

## NEWSLETTER

### **India has untapped export potential in handloom products**

India has untapped export potential in handloom products such as woolen, silk and cotton fabrics, floor coverings, special woven fabrics, articles of apparel and clothing, other made up articles.

According to a report released by EXIM Bank in 2018, India is the fourth largest exporter of plain woven fabrics of cotton after China, France and Italy. India has potential to enhance its exports to Tunisia, Hong Kong, Malaysia, UAE and Indonesia, where significant demand exists for plain woven fabrics of cotton. In the case of wool and woolen fabrics, top five exporters are Italy, China, Japan, Thailand and Germany. Thus, India does not figure in the top five exporters and it has scope to expand global footprint in this segment. Major importers of wool and woolen fabrics are China, Vietnam, Dominican Republic, the Netherlands and Cambodia.

With regard to carpets and other textile floor coverings, USA, Saudi Arabia, Germany, Austria and UK are the major markets. India does not figure as a prominent supplier of these products to these markets. Apart from these markets, India can also enhance its share in Japanese market, which is currently dominated by Chinese suppliers, the EXIM Bank report points out.

India can also explore export opportunities for special woven fabrics, including terry towels, tufted textile, lace, tapestries, trimmings and embroidery in target markets such as Hungary, Cambodia, Japan, Argentina and Russia. Currently, India accounts for hardly 6.4% of global export for these products.

India can enhance export of shawls, scarves, mufflers, mantillas and veils to target markets such as France, USA, Italy, Hong Kong and Japan, where India does not have significant market share. Similarly, major import markets for handwoven gloves, mittens and mitts are Germany, France and Canada, where Indian suppliers can enhance presence.

In the case of printed bedlinen of cotton, India is a major exporter with a global export share of 11.2%. However, there is still untapped export potential in countries such as Germany, France, UK and Netherlands, the EXIM Bank report shows.

The report outlines some of the strategies to be adopted to stimulate India's export performance in the

above product segments. The report suggests improving availability of hank yarn and other raw materials to weavers by strengthening the existing schemes of the central and state governments. The government should create widespread awareness about the E Dhaga mobile app facility, which provides information about availability of raw material and enables weavers to place indents online.

Secondly, the report recommends sending Indian weavers to globally renowned institutions for training on product, innovation, quality and latest design trends. The report also proposes other initiatives such as opening showrooms, participating in global trade fairs, revamping the operation of Handloom Development Corporations, creating niche branding to project eco-friendliness of handloom etc. Further, the authors of the report suggest other measures such as: ensuring uninterrupted power supply to weaving units, exploring non-traditional markets such as South Korea, Tunisia, Malaysia, Indonesia, Egypt and Vietnam, strengthening packaging and labeling standards and encouraging collaboration between fashion designers and weavers.

In recent years, Government of India has taken various initiatives to improve the global competitiveness of the handloom industry. According to the latest Handloom Census (2019-20), the number of handloom households in India has increased to 3.1 million from 2.7 million in the previous Census. The government attributes the increase in number of households to the success of its recent policy efforts. It is important to sustain the favourable outcome of this policy push through rigorous outreach programme and industry-government interface.

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