

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:130

ANSWERED ON:04.03.2011

EXPORT OF HANDICRAFTS

Maadam Shri Vikrambhai Arjanbhai;Mohan Shri P. C.

Will the Minister of TEXTILES be pleased to state:

- (a) the number of registered units exporting handicrafts and concessions/facilities provided to them by the Government, State/UT-wise;
- (b) the details of export of handicrafts registered during each of the last three years and the current year, the amount of foreign exchange earned therefrom alongwith the names of the countries to which handicrafts were exported, country-wise;
- (c) the share of India in the world`s export of handicrafts;
- (d) whether any decline has been registered in the export of handicrafts during the said period;and
- (e) if so, the reasons therefor alongwith the corrective measures taken/to be taken by the Government to boost export of handicrafts and protect/promote handicrafts industry?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI DAYANIDHI MARAN)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF LOK SABHA STARRED QUESTION NO.130 FOR ANSWER ON 04.03.2011.

(a): As reported by Export Promotion Councils, the number of Registered Units with the Councils, exporting Handicrafts as well as handmade carpets and other floor coverings as on date is as under:

- i) Export Promotion Council for Handicrafts – 6,480 (Number of Registered Units)
- ii) Carpet Export Promotion Council – 2,177 (Number of Registered Units).

The concessions/facilities provided by the Government to the Registered Exporter Units of Handicrafts as well as Handmade Carpets and other floor coverings with the Councils are as under:

The exporters can avail Duty free import entitlement of tools, trimmings and embellishments @ 5% of FOB value of exports during previous financial year. Entitlement is broad banded, and shall extend also to merchant exporters tied up with supporting manufacturers.

Handicraft Export Promotion Council is authorized to import trimmings, embellishments and consumables on behalf of those exporters for whom directly importing may not be viable.

CVD is exempted on duty free import of trimmings, embellishments and consumables.

Machinery and equipment for effluent treatment plants are exempt from customs duty.

All handicrafts exports would be treated as special focus products and entitled to higher incentives.

In addition to above, 2% bonus benefits under Focus Product Scheme for handicrafts exports and applicable duty drawback on exports of goods are eligible for registered exporters.

Interest Subvention of 2% on pre-shipment & post shipment export credit.

MDA for participation in Fairs & Exhibitions/Buyer-Seller Meet.

MAI Assistance for participation in Fairs/Exhibition/Buyer-Seller Meet in India & Abroad.

Assistance from Textile Ministry for participation in Fairs/Exhibition/Holding Buyer-Seller Meet in India & Abroad.

(b): As reported by Export Promotion Councils, the details of country-wise export of handicrafts items including hand-knotted carpets exported during each of the last three years is as per statement attached at Annexure. The country-wise export data for the current financial year i.e. 2010-11 is not available. However, the exports of handicrafts including hand-knotted carpets registered upto January, 2011 is to the tune of Rs.9592.73 crore (US\$ 2092.74 million).

(c): As reported by Carpet Export Promotion Council, the share of India in the Exports of handmade carpets is 29% of the world trade. As reported by Export Promotion Council for Handicrafts, the share of India's export in handicrafts (other than handmade carpets) is approximately 2% of the world trade.

(d): There was decline in exports of handicrafts including handmade carpets and other floor coverings during the year 2007 -08 by (-) 16.35% and during 2008-09 by (-) 37.89%. However, during the years 2009-10, the export of handicrafts including handmade carpets increased by 3.05%. Similarly, during 2010-11 upto the period January 2011, the exports of handicrafts including handmade carpets has been increased by 20.45% in rupee term over the similar period of 2009-10.

(e): The reasons of the downfall in exports of handicrafts as well as handmade carpets and other floor coverings was due to rupee appreciation as well as economic slowdown in the world market.

The steps taken by Government to protect and promote handicrafts industry and to increase the exports of handicrafts include: participations in fairs/exhibitions abroad; thematic display and live demonstration of handicrafts in exhibitions abroad; organizing buyer-seller meets in India and abroad; brand image promotion of Indian handicrafts abroad through seminars and publicity, awareness programmes about technology, packaging and export policies in India to exporters; organizing Indian Handicrafts & Gifts Fairs, product specific shows and Made in India show at New Delhi, providing assistance under Market Development Assistance and Market Access Initiative Schemes of Ministry of Commerce to exporter members.

Government has included all handicraft items under focus product scheme by allowing Duty Credit Scrip of 5% on FOB value of exports. Besides, an additional benefit of 2% of bonus over and above the existing benefit of 5% is also given. 2 % interest Subvention on Pre-shipment and Post shipment export credit has also been extended.