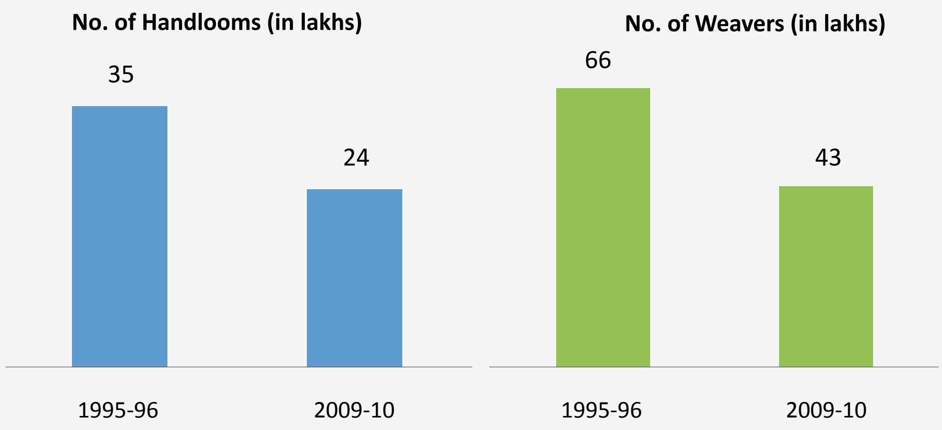
Reviving Heritage

The handloom sector, in spite of many sporadic and scattered efforts, continues to be on a decline. **Baqar Iftikhar Naqvi** and **Neha Singh** look at the trends and challenges.

India is the largest contributor of handloom fabrics in the world, with over 95 per cent of the world's handwoven fabric coming from India.

With over 43 lakh people directly and indirectly involved in production, the handloom industry is the second-largest employment provider for the rural population in India after agriculture. The handloom weavers are classified on the basis of organisation that they produce for into cooperative, master-weaver and independent weaver segments.

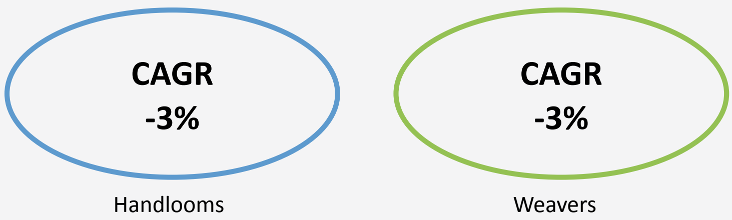
Chart 1: Industry at a Glance: Handlooms and Weavers



Source: Handloom Census 1995-96 and 2009-10, Wazir Analysis

The industry has strong infrastructure, with about 24 lakh looms of varied designs and construction, indicating significant production capacity. However, the industry is facing challenges with declining number of weavers and looms over the years, as the next generation of weavers do not want to do weaving but engage in other economic activities. As per the 2nd handloom census (1995–96) and 3rd handloom census (2010–11) the statistics are as follows:

Chart 2: Industry at a Glance: Handlooms and Weavers



The strength of the handlooms sector has been its regional focus and specialisation, their products being adapted to the local traditions, religious and cultural practices and community needs.

The handloom production in India over the years is shown in Table 1.

Table 1: Handloom Production Since 2012

Years	Total cloth production* (million sq. m)	Cloth production by handloom sector (million sq. m)	Share of handloom in total cloth production	Handloom growth rate
2012-13	61950	6950	11.2%	
2013-14	62625	7100	11.3%	2%
2014-15	64330	7200	11.2%	1%
2015-16	64585	7640	11.8%	6%
2016-17	63480	8010	12.6%	5%
2017-18 (up to Nov '17)	43520 (P)	5135 (P)	11.8%	-36%

** Total cloth production includes handloom, powerloom, and mill sector excluding hosiery, khadi, wool and silk*

Source: *Ministry of Textiles Annual Report 2018-19, Wazir Analysis*

With a decline in total production last year, the export for handloom products has also declined. The export statistics are shown in Table 2.

Table 2: Exports of Indian Handlooms

Years	Total handloom fabric export (in ₹cr)	Growth rate (over previous year)
2012-13	2812	
2013-14	2233	-21%
2014-15	2246	1%
2015-16	2353	5%
2016-17	2392	2%
2017-18	2250	-6%

Source: *Handloom Export Promotion Council Publications, Wazir Analysis*

The major reasons cited by the ministry of textiles for the decline in exports were economic slowdown in the European Union (EU) and low demand in the US, which are the two major importing markets for Indian handloom products.

The handloom scenario for different states of India is shown in Table 3.

Table 3: Handloom Status of Select States

States	No. of handloom weavers (2009-10)	No. of looms (2009-10)
Assam	16.4 lakh	11.1 lakh
West Bengal	7.8 lakh	3.1 lakh
Andhra Pradesh	3.6 lakh	1.25 lakh
Tamil Nadu	3.5 lakh	1.5 lakh
Manipur	2.2 lakh	1.9 lakh

Source: *Handloom Census 2009-10, Wazir Analysis*

Key Trends and Initiatives in Handloom Sector

The government of India as well as private players and designers are putting in efforts and taking initiatives to promote the handloom sector through various activities. Some of the key initiatives in past few years are as under.

- Launch of India Handloom Brand: In 2015, Prime Minister Narendra Modi declared August 7 as National Handloom Day and launched the India Handloom Brand (IHB). Its objective is to brand genuine high-quality handloom products with zero defects and provide protection from powerloom fabrics, which can easily duplicate the handloom products. Moreover, leading online platforms like Amazon, Flipkart, and Craftsvilla are also selling IHB-marked products.
- Government ties up with online marketplaces: In order to promote handloom sales and increase its availability, the ministry of textiles tied up with few of the leading online marketplaces in India. Some of these online portals include Amazon, Flipkart, Weave Smart, Craftsvilla, Gaatha Handicraft, etc. As of now, the textiles ministry has enlisted 21 e-commerce platforms for sale of handloom products. These portals had generated handloom sales of ₹9.5 crore for FY 2018 (till December 2017).

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- Designers promoting handlooms: Since the Indian government has taken the initiative to promote handloom, leading designers have also stepped forward in promoting the handlooms through their collections. Established designers like Gaurang Shah, Sanjay Garg, Abraham & Thakore, Anita Dongre, and many more have been using handlooms as a major part of their collection and some of them have also launched labels dedicated to Indian handlooms. They include Raw Mango by Sanjay Garg and Grassroots by Anita Dongre. Many renowned brands too have launched exclusive collections for handlooms or khadi products in the recent past. Brands like Biba launched its Ikkat collection, whereas Raymond partnered with the Khadi and Village Industries Commission (KVIC) to promote and sell khadi and launched Khadi by Raymond.

Key Challenges Faced by Sector

The handloom industry is going through a crisis for the past couple of years, and there are too many issues that are constraining development of this sector. Some of the key issues are as under:

- Unorganised structure of the industry: The handloom industry is unorganised despite being one of the largest industries in the country. Various stakeholders and trade partners in the handloom industry like brands, retailers, wholesalers and distributors feel that there is a lack of responsibility among weavers and cooperative societies when it comes to timely delivery of order in required quality; hence, the bigger brands and retailers refrain from working with weavers or the handloom sector for large orders.
- Decline in number of weavers: As per the statistics, the number of weavers in the country has been on decline for the last 10 years. Handloom weaving has been a family tradition/occupation in India, but the new generation does not want to continue with this business due to several reasons. The next generation is moving on to other sectors in search of better employment and living conditions. This is adversely impacting the handloom sector.
- Competition from powerloom industry: One of the major challenges that the handloom industry faces is huge competition from the powerloom sector. The products made on powerloom are much cheaper compared to those of handloom, and product pricing is still a major factor for a large

segment of Indian consumers in making purchase decisions. Moreover, the typical handloom designs can be easily imitated by powerlooms, and products are then sold in the markets as handloom products, at much cheaper prices, thus affecting the handloom industry.

- Raw material availability and price movement: Non-availability of quality yarn is a major challenge for handloom weavers. Some clusters require fine quality yarns for production of handlooms, the majority of which is exported. Further, fluctuating prices of natural fibres like cotton is also a problem for weavers as most of them cannot afford to pay the increased prices.
- No evolution in product offerings: One of the major reasons for the decline in handloom demand and sales is the lack of change in designs, colours, patterns, etc. With an evolving market where brands and retailers offer new designs/products every 15–20 days, the handloom sector has been operating on similar designs from a long time and consumers do not want to buy the same designs anymore. The products lack the "modern/contemporary" look and feel that consumers want.
- Low consumer awareness & lack of marketing: Despite efforts by the Indian government in creating awareness for handloom products among Indian consumers, most have a very limited idea about genuineness and quality of handloom products. Due to their lack of awareness, many retailers too sell fake handloom products in the market at lower price points, which in turn affects the handloom industry. The handloom industry lacks proper marketing infrastructure, and allocation of handloom products in the right market is largely due to the lack of market linkages. Hence, there is no market feedback to the weavers/societies, and there remains a mismatch in market demand and supply.

The Way Forward

In spite of its immense potential and hence growth prospects, many problems and challenges haunt the handloom sector in India. To retain market share and enter new market segments, the sector needs a well thought-through strategy, supported by trade partners and an effective policy framework.

The industry needs to respond to the market demand and developments to remain relevant in the market and attract consumers. Today, a consumer has multiple choices in the market, and to remain competitive and grab a consumer's wallet share, one has to remain relevant to market demands. The

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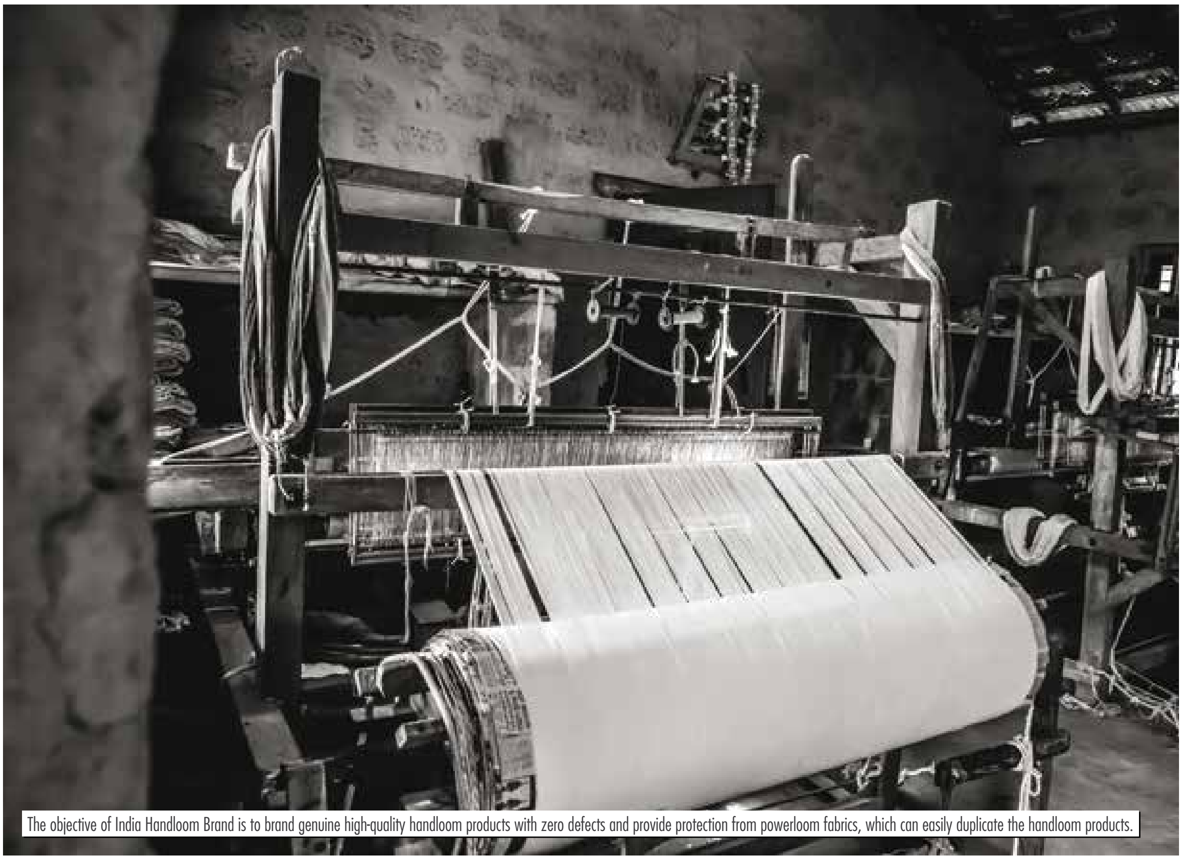

The objective of India Handloom Brand is to brand genuine high-quality handloom products with zero defects and provide protection from powerloom fabrics, which can easily duplicate the handloom products.

handloom sector needs to focus on product development and innovation in terms of modern designs, new product categories, contemporary colour palettes, variety of fabrics, etc.

One big problem is the high price tag compared to similar products (powerloom and mill-made) available in the market. But, these are handmade and require intensive labour work, and hence they become expensive by default. The actual issue is the price vs. product vs. channel mismatch, which does not provide expected perceived value to an end-consumer. To overcome this problem, handloom players need to match the products and channels to the prices offered in order to balance out the product vs. price vs. channel scenario so as to provide a higher perceived value to consumers.

The handloom sector lacks market linkages and appropriate promotions/ communication with the consumers as well as key stakeholders. Handloom needs to be promoted as just more than a “handmade” product which consumers purchase for betterment of weavers and their livelihoods. The Government of India, state governments and leading brands and retailers need to come forward to support the weavers and the handloom industry to promote the USPs of handloom products to end-consumers, and also by providing support in terms of design/product innovation, raw material supplies, technology advancement, marketing support, co-branded advertisements/promotions, etc.

One of the important aspects of handloom promotion is awareness among consumers. Consumers are aware about the literal meaning of handlooms, but lack knowledge about key attributes. Consumer awareness programmes and campaigns need to be conducted at pan-India and international levels to educate consumers about handlooms, and hence broaden the consumer base.

At the end of the day, the handloom sector needs to improve overall in terms of an organised and professional approach. To regain its lost position and glory, handloom industry stakeholders, weavers, cooperative societies, Central and state governments, private players as well as consumers need to re-align and work together in overcoming the current challenges.**FF**

About the Authors
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