



---

**Problem and Prospect of Carpet Industry in India**

**Uzma Shahzadi**

**Research Scholar**

**SVU, University, Gajraulla**

**Dr. Deepti Gupta**

**Research Supervisor**

**Abstract -**

India's tradition of handmade carpet weaving has been recognized worldwide for its highly structured design, subtle elegance, and exquisite vibrant colors craftsmanship. Carpet industry is one of the most growing cottage industries in India. Major sharing of carpet manufacturing and export is from Bhadohi .Present study is an attempt to show the some problems and the potential of handmade carpet industry of India in accelerating the growth and development of Indian Economy. Present study is based on secondary data collected through the reports from various organization and magazines. Primary data has analyzed on the simple Likert scale method and shown throw statistical.

**Introduction -**

In India wide range of homemade carpets reflect requisite crafts and cultural richness of Indian civilization over the centuries. India has consistently remained the world's largest exporter of handmade carpets, with the highest share in the global market.

Different types of varieties of handmade carpets are woven in India from 15<sup>th</sup> century. India today is a famous leader in the international handmade carpet market. India's carpet export business is increasing day by day and is keeping its pace with the requirements and demands of the customer

In this table Carpet Export from India in terms of Value (Rs. In crore) from the year 2000-01 to 2015-16 (**Table -1**)

▼Year	Export of carpet in terms of Value ( Rs. In Crore)
2000-01	3791.27
2001-02	1642.26
2002-03	1917.39
2003-04	3559.65
2004-05	2727.64
2005-06	3546.38
2006-07	6274.02
2007-08	3766.67
2008-09	3506.37
2009-10	7273.04
2010-11	4777.64
2011-12	3853.54
2013-14	7110.42
2014-15	8441.95
2015-16	6641.23

Source: Ministry of Textile, Government of India.

The Indian Carpet Industry is energetic and has considerable potential for growth and development of Indian Economy. It is a labor intensive industry and has potential to provide large scale employment to rural and unemployed youths, besides being an important source of foreign exchange earnings for the country. The Indian Carpet Industry is cottage and primarily a rural based industry. Indian handmade a carpet has showed the ever increasing growth since 6 decade from 1961-62 to 2011-12. The table 2 shows that the export of carpet in the year 1961-61 to the world was recorded 4.42 (Rs. Crore). In 1971-72 this number increased to 13.69 (Rs. Crore). It further recorded the value of export was 157.66 (Rs. Crore) in the year 1981-82 .In 1991-92, the value of carpet export recorded 992 (Rs. Crore). The value of export suddenly increased in the year 2001-2002. The value of export increased in this year was recorded 1642.26 (Rs. Crore). The year 2011-12 shows the ever increase value of export that is 3853.54 (Rs. Crore). This increase of value showed the potential of export of carpet in the world market. It is highly encouraging fact that it contributes the great value of export items.. The carpet industry shows increasing growth performance for the high potential of sustainability to the

world competitive market. Carpet industry proved its efficiency of sustenance in the globalization period where number of Indian craft lost their ground. They keep remaining the artistic value of Indian art to the global market.

So, we can say that India has an unchallenged global leadership in the handmade carpets and rugs with unique designs and skillful hand knotting, hand tufting and weaving.

### **Literature review**

Rudiger, (1992) argue that beyond the general benefit of exposure to an advanced, competitive world market, the act of trade liberalization also carries the potential of dynamic benefits. An open trading environment is also associated with a transfer of know-how. Free trade leads to a more economically rational market structure. Gains from liberalization also result from scale economies and economies of scope that arise in wider markets. Uchikawa (1999) claimed that Indian industry was unable to capitalize on the opportunities of opening up because they stuck to low ends of their markets, and any 'forced' modernization and up gradation of quality and production management did not occur. Trade Liberalization becomes essential when an industry reaches a certain level of maturity provided it is undertaken selectively and gradually (Shafaeddin, 2007).

Singh and Singh (1999) many Indian handicrafts succumbed to the challenges of technological modernization, the carpet industry, one of the urban handicrafts has not only successfully withstood the onslaught of technological development but has flourished over the years. This is due to the adaptability that the industry has shown to new situations.

Darban hosseinia mirkhiz (2011) observed that the hand woven carpet industry is a decentralized industry in which skills and methods have been passed on from one generation to another, mostly without being influenced by new technologies which may bring benefit to the industry. The technology of manufacturing woven carpets has remained virtually unchanged over the centuries. The Indian carpet industry during the post-independence era has witnessed an export-led growth. The prospect of carpet industry is very much dependent on the exports. Export prospects of carpets basically depend on overseas demand and domestic supply potential.

Pandey and Tyagi (2009) analyzed the impact of recession on carpet industry. Decrease in the export orders of carpets has pushed carpet weavers and business community including sub-contractors, owners of dyeing plants, washing units to close down their businesses.

Ray (1997) analyzed the international competitiveness of the Indian hand-knotted carpet industry and pointed that it rests on an arrangement where raw material cost is depressed through an imperfect market which prevents the raw wool producer from recovering his cost of labour and where the social cost of depreciating grazing lands is not reflected in the cost structure.

## **Object of the study**

- The term “Indian carpet “has been used for the very vast range of floor covering. The present paper is an effort to examine the carpet industries in the economic development of the country.
- To analyze the factors mentioned, weather they promote carpet industry or not.

### **Research Methodology –**

The present paper is based on secondary source of information. Secondary data have collected through the published and unpublished source such as district industrial centers (DIC’S), office of Carpet Export Promotion Council (CEPC), circulars and magazines published by researcher and expert from various department and institute of India. Primary Data have been analyzed through simple Likert scale method and showed by statistical table .

Hand knotted woven carpets from India speak eloquently of the superb workmanship. India produces all types of qualities with specific designs, colors, and sizes as per requirement of the world market and have an edge to produce carpets according to the specification of the buyer with timely delivery schedule. Carpets are one of the most highly used flooring coverings in both residential and work places. Indian carpet style is coming to Persian carpets because this art is a kind of migrated art from the Persian and turkey by the Mughals in.

Today, India has become the hub for different varieties of handmade carpets, rugs and other floor coverings. These are,

- Hand knotted carpets
- Tufted woolen carpets
- Pure silk carpets
- Persian carpets
- Iranian carpets
- Kilims carpets

In India carpet industry has spread in some states such as Kashmir, Uttar Pradesh, Rajasthan, Haryana, Punjab, Andhra Pradesh, Himanchal Pradesh, Madhya Pradesh and Gujrat .Indian carpet industry has been facing lot of problems in carpet sector as well as in export .some of key issues are asking from entrepreneurs in trade fare that how to feel related to these problems-

1. **Raw materials-** Many entrepreneurs does not have knowledge of good raw materials and product client relationships. So, no availability of right quality of raw material at right time at right cost.
2. **Technological up-gradations-** Technology upgrades by surface networking which must be developed so that all carpet belt is considered as priority area for surface networking improving connectivity in terms of roadways and railways and other ways to improve the efficiency of the movement of people and materials. So try avail adequate amount of electricity and high-quality water needs to be ensured.
3. **Human resource development-** The industry must do efforts for the good human resources strategies that focus on the qualified artisans and treating their skills as form of capital.
4. **Infrastructure-** In this sector absence of adequate and proper power supply, surface networking and transportation systems and environments for quality life.
5. **Quality control-** The industry must be encouraged to create a quality control culture. The expenditure on investment should be taken from institutions such as IICT and suitably repaid.
6. **Market knowledge-** Mostly people do not know about relevant database market knowledge for this sector nationally and internationally. They do not have knowledge about price of raw material and quality at domestic level and internationally.

Question from entrepreneur in trade fare related carpet sector problems in business.

**Table -2**

s.no	Carpet Industry problems/ Questions	Respondents/ Answered	Strongly Disagreed (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
1	Raw material	19	31.58	26.31	15.79	10.53	15.78
2	Technological Up-gradation	20	25.00	35.00	20.00	10.00	10.00
3	Human Resource development	19	21.05	26.31	26.31	15.79	10.53
4	Infrastructure	20	25.00	30.00	20.00	15.00	10.00
5	Quality control	18	22.22	27.78	16.67	22.22	11.11
6	Market knowledge	20	25.00	30.00	20.00	15.00	10.00

**Table -3**

<b>s.no</b>	<b>Carpet Industry problems/ Questions</b>	<b>Respondents/Answered</b>	<b>Response</b>
<b>1</b>	Raw material	19	2.53
<b>2</b>	Technological Up gradation	20	2.45
<b>3</b>	Human Resource development	19	2.68
<b>4</b>	Infrastructure	20	2.55
<b>5</b>	Quality control	18	2.72
<b>6</b>	Market knowledge	20	2.55

**Interpretation-**

In table 2 shows carpet industry problems and how many respondents select in Likert scale like – strongly disagree, disagree ,neutral, agree, strongly agree .In table 3 shows carpet industry have many problems. Entrepreneur tells Quality control and Human resources development are highest response 2.72,2.68.Infrastructure,Market knowledge and Raw material are neutral response 2.55,2.55and 2.53.mainly Technology Up-gradation is lowest response 2.45.

**Suggestions and conclusion-**

Formation of service centre about raw material, physical raw material and bank should cover key raw materials for major carpet belts.

Accessibility to related information for faster decision making and to avoid delay in supply in delivery. Adoption of software like Carp cost for research on cost and its control.

For quality control should be remove of identify weaknesses and exploitation of identified opportunities and removal of anticipated threats by executing short-term and long term research projects to be funded by relevant agencies. Diversification of product range (silk carpets, higher knots value, added finishing, etc.). Become a reliable manufacturer and supplier through: I. creation/adoption of brands (quality labels such as Okotex, GUT, etc.). II. Adoption of relevant quality systems (e.g., ISO 9000, ISO 14000, SA 8000)

The availability of infrastructural facilities is grossly inadequate in the areas of access roads, electricity etc. The industry is also facing pressure in the form of increased labour cost, lack of sales

channel, exchange rate fluctuations and competition from low cost and machine made products of other countries especially from China and Turkey.

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 conduct under Mega Cluster Scheme for the entire workforce of the sector through short-term training, MES development programmes, distance learning programmes and customized industry-driven skill development programmes. Total support to IICT to expand its activities with respect to creation of academic and research fields related to management, computer applications, etc., in general and the wool, carpet and textile sectors in particular.

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**

India is the highest handloom producing country in the world which is around 4.0 million and which contributes 30% of total export income. An innovative and inclusive Handlooms portal on carpet industry, dedicated to support and encourage all the weaver artisans would add necessary impetus to energize the market. It will provide necessary support in the areas such as latest trends, colors, fashions, branding. It can be said that the carpet industry is presently going through a major change. Traditional markets are saturated while new markets are offering new opportunities for growth. Modern designs and low end carpets like Hand-tufted carpets are attracting new customer base. Product mapping with the consumer preferences is necessary for the future growth in the industry. Indian carpet industry will find it difficult to compete with Chinese industry in terms of volumes and prices. Innovative range of products with lower volume is going to be mantra for success in Indian Carpet industry. Hence, efficient coordination and management of activities is a key for success for any Indian carpet business. This offers an opportunity for consolidation of activities for reduction in costs, improvements in quality standards, better product development, mainly technology up-gradation and timely delivery of products thereby driving the growth.

## References –

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.indiancarpets.com) <http://www.carpetandrugpedia.com>

: Factors influencing ERP implementation in Indian SMEs: An empirical analysis Rana Basua, Parijat Upadhyay and Pranab k Dana (8 January 2011) ;( visited on 12th January2011).

A Comparative Study of Issues Affecting ERP Implementation in Large Scale and Small Medium Scale Enterprises in India: A Pareto Approach (October 2010) by Parijat Upadhyay,Rana Basu, Ritanjana Adhikary, Pranab K Dan from International Journal of Computer Applications (0975 – 8887);(visited on 10th January 2011).

<http://rapidbi.com/management/the-pestle-analysis-tool/>, (The Environment Scan –Environmental Organizational Scanning) ;( visited on 2nd FEB 2011)

Regaining Competitiveness using an ICT platform in a Traditional Industry: Adoption of Computer Aided Design for Carpet Weaving by B. Bowonder, J. Swamy and Nrupesh Mastakar (2004) ;( visited on 12th January 2011: Google search engine).

<http://www.indiamart.com/company/2350>