

## **New Opportunities & Future Prospects for Indian Hand Made Carpet Industry**

Mayur Basuk

Wool Research Association, Thane

### **1. Introduction**

Carpet industry in India is one of the oldest and the most popular industries. India has always had an ancient heritage of carpet weaving, a craft that has assorted skill and expertise from lands as diverse as Persia, China and Afghanistan. However, this artistry is no longer a trade that is still isolated in the villages or towns. Along time, this craft has evolved spreading its wings not only at the domestic front but also the international markets. This article is an interface of a complete know-how regarding the carpet industry right from its hubs to the measures taken by the government to further extend the export of carpets globally. Mughals brought the carpet weaving to India and some of the most majestic carpet in India can be seen from Mughal period. Weavers in India then learned magic of colors and weaves and more aesthetic touch was started to appear in Indian carpets. Carpet industry in India flourished more in its northern part of the country. So, major centers of carpet industry are in Kashmir, Jaipur, Agra and Bhadohi - Mirzapur. Now, hand tufted carpets have been gaining importance in India since last few decades. Major parts of carpet that are produced in India are exported to different parts of world as local market for these is less. Moreover the channels for local marketing and selling are also less. But with the retail boom the Indian carpet industry is going to see some major changes in the carpet industry here for local market.

### **2. Major Carpet Belts in India**

- Bhadohi - Mirzapur in Uttar Pradesh
- Agra belt in Uttar Pradesh
- Jaipur-Bikaner belt in Rajasthan
- Panipat belt in Haryana
- Kashmir belt

### **Bhadohi, Mirzapur, Varanasi Region (Uttar Pradesh)**

This region boasts of maximum carpet production. The country owes 90% of its carpet production to this region. The quality was being medium with 60 to 80 knots per square inch with certain improvements in past few years. The belt is known for Fashion Oriented, Hand-tufted, Indo-Tibetan carpets and has a major influence of Buddhist arts and patterns. The place also specializes in traditional woolen carpets and durries. The carpets here are known for their unmatched style and elegance. Shaggy carpets with longer pile heights are also made here. These carpets are very attractive and cheap.

### **Agra (Uttar Pradesh)**

Agra is known for natural vegetable dyes. Since it was the base of Akbar's empire, the artists were first established here. The place is known for Persian style carpets. Agra designs emphasize elegance and simplicity surrounded by bold floral borders. Turkman and Abussan varieties are also famous. They are known for realistic bold patterns.

### **Jaipur (Rajasthan)**

Jaipur was another major center of the Mughal reign and hence carpet weaving. The carpets here were medium quality with about 80 knots to 120 knots per square inch and geometric patterns. Of late the quality is being improved as per the global standards. Jaipur carpets are known for their innovativeness.

### **Panipat (Haryana)**

Panipat is famous for 'panja' durries a kind of a floor covering, which is in great demand in India and abroad. Originally, it was a traditional item made by village women meant to be a part of daughter's dowry. But slowly the product came to be recognized beyond Panipat and the growing demand for durries resulted in a burgeoning number of private and state owned weaving units within the city.

### **Kashmir**

Kashmir can be called the fort of the Indian oriental carpets and rugs. Famous for hand knotted woollen and silk carpets, they are a symbol of quality and artistic expertise. Pure silk carpets of Kashmir are such high quality that they are woven with 324-600 knots per square inch to capture the fine lines of the pattern. The basic pattern is of Persian origin.

## **Amritsar**

Amritsar carpets are known for their fusion style, fusion of Persian craft and Indian style. The place got into the Carpet weaving sector in a big way in 19th century specially with designs called Mouri that are geometrical patterns. They mostly export their products. The place is also known for Embossed carpets based on Chinese designs.

### **3. Major Carpets of India**

There are many kinds of carpets available in India. Each carpet in carpet industry in India is unique and caters to the different segment of society. From the design perspective then there are two major designs available i.e. is modern and traditional. Modern designs are more popular in northern European countries whereas traditional are popular in southern European countries but there is no such differentiation of carpet designs for US market.

- Hand-knotted Woolen Carpets
- Hand Tufted Woolen Carpets
- Hand woven carpets
- Handmade Woolen Dhurries
- Pure Silk Carpets
- Staple or Synthetic Carpets

**Hand knotted carpets** arrived quite late in the Indian scenario. They came with the Mughals and the craftsmen were supported by the ruling class for quite some time. Since the craft had a rich appeal it initially developed in an aristocratic manner. Initially the patterns followed were typically Turkish and Persian but gradually got Indianized. The nomadic patterns of the Middle East were quite similar to the Indian tribal patterns and were easily adapted by them. The Persian style craft flourished in Kashmir where the finest quality silk and the finest quality wool were available. The patterns were to an extent adapted to the Kashmiri art. Those carpets are **pure silk carpets**.

**Hand tufted carpets** have their pile injected into a backing material with the help of tufting gun, which is itself then bonded to a secondary backing cloth with the use of latex solution to provide stability. Then third backing cloth is used with & finishing is carried out. The tufted carpet can be produced either with loop pile or cut pile.

**Hand woven carpets** are a rather broad category that includes hand knotted carpets as well as flat weave carpet. Knotted carpets include the traditional Persian carpets. The types of woven carpet includes wool Carpet, nylon Carpet, polypropylene BCF carpet, polypropylene Heat set carpet, acrylic Carpet, viscose Carpet etc. The quality of the hand woven carpets can be judged by the tightness of the weave and the density of the knots. Tight weaves and dense knotting ensures durability and neatness in patterns.

**Flat weaves carpet** includes wool and cotton dhurries and kilims. Flat-weaves occupy a very important place in our cultural heritage. Dhurrie weaving was once a part of every household.

#### **4. Carpet Industry in India - New Opportunities**

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. India has far better options than its competitor countries like China in terms of quality and designs. India is more flexible and produces all kinds of carpet.

- **INDUSTRY OVERVIEW**

Indian carpet industry is primarily export oriented industry. There are 1215 carpet manufacturing units recorded and of that 190 are in the organized sector and the rest are in small scale industry sector. Though it experienced a major set back during 1996 -2000 due to the involvement of the child labour, it has over come the jolt by implying special measures like "rugmark" and "kaleen " labels that ensure the non involvement of child labor. Such types of brand should be made & also grading of carpet according to the various stage of production from fiber to final carpet like use of raw material wool (according to Quality, type etc.), spinning, dyeing, weaving etc. will be helpful for the Indian carpet industry.

There is 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. Owing to high inflation the cost of Woollen Yarn, Cotton Yarn and Polyester Yarn have gone up by more than 50% in a period of 6 months. The carpet buyers are most reluctant to pay the increase cost of manufacturing. Therefore the Govt. must come forward to assist the industry with subsidies to make carpet competitive in International Market. In order to retain existing weavers, finishers and other artisans and to pull back others who have left carpet weaving and migrated to other occupations, remuneration to weavers and artisans should be suitably increased and brought to the level higher than MNEREGA wages. Also there is a need to grow the new markets apart from the traditional overseas market. Hence, More MDA Assistance should be made available for carpet exporters to undertake overseas visits for the purpose of marketing, particularly in non-traditional and developing markets.

As taxes are higher, So the exporters should manage their purchases and inventory & also monitor their investment & expenditures Most of the clients are placing smaller orders changing design trends, their desire to have small inventory & JIT (just in time) supplies are prime reason for it. The risk with smaller orders will reduce business risk for exporter. The exporter should also work with smaller inventories & ask supplier to reduce their lead time to refill supplies. Indian carpet industry is suffering due to poor infrastructure facility in the areas like Bhadohi – Mirzapur belt. Now, government is realizing the importance of infrastructure (like better roads, power supply etc.) in these areas. PPP (Public- Private Partnership) is a good alternative to improve such facilities at very attractive financial term. Carpet industry should take initiatives to make clusters to get the benefits of these schemes.

Role of bankers and ECGC should be pro active for export business. The Banks are overcharging exporters in the matter of interest, penal interest and charges. So, Reserve Bank of India should monitor & give instruction to banks to maintain transparency between bank & exporter. Most of the times, it is seen that claims are not settled by the ECGC. So, E.C.G.C & RBI should work together for the promotion of exports.

- **UNDP CARPET PROJECT**

**United Nations Development Programme (UNDP)** hand knotted carpet project was launched in 2001 to establish a distinctive Indian character in carpet designs and simultaneously upgrade the technology. This enabled better quality carpets combining the fresh designing skills with the age-old traditions.

**Objective**

the main objective of the project was to accelerate exports and establishing a brand name.

- Develop and market new designs based on Indian ethnic themes.
- Involve importers in US markets and enhance the scope through road shows and participation in fairs & exhibitions.
- Introduce new tools and looms developed by Indian Institute of Technology, Delhi to improve productivity and quality.
- Encourage production of carpets based on vegetable dyes.

**Initial Project Partners**

- NIFT & Designers
- IIT, Delhi
- WRA, Thane
- IICT, Bhadohi
- CEPC & Exporters

Such programme cum projects will be helpful for the carpet industry & assist the R & D.

- **RESEARCH & DEVELOPMENT**

The hand knotted carpets produced till now were based on traditional Persian patterns. The Indian carpets, they did not have any uniqueness except the variety in prices and quality. The designs and patterns followed were the ones passed for generations with hardly any artistic changes in them. Further more the market trends were changing and the changes had to be brought into the craft for its sustenance and upliftment. All these aspects were dealt with in a professional way involving all partner associations. New designs received very encouraging

response in international market. This has led to investment towards professional design experts by Indian exporters. Indian More and more exporters have started developing and marketing carpets having Indian identity. After improving on these basic aspects regarding quality, variety, technology and patterns, a strategy was developed for the marketing of the products. First, establishing a brand name was important. For the purpose the task of promotion in India, the finished carpets were displayed in various shows and fairs in India and then in U.S. and Europe. For the project, IIT-Delhi developed improved looms, hand tools, washing, squeezing and drying chambers. Wool Research Association (WRA), Thane worked on the standardization of the extraction process of Natural dyes, making the venture eco-friendly and promoting awareness of the potential of natural dyes, Computer Aided designing (CAD) system for carpets. Project research work on various topics like Development of ecological moth repellent & moth proofing agents for woolen textiles like carpets, Herbal washing of carpet to replace the chemical carpet washing, Technology to impart the functional finishes like feel fresh/ anti odour finishes to the woolen carpets, Designing of a cost effective effluent treatment plant for decentralized woolen & carpet sector. Surface topographical finishing of Indian wool & their products like carpets for imparting multiple functional properties by utilizing nano-clay & ceramic inorganic powders with ultrasonic & plasma technology, Internet based color matching facility for small & medium dye house in the decentralized sector is going on in WRA which will be completed in the couple of years. Indian Institute of Carpet Technology (IICT) came into being with new ideas in last 10 years. The Institute has set up design studios & design bank in its premises & also developed new carpet Cross Bar Horizontal Loom (CBHL), innovative carpet backing System (Snehaba), New India knot & Carpcost software for cost management. The Institute also provides in support to the carpet industry through HRD, DCD, R&D and quality testing services (TSI). Carpet Export Promotion Council is also providing commercial useful information and assistance to its members in developing new markets and increasing their exports.

- **EXPORT STATISTICS**

Initially Indian carpets were considered poor manifestations of Persian rugs and carpets. Gradually and steadily they have been accepted as original works of art. They have been accepted in the international markets and come under the good carpets category. The trends in export growth are clear indicators of the change. For a time involvement of child labour caused a

set back to the industry, Its growth and export, it was covered up soon with the mutual hard work and inputs both from the government and the manufacturers. Well known Organizations like CEPC, AICMA etc. are promoting Indian carpet by increasing the demand over the last 50 years. Also, Educational & Research bodies like, WRA Thane, ICT Bhadohi, IIT Delhi & etc. are providing their support continuously to Indian carpet industry. Table 1 below gives the details of the export statistics for the last 10 years which clearly shows the increasing and decreasing trends after every one or two alternate year & Table II depicts the comparison of export value for various hand made floor covering products between the year 2007 – 08 & year 2008- 09.

Table 1 Export statistics of last 10 years (**Source CEPC**)

<b>YEAR</b>	<b>VALUE OF EXPORTS</b>
	<b>Rupees Crores (US\$ Million)</b>
<b>1999-2000</b>	2136.03 (492.93)
<b>2000-01</b>	2315.15 (512.03)
<b>2001-02</b>	2436.13 (514.07)
<b>2002-03</b>	2590.26 (532.96)
<b>2003-04</b>	2779.79 (614.44)
<b>2004-05</b>	2583.62 (591.62)
<b>2005-06</b>	3082.06 (696.53)
<b>2006-07</b>	3674.86 (807.94)
<b>2007-08</b>	3524.73 (875.71)
<b>2008-09</b>	2708.73 (600.06)
<b>2009-10</b>	2505.33 (525.15)

Table 2 Export statistics of hand made carpet & rugs for comparison (Source CEPC)

Products	Value of Exports					
	April- March			April- March		
	Value (in Rupees Crores)			Value in (U.S. Dollar Million)		
	2007-08	2008-09	Percentage increase (+) / decrease (-)	2007-08 @40.2513	2008-09 @45.1410	Percentage increase (+) / decrease (-)
<b>Handmade Woollen Carpets, Rugs, Druggets, Durries etc. including Cotton Carpets excluding Handmade Woollen Tufted Carpets</b>	2076.57	1451.28	(-) 30.11%	515.9	321.5	(-) 37.68%
<b>Handmade woollen tufted carpets</b>	1156.7	983.22	(-) 15.00%	287.4	217.81	(-) 24.21%
<b>Handmade Silk Carpets</b>	221.87	210.58	(-) 5.09%	55.12	46.65	(-) 15.37%
<b>Handmade Staple/ Synthetic Carpets</b>	69.59	63.65	(-) 8.54%	17.29	14.1	(-) 18.45%
<b>Total</b>	3524.73	2708.73	(-) 23.15%	875.71	600.06	(-) 31.48%

As it is clear from graph that carpet export value was getting either increased or decreased after the year 2003 – 04; To overcome this, All India Carpet Manufacturers Association (AICMA), Bhadohi organized the seminar namely inclusive growth of Indian carpet industry on 11<sup>th</sup> – 12<sup>th</sup> March 2011 The goal of Seminar was to double the exports in five year from Bhadohi – Mirzapur belt & should be adhered to and all efforts should be made to achieve it. for this Government support is required through various new schemes, opening of CFCs (Common Facility Centers like Spinning, Dyeing and Weaving etc.), Carpet training centers & incentives .

- **G.I. REGISTRATION & INTELLECTUAL PROPERTY RIGHTS (IPR)**

“**Hand made carpet of Bhadohi**” have been granted the Geographical Indication (G.I.). The benefit of G.I. registration includes prevention of unauthorized use of registered G.I. products by third parties. Hence, it will boost the exports & bring economic prosperity to producers, artisans & weavers. Also new opportunities are opened up for the rest of the major carpet & rugs producing areas to get G.I.

- **PRODUCTION CENTERS**

Rugs and carpets of different types are woven in each state of India. Each has their own specialties and qualities. Durries & Kilims of Haryana, Punjab, Karnataka, Tamil Nadu and Orissa are famous for their multipurpose nature and distinct designs. Where Punjab and Haryana are famous for colorful geometric patterns on white or dull bases, Andhra Pradesh and Orissa are famous for Ikkat patterns. Navalgund durrees of Karnataka, also known as Jamkhans are richly patterned and depict stylized parrots and peacocks in rust, yellow, green and black colors. They again can be found in styles of the particular state of India. So, all such types of handi-crafts producing areas creates new opportunities to increase future demand.

### **5. Indian Carpet Industry – Future Prospects**

Indian carpet industry is a unique industry and this is expected to grow in near future but with the channelization and organization of the industry. Carpet industry in India will flourish further because of the vast artistic skill in the form of artistic weavers. Then labor cost here also is low which is another advantage and favorable factor for growth. Carpet designs in India are very innovative. Apart from this Indian carpet industry can produce different kinds of carpet which are not produced by other countries.

But on the other hand there are certain weaknesses that must be overcome so that carpet industry in India can flourish further. Like this sector has to be more organized. Then there should be proper marketing channels for the same. Access to the local as well as foreign customers should be simple and easy. Also something has to be done regarding infrastructure to save production and cost. In addition to this the carpet manufacturing belts should be made easily accessible to the traders. Professional approach, less internal competition, and intellectual property rights should give boost to the carpet industry in India.

To improve the growth of Indian Carpet Industry; there are some basic management tools like 4P's & 4C's which would be helpful for Indian Carpet Industry in creating the future strategy and to improve the sustainability in the market. Also, the factors that can be useful for the growth of the Carpet Industry are discussed as below:

**A) 4P's**

- 1. Product-** Handmade Indian carpets/rugs
- 2. Place-** Home Furnishing Stores and in upper class suburban areas
- 3. Price-** Specialty hand made rugs can cost from 10,000 to 25,000 rupees or less
- 4. Promotion-** TV ads and Newspaper, Internet etc.

**B) 4C's**

- 1. Customer solution-** One on one with the customers. Employees will sell the carpet direct to customer
- 2. Customer's cost-** Customer's cost will depend on the type of carpet they want.
- 3. Convenience-** Buy online because it's easier in suburban areas
- 4. Communication-** TV and newspaper, Internet etc.

**C) Factors for the growth of the Carpet Industry**

**Low – End Carpets**

Low end carpets like hand-tufted carpets are currently driving the growth of industry. These carpets have expanded the market as they are cheaper and affordable for many consumer segments. These segments are going to drive future growth for a considerable time.

**Modern Designs**

As in the case of low end carpets, modern designs are expanding the market. Modern design is attracting young consumers. Also, there are a significant number of consumers who prefer modern designs compared to traditional designs. These are prominent in countries like Germany, Scandinavia, etc.

**New Markets**

Traditionally, carpets industry is dominated by buyers from USA & Germany etc. However, new markets are emerging for carpets and they are growing fast. These are basically developing countries or lesser developed countries like Spain, etc. Growth in income level is the major driver for this.

**Big Retailers**

Big retailers like Wal-Mart, IKEA can drive the growth in the carpet industry. These players have huge network with a large customer base. Low-end carpets can be a major product that can be targeted by these players.

### **Cost Management**

In Today's competitive market, price has become an important factor. Hence, better price can be offered through better costs management. Effective costs management will always be a competitive advantage to any player. The trend is common in every industry. Carpet industry is no exception. Better cost management will reduce the price which can lead to increase in volume of sales.

### **Business Process Up gradation**

As said earlier, the carpet industry is going through a major change. Timely delivery, better price and high quality products can only help carpet manufacturers for survival. Business Process Up gradation is the tool for achieving this. All these factors will definitely improve the present market as well as expand in to new markets. Otherwise, it's going to be difficult for the carpet industry to grow.

## **6. Conclusion**

Traditional markets are saturated while new markets are offering opportunities for growth. Low-end carpets manufactured in modern designs like hand-tufted carpets and the fancy shaggy rugs are highly preferred by new customer base. Chinese industry is emerging as the biggest threat to Indian carpet industry, in terms of pricing and volumes. With the vision of next ten years, the innovative products range with lower volume could be a success mantra for Indian Carpet Industry. In this regards, Regular Research & Development, proper training to the artisans is required. Institutes & Research bodies Like WRA Thane, IICT Bhadohi, IIT Delhi will play the major role by providing the technologies & functional requirements of carpet. The continuous government support through new schemes & training programme will be helpful for Indian hand made carpet sector.