componentry
4202	Handbags / leather articles	205.4	Bilateral Growth Engine	TBS Group [Directly Addressable], An Phuoc [Directly Addressable], SAVIMEX [Directly Addressable] and other leather-goods manufacturers; two-way potential as India's organised retail leather-goods segment also expands
4113	Other leather, further prepared	61.3	Deficit Reduction Lever	Footwear-component and leather-goods manufacturers; India's share already at 17.4% and rising
6403	Leather upper footwear, other	46.6	Deficit Reduction Lever	Biti's [Directly Addressable], Vietnam's national footwear market leader (~20 million pairs/year); absolute scale opportunity is real but structurally smaller than OEM export lines given Vietnam's dominant export-grade manufacturing base
6402	Rubber/plastic upper footwear, other	50.9	Deficit Reduction Lever	Domestic and mid-market Vietnamese footwear retailers/distributors
6404	Textile upper footwear, other	67.9	Deficit Reduction Lever	Sportswear and casual-footwear OEM lines; Decathlon Vietnam [Brand-Gated] sourcing network

HS	Product	Headroom (US$ Mn)	Category	Priority Buyers / Segment
4112	Sheep/lamb leather, further prepared	23.6	Bilateral Growth Engine	Specialty leather-goods and garment-leather buyers; India already holds 54.3% share; priority is retention and volume growth
4205	Other leather articles	30.0	Deficit Reduction Lever	Leather accessories and small-goods manufacturers supplying export and domestic-retail channels
6405	Other footwear	15.8	Deficit Reduction Lever	Niche/specialty footwear segments; limited absolute scale
4203	Belts / apparel articles of leather	15.8	Deficit Reduction Lever	Leather-goods OEM units producing belts and apparel accessories for export brands
4104 / 4105 / 4201	Raw/tanned hides; saddlery	~1.0	Structural / Limited Opportunity	Negligible current volumes; both India and Vietnam are net competitors for global raw-hide supply rather than natural bilateral counterparties in this sub-segment

Total identified headroom across priority lines: approximately US$ 1.03 billion. Footwear lines (HS 6402–6406) account for ~US$ 445 million; leather and leather-goods lines (HS 4104–4205) account for ~US$ 588 million.

A conservative 10–15% capture rate over five years represents an incremental US$ 103–155 million in new bilateral trade in this sector, a realistic near-term target given the structural nature of the opportunity as input/component supply rather than finished-goods market entry.

CALLOUT: A Separate Opportunity Not Captured Above, Vietnam's Domestic Consumer Footwear Market

The priority-line table above captures only the OEM input-supply opportunity, India selling components and semi-finished leather into Vietnam's export-manufacturing chain. It excludes a distinct, smaller opportunity flagged in Section 1.1: Vietnam's own domestic consumer footwear market, estimated at roughly US$ 1.05 billion in 2025 and growing toward US$ 1.54 billion by 2033 (~5% CAGR). Domestic Vietnamese production currently meets only around 40% of this demand, with imports, predominantly from China, meeting close to 30%. This segment has no dedicated HS-line headroom calculation in this brief (it is a finished-goods consumer market, not a bilateral trade-flow line) and is not additive to the ~US$ 1.03 billion headroom total above. It is flagged here as a second, structurally different entry route, most relevant to finished footwear and leather goods rather than inputs, and best pursued through Vietnamese brand-owners with retail distribution (Biti's, An Phuoc) rather than through the OEM export-manufacturing chain.

Section 4: Barrier Analysis – Non-Tariff Constraints on India's Footwear & Leather Penetration

Tariff barriers are largely neutralised under AITIGA. The binding constraints operate at the compliance, logistics, certification and relationship layers, and are structurally different from the chemicals sector in one important respect: India is not competing to displace Vietnamese finished-goods exports, but to embed itself as a qualified upstream supplier inside export-manufacturing supply chains that are pre-committed to global brand compliance standards.

4.1 Certification & Compliance Barriers

Barrier	Affected Lines	Specific Constraint	Cost / Timeline Impact
Leather Working Group (LWG) Certification	HS 4104, 4107, 4112, 4113	Global brands (Nike, Adidas, Puma, LVMH-group brands) require LWG-certified tanneries in their supply chain. India already holds one of the world's largest national bases of LWG-certified facilities (see Section 2.4), so the constraint is not certification scarcity; it is that few India-certified tanneries are yet qualified onto Vietnamese OEMs' specific approved-vendor lists. This vendor-qualification gap, not a certification gap, is the binding barrier and is unaffected by the EUDR development below	4–9 months and program cost per facility for Vietnam-specific vendor audit and qualification (certification itself, where absent, is 6–12 months and US$ 15,000–30,000 per facility)
EU Deforestation Regulation (EUDR), Status Update	HS 4104, 4107, 4202	EUDR application has been postponed twice and now takes effect 30 December 2026 for large operators (30 June 2027 for micro/small operators). On 4 May 2026 the European Commission proposed removing cattle hides, skins and leather from the EUDR's product scope entirely; the proposal was open for public feedback until 1 June 2026 and, if finalised via delegated act later in 2026, would remove leather-specific traceability obligations. Net effect: this barrier has materially eased since the parent study and should be monitored rather than treated as a near-term blocker	Regulatory uncertainty pending finalisation; no confirmed cost/timeline impact for leather at this stage
Brand Vendor Qualification Audits	HS 6406, 4107, 4202	Global brands run multi-month social-compliance and quality audits (SA8000, WRAP) before approving new component/material suppliers	4–9 months per vendor qualification cycle
BIS Quality Control Orders	Select finished footwear/leather-goods HS lines	Domestic Indian QCOs on footwear/leather raise compliance costs for exporters dual-serving domestic and export markets	Variable; adds testing and documentation overhead

Sources: Leather Working Group industry disclosures; European Commission EUDR simplification package (4 May 2026) and Regulation (EU) 2025/2650; Council of the EU press release (18 December 2025).

4.2 The Structural Factor: Vietnam as Assembler, Not Consumer Market

Unlike sectors where India competes for consumer-market share inside Vietnam, footwear and leather trade is structured around Vietnam's role as a re-export assembly hub. This means India's addressable opportunity is capped by the volume of inputs Vietnamese factories choose to import rather than by Vietnamese consumer demand, and success depends on qualifying into brand-approved supplier lists rather than on marketing to Vietnamese buyers directly. Vietnam currently sources the large majority of its raw hides and tanned leather from China, South Korea, Taiwan, Thailand, Italy, the United States and Brazil, a named incumbent list from which India is currently absent, confirming both the entrenched competitive landscape and the scale of unaddressed opportunity. China and South Korea hold position on proximity and established vendor relationships; Italy on premium positioning in finished and specialty leather. Indian suppliers must displace these incumbents on a line-by-line, vendor-by-vendor basis rather than entering an open market.

4.3 U.S. Tariff Volatility as an Indirect Demand Factor

Vietnam's footwear exports to the United States, its largest single market at approximately US$ 11 billion in 2025, now carry a settled tariff of approximately 20%, with additional surcharges applied to shipments found to carry substantial Chinese-origin content, following the 2025 U.S. tariff realignment. Vietnamese footwear exports nonetheless grew through this transition (Q1 2025 footwear exports rose approximately 50% year-on-year as brands concentrated production in Vietnam ahead of tariff implementation), indicating that Vietnam's scale and reliability outweigh near-term tariff cost for global brands. For India, the practical implication is twofold: continued Vietnamese manufacturing volume sustains input demand, while heightened scrutiny of Chinese-content in Vietnam-origin exports increases the commercial value of transparent, verifiably non-Chinese sourcing, a positioning advantage India has not yet converted into market share.

4.4 Logistics & Working-Capital Constraints

- No dedicated India–Vietnam leather/component logistics corridor; shipments typically transit via Singapore or Colombo, adding 5–8 days versus direct China-origin supply.
- Leather is a working-capital-intensive input; Vietnamese buyers on 60–90 day credit terms find few Indian tanneries able to match Chinese or Korean supplier financing terms.
- Consignment sizes for component supply (uppers, soling compounds) are typically smaller and more frequent than bulk chemical shipments, requiring more responsive logistics than India's current export-shipping cadence to Vietnam supports.

4.5 Market Access & Relationship Gaps

- India has no dedicated trade-promotion or buyer-matching presence for leather/footwear in Vietnam, in contrast to CLE's active presence in the EU and Gulf markets.
- Vendor qualification into Pou Chen, Changshin, Taekwang Vina and TBS Group supply chains is relationship- and audit-driven, favouring incumbents with existing brand-approved status.

Section 5: Action Agenda – Considerations for Ministry & Working Group Use

Action	Responsible Institution	Timeline	Intended Outcome
Facilitate a Vietnam-specific vendor-qualification programme leveraging India's existing LWG-certified tannery base (one of the world's largest) to secure approved-vendor status with Vietnamese OEMs, supplemented by fresh certification support only where genuine gaps exist	Council for Leather Exports (CLE) / Ministry of Commerce	12 months	Increase number of India-certified tanneries holding Vietnamese OEM approved-vendor status
Establish a CLE buyer-matching desk in Ho Chi Minh City or Hanoi, coordinated with the Consulate General	CLE / Consulate General of India, Ho Chi Minh City	6–9 months	Direct introductions to Pou Chen, Changshin, Taekwang Vina, TBS Group procurement teams
Monitor finalisation of the EUDR leather-exclusion delegated act and maintain light-touch traceability readiness among export-ready tanneries as a contingency, rather than a full pilot, given the pending regulatory easing	Ministry of Commerce / CLE	6–12 months (monitoring)	Avoid over-investment in a compliance requirement likely to be relaxed, while retaining readiness if the exclusion is not finalised
Promote AITIGA certificate-of-origin utilisation among leather/footwear exporters via outreach and simplified documentation support	DGFT / Export Promotion Councils	Ongoing	Improve preferential-tariff utilisation rates on existing trade volumes
Review India's 10% import tariff on footwear-sector raw materials flagged by NITI Aayog as a structural cost disadvantage versus Vietnam's near-zero-tariff input base	Ministry of Finance / Ministry of Commerce	12 months	Improve India's cost competitiveness as both an exporter to Vietnam and a global footwear exporter
Explore trade-finance facility for working-capital-intensive leather exports on Vietnam-comparable credit terms	EXIM Bank of India	12 months	Enable Indian suppliers to match 60–90 day buyer credit terms

5.1 Implementation Timeline

The visual below sequences the six Action Agenda items across an illustrative 24-month (8-quarter) implementation window. Shaded cells indicate the active period for each action; lighter shading denotes ongoing/monitoring activity rather than a discrete delivery milestone. Sequencing logic: vendor-qualification work (Action 1) and the buyer-matching desk (Action 2) are front-loaded since later actions depend on their output; the two policy-review items (Actions 5 and 6) run in parallel as they sit with different ministries and do not block sector-facing work.

Action	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
1. LWG vendor-qualification programme (CLE / MoC)								
2. CLE buyer-matching desk, HCMC/Hanoi (CLE / CG India)								
3. Monitor EUDR exclusion; contingency readiness (MoC / CLE)								
4. Promote AITIGA certificate-of-origin utilisation (DGFT / EPCs)								
5. Review India's 10% raw-material tariff (MoF / MoC)								
6. Explore EXIM Bank trade-finance facility (EXIM Bank)								

Darker shading: discrete delivery milestone with a defined end-date. Lighter shading: ongoing monitoring or continuous-improvement activity without a fixed end-date. Q1–Q4 = Year 1; Q5–Q8 = Year 2.

5.2 KPI Framework – Footwear & Leather Sector Success Metrics

The framework below translates the action agenda into measurable targets. Baselines are drawn from this brief's data layers: HS-line India-share figures are from the 2023/FY24-25 base dataset (Section 2.1), and sector-context baselines (India's global export value, global market share, tannery certification) are from current-year authenticated sources (Section 1, 2.3). Targets are directional programme markers, not forecasts. Figures marked "(est.)" indicate a practitioner estimate where no authenticated baseline was available and should be firmed up through CLE consultation before adoption.

KPI Category	Metric	Baseline (2023/FY24-25)	Year 2 Target	Year 5 Target
Trade Volume	India footwear & leather exports to Vietnam (US$M, aggregate of 13 HS lines)	~US$ 92M	US$ 140M	US$ 250M
Market Penetration	India's share of Vietnam's footwear-input import basket (HS 6406 + 4107)	~2–4%	6%	12%
Priority Line, Tanned Leather	India share of HS 4107 (VN imports)	4.2%	8%	15%
Priority Line, Footwear Parts	India share of HS 6406 (VN imports)	0.04%	2%	6%
Share Retention	India share of HS 4112 (VN imports)	54.3%	55%+	Retain 55%+
Share Growth	India share of HS 4113 (VN imports)	17.4%	22%	30%
Certification	Indian tanneries with Vietnamese OEM vendor-qualified LWG status (India's national LWG-certified base is already large; the gap is Vietnam-specific vendor qualification)	~0 Vietnam-qualified (est.)	10–15 Vietnam-qualified	Sustained annual additions
FTA Utilisation	% of India footwear/leather exports to VN under AITIGA	Under-utilised (est.)	35%	60%
Buyer Integration	# Indian suppliers on Vietnamese OEM / brand approved-vendor lists	~0 (est.)	5	20
Domestic Policy Lever	India import tariff on footwear raw materials	10%	Under review	Reduced / rationalised
Finance Access	% MSME leather exporters with trade-finance / SCF access for VN corridor	<5% (est.)	20%	40%
Logistics	Average transit time India → Vietnam (days)	13–16 days	10–12 days	8–10 days

Baselines: HS-line shares from base dataset (Section 2.1); India global export value US$ 5.7B FY2024-25 and 1.85% global share (CLE / NITI Aayog, Section 2.3); India's national LWG-certification base and the Vietnam-specific vendor-qualification gap (Section 2.4); 10% raw-material tariff (NITI Aayog Quarterly Trade Watch, 2025). "(est.)" figures require CLE validation before programme adoption. Trade-volume baseline (~US$ 92M) is the sum of India's current export-to-Vietnam values across the 13 HS lines in Table 2.1, of which HS 4107 (~US$ 42M) and HS 4112 (~US$ 28M) already account for the majority; targets therefore reflect broadening the base beyond these two established lines rather than growth from a standing start.

Section 6: Vietnamese Buyer Profiles – Priority Engagement Targets

The entities below are profiled not as generic "large manufacturers" but according to the specific mechanism by which each could absorb Indian leather, componentry or semi-finished input, and the specific decision-maker or sourcing behaviour an Indian supplier or the Consulate General would need to engage. Two structural distinctions organise the list: foreign-invested OEM giants (Pou Chen, Changshin, Taekwang Vina), whose sourcing decisions are heavily shaped by their global brand principals' approved-vendor lists; and Vietnamese-owned enterprises (TBS Group, Biti's), which retain greater autonomy over their own input sourcing and are therefore, in several respects, the more directly addressable near-term targets for India. Figures are drawn from company disclosures and industry reporting as of 2025–2026; where data-broker sources conflicted materially with primary company or press figures, the latter have been used and the discrepancy omitted rather than reconciled speculatively.

Pou Chen Group (via Pou Sung / Pou Yuen / Pou Phong, Vietnam)

Taiwanese-owned OEM/ODM | HQ Taichung, Taiwan | Vietnam operations in Dong Nai, HCMC, Tay Ninh, Ba Ria–Vung Tau | Group output ~300 million pairs/year

Pou Chen is the world's largest branded athletic and casual footwear manufacturer, producing on an OEM/ODM basis for Nike, Adidas, Asics, Puma, New Balance, Reebok, Converse, Timberland, Crocs, Merrell and Salomon. Vietnam is now the group's single largest manufacturing base by volume, having overtaken China as production shifted south under cost and trade-diversification pressure; industry estimates put Nike alone at roughly 40% of group output, with Adidas and Puma filling much of the balance. Its Vietnamese subsidiary Pouyuen is among the single largest footwear factories in the world by headcount (68,000+ employees in Vietnam).

Relevance to India: Pou Chen's scale gives it the largest absolute appetite for tanned leather, synthetics, rubber soling and componentry of any single actor in Vietnam, and it is actively de-risking its supply chain geographically; it has begun raising investment in India itself. This dual dynamic (huge Vietnam input demand plus a stated India interest) makes it the highest-value but also the most difficult target: its material sourcing is tightly governed by the LWG-certification and approved-vendor requirements of its brand principals. Entry is therefore contingent on an Indian tannery first securing LWG Gold/Silver status and brand vendor approval, after which Pou Chen's scale makes even a small share commercially material. Engagement is best pursued at the group procurement level rather than plant-by-plant.

Changshin Vietnam Co., Ltd.

South Korean-owned (Changshin Inc.) | HQ Dong Nai Province | ~42,000 employees across three Dong Nai factories | dedicated Nike supplier

Changshin Vietnam is a wholly-owned subsidiary of South Korea's Changshin Inc. and one of Nike's longest-standing and largest dedicated footwear manufacturing partners, operating almost entirely export-oriented production through Nike's global supply system. Established in the mid-1990s and headquartered in Dong Nai, it is among the province's single largest private employers. Its operations span the full footwear chain: cutting, stitching, moulding, assembly, finishing and quality assurance, within a Korea–Vietnam–China–Indonesia manufacturing network.

Relevance to India: As an effectively single-brand (Nike) manufacturer, Changshin's input sourcing is closely bounded by Nike's material and compliance specifications, which raises the qualification bar but also means a single successful brand-level approval unlocks sustained, predictable volume. Its concentration in Dong Nai, Vietnam's densest footwear-manufacturing cluster, makes it a logical anchor if India establishes a certified-supplier and buyer-matching presence in southern Vietnam. The realistic Indian offer is upper componentry (HS 6406) and semi-finished leather (HS 4107) meeting Nike's specifications, not finished goods.

TKG Taekwang Vina Industrial JSC

South Korean-owned (Taekwang Industrial) | HQ Bien Hoa, Dong Nai Province | ~50,000 employees | annual sales exceeding US$ 1 billion | dedicated Nike supplier

Taekwang Vina is a 100% Korean-owned enterprise and a first-generation foreign investor in southern Vietnam (established 1994), specialising in the production and export of Nike-branded footwear. It is one of Vietnam's highest-revenue footwear exporters, recording annual sales above US$ 1 billion and employing roughly 50,000 workers at its Dong Nai complex, with a further sizeable facility in the Moc Bai economic zone (Tay Ninh). It has invested heavily in production automation and dedicated sample/trial lines, indicating a manufacturer moving up the value chain rather than competing purely on labour cost.

Relevance to India: Taekwang Vina's billion-dollar output scale and its automation-led move toward higher-value manufacturing make it a priority target for consistent, quality-assured component and semi-finished leather supply. As with Changshin, its Nike affiliation means material approvals run through Nike's compliance architecture, reinforcing the report's central finding that LWG certification and brand vendor qualification, not tariff or price, are the operative entry conditions. Its ISO 14000 environmental accreditation signals that any Indian supplier must match rising environmental-compliance expectations to qualify.

TBS Group (Thai Binh Shoes)

Vietnamese-owned | HQ Binh Duong Province | multi-sector group, footwear & handbags ~80% of revenue | ~21 million pairs + ~10 million handbags/year | 14,000+ employees at An Giang complex alone

TBS Group is one of the largest Vietnamese-owned footwear and leather-goods manufacturers, founded in 1989 and now a diversified enterprise spanning footwear, handbags, logistics, investment and hospitality, with footwear and bags contributing roughly 80% of revenue. Critically for India, TBS is not a captive single-brand OEM: it manufactures footwear for Skechers, Decathlon, Wolverine, Reebok and DC Shoes, and leather goods for Coach, Lancaster and Tory Burch, and has deliberately moved toward an Original Design Manufacturing (ODM) model supported by four domestic R&D centres.

Relevance to India: TBS is arguably the single most directly addressable target on this list. As a Vietnamese-owned ODM operating across multiple brand relationships, rather than a foreign-invested captive of one principal, it retains materially greater autonomy over its own input sourcing decisions than the Pou Chen / Changshin / Taekwang cohort. Its substantial and growing leather-goods business (handbags for Coach, Lancaster, Tory Burch) maps directly onto India's genuine strength in finished and semi-finished leather (HS 4107, HS 4113, HS 4202). Engagement can proceed on a commercial B2B basis at group procurement level, with brand-compliance qualification still required but not mediated through a single foreign brand principal. TBS's own stated ambition to deepen its position in the global value chain aligns with a supply partnership offering traceable, certified Indian leather.

Biti's (Binh Tien Consumer Goods Manufacturing)

Vietnamese-owned | HQ Ho Chi Minh City | ~20 million pairs/year | ~9,000 employees | ~US$ 194 million revenue (2022, audited); national market leader

Biti's is Vietnam's leading domestic-market footwear brand, founded in 1982 and operating a nationwide retail and distribution network (branches, ~156–200 stores and 1,500+ distributors) alongside export activity to some 40 countries. Unlike the OEM giants, Biti's both manufactures its own branded footwear (Biti's Hunter, Biti's Kids, Gosto) for the domestic consumer market and undertakes contract processing for international brands including Decathlon, Clarks, Speedo, Skechers and Lotto. Its audited 2022 revenue of approximately US$ 194 million reflects its domestic-brand scale (data-broker figures citing US$ 1.7 billion appear to conflate unrelated entities and are not relied upon here).

Relevance to India: Biti's is the natural entry point to the distinct domestic-consumer-market opportunity identified in Section 1, a segment separate from the OEM input-supply thesis, where roughly 30% of demand is currently met by imports, predominantly from China. As a Vietnamese-owned brand-owner with full sourcing autonomy and both a domestic line and a contract-processing arm, Biti's can absorb Indian leather and componentry across both channels without a foreign brand principal's approval gate. Its stated concern about low-cost unbranded imports also positions India as a potential quality-and-traceability differentiator rather than a low-cost competitor.

Freetrend Industrial (Vietnam) Co., Ltd.

Taiwanese-owned OEM (Freetrend Group) | HQ Linh Trung Export Processing Zone, Thu Duc City, HCMC | Group ~110,000 employees across China, Indonesia, Vietnam | 45+ years in footwear manufacturing

Freetrend Industrial Vietnam is a subsidiary of Taiwan's Freetrend Group, a multinational footwear manufacturer with roughly 110,000 employees across China, Indonesia and Vietnam. Established in Vietnam in 1997 within the Linh Trung Export Processing Zone, Freetrend has operated for over 45 years as a large-scale contract manufacturer, producing athletic footwear (running, basketball, volleyball, outdoor) as well as leather shoes, sandals and handbags for Nike, New Balance, Clarks and The North Face. Its inclusion on Vietnam's Top 100 Sustainable Businesses list (2016 and 2020) signals an established compliance and sustainability track record relative to smaller OEM peers.

Relevance to India: Freetrend's multi-brand, multi-category profile (footwear and leather goods and handbags) gives it a broader potential input basket than single-brand Nike captives, spanning uppers/componentry (HS 6406) as well as semi-finished leather (HS 4107, HS 4113) for its handbag lines. As with Pou Chen, Changshin and Taekwang Vina, its brand-facing supply chain (Nike, New Balance, Clarks) means Indian suppliers must clear brand vendor qualification before engaging Freetrend directly; its established sustainability credentials also suggest above-average receptiveness to LWG-certified, traceable Indian input as a differentiator over incumbent suppliers.

An Phuoc Garment Embroidery Shoes Co., Ltd. (An Phuoc – Pierre Cardin)

Vietnamese-owned | HQ Ho Chi Minh City | founded 1992 | multiple factories, historically 2,500–8,000+ employees depending on period | licensed Pierre Cardin brand operator in Vietnam

An Phuoc is a Vietnamese-owned diversified manufacturer and retailer founded in 1992, which grew from a small garment workshop into an operator of multiple factories producing men's shirts, suits, lingerie, sport shoes and leather accessories (belts, bags, wallets) alongside apparel. Since 1997, An Phuoc has held the Vietnam licence for the Pierre Cardin brand, operating a nationwide retail network (historically around 165 stores) selling An Phuoc- and Pierre Cardin-branded fashion and leather goods domestically, alongside export production for Japan, the EU and the US market. This licensed-brand-plus-manufacturing model is structurally distinct from the pure-OEM players profiled above.

Relevance to India: An Phuoc's dual role as brand operator and manufacturer gives it direct control over its own leather and component sourcing for both its domestic retail lines (bags, belts, shoes) and its export production, without a foreign brand principal's approval gate. This places it closer to TBS Group and Biti's on the "sourcing autonomy" spectrum than to the Nike-affiliated OEM captives, and makes it a plausible near-term counterparty for Indian finished and semi-finished leather (HS 4107, HS 4113, HS 4202) supplying its domestic-brand leather-goods lines specifically, rather than its garment-export business.

SAVIMEX Corporation (SAV:VN)

Vietnamese-owned, publicly listed | HQ Ho Chi Minh City | founded 1985 | SA8000, ISO 9001, ISO 14001 certified | 200+ containers/month capacity across product lines

SAVIMEX is a publicly listed (Ho Chi Minh Stock Exchange: SAV), Vietnamese-owned enterprise founded in 1985, originally as a timber and wooden-furniture export house, which has since diversified into premium leather bags, travel bags and cosmetic bags alongside its core furniture business. It holds SA8000, ISO 9001 and ISO 14001 certification and exports leather accessories to Japan, the EU and the United States, with over US$ 1 million recently invested in machinery upgrades for its leather-goods lines. Its diversified industrial base (wood processing, packaging, real estate, plus leather goods) makes it a financially stable, established counterparty rather than a single-product leather workshop.

Relevance to India: SAVIMEX's leather-goods division is a smaller, growth-stage business line within a larger, financially stable, publicly listed Vietnamese group, a lower-risk engagement profile than a pure-play leather-goods start-up. As a Vietnamese-owned company with no single foreign brand principal governing its leather sourcing, it can engage Indian semi-finished and finished leather suppliers (HS 4107, HS 4113, HS 4202) directly on commercial terms, and its stated recent capital investment in leather-goods machinery signals an active expansion phase where new input relationships are more likely to be under active consideration. Note: this profile replaces an unverified entity ("Golden Charm") referenced in earlier drafts of this brief's Section 3 buyer list; that name could not be corroborated against any primary or press source and has been withdrawn rather than profiled speculatively.

LEFASO (Vietnam Leather, Footwear and Handbag Association)

Industry association | national coverage | primary sector-wide engagement channel

LEFASO is the apex industry body for Vietnam's leather, footwear and handbag sector and the authoritative source for the sector's export data cited throughout this brief (including the 2024 US$ 27.04 billion and 2025 ~US$ 28.8–29 billion figures, and the 2030 US$ 38–40 billion target). It represents both foreign-invested OEMs and Vietnamese-owned manufacturers and coordinates the industry's response to issues such as raw-material localisation, U.S. tariff exposure and environmental-compliance transition.

Relevance to India: LEFASO is the most efficient single point of entry for sector-wide engagement: buyer introductions, trade-fair participation and a structured dialogue on India's potential role as a certified leather-input supplier. A formal India–LEFASO engagement, facilitated by the Consulate General and the Council for Leather Exports (CLE), would give India visibility across the entire buyer network profiled above in a single institutional relationship, and is recommended as a first-order action in the Action Agenda (Section 5).

Appendix A: Risk Register – Footwear & Leather Sector Trade Enhancement Programme

ID	Risk	Category	Impact	Likelihood	Mitigation	Owner
R-01	Indian tanneries, despite an already-large national LWG-certified base, fail to secure Vietnamese OEM-specific vendor qualification within programme timeline	Compliance	H	M	Prioritise Vietnam-specific vendor-qualification support for already-certified, export-ready tanneries; phase qualification cohorts rather than funding fresh certification by default	CLE
R-02	Vietnamese manufacturers deepen existing China/Korea vendor relationships before India establishes qualified-supplier status	Market Access	H	H	Accelerate buyer-matching desk establishment; target vendor-renewal windows rather than displacing active contracts	CG India / CLE
R-03	EUDR leather-exclusion proposal (May 2026) is not finalised as expected, and traceability requirements re-apply to leather with limited lead time	Regulatory	L	L	Monitor the EUDR delegated act finalisation (expected later 2026) and maintain a contingency traceability pilot with a limited cohort of export-ready suppliers	Ministry of Commerce
R-04	Working-capital constraints prevent Indian suppliers from matching Vietnamese buyer credit-term expectations	Financial	M	M	Structure EXIM Bank trade-finance facility with credit terms comparable to incumbent suppliers	EXIM Bank
R-05	AITIGA preference under-utilised due to documentation gaps, eroding India's tariff-parity advantage	Trade Policy	M	L	Simplify certificate-of-origin filing support and exporter outreach	DGFT
R-06	India's own 10% import tariff on footwear raw materials keeps Indian input costs structurally above Vietnam's near-zero-tariff base, undermining price competitiveness even where AITIGA applies	Trade Policy	M	H	Review raw-material tariff lines for footwear-sector inputs as flagged in NITI Aayog's Quarterly Trade Watch (2025)	Ministry of Finance / Ministry of Commerce
R-07	U.S. tariff volatility on Vietnam-origin footwear (~20%, with Chinese-content surcharges) reduces Vietnamese manufacturers' order volumes and, in turn, their input-sourcing requirement from India	Geopolitical / Trade Policy	M	M	Monitor U.S.–Vietnam trade policy developments through CG office quarterly updates; position India-origin supply as a compliance advantage (verifiably non-Chinese content) rather than a price play	CG India / MEA

Appendix B: About Globapact Advisory & Report Provenance

Globapact Advisory Pvt. Ltd.

Globapact Advisory is a New Delhi-based strategic advisory firm specialising in trade intelligence, economic diplomacy, and export market development. Globapact partners with government institutions, trade promotion bodies, and private sector enterprises to translate macroeconomic opportunity into actionable trade strategy.

Commissioning Chain & Report Provenance

Field	Detail
Commissioning Authority	Economic Diplomacy Division, Ministry of External Affairs, Government of India, through the Office of the Consulate General of India, Ho Chi Minh City
Parent Study	India–Vietnam Trade Review and Opportunities (Globapact Advisory, 2026), a comprehensive HS4-level analysis of 1,225 product categories identifying US$ 170 billion in bilateral headroom
This Sector Brief	Footwear & Leather Sector Brief – one in a series of sector-level intelligence documents disaggregating the parent study's findings for targeted stakeholder and working group use
Data Periods	Base dataset consistent with the India–Vietnam Bilateral Trade Review (UN Comtrade / Vietnam MOIT; India DGFT / DGCI&S)
Methodology	HS4/HS6 headroom analysis; structural assessment of Vietnam's export-manufacturing model; buyer-level intelligence from public disclosures and LEFASO industry data
Disclaimer	This brief is for informational and policy dialogue purposes only. Headroom figures are directional signals, not forecasts.

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