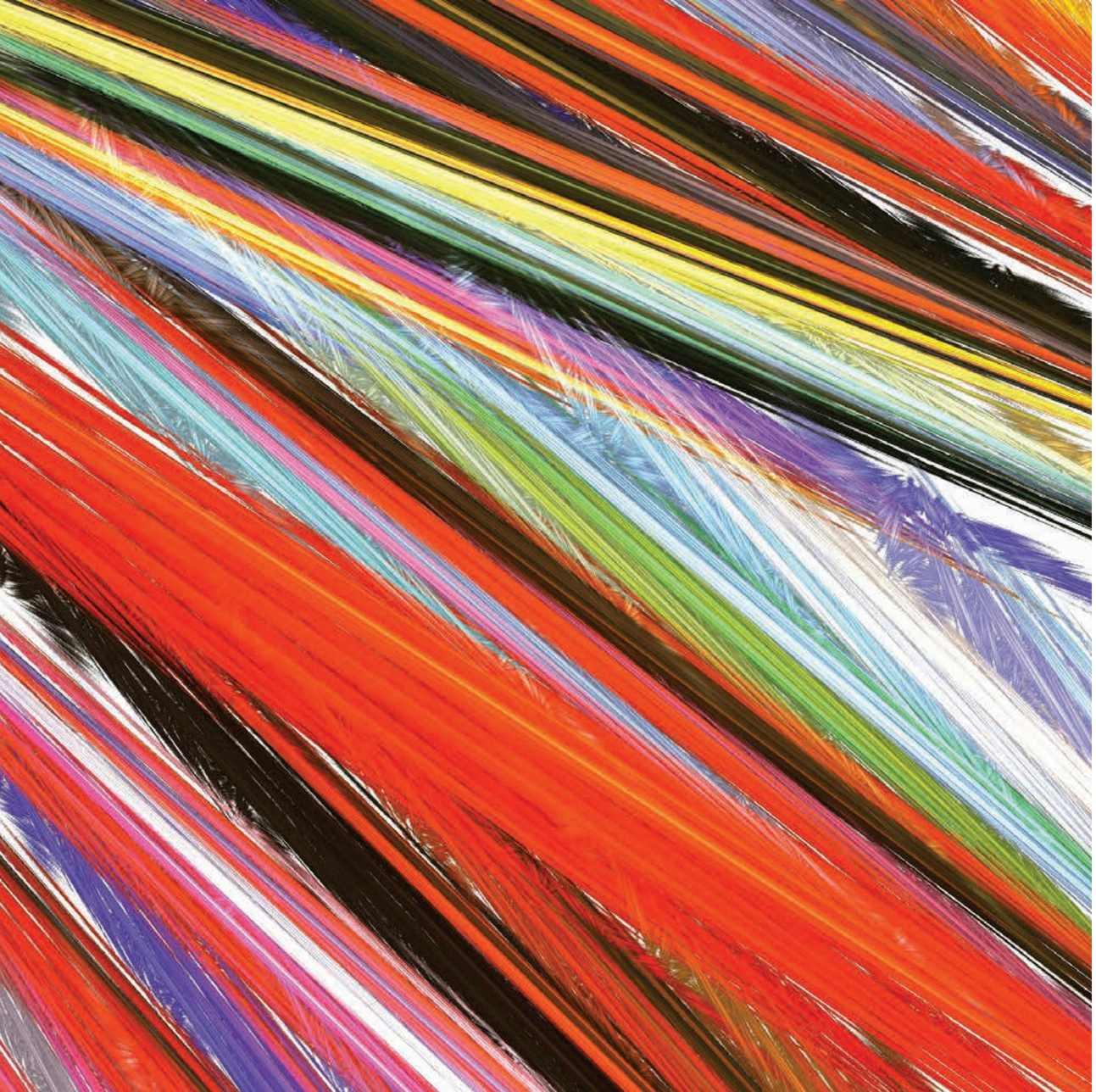
Textile, Handloom & Handicraft Sector Profile of North East Region



MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION

Northeast Global Investors Summit



North East Overview

The North-eastern Region (NER), which includes the eight States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura, is the easternmost region of India. Since each state has a border with at least one of the five nations to the east of the country, this area serves as a gateway to Southeast Asia and is of great strategic importance.

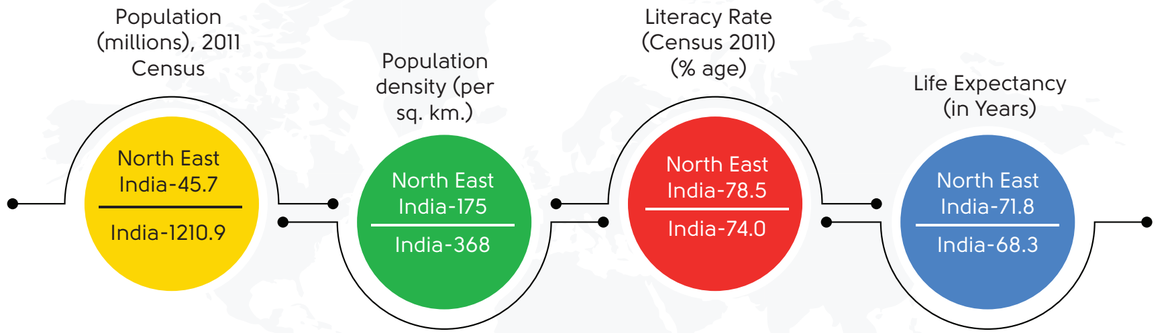
Furthermore, the NER is widely recognized as one of the most diverse regions in Asia, characterized by a rich tapestry of ethnicities and languages. Each state within NER boasts a unique blend of distinct cultures and traditions.

The Northeast region of India is a well-known biodiversity hotspot that is also home to a rich mix of cultures. In addition, the region is blessed with abundant natural resources that are yet to be fully explored and exploited. The region also holds a significant stake in the country's 'Act East Policy,' which is aimed at promoting economic, political, and cultural ties with Southeast Asia. With a wealth of natural resources, human resources, and potential for agriculture and horticulture, the region is rapidly emerging as a hub for sustainable manufacturing and service industries. Additionally, the region's rich ethnic, religious, linguistic, and cultural diversity makes it a highly attractive destination for tourists, offering significant potential for growth and development in the tourism sector.

With an area of 2.6 lakh sq. km, the NER accounts for about 7.98 per cent of the total geographical area of India while being home to 3.78 per cent of India's total population. The region is characterised by a mixed topography of hills and plains, with hills occupying 70 per cent of the land area. With a significant tribal population accounting for around 54 percent of its total population, especially in the hilly areas, the Northeast region of India is unique in its diversity. The region is home to approximately 135 Scheduled Tribe groups out of a total of approximately 705 across India.

With plentiful natural resources, agro-horticultural and forest resources, hydroelectric potential, oil and natural gas and mineral deposits, the northeast region is well poised for investment and economic growth.

Demographic Indicators



Key Economic Indicators

- The Region's GSDP at current prices is INR 5.75 lakh crore in FY 2021-22
- Compounded Annual Growth Rate (CAGR) of GSDP of North-eastern States grew at 8.17% from FY2015 to FY2022.
- Per capita income: The per capita income for the North-eastern region was Rs. 1,55,562 in the financial year 2019-20.
- Infrastructure: The region has a total of 13640 km of national highways.
- Infrastructure: 20119 Km of state highways, and 2,657 Km of major district roads
- The average road density per 1000 Sq Km of area is 2258.5 Km against the national average of 1926.02 Km

Snapshot of NER

States/Parameters	Airports	State Highways (Km)[1]	National Highways (Km) (2019)[2]	Waterways (Km)	Railway (Km)	Inter-national Border (Km)	GSDP 2020-21 (lakh cr)	Per Capita 2019-20*	Population (2011)	Literacy rate (%)	Area (Sq. Km)	Availability of Power (Crore Units)
Arunachal Pradesh	4	13500	2537	311	12	2170	0.31	154652	1,383,727	65.38	83,743	55
Assam	7	2530	3909	1938	2519	800	3.40	81034	31,205,576	72.2	78,438	570
Manipur	1	781	1750	44	13	398	0.34	84746	2,855,794	76.9	22,327	50
Meghalaya	1	768	1156	90	9	400	0.34	87170	3,366,755	74.4	22,429	145
Mizoram	1	170	1423	155	2	860	0.18	187327	1,097,206	91.33	22,081	36
Nagaland	1	650	1548	276	11	215	0.30	120518	1,978,502	79.55	16,579	51
Sikkim	1	663	463	-	0	319	0.31	403376	610,577	81.24	7,098	38
Tripura	1	1057	854	-	193	400	0.54	125675	3,673,917	87.8	10,486	90
Total	17	20119	13640	2814	2759	5562	5.74	155562-	46,172,054	-	263181	1035

*At current price base 2011-12



Investment eco system in NER

- Gateway to Southeast Asia: A strategic location that offers easy access to ASEAN markets.
- Abundant Natural Resources: An abundance of natural fibres, timber, bamboo and other forest products.
- India's Green Hub: Home to lush forests and rich biodiversity, it is an ideal destination for ecotourism and agro-based industries.
- Diverse Cultural Heritage: A region with unique ethnic communities and traditions that offer investment opportunities in tourism and handicrafts.
- Government Incentives: A range of incentives, including tax holidays, subsidies, and reimbursements to support business growth.
- Low-cost Manufacturing Hub: Low labour costs compared to other parts of India and the world.
- Skilled Workforce: A young, educated, and skilled workforce that is proficient in English.
- Growing Infrastructure: Rapidly developing infrastructure, including new industrial parks, and technology parks.
- Stable Business Environment: A favourable business climate with a low crime rate, stable political environment, and supportive government policies.
- Emerging Consumer Market: A growing consumer market with rising incomes and increased urbanization that offers immense potential for businesses.







Connected North East

Accessibility

The Indian government has undertaken several initiatives to upgrade the existing road infrastructure and build new highways, bridges, and tunnels to enhance connectivity within the region and with the rest of the country

Road Connectivity

The Indian government has undertaken several initiatives to upgrade the existing road infrastructure and build new highways, bridges, and tunnels to enhance connectivity within the region and with the rest of the country. One of the most significant projects is the ongoing construction of the 3,000-km long Trans Arunachal Highway, which will connect all the districts of Arunachal Pradesh, the easternmost state of India. Another noteworthy project is the Dhola-Sadiya bridge, which is the longest bridge in India and spans over the Brahmaputra River in the state of Assam. Moreover, the Indian government has also launched the Bharatmala Pariyojana, a flagship highway development program that aims to construct 35,000 km of highways across India. Under this project, several highways are being constructed in the North East region, which will further improve connectivity and promote regional development.

Air Connectivity

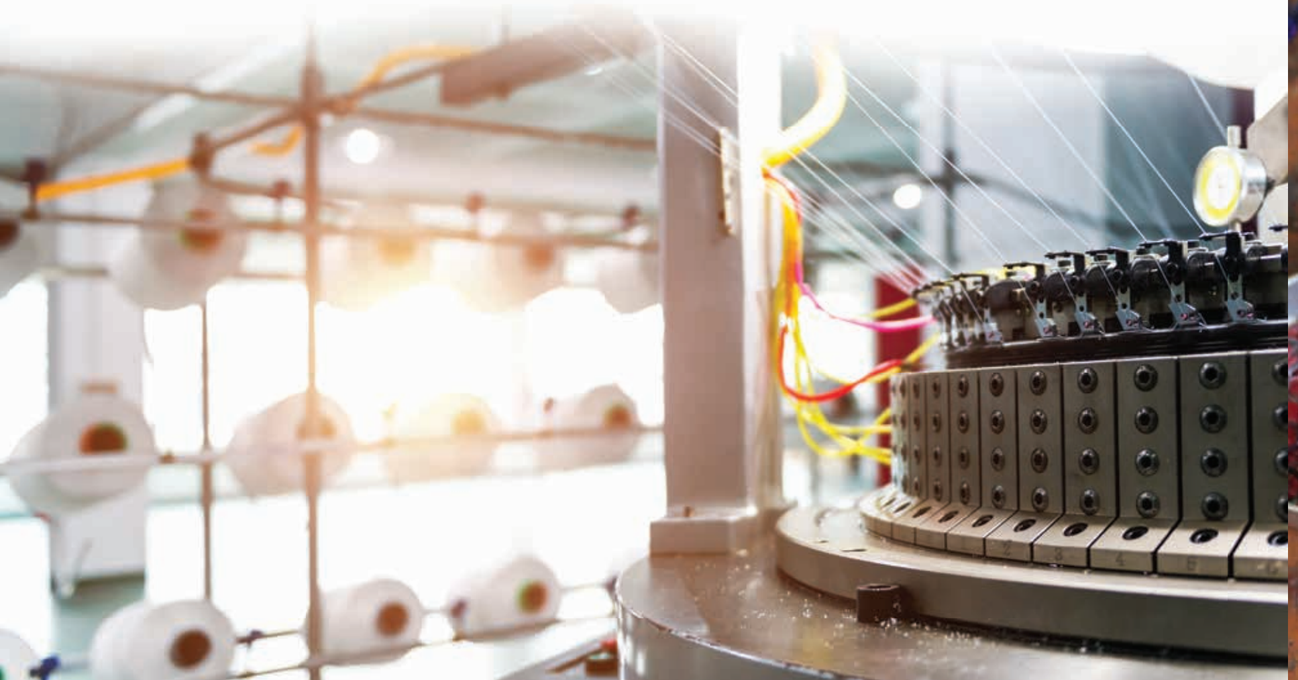
New airports have been constructed and existing ones have been modernized and upgraded with state-of-the-art facilities, making air travel a more comfortable and convenient option for the people of the region. The government has also introduced various incentives to attract airlines to operate in the North East, such as reduced landing and parking fees, which has led to an increase in the number of flights to the region. With better air connectivity, the North East is now more accessible to tourists and businesses from other parts of India and the world. This has not only helped to boost the local economy but has also contributed to the growth and development of the region.

Rail Connectivity

The Indian Railways has taken steps to preserve the cultural and natural heritage of the region by introducing special trains that showcase the unique beauty and diversity of the North East. This has not only helped to promote tourism in the region but has also generated awareness about the rich cultural and natural heritage of the North East. The introduction of new trains and the extension of existing ones has also contributed to increased connectivity in the region. With better rail connectivity, the North East is now more accessible to tourists and businesses from other parts of India and the world. This has not only helped to boost the local economy but has also contributed to the growth and development of the region.

Indian Scenario: Textiles, Handloom & Handicrafts Sector Highlights

- The Indian technical textiles segment is estimated at $16 Bn, approximately 6% of the global market
- The domestic apparel & textile industry in India contributes approximately 2% to the country's GDP and 7% of industry output in value terms
- The share of textile, apparel and handicrafts in India's total exports was 11.4% in 2020-21 and holds 4% share of the global trade in textiles and apparel
- The textile sector is expected to contribute significantly to India's GDP, potentially reaching USD 350 billion by 2025
- The textile industry employs above 45 million people, making it one of the largest employers in the country .
- The Handloom sector in India is expected to grow at a CAGR of 5% and handicrafts sector at 10% from 2021 to 2028
- Export of Handicrafts from India was $2.1 Bn with 5% share reporting a growth of 22% and 16% during 2021-22 over FY 2020-21 and FY 2019-20 respectively







North East India Scenario: Textiles, Handloom & Handicrafts Highlights

- **Skilled Human Capital:** The North East region of India has around 16,04,537 handloom weavers
- **Silk production:** Silk production in NER accounts for 22.86% of the total silk production in India. The region produced 7976.03 MT of silk in 2020-2021 . Muga silk or Golden silk of Assam is GI tagged and is produced only in the NER
- **North East is a dominant player in production of handloom fabric :** North East accounts for 92.90 % of the total production of shawls, mekhla chaddor, loi, stole, scarf, muffler, 78.5% of angavastram, dhoti, sarong, lungi accounts, 81.7 % of towel, napkin, duster, gamosa accounts, 54.10% of dress material (salwar, kameez, etc.), suiting, shirting, long cloth and 41.30% of bedsheet, furnishings, blankets.
- Over 53% of looms and more than 50% of weavers in the country belongs to North East States
- Bamboo and cane furniture, mats, and other decorative items produced in the region have high market demand
- **Wood Carvings:** Woodcarving a traditional art form is practiced in many parts of the North East region, skilled artisans create intricate designs and motifs on wood
- **Pottery:** In Assam, Manipur Nagaland, Tripura skilled artisans use clay to create decorative and functional items such as jars, bowls, and vases

GI tagged textile & handloom products of NER
Idu Mishmi Textiles of Arunachal Pradesh
Shaphee Lanphee, Wangkhei Phee and Moirang Phee of Manipur
Tawlhlohpuan of Mizoram
Mizo Puanchei of Mizoram
Pawndum of Mizoram
Ngotekherh of Mizoram
Hmaram of Mizoram
Chakshesang Shawl of Nagaland
Muga Silk of Assam
Gamosa of Assam

- **Handmade Jewellery:** In Manipur, Mizoram, Nagaland, Arunachal Pradesh, Meghalaya skilled artisans create jewellery from materials like beads, feathers, and bamboo, these unique pieces have a high demand in the international market. Assam also has a long tradition of producing very unique gold and silver jewellery.

Major Institutions of NER in the handloom and textile sector

- National Institute of Fashion Technology (NIFT), Shillong
- Indian Institute of Handloom Technology (IIHT), Guwahati
- Sualkuchi Institute of Fashion Technology (SIFT)
- North-eastern Regional Institute of Science and Technology (NERIST), Itanagar
- Assam Textile Institute, Guwahati
- National Institute of Design, Jorhat

Major handicraft items in NER

- Bamboo and cane products
- Pottery
- Wood carvings
- Handmade jewellery
- Brass and bell metal artifacts
- Hand-woven textiles
- Masks
- Decorative wall hangings
- Handmade paper products
- Water Hyacinth
- Bamboo Fibre

Speciality Fibres	Water Hyacinth	Used for manufacturing hand-bags, purses, yoga mats, decora-tive items.
	Bamboo Fibre	Used for manufacturing T-shirts, pants, underwear, socks, towels, bedsheets, pillow covers, blankets, mattresses, and even bulletproof vests.
	Banana Fibre	Used to make various eco-papers like tissue, filters, and currency paper
	Pineapple Fibre	Fabrics for textile materials and in the manufacture of yarns and handicrafts

Silk Exports from NER

- According to the Federation of Indian Export Organisations, the export of silk textiles from the North East region increased by 31% in the financial year 2019-20, compared to the previous year.
- 1,500 silk manufacturers and exporters from NER have been registered in Silk Mark Organization of India.
- As per DGCIS data, United States is the largest market for silk exports, followed by the United Arab Emirates, the United Kingdom, and Italy.





Some handloom & handicraft production clusters in NER

State	Name of the Cluster
Arunachal Pradesh	• Apang Weaving Cluster • Rupa Weaving Cluster • Pasighat Carpets and Textile Cluster • Mechuka Handloom Cluster • Along Eri Silk Cluster
Assam	• Sualkuchi Silk Village • Barpeta Bell and Brass Metalwork Cluster • Nagaon Bamboo and Cane Cluster • Majuli Island Mask Making Cluster • Lakhimpur Handloom Cluster
Manipur	• Wangkhei Phee Cluster • Moirang Phee Cluster • Phulia Cluster • Andro Cluster • Bishnupur Cluster
Meghalaya	• Ryndia Silk Weaving Cluster • Lawmali Weaving Cluster • Nongstoin Weaving Cluster • Smit Wood Carving Cluster • Tura Cane and Bamboo Cluster
Mizoram	• Aizawl Handloom Cluster • Champhai Handloom Cluster • Lunglei Handicraft Cluster • Serchhip Handicraft Cluster • Saiha Handicraft Cluster
Nagaland	• Dimapur Handloom Cluster • Kohima Handloom Cluster • Mokokchung Handicraft Cluster • Tuensang Handicraft Cluster • Zunheboto Handicraft Cluster

State	Name of the Cluster
Sikkim	• Gangtok Handloom Cluster • Namchi Handloom Cluster • Ravangla Handloom Cluster • Temi Tea Handicraft Cluster • Tinkitam Handicraft Cluster
Tripura	• Udaipur Handloom Cluster • Satchand Handloom Cluster • Matabari Handloom Cluster • Rangamati Handloom Cluster • Jampuijala Handloom Cluster



Support Infrastructure in NER

Industrial Growth Centres:

- Industrial Growth Centre, Matia, Assam
- Industrial Growth Centre, Balipara, Assam
- Industrial Growth Centre, Chaygaon, Assam
- Niglok Ngorlung, District East Siang, Arunachal Pradesh.
- Agartala IGC, Bodhjungnagar, Tripura
- District Industries centre, Sikkim
- Industrial Growth Centre, Ganeshnagar, Nagaland

Dedicated Textile Parks:

- Prag Bosimi Textile Park, Darrang
- Industrial Estate, Short Round Road, Lumjingsha, Meghalaya
- Industrial Estate Rangpo, Sikkim
- Integrated Textile Park, Kharuaja, BTR, Assam
- Samvrudi Handlooms Textile Park Khensa, Mokokchung
- Handloom and Handicrafts Park, Aizawl, Mizoram



Ease of Doing Business in NER

Implementation of single window clearance portal in all the states of North East for providing G2B services in a seamless timebound manner

- As a measure to provide a conducive business eco system, the states of North East India have implemented one stop single window system for all G2B permits and permissions required for any business activity
- Among many other features of the single window systems, a notable functionality in the system is Centralised Inspection Module which helps in random allocation of inspection inspectors and joint site inspection thereby reducing the time, procedure and cost of many G2B services

Integration with NSWS

- The North Eastern states have onboarded or are in the process of onboarding their G2B services in the National Single Window Portal. This will enable investors to easily apply for business clearances for their investments in the region.

Industrial Policy for attracting investment in the region

- To attract investment in the NER, the states have proactively implemented Industrial Policies which offer state specific incentives

Preferential land allotment policy through creating of Industrial Land Banks

- Each state in the North East has developed industrial land banks for ease of land allocation
- Sector specific Industrial Zones like Plastic Park, Textile Parks and IT Parks have been developed in the region

Reducing Compliance Burden

- NE States have undertaken an exercise to reduce compliance burden through a process of rationalisation and decriminalizing minor offences.

A robust feedback and grievance redressal mechanism

The states have put in place robust feedback and grievance redressal mechanisms to further improve ease of doing business.

Government Initiatives for the handloom, textiles & handicraft sector

- Weavers Mudra Scheme: In North Eastern Region, the Weavers Mudra Scheme has been highly successful. According to reports, around 1.5 lakh handloom weavers in the region have benefited from the scheme. In 2019-20, the government disbursed over Rs. 100 crores under the scheme in North Eastern Region alone.
- ATUFS: Government is implementing Amended Technology Up-gradation Fund Scheme (ATUFS) for technology up-gradation of the textile industry to incentivize production with an outlay of Rs.17,822 crore during 2016-2022. It is expected to attract investment of Rs.1 lakh crore and generate 35.62 lakhs employment in the textile sector by 2022.
- Scheme for Integrated Textile Park (SITP): Government of India grant with a ceiling limit of Rs. 40 crores for setting up textiles parks for creation of world class infrastructure facilities for setting up of textile unit
- PM-Mega Integrated Textiles Regions and Apparel Park (PM-MITRA): For development of Greenfield PM MITRA and Brownfield PM Park, there is a provision of Development Capital Support (DCS) @30% of the project cost with a maximum support of Rs 500 Cr and Rs 200 Crore per park for Greenfield and Brownfield PM MITRA respectively from the Government of India.
- National Handicrafts Development Programme (NHDP) and Comprehensive Handicraft Cluster Development Schemes aims at holistic development of handicrafts clusters through integrated approach by providing support on design, technology up-gradation, infrastructure development, market support etc.
- Silk Samagra: An integrated Scheme for development of silk industry with components of research & development, transfer of technology, seed organization and coordination, market development, quality certification and export.
- State Industrial policies: To attract investments and promote industrial development, 6 of 8 North East states has have active industrial policies in place, which includes a range of incentives, subsidies, and support mechanisms for investorsAs Sikkim does not have an Industrial Policy, the MSME Policy 2022 for Sikkim has been considered.

Industrial policies of North East States and other Indian states reveals that all the policies compared offer a wide range of subsidies to promote industrial growth. Some of the key highlights of the subsidy offerings include tax incentives, capital subsidies, interest subsidies, and land subsidies. The policies also offer infrastructure development support, including subsidies for setting up of Industrial infrastructure.

Additionally, the policies provide institutional support for business development, including subsidies for skill development and technology upgradation. The subsidy offerings are well defined and reflect a careful consideration of the specific needs and priorities of the industrial sectors in the states.




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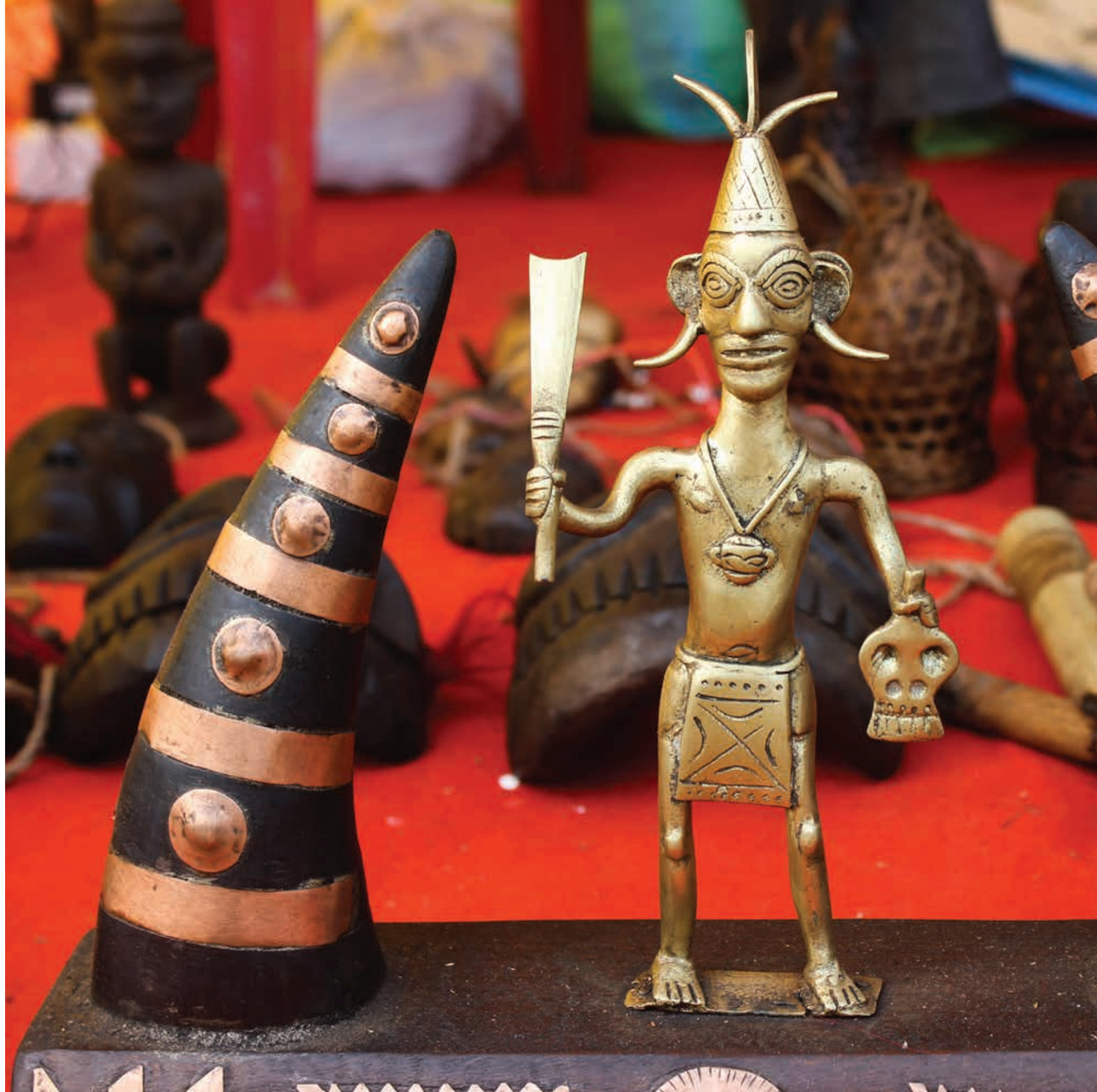
Business opportunities in the handloom and handicraft sector

- With environment conscious consumers on the rise globally, the demand for environment friendly handicraft and handloom products such as home furnishings and furniture, fashion accessories and conference bags, decorative etc., has been on a steep rise, which gives advantage to the North East Region as abundant natural materials such as cane, bamboo, timber, silk, clay, natural fibre, etc., is available.
- The handloom products of NER have high demand in USA, France, and Australia while majority of handicraft products were exported to Australia, Nepal, Chile, USA, France, UK, and Iran from NER during FY 20-21 to FY 22-23 .
- Opportunities for investment in design centres and design workshops for handloom and textile products while the primary processing units could be equipped with facilities for mass treatment of raw materials.
- There is an increase in the investment in the R&D for the development of green technologies in the handicraft industry. There is opportunity for investors entering into the market with innovative techniques of production that solves many existing problems in production process and at the same time promote the use of eco-friendly and sustainable handicrafts globally.
- Technical textiles are a fast-growing sub-segment that finds its usage in an array of sectors. The end use application of technical textiles is widespread and seen in industries such as agriculture, construction, sports apparel, healthcare etc. Technical textile accounts for approximately 13% of India's total textile and apparel market and contributes to India's GDP at 0.7%.
- The global demand for technical textiles is expected to grow up to USD 220 Bn by 2025, at a CAGR of 4% from 2018-25. The North America market is characterised by high demand from sectors such as MedTech, Sportech and Agritech owing to increasing initiatives for developing superior sports apparel and enhancing agricultural yield.
- Road infrastructure represents the most obvious area of opportunity for the geotechnical textile segment in the region due to the direct applicability, proven technology as well as the sheer scale of projects. NER has the requisite raw materials such as silk, jute, wood etc., along with a strong value chain, low cost labour, changing consumer trends which provides investment opportunity in technical textiles sector in the region.
- NER is blessed with abundant availability of raw materials like banana, bamboo, water hyacinth, pineapple etc., required for specialty fibres like banana fibre, bamboo fibre, water hyacinth fibre, pineapple leaf fibre which are in high demand in both National and International markets due to its eco-friendly characteristics. Water hyacinth fibres are ideal for home textiles such as curtains, upholstery, table runners, napkins, bed cover, pillow case etc. Banana fibre, also known as 'musa fibre' is one of the world's strongest natural fibres and is biodegradable in nature. Pineapple leaf fibres (PALFs) can be utilized as fabrics for textile materials and in the manufacture of yarns and handicrafts in many countries. Bamboo fibre is a regenerated cellulosic fibre produced from bamboo, modern bamboo clothing, is costly due to the higher cost of mechanically extracted bamboo fibres.



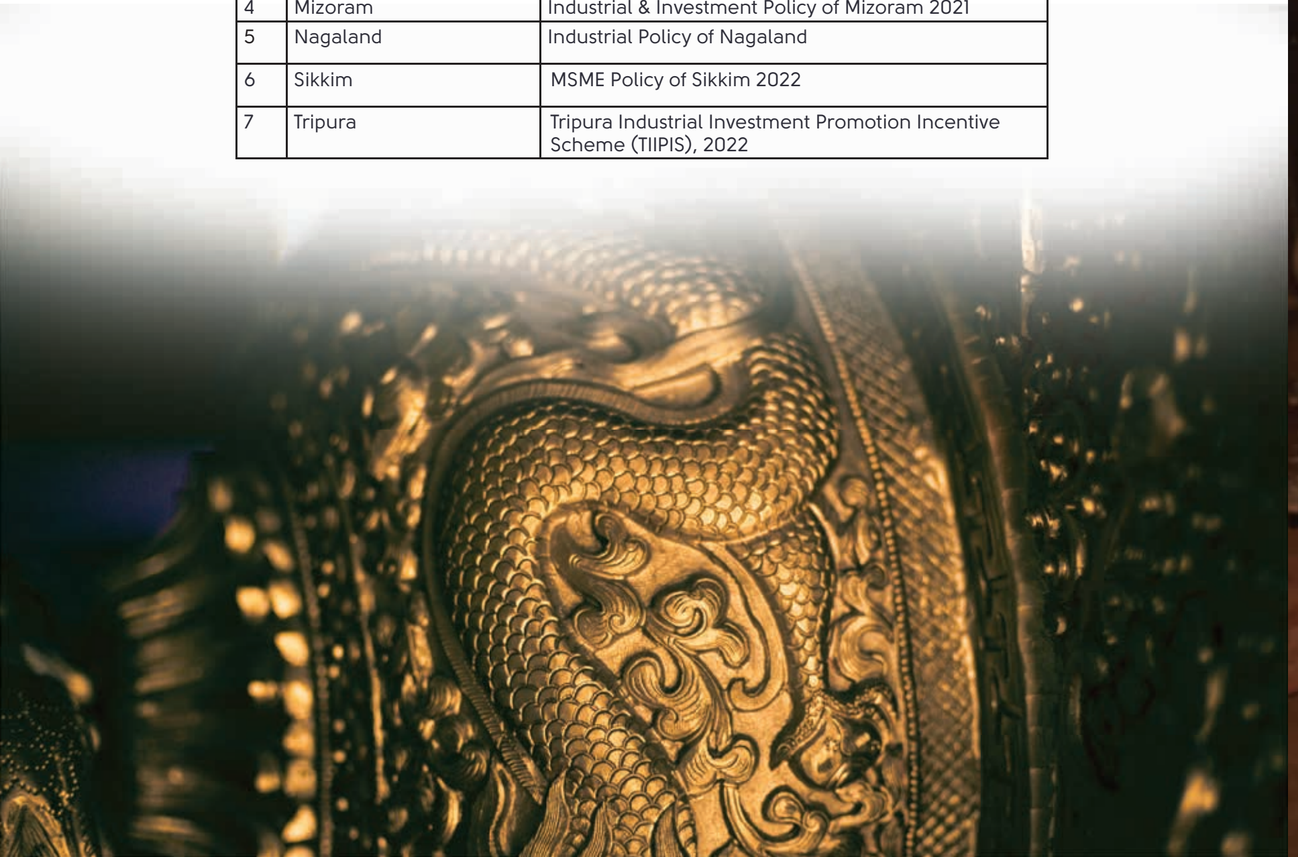
Investible projects in the sector

State	Investible Project	Project Description
Arunachal Pradesh	Export promotion with Seri Tourism activities linked with Livelihood Mission at Govt. Sericulture Farm Jia in Lower Dibang Valley District.	Prominent activities like demonstration of Silkworm food plantation, Silkworm Rearing Spinning & weaving of cloths will be part of the project. Further a craft village, exhibition and sales hut for marketing, Silk emporium, sales outlets, International roads, children park guest house and cafeteria will be developed. Around 150 to 200 silk weavers will be linked to the proposed silk park as livelihood mission.
Nagaland	Creation of Infrastructure, Value Chain Partners, Mentor Fund Handloom & Handicraft Sector for adapting Good Practices	Creation of Infrastructure - Common Facility Centre for Eco Fabric Digital Printing, R&D on Natural Fibres, Apparel & Garment Manufacturing Centre Value Chain Partners (PPP) to achieve mutual goals and maximize the benefit to customers, understanding the needs and adding value of each partner combining core competencies, assets, technology, and relationships. Mentor Funds - Create rural livelihood, preserve culture, and revive traditional sustainable practices, business mentoring to establish a flourishing sustainable eco system
Sikkim	Carpet and Handicraft manufacturing in Sikkim	Sikkimese carpets are meticulously crafted by skilled artisans using traditional techniques of hand-knotting and weaving on sturdy, vertical looms that are anchored against walls. This intricate art form demands exceptional levels of focus and attention to detail and is predominantly practiced by women in the region. Given their popularity, there exists a promising opportunity for large-scale production of Sikkimese carpets and other handicrafts on a commercial basis
Assam	Setting up of Handloom Production Units	The project is aimed at developing handloom clusters by providing support for infrastructure development, skill up-gradation, technology up-gradation, and marketing support to local artisans and then marketing the products
	Apparel & Garment Making Centre	The handloom fabric produced in Assam can be used to produce various apparels and garments. This coupled with availability of skilled manpower, makes the state an ideal destination setting up apparel and garment factories.
	Silk Value Chain based Cluster Development	The establishment of a Silk Value Chain based Cluster involves various strategic measures, such as capacity building, technological advancement, market connections, and infrastructure enhancement. Its goal is to create sustainable and competitive silk clusters by strengthening the entire value chain, from raw silk production to finished silk goods. This presents a promising investment opportunity, with the potential for significant profitability.
	Manufacturing of Bamboo Mat Board, Bamboo Mat Corrugated Sheets & Bamboo Floorboard	Bamboo Mat Board can be used for various applications such as wall and ceiling coverings, flooring, furniture, and decorative panels. Bamboo Mat Corrugated Sheets are lightweight, strong, and flexible, making them suitable for roofing, cladding, and partition walls. Bamboo Floorboard can be used for both indoor and outdoor applications due to their high resistance to moisture and insects.



Policy Support in NER

#	State	Name of the Policy
1	Arunachal Pradesh	Arunachal Pradesh State Industrial & Investment Policy 2020
2	Assam	Assam Industrial and Investment Policy (Amendment) 2023 The Assam Bamboo and Cane policy, 2019 The Handicraft Policy of Assam, 2022 Assam Handloom Policy, 2017-18
3	Manipur	Manipur Textile Policy, 2020
4	Mizoram	Industrial & Investment Policy of Mizoram 2021
5	Nagaland	Industrial Policy of Nagaland
6	Sikkim	MSME Policy of Sikkim 2022
7	Tripura	Tripura Industrial Investment Promotion Incentive Scheme (TIIPIS), 2022





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