

## **AN ECONOMIC ANALYSIS OF JAMMU AND KASHMIR HANDICRAFT EXPORTS AND ITS MARKETING**

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**ABSTRACT:** *Being labour intensive and ecofriendly, the handicrafts industry occupies an important place in our economy. The handicraft products of the state have won the worldwide acclaim for their exquisite designs, craftsmanship and functional utility. Handicraft sector has a tremendous potential for foreign exchange earnings and creating more employment opportunities in the state. It requires promotion of handicraft goods of national/international levels. Holding national, international trade fairs, buyer-seller meets, and interface with the overseas markets will help in this behalf.*

**KEYWORDS:** handicraft, exchange earnings, markets

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### **INTRODUCTION**

Jammu and Kashmir has a rich heritage of handloom and handicrafts. In fact, this sector occupies an important position in the economic structure of the state and has worldwide acclaim for high quality craftsmanship, attractive designs and functional utility. Handicraft goods of the state occupy an important position both in the national and international markets. Carpet industry is making a great contribution towards foreign exchange earnings. The Handicraft sector in J&K occupies an important place with a fine tradition of craftsman, employing 4-5 lakh artisans, 179 major craft clusters and revenue generation of 1000 crore plus. Highly labour intensive, the sector contributes significantly to employment generation but has underperformed due to lack of a Kashmir brand, poor quality control, obsolete designs, exploitative middlemen and competition from machine-made fabrics. Both the central and state governments have taken number of initiatives to address these growth bottlenecks like establishing a carpet cluster in Srinagar area, obtaining a Geographical indication for Sozni embroidery, Pashmina and Kani shawl and starting a skill development scheme for craftsmen. While expanding the scope of the current schemes some other actions to boost the growth in this sector are to have smaller carpet production centers, develop a cluster for embroidery and crafts, build a tangible “Kashmir” brand image and design and enforce traceability norms. Moreover encouraging craft tourism will enable artisans to find ready markets outside the State.

### **LITERATURE REVIEW**

*Dr. R Sarvamangala, (2012)* small-scale industries faced the sharp problem of marketing their products. The problems arises from such factors as small scale of production, lack of consistency of products, not enough market knowledge, rivalry from technically more efficient units, deficient

demand, etc. Apart from the inadequacy of marketing facilities, the cost of promoting and selling their products too is high.

*Jayant Issac, (2010)* author proposes handicraft marketing as important dimensions to boost this sector, different things exchange between different people. Marketing may refer to the weekly/monthly handicraft shopping trip to the market place-the most visible tip of the Handicraft marketing iceberg.

*Thaimani, (1987)* study evaluates on the lack of market awareness is the main obstacle for any village enterprises to put up their products in urban markets, in order to have higher returns there from.

*Kotler, P., (2003)* Marketing touches everyone's life. Marketing involves a large number of activities, including Marketing research, Product development, Distribution, Pricing, Advertising, and Personal selling, Sales promotion, Packaging and Branding. Marketing combines several activities designed to sense, serve and satisfy consumer needs while meeting the goals of the organization.

*Syed Khalid Hashmi, (2012)* India is one of the important suppliers of handicrafts to the world market. The Indian handicrafts industry is highly labour intensive cottage based industry and decentralized, being spread all over the country in rural and urban areas. EU member states and Asian countries, China and India in particular, are major suppliers of giftware and handicrafts to the German market.

*Darakhshan, (2011)* Kashmiri handicrafts, especially its shawls and hand woven carpets, are also very renowned and have economic potential in exports the industry has the ability to create such handicrafts and export them to other areas of the world in which such commodities are rare and valuable could raise many women and families out of the difficult situation of poverty.

*Effat Yasmin, (2013)* The sector makes conspicuous contribution in sustaining export trade of the state. The handicraft activities are especially carried out in Kashmir Valley which is called the home of handicraft goods and has earned a unique place in the world of handicraft scenario. The exports in the handicraft sector have increased to Rs.1200.47 crores during 2007-08 as against Rs.34.60 crores during 1990-91 and their growth rate is also at a satisfactory level.

*Sanyal, Banerjee and Majumder, (2013)* performed study on the Leather Industry in India by using the Constant Market Share (CMS) Analysis, found the change in export from (1991-2006) and conveys that the leather export has been seen decreasing due the change in demand in the world, change and market competitiveness.

### **Objectives**

- ❖ To understand the role of government in the marketing of handicraft products
- ❖ To estimate the flow of handicraft export from Jammu and Kashmir

### **METHODOLOGY**

The data for the present study has been collected from secondary sources. Government of Jammu and Kashmir digest of statistics, books, journals, newspapers, published and unpublished research work, different search engines, are also used.

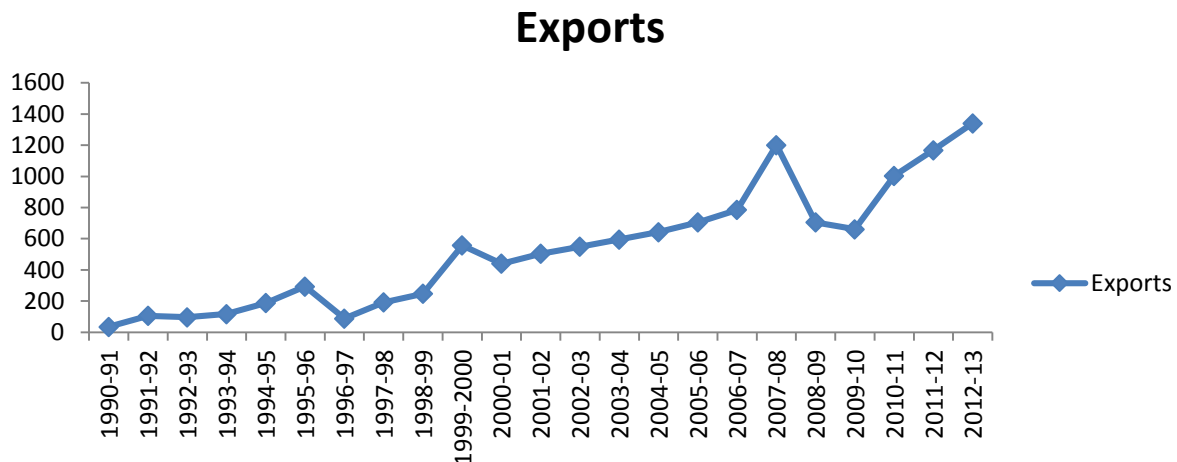
**RESULTS AND DISCUSSION**

Jammu and Kashmir Handicraft hold a rich history of craftsmanship and residents of the valley have beautifully nurtured their cultural legacy since time immemorial. Jammu and Kashmir Handicrafts have shared their entreaured heritage with rest of the world and is equally appreciated within the country. Handicraft fulfilled positive physical needs of daily requirements of people and serves to satisfy aesthetic hunger in man and is a vehicle of self-expression which revel a conscious aesthetic approach.

**Table 1.1: Jammu and Kashmir handicraft exports** (in crores)

Year	Exports
1990-91	34.60
1991-92	105.78
1992-93	96.55
1993-94	117.00
1994-95	187.54
1995-96	293.50
1996-97	88.14
1997-98	192.10
1998-99	247.00
1999-2000	556.99
2000-01	439.90
2001-02	504.25
2002-03	549.20
2003-04	595.00
2004-05	642.00
2005-06	705.00
2006-07	785.00
2007-08	1200.47
2008-09	705.50
2009-10	661.27
2010-11	1004.10
2011-12	1167.89
2012-13	1340.87

*Source: J&K Economy survey (2012-13)*

**Figure 1**

In the above figure-1 the line shows that in 2007-08 the Jammu and Kashmir handicraft exports touching the 1200.47 corers and suddenly shows the decline trend in 2008-10 the reason behind the declining exports are the global meltdown. And after 2010 the Jammu and Kashmir handicrafts shows again an increasing path.

### **Handicraft marketing**

The handicraft activities are especially carried out in Jammu and Kashmir which is known as the home of handicraft goods. The newly trained artisans are organized in cooperative societies as part of the self employment programme and their goods are marketed through the Apex Marketing Federation. The Apex Marketing Federation was set in year 1978 to undertake marketing of handicrafts produced by the primary Handicraft Industrial Corporation societies affiliated to it and to provide raw material facilities to these societies.

The Jammu and Kashmir Handicrafts (Sales and Export) Corporation intensified its efforts to provide marketing cover to the artisans by way of selling their products through its 22 sales outlets located in different states of the country. The domestic sale depicts considerable increase, and the maximum increase was between 2000-2001 and 2010-11. The Corporation registered a sales turnover of Rs. 810 crore during 2002-01 which increased 2934 in 2010-11. The improvement in the sales turnover is due to the new marketing strategy adopted coupled with the introduction of Management Information System (MIS) to monitor and evaluate the performance of the sales outlets. To promote marketing facilities for the handicrafts/handloom products produced in the state, an Urban Haat is being set up in Jammu with central assistance to the tune of 70 per cent of the project cost. The Haat envisages provision of basic facilities such as setting up of stalls for display and demonstration of products, besides other basic facilities required by the buyers as well as sellers at one location. The work on this Urban Haat at the cost of Rs. 137 lakh was to be shared,

the Government of India contributing Rs.95.90 lakh and State government's contribution amounting to Rs.41.10 lakh.



### SWOT Analysis of the Handicrafts Industry:

#### Strengths:

- Abundant and cheap labour hence can compete on price.
- Low capital investment and high ratio of value addition.
- Variety of products which are unique.
- Exporters willing to handle small orders.

#### Weaknesses:

- Inadequate market study and marketing strategy.
- Lack of adequate infrastructure and communication facilities.
- Capacity to handle limited orders.

#### Opportunities:

- Large discretionary income at disposal of consumer from developed countries.
- Growth in search made by retail chains in major importing countries for suitable products and reliable suppliers, opportunity for agencies to promote marketing activities.

#### Threats:

Decline share due to, better quality products produced by competitors with in the nation. Better terms of trade by competing countries for e.g. China Consistent quality and increasing focus on R&D by competing countries Better packaging Stricter international standards.

### CONCLUSION

Handicraft sector occupies an important position in the economy of Jammu and Kashmir. Large inhabitants are directly or indirectly depend on the handicraft industry, because of its eco friendly and labour intensive in nature which generates much employment with low investment of capital. Due to absence of large industries, handicraft industry which is also known as cottage based industry remains the key economic activity in both rural and urban areas in the Jammu and Kashmir economy after agriculture. Jammu and Kashmir handicraft has also got good fame in international markets, and earns healthy income which is much supportable for our economy. It means that government has to come forward and take immediate action for the uplift of handicraft producers if they expect more exchange earnings and employment from this sector.

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