
Emerging Opportunities and Challenges in Indian Carpet Industry

Suresh Kumar Pandey

Associate Professor

Indian Institute of Carpet Technology, Bhadohi (UP), India

***Abstract:** India is famous for handmade carpet producing country in the international market. Carpet industry is one of the most growing cottage industries in India. Major sharing of carpet manufacturing and export is from Bhadohi – Mirzapur which is also popular as carpet hub in the world wide. Bhadohi – Mirzapur is the carpet cluster in Uttar Pradesh. The sector is providing the job opportunity to lacs of people belonging to the weaker section and rural areas. Industry has also been playing vital role to stop these people from migrating to other places for earning their livings. The quantity of carpet export has also been increasing rapidly every year. The Carpet Industry is basically labour intensive and utilizes traditional techniques in production process which are generally not cost effective in nature which escalates the price of the product. There are tremendous opportunities in the industry to grown up with lot of challenges.*

Key words: cottage industries, opportunity, export, labour intensive, challenges.

Introduction

Carpet manufacturing in India was introduced first time during the reign of mughal emperor Akbar. Carpet manufactured during the period were Persian carpets and used by the mughals in their palaces as a decorative item. Carpet Artisans/weavers were brought from Persia to weave the carpets for the emperor's places located in his capitals at Agra & Fatehpur Sikri. Persian carpets are high density and fine knotted carpets.

Over the period of time the carpet manufacturing spread over other northern part of India such as Bhadohi, Mirzapur and Varanasi in Uttar Pradesh, Panipat in Haryana and Jaipur in Rajsthan. Today, carpet weaving has been spread over in Sitapur, Allahabad, Sonbhadra districts of Uttar Pradesh and few places in Jharkhand & Orissa.

The types of carpet manufactured in India are:

- Hand knotted (Persian, Tibetan, Loom)
- Tufted
- Durry
- Saggy
- Soumak

Indian hand knotted carpets are famous in the international market. USA, Germany, U.K., Australia, Canada, France, Italy, Belgium, Brazil, Netherland, Japan are the major importers of Indian handmade carpets. It is one of the growing and labour intensive cottage industry providing lacs of job opportunities to the unemployed people belonging to the weaker section and rural areas. Government of India has also recognised the carpet industry as handicrafts industry under the ministry of textiles. Carpet Export Promotion Council (CEPC) has been set up by the government to provide a platform to the manufactures/exporters for their business in India as well as abroad. The

council organises carpet fairs in India (Varanasi, Delhi, Jaipur, etc) and abroad (Germany, USA, China, etc) for Indian carpet manufactures to exhibit their products. Carpet buyers are invited to visit the event to have a choice of rich collection of carpets of various categories at one platform. Kashmiri Silk carpets are one of luxurious product and highly demanded in the international market.

Wool is one of the essential raw materials for the carpets. In India wools are produced in Kashmir and Rajsthan. But due to limited production of Indian wool, almost all manufactures need to import the wool from the country like Australia, New Zealand, etc. There is an exclusive organisation "Wool Research Association" in Mumbai for innovation, development and research on wool. Government of India has also set up an exclusive institute "Indian Institute of Carpet Technology" in the carpet hub Bhadohi in Uttar Pradesh to provide all possible technical support to the carpet industry. Other fibre used in hand knotted carpet is Silk which is mostly in Kashmir for carpets.

Today, more than 3 million artisans/craftsmen have been engaged in the industry in direct and indirect manner and continue to fascinate the consumers throughout the world. Carpet industry has been playing a significant role in generating employment and earning foreign money.

Indian Carpet Industry at a glance

The carpet industry provides livelihood to the millions of artisans belonging to the rural areas of above mentioned areas of the country. It contributes to the national economy in several ways and provides employment to the rural poor & economically weaker sections of the society at their doorsteps. A major portion of the weavers is belonging to the backward classes or other minority

communities and almost all are living below the poverty line. The carpet industry is a de-centralized industry and is a generational craft where skills are passed on from one generation to another. Capital investment in this industry is meagre. But the returns are immense in terms of foreign exchange.

The exports trends of the Indian Carpet Industry to the different countries in the world are shown in following table:

COUNTRY-WISE EXPORTS OF HANDMADE CARPETS/FLOOR COVERINGS									
S. No	Country	2009-10		2010-11		2011-12		2012-13	
		Rupees Crores	US \$ Millions	Rupees Crores	US \$ Millions	Rupees Crores	US \$ Millions	Rupees Crores	US \$ Millions
1	Argentina	5.77	1.21	7.04	1.54	7.88	1.64	7.24	1.33
2	Australia	103.08	21.64	125.58	27.44	140.47	29.29	179.42	33.00
3	Austria	19.01	3.99	23.45	5.12	26.05	5.43	26.39	4.85
4	Belgium	51.71	10.85	63.84	13.95	70.66	14.73	72.07	13.25
5	Brazil	45.21	9.49	53.82	11.76	56.65	11.81	64.51	11.86
6	Canada	69.56	14.60	84.75	18.52	94.06	19.61	118.81	21.85
7	Denmark	29.37	6.17	35.78	7.82	40.04	8.35	56.53	10.40
8	Finland	10.00	2.10	10.53	2.30	11.08	2.31	13.96	2.57
9	France	74.88	15.72	88.09	19.25	92.73	19.34	96.34	17.72
10	Germany	498.14	104.57	553.49	120.93	621.90	129.68	656.76	120.97
11	Italy	87.89	18.45	103.40	22.59	108.84	22.70	83.99	15.45
12	Japan	40.95	8.60	49.89	10.90	55.83	11.64	70.12	12.90
13	Netherlands	63.73	13.38	74.98	16.38	78.93	16.46	96.65	17.77
14	Norway	14.50	3.04	15.20	3.32	15.99	3.33	28.46	5.23
15	Sweden	51.50	10.81	59.89	13.08	66.54	13.88	60.03	11.04
16	Switzerland	14.50	3.04	15.80	3.45	16.63	3.47	19.44	3.58
17	Spain	55.60	11.67	58.75	12.84	61.84	12.90	44.99	8.27
18	U.S.A.	1,327.30	278.62	1,617.07	353.30	1,794.75	374.25	2,501.52	460.06
19	U.K.	202.68	42.55	238.45	52.10	266.84	55.64	548.29	100.84
20	others	747.50	156.91	862.67	188.48	955.37	199.22	1,131.78	207.96
21	TOTAL	3,512.88	737.41	4,142.47	905.07	4,583.08	955.68	5,877.30	1,080.90

SOURCE: MINISTRY OF COMMERCE DATA BANK & DGCIS DATA

Indian carpet industry has acquired export figure of Rs. 1,081 US \$ Millions (Rs.5, 877 Crores) in 2012-13 and has increased by 10.23% during the first half of the 2013-14 fiscal year (as per Carpet Export Promotion Council (CEPC) data). CEPC statistics says that India has exported US\$ 530 million worth of carpets during April to September 2014.

USA, UK, Germany, Australia, Italy, France, Canada, Netherlands are the major importing countries of our products.

CHALLENGES FACED BY THE INDUSTRY

Indian Carpet industry has been facing lot of problems in carpet manufacturing as well as in export. Some of key issues are as under:

Raw-materials

Wool is one of the essential raw materials used for carpets. The quantity of wool produced in India is very-very less in comparison to the requirement. Due to their limited resources, the owners of these industries cannot afford to purchase raw-material in bulk. That is why they get low quality materials at high rates.

Lack of Skilled Human Resource

Carpet industry has been suffering due to lack of artisans. They are unable to meet out the orders in time and it is often found that orders are getting cancelled by the buyers due to such delay in manufacturing. Many of manufacturing units have been closed due to non availability of artisans. Due to global completion in the trade, skilled artisan are needed who can meet out the requirements of the carpet manufacturing based on modern designs.

Finance

Easy and low rate financing facility is not available to the industry. The financing system of government institutions and banks is very much complex. The industry has to complete many formalities and there are so many complications which cannot be followed by these less educated entrepreneurs.

Lack of Technological Intervention

Cottage and small scale industries are mostly run by the small businessmen having no training of management and organization. How these industries, therefore, can stand before the large scale industries which are managed and organized by the specialists of that field?

OPPORTUNITIES FOR INDIAN CARPET INDUSTRY

Indian Carpet industry is one of the oldest and the rapidly growing industries providing lacs of job opportunities to the people at their doorstep. India has always had an ancient heritage of carpet weaving, a craft having assorted skills and expertise from lands as diverse as Persia, China and Afghanistan. Today Indian carpets are well recognised in the world market for its unique artistry. Major carpet industrial regions in India are:

Bhadohi – Mirzapur and Agra Carpet belt
: Uttar Pradesh

Jaipur-Bikaner Carpet belt
: Rajasthan

Panipat Carpet belt
: Haryana

Kashmir Carpet belt (for Silk Carpet)
: Jammu & Kashmir

Bhadohi-Mirzapur is also famous as carpet cluster in India. This carpet region captures the major share of carpet manufacturing and export from India. Huge demand of Indian handmade carpet has been receiving by the manufacturers/exporters constantly from all over the world. But due to lack of skilled artisan it is very difficult to complete the orders in time and quality.

There is also lot of opportunities available for the carpet industry in terms of improving the productivity and quality of raw materials at reasonable prices, necessary capabilities including R & D facilities for improvement of fibre quality and development of specialized fibres/yarns, as market always demands new product, pattern & design. Rising Inflation is a world-wide phenomenon. Owing to increase in price of oil and commodities, raw material costs have increased. Consequently the importers should increase the prices to compensate growing input cost of manufacturing. Further, there is almost no domestic market of carpets in India. Corporate world in India is at a threshold of a crucial transition when most of the global brands are entering in India to dominate the market. This may trigger the emergence of domestic market for the carpet industry. Major home furnishing industry is now moving towards carpet industry. This movement has offered a new market trends for new designs and large market segment. Youth market is now more open to the contemporary and modern carpet industry which has given a new opportunity to the carpet industry. Carpet industry may be one of major job providing sector in the country especially to the weaker section people belonging to the rural areas.

STEPS UNDERTAKEN BY GOVERNMENT FOR BUSINESS IMPROVEMENT

Government of India and various state governments have started schemes for the improvement of industry as well as to skill the people in various sectors including carpets. Some of popular schemes of Indian Government under Ministry of Textiles are listed below. These are

- Development and promotion of carpet industries through various scheme like :
 - Babasaheb Ambedkar Hastshilp Yojana
 - Marketing Support and Services Scheme
 - Human Resource Development Scheme
 - Design & Technological up-gradation Scheme
 - Research & Development Scheme
 - Infrastructure & Technology Development Scheme
- Training facilities in the field of Carpet weaving, Spinning Technology, Carpet Designing, Carpet Washing & Finishing, Carpet Dyeing, Computer & Management Applications in Carpets, etc. under Integrated Skill Development Scheme (ISDS) of Ministry of Textiles.
- Carpet weaving training programme under Mega Cluster Scheme.
- Establishment of Institutions like Indian Institute of Carpet Technology, Bhadohi (UP) and Srinagar (J&K) for Technological support.
- Assistance for importing raw materials, tools and machineries.
- Identification of new areas with growth potential and providing familiarization and Incubator facilities to promising entrepreneurs.
- Creating awareness about the various policies and programmes of the Government through seminars and dissemination meets.
- Conducting Entrepreneur Development Programmes particularly special schemes for women.
- Sanction and disbursement of various subsidies and incentives such as State Capital Subsidy, Generator Subsidy, Power Tariff Subsidy.

Conclusion & Suggestions:

Indian Carpet industry has been growing like other handicrafts industries in the country. The industry has also been providing the employment to the

illiterate, rural area people at the doors and stops them from migration. It is playing a vital role in bringing the foreign currency to our country. Indian handmade carpets are highly demanded floor covering throughout the world. The Country like USA is the major importing country of Indian carpets with 460 US\$ million. In addition other developed countries including Germany, U.K., Australia, Canada with reasonable amount. These are the indications for the growth of Indian carpets. Recent initiatives of Government of India and USA for introducing single window trading System for product trading between two countries will undoubtedly boost up the Indian carpet industry.

The challenges being faced by the industry may be converted into opportunities by producing the

skilled artisans, technological intervention to meet out the requirements of carpet manufacturing. Skilled artisans being trained by different institutions under the mentioned government schemes may be absorbed by the industry to fulfil the need. Modern machineries, tools and equipments may be engaged to up-grade the quality and quantity of the carpets. Raw materials bank needs to be set up in the carpets hubs like Bhadohi-Mirzapur, Panipat, Rajsthan to make available the qualitative raw materials in sufficient quantity at reasonable price. The initiatives will not only help the industry to recapture the major share in exports but also create huge job opportunities to the illiterate, weaker sections, rural citizens which is need of the day.

References

- Merlin Thanga Joy, R. Melba Kani, Emerging Opportunities and Challenges for Cottage Industries in India. International Journal of Scientific and Research Publications, Volume 3, Issue 3, March 2013 2 ISSN 2250-3153.
- Suresh Kumar Pandey, Enhancing Competitiveness of Carpet Industry using ICT platform: Implementation of Computer Software in Carpet Designing & Weaving. International Journal of Research (IJR) Vol-1, Issue-10 November 2014 ISSN 2348-6848.
- Suresh Kumar Pandey Human Resource Development for Handicraft Sector: A study of Skill Development Training Programme for Textiles/carpet sector artisans. International Journal of Research (IJR) Vol-1, Issue-11 December 2014 ISSN 2348-6848
- New Opportunities & Future Prospects for Indian Hand Made Carpet, Basuk, M. (n.d.) Recent R&D Initiatives and Developmental Schemes of wool and woollens.
- Srivastava, S. (2007). Handmade Carpets: The Potential for Socioeconomic Growth. The Innovation Journal: The Public Sector Innovation Journal.
- Interactions with exports/manufacturers: M/s Ganga Design Co.Ltd, M/s. Vindhyavasini Carpets, M/s. Pradeep Carpets, M/s. Rajput Carpet, M/s. Sundaram Carpets.
- Bhattacharyya, B. &Sahoo, L. (1996). The Indian Carpet Industry: Evolving Concerns, Prospects & Strategies. IIFT Global Business Press.
- <http://www.indiastat.com>
- www.indiancarpets.com
- <http://www.carpetandrugpedia.com/>