

## Department of MSME and Export Promotion District Export Action Plan- Bijnor



Knowledge Partner

## Preface

This district export plan for Bijnor District is being prepared as a part of Developing District as Export Hub under the District Export Hub Scheme initiated by the Ministry of Commerce & Industry, Govt of India and state Government of Uttar Pradesh. Hon'ble Prime Minister in his Independence Day Speech on 15th August, 2019, had, inter- alia observed that each of our district has a diverse identity and potential for targeting global markets and there is a need for converting each district into potential export hubs. In order to implement Hon'ble PM's vision for each district, Department of Commerce has mandated the Directorate General of Foreign Trade to work with State Government and District Level authorities to promote the Bijnor district as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Bijnor under the chairmanship of District Magistrate. With the said objective, 'District Export Action Plan' has been prepared and being presented to concerned stakeholders.

The report encompasses in-depth information on district's geographic, demographic, and administrative profile, along with key statistics of prominent exporting products of district, gaps identified basis diagnostic survey, recommendations proposed to mitigate the gaps and action plans required to implement those recommendations.

The report provides insights into exports from the cluster, via analysing exports over the last five years from India and UP for the respective product. The report also shares insights on availability of raw material, technology upgradation, infrastructure, designing, packaging, access to finance, skill development etc. Besides the detailed action plans, the timeline and responsibility matrix has also been defined with implementation schedule to give implementation roadmap of the product.

For this desired purpose, an extensive primary and secondary research was conducted. The report has been prepared in co-ordination with the Office of DGFT, Kanpur and Uttar Pradesh Export promotion Bureau (UPEPB). The data has been sourced from multiple avenues, including but not limited to data provided by office of DGFT, Kanpur, UAM data (2019), DICs, 2011 Census of India, Diagnostic Study Reports, stakeholder consultation and several other secondary resources.

# Contents

1.	Vision of Districts as Export Hubs .....	5
2.	District Profile .....	5
2.1	Geography.....	6
2.2	Topography & Agriculture.....	6
3.	Industrial profile of the district .....	6
3.1	Major Exportable Product from Bijnor.....	8
4.	Product 1: Jaggery/Sugar Cane Products .....	8
4.1	Cluster Overview .....	8
4.2	Product Profile.....	8
4.2.1	Status of GI Tag .....	9
4.3	Cluster Stakeholders .....	9
	Industry Associations .....	9
	HS Code .....	9
4.4	Potential Areas for Value Added Product.....	12
4.5	Challenges and interventions .....	12
4.6	Future Outcomes: .....	14
5.	Product 2: Articles of Iron/Steel/ Aluminium.....	15
5.1	Cluster Overview .....	15
5.2	Product Profile.....	15
5.2.1	Product Portfolio .....	15
5.3	Cluster Stakeholders .....	15
5.3.1	Industry Associations.....	16
5.3.2	Status of GI Tag .....	16
5.4	Export Scenario .....	16
5.4.1	HS Code.....	16
5.4.2	<b>Current Scenario</b> .....	16
5.5	Potential Areas for Value Added Product.....	17
5.6	SWOT Analysis .....	18
5.7	Challenges and interventions .....	18
5.8	Future Outcomes .....	20
6.	Scheme under Uttar Pradesh Export Promotion Bureau.....	21
7.	Action Plan.....	23

## List of Tables

Table 1: Industries details .....	6
Table 2: Occupational Distribution of Main Workers .....	7
Table 3: Major Exportable Product .....	8
Table 4 SWOT Analysis for Sugar Cane Items .....	12

## List of Figures

Figure 1: MSME landscape of the district .....	7
Figure 2: Occupational distribution of Bijnor .....	7
Figure 3 Top 10 Exporters worldwide (170114) .....	10
Figure 4 Top 10 importers Importing from India (170114) .....	10
Figure 5 Top 10 Exporters worldwide (170199) .....	11
Figure 6 Top 10 importers Importing from India (170199) .....	11
Figure 7 Top 10 Exporters word wide (761699) .....	17
Figure 8 Top 10 Importers of product (761699) importing from India.....	17
Figure 9 Markets for export potential .....	17

## 1. Vision of Districts as Export Hubs

**“Each district of our country has a potential equal to that of one country, each of our districts has the capacity equal to a small country in the world.. why should each district not think of becoming an export hub? . . Each of our districts has a diverse identity and potential for global market”**

**- Honourable Prime Minister of India, Shri Narendra Modi**

Foreign trade from India constitutes of 45% of its GDP. Until 2019, only the central government was engaged in the decision making of foreign trade, without any participation or involvement of state and/or district stakeholders. However, now, understanding that there are diverse elements that contribute towards an enabling and conducive foreign trade environment; the central government has identified that with policy & strategy, active support of the state governments and district administrations are also equally required.

Thus, to decentralize the existing activities, to boost local production & its exports and to ensure active participation of state & district stakeholders, vision of district as export hubs was put to action. Department of Commerce, through Directorate General of Foreign Trade (DGFT) is working with the State / UT Governments to achieve this objective.

DGFT and UPEPB have aimed at synergising their efforts to identify the key products, export trends and challenges. Further to minimize the challenges, quantify the exports and outline export strategy; a detailed district-wise Export Action Plan has been made for all 75 districts of UP, where EY has contributed as Knowledge Partner.

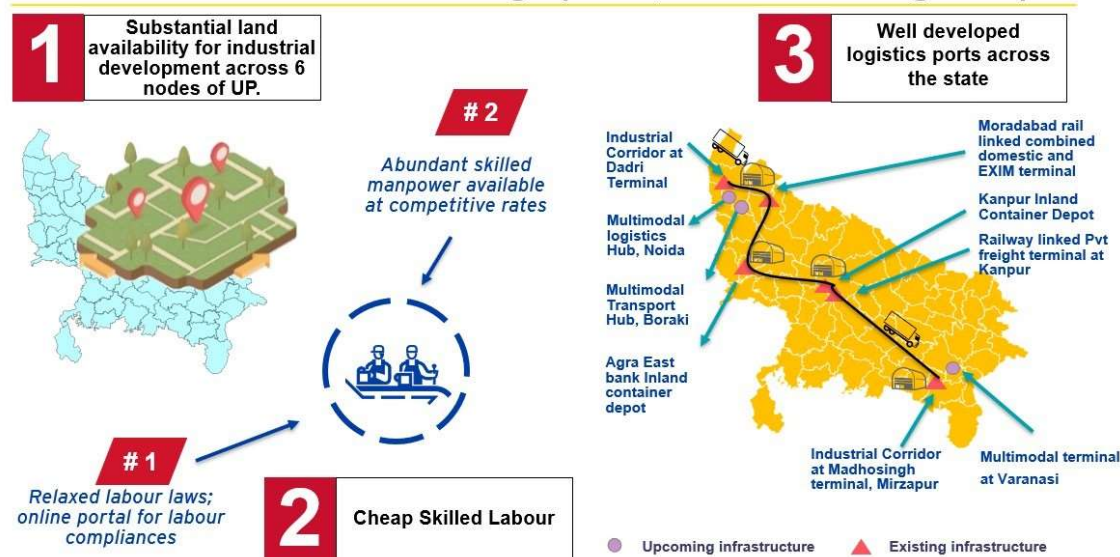
## 2. District Profile

Bijnor is a city in Uttar Pradesh state of India. Birth place of King Bharat S/o King Dushyant (Kanva Ashram)-“Bharat Vansh” Vidur Kuti. Vidur Kuti, which lies almost 12 km away from Bijnor is of much historical significance. There are ancient temples and ashrams. According to Abhigyan Shakuntalam, Dushyant, King of Hastinapur reached the area during a hunting session and met with Shakuntala whom he fell in love with at first sight. Moreover, two Navratnas of Emperor Akbar Abul-Fazl and his brother Faizi, were born and raised in the region. Najibudaulahs Fort, located in Najibabad, was established by Gulam Kadir (Najibudaulah) during 18th Century after the collapse of the Mughal dynasty. The distance from Delhi to Bijnor is 166 Kms. while from Lucknow it is 396 Km.

The main economy of district Bijnor is cane productions besides some agro industrial units. Sherkot is famous for brush business where as Nagina area of the district is famous for the handicraft work.

Area	<b>4561 Sq. Km.</b>
No. of Tehsils	<b>5</b>
No. of Block	<b>11</b>
No. of Nagar Palika/Panchayats	<b>18</b>
No. of Villages	<b>2519</b>

## UTTAR PRADESH: 3L Advantage (Land, Labour and Logistics)



As Uttar Pradesh having 3L advantage (Land, Labour and Logistics), Bijnor has also export potential with its “Rail linked combined domestic and EXIM terminal” of Moradabad which is just 90 KM in distance.

### 2.1 Geography

Bijnor occupies the north-west corner of the Moradabad Division (historically, Rohilkhand or Bareilly region). This city is situated in western U.P. between 29°-2´ to 29°-58´ Latitude North and 78°- 0´ to 78°- 0´ and 78°- 57´ Longitude East. Presently it is an Administrative, Industrial and Commercial city. This city lies on National Highway 74 and It is very well connected with main cities like Delhi, Lucknow, Indore, Patna, Haridwar, etc. by rail and road transport.

### 2.2 Topography & Agriculture

Bijnor can be said the bowl of sugar for Uttar Pradesh. Major economy of district is farming specially the sugar cane followed by traditional farming like wheat and rice. Tree farming is also popular as district is focusing on woodcraft manufacturing as demand is contentiously increasing.

### 3. Industrial profile of the district

The main economy of district Bijnor is cane productions and processing besides some agro industrial units. Wooden\wooden based material, readymade garments, Paper manufacturing units are also contributing the district economy.

Table 1: Industries details<sup>1</sup>

NIC Code no	Type of Industry	Number of units	Investment (Rs Lakh)	Employment
20-21	Food/Agro Product	720	15030	14400
21	Khandsaari/Cane Crushers	189	32400	81000
26	Ready-made garments & Embroidery	76	42	1250
27	Wood/wooden based furniture	620	1245	8000
28	Paper & Paper products	14	160	450
31	Chemical/Chemical based	7	10500	1050
32	Mineral based	6	12050	1250
34	Metal products (Steel, Aluminium)	12	1250	600
35	Machinery & Parts except Electrical (Engineering units)	18	9.5	360
36	Electrical machinery and Apparatus	22	13	180

<sup>1</sup> District industries centre, Sambhal

NIC Code no	Type of Industry	Number of units	Investment (Rs Lakh)	Employment
37	Transport Equipment's & Parts	8	20	120
38	Misc. Manufacturing	300	150	3000
96-97	Repairing & servicing	700	350	3500
	<b>Total</b>	<b>2692</b>	<b>73219.5</b>	<b>1,15,160</b>

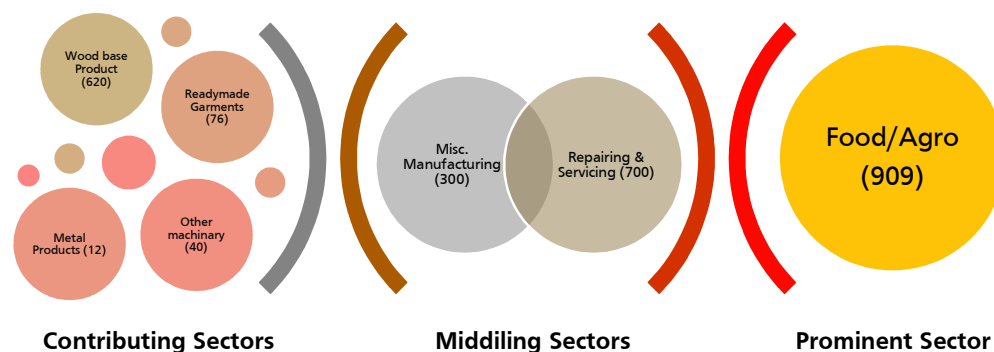


Figure 1: MSME landscape of the district

Out of total population of 36,82,713 (2011 census), ~13,62,000 are working population. Out of total working population, 34.56% are working in other industries, 49.94% are cultivators and agricultural labourers and 15.51% are household & industry workers.

Table 2: Occupational Distribution of Main Workers<sup>2</sup>

S.No.	Particulars	Population	%
1	Cultivators	1,76,330	12.95%
2	Agriculture Labourers	5,03,800	36.99%
3	Household & Industry Workers	2,11,200	15.51%
4	Others	4,70,670	34.56%

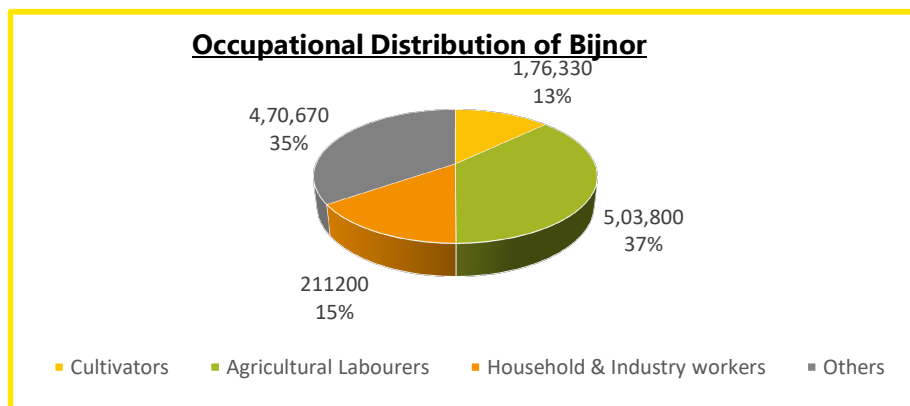


Figure 2: Occupational distribution of Bijnor

<sup>2</sup> District census handbook 2011- Bijnor



### 3.1 Major Exportable Product from Bijnor

The total export from Bijnor is approximately INR 890.6 Crore for the period September 2020 to November 2021.

The following table depicts the value of export of major products from Bijnor:

Table 3: Major Exportable Product

S. No	Product	Export value (in INR Crore) <sup>3</sup> from September 2020 to November, 2021
1	OTHER CANE SUGAR EXCL	693.01
2	OTHR REFND SUGAR	150.1
3	RICE PARBOILED	15.0
4	SPIRIT OF UNDENATRD ETHYL ALCHL	11.1
5	ETHYL ACETATE	10.9
6	ARTICLES OF ALUMINIUM	3.0
7	OTHER PRODUCTS	7.46
	<b>Total</b>	<b>890.6</b>
	<b>Total Export from Bijnor</b>	<b>890.6 Cr<sup>4</sup></b>

## 4. Product 1: Jaggery/Sugar Cane Products

### 4.1 Cluster Overview

The overall turnover of Bijnor jaggery/Sugar Cane Products cluster is approx. Rs. 700 crores. Bijnor can be said the bowl of sugar for Uttar Pradesh. Major economy of district is faming specially the sugar cane followed by traditional farming like wheat and rice. Around 189 Khandsaari/Crusher & 9 Large Sugar Mills are available in Cluster.

### 4.2 Product Profile

Jaggery is produced in different forms viz., soli, liquid, and powder or granular form, which is described as:

- ▶ **Solid Jaggery:** The filtered cane juice was pumped into open pans kept on triple pan furnace and heated with the bagasse as fuel.
- ▶ **Liquid Jaggery:** It is also known as Molasses/ Raab/ Kakvi / Sheera / Treacle/ Cane Syrup/ etc. Liquid jaggery is an intermediate product obtained during concentration of purified sugarcane juice during jaggery making, and is semi liquid syrup like product, known for its energy boosting properties.
- ▶ **Granular or Powder Jaggery:** The process of making granular jaggery is similar up to concentration. The concentrating slurry is rubbed with wooden scrapper, for formation of grains. The granular jaggery is then cooled and sieved. Less than 3 mm sized crystals are found to be better for quality granular jaggery.
- ▶ **Organic Jaggery:** Organic Jaggery Powder is produced from sugarcane cultivated in organic farms spread across India without application of chemical fertilizers or pesticides. Processing is done without using any toxic and harsh chemicals used to clarify cane sugar. It is derived from the process of evaporation of raw sugarcane juice without separating the molasses from the crystals. It is known as "panela" in South America & Mexico, "gur" in India. It is characterised with a soft texture. Colour of Organic Jaggery varies from yellow to dark brown. Unlike refined sugar coming from chemical processing, Jaggery retains trace minerals and vitamins, and hence is a healthy and nutrient rich sweetener. It is often used in place of sugar for sweetening the beverages in rural India. None of the traditional Indian sweets are baked without addition of Jaggery. Production of organic jaggery is marginal in the district because of absence of organic farms in the district.
- ▶ **Value added products:** Jaggery may be value added with different natural flavour (ginger, black pepper, cardamom, lemon etc.), nutrition (protein, vitamins and phytochemicals), texture (additives) and taste (additives like nuts, spices,

<sup>3</sup> District wise report for the period September 2020 to November 2021 received from DGFT

<sup>4</sup> Total export from Bijnor for the period September 2020 to November 2021 as per the data received from office of DGFT, Kanpur



cereal and pulses). Moreover, different value-added products are prepared traditionally using jaggery instead of sugar viz., Rosagolla, Peda, curd, laddu (puffed cereal, nuts and sesame etc.) but no scientific literatures as well as process technologies are available for commercial exploitation. Other uses include jaggery toffees and jaggery cake made with pumpkin preserve, cashew nuts, pea nuts and spices. Jaggery may also be used in the creation of alcoholic beverages like palm wine. Products of Jaggery (Gur) like Confectionary Products, Ayurvedic Jaggery, Gur-Patti, Gur-Laddu, Ram-Dana Laddu, Til-Laddu, Gur-Gazak, Gur-Chocolate, Gur-Burfi and Gur Containing Nutritional and Medicinal Substances are also being manufactured.

#### 4.2.1 Status of GI Tag

There is NO G.I. Tag applied by cluster stake holders for Bijnor District.

#### 4.3 Cluster Stakeholders

- ▶ Farmer
- ▶ Khaandsari Unit Holders
- ▶ Sugar mills
- ▶ Exporter/Trader/wholesellers

#### Industry Associations

Following are principal Industry Associations/SPVs that are working for the development:

- ▶ FPO's
- ▶ Khaandsari Association
- ▶ Zila Ganna Vibhag
- ▶ IIA
- ▶ Traders Association

#### HS Code

HS codes under which the product is exported from the state.

Table 4: HS Code with description

HS Code	Description
170114	Other Sugar Cane
170199	Refnd Sugar

#### Current Scenario:170114

The export scenario of India and Uttar Pradesh have been analysed basis the export statistics of HS codes 170114 under which Sugar Cane Items are exported.

#### Export Potential

- ▶ India's exports represent 4.7% of world exports for this product, its ranking in world exports is 3
- ▶ India exported this product to Iran, USA, Indonesia, Bangladesh, Nepal, China, UAE, ETC.
- ▶ District export for the Period of Sep-20 to Nov-21 is INR 693 Crore.

#### Key Fact of Export

**11,393,497 (USD Thousand)**

Value of world exports in 2020

**5,32,951 (USD Thousand)**

Total Exports from India in 2020

**2,09,190 (USD Thousand)**

Total Exports from Uttar Pradesh in 2020

**39%**

Share of Uttar Pradesh in India Exports

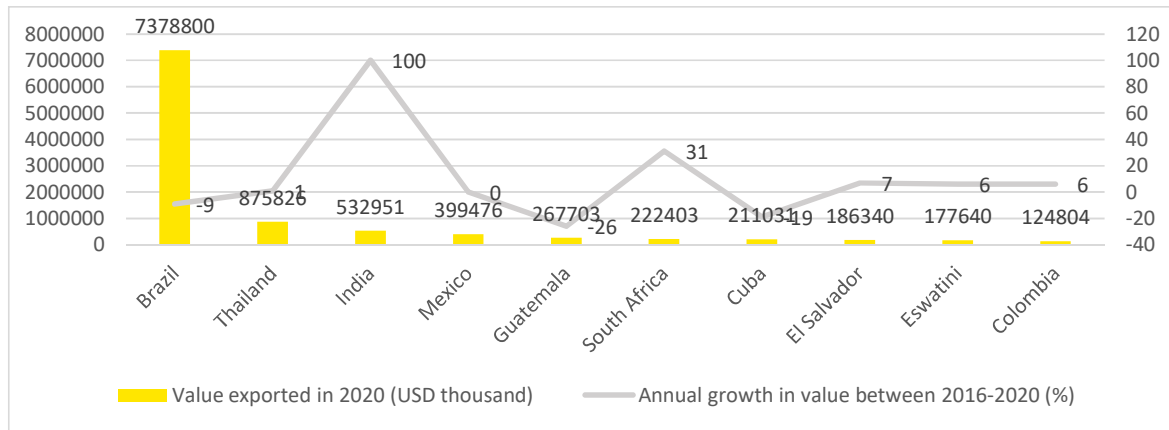


Figure 3 Top 10 Exporters worldwide (170114)

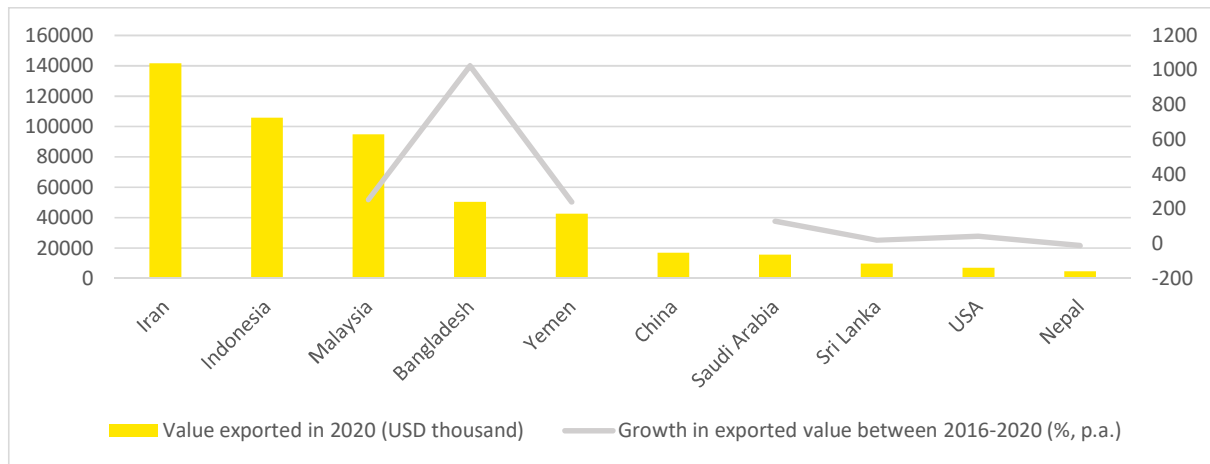


Figure 4 Top 10 importers Importing from India (170114)

### Current Scenario:170199

The export scenario of India and Uttar Pradesh have been analysed basis the export statistics of HS codes 170199 under which Sugar Cane Items are exported.

#### Export Potential

- ▶ India's exports represent 15.9% of world exports for this product, its ranking in world exports is 1.
- ▶ India exported this product to Iran, sudan, Somalia, Bangladesh, Nepal, China, UAE, ETC.
- ▶ District export for the Period of Sep-20 to Nov-21 is INR 150.10 Crore.

### Key Fact of Export

**11,435,126 (USD Thousand)**

Value of world exports in 2020

**18,16,969 (USD Thousand)**

Total Exports from India in 2020

**1,98,560 (USD Thousand)**

Total Exports from Uttar Pradesh in 2020

**11%**

Share of Uttar Pradesh in India Exports

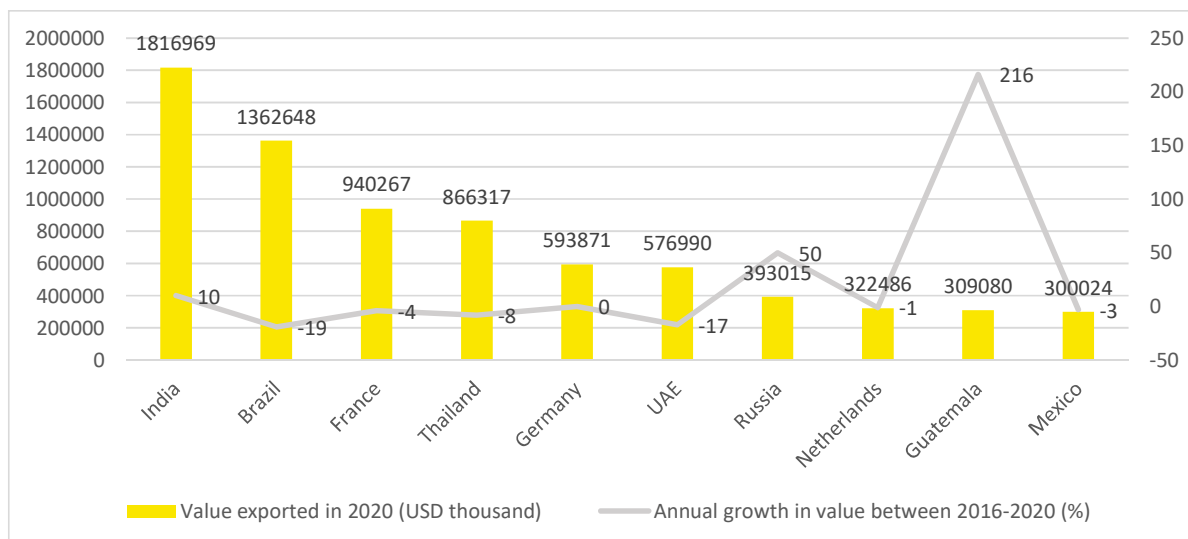


Figure 5 Top 10 Exporters worldwide (170199)

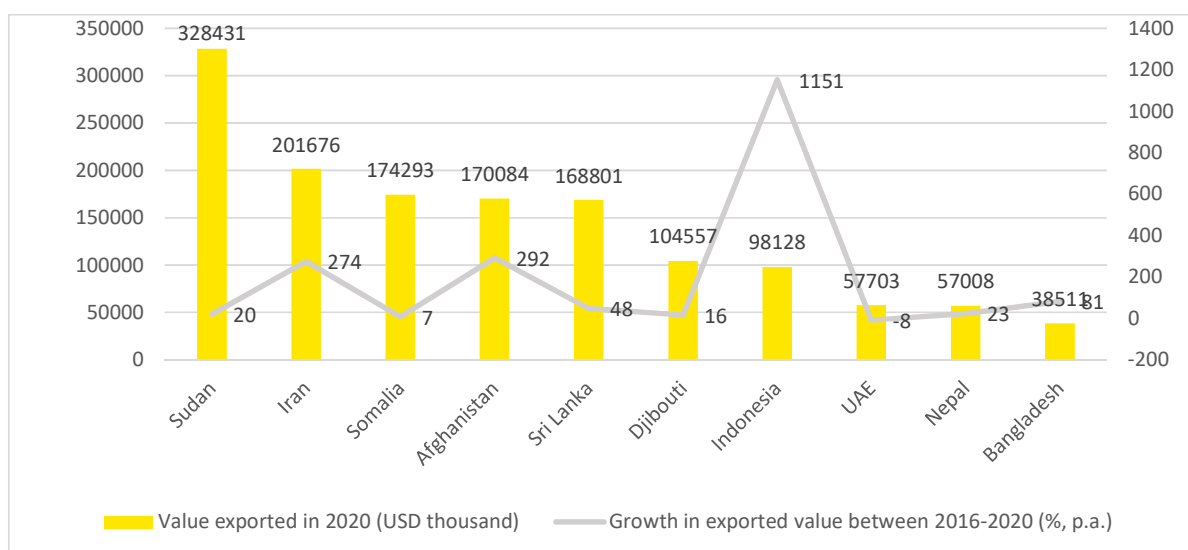


Figure 6 Top 10 importers Importing from India (170199)

### India's Exports of Jaggery and Confectionary Products touched \$230 Million during 2018-19

- ▶ Jaggery is produced almost in 25 countries under different names with a total production of 13 million tonnes per year.
- ▶ India is the largest producer of jaggery under unorganised Agro-processing sector, sharing 55 per cent of the total world production, followed by Colombia (11 per cent). As the major producer of jaggery, India is recognised as one of the leading traders and exporters in the world.
- ▶ **India produces for more than 60% of world jaggery production, but Brazil is the major exporter.**
- ▶ India exported 2,92,212 tonnes of jaggery and confectionary products worth Rs 1,289.2 crore in 2015-16. Major export destinations during this period were Nigeria, Kenya, the United Arab Emirates, Nepal and Myanmar, according to a report in The Indian Farming.

- ▶ India exported 252142.85 MT of jaggery and confectionery products to the world for the worth of Rs. 1380.35 crores/214.2 USD Millions during the year 2017-18. Major Export Destinations (2017-18): Nepal, Benin, United Arab Emirates, Sudan and Kenya.
- ▶ India exported 3,13,826.00 MT of jaggery and confectionery products to the world for the worth of Rs. 1,606.08 crores/ 230.03 USD Millions during the year 2018-19. Major Export Destinations in 2018-19 are Sri Lanka, Nepal, Benin, USA, and Indonesia.

#### 4.4 Potential Areas for Value Added Product

Product Diversification is one of the most crucial product uplifting strategies which in turn is an important part of a product's export. This plays a vital role in any products exports as it is a product uplifting strategy. Most Farmers are not bothered about changing their product range and they fail to understand that it is an integral part of comprehensive marketing. Diversification can be brought in the cluster by:

##### 1. Development of a new products:

The Farmers of the district should be encouraged to diversify the product categories and must be provided with enough resources to create innovative products without losing the ancestral essence of the product.

##### 2. Modifications of Existing Products:

Design Innovation Centre to pursue product diversification as a permanent feature locally. Establishment of a vacuum packaging facility to produce packaging that prevents any contact of jaggery with the environment, hence giving it longer shelf life

Strengths	Weakness
<ul style="list-style-type: none"> <li>▶ Well Established market</li> <li>▶ Huge production capacity</li> <li>▶ Easy availability of raw material</li> <li>▶ Large employment potential</li> <li>▶ Low initial investment</li> </ul>	<ul style="list-style-type: none"> <li>▶ No experience of collective workers</li> <li>▶ Lack of appropriate technology</li> <li>▶ Excessive use of clarificants</li> <li>▶ No R&amp;D facility</li> <li>▶ Limited knowledge of quality control</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▶ Increase demand for quality jaggery</li> <li>▶ Production of value-added products</li> <li>▶ Mechanization of process</li> <li>▶ Upgradation in production technology</li> <li>▶ New International markets are open for India Sugar Products</li> </ul>	<ul style="list-style-type: none"> <li>▶ Shortage of labour</li> <li>▶ Competition from sugar mill</li> <li>▶ Non- availability of finance</li> <li>▶ Lack of timely and adequate credit from credit institutions</li> </ul>

Table 4 SWOT Analysis for Sugar Cane Items

#### 4.5 Challenges and interventions

Parameter	Challenges	Intervention
<b>Raw Material</b>	<ul style="list-style-type: none"> <li>▶ In Bijnor jaggery is extracted from Sugarcane. A few issues the cluster faces are:</li> <li>▶ High sugarcane production – Facing issues like staling and drying;</li> <li>▶ Difference in recovery percentage</li> <li>▶ Unhygienic filtration practices</li> <li>▶ Very less shift to Organic Production</li> <li>▶ High use of clarificants</li> <li>▶ Bagasse (residue of</li> </ul>	<ul style="list-style-type: none"> <li>▶ Cluster requires more Automatic/ Semi-automatic Jaggery processing unit/s with bigger capacity to cater the crushing needs of a major part of the cluster.</li> <li>▶ Bagasse can be used as a raw material to those production units who make cup, plates and variety of disposable utensils and props.</li> <li>▶ Press Mud can be processed as organic fertiliser</li> </ul>

	<p>sugarcane after juice extraction) is dried in open sunlight and is then used as a fuel to operate boilers in the unit. The burning of bagasse causes air pollution.</p> <ul style="list-style-type: none"> <li>▶ Lack of Waste(bagasse) management system</li> </ul>	
<b>Technological upgradation</b>	<ul style="list-style-type: none"> <li>▶ Lack of infrastructure equipped with modern technology to improve quality of jaggery –</li> <li>▶ Lack of Infrastructure/ industry to utilise by-products of jaggery industry</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establishment of Common Facility Centres (CFCs) with facilities like Advanced Jaggery Processing Unit, Testing Laboratory, Packaging, Labelling and Branding Unit, and Marketing and Display centre etc. to address the challenges and boost production and sales of the cluster</li> <li>▶ Building new infrastructure - replacing Gur (jaggery) processing old units with new interface</li> </ul>
<b>Design</b>	<ul style="list-style-type: none"> <li>▶ Lack of product diversification/value addition:</li> <li>▶ The product is made and sold without any standardised testing (as per FSSAI/BSI norms) done.</li> <li>▶ Lack of innovation and inadequate knowledge for value addition to jaggery (solid, powder and liquid) has also discouraged the product to directly go to international markets.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Design and product development centre can be established along with testing lab in the cluster</li> </ul>
<b>Marketing &amp; branding</b>	<ul style="list-style-type: none"> <li>▶ No direct export</li> <li>▶ Lack of Standardisation</li> <li>▶ Need GI Tagging</li> <li>▶ High Mandi Shulk</li> <li>▶ Lack of testing Facility</li> <li>▶ The Bijnor manufacturers are not able to meet the national &amp; global standards therefore they are unable to export finished jaggery products directly</li> <li>▶ The quality of product is also compromised, and it forces unit owners to sell jaggery in local market.</li> <li>▶ The buyers demand for products which ensure the revised food standard tested by FSSAI/BIS norms</li> <li>▶ Lack of Export related information and linkages</li> </ul>	<ul style="list-style-type: none"> <li>▶ Awareness and outreach amongst traders/manufacturers for participating in fairs and exhibitions.</li> <li>▶ Leverage marketing assistance schemes of State and Govt for financial assistance of small manufacturers</li> <li>▶ Organize state and national level exhibitions</li> <li>▶ Tie-ups with offline/online retail stores across India i.e. Reliance Store, More, Big-Bazaar, Easyday, Sunrise, Suvidha etc. for a greater outreach.</li> <li>▶ Collaborate with Pastry/bakery industry, hotel industry and Govt. and private catering industries, Hospital kitchens for local and healthier sweetener.</li> <li>▶ Collaboration with E-commerce companies like Amazon, ebay, Flipkart and Shopclues to maximize sale in domestic and international market.</li> </ul>
<b>Quality Improvement</b>	<ul style="list-style-type: none"> <li>▶ Lack of interest in adapting quality standards as described by FSSAI/ BSI</li> <li>▶ Unaware of global</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establishment of testing laboratory in the district for jaggery testing and mandatory NABL certification of the ODOP product. The availability of testing labs can also help the entrepreneurs to get their product tested and the lab can also advice the entrepreneurs on how to produce Jaggery which</li> </ul>

	<p>standards and quality ratings</p> <ul style="list-style-type: none"> <li>▶ No checks and balances made for quality certification/maintenance at Gur Mandi</li> <li>▶ Only few traders who contribute in indirect exports try to maintain the quality standard of global market</li> <li>▶ Lack of organic farming of sugarcane in the district.</li> <li>▶ Use of chemicals for clarifying sugarcane juice</li> <li>▶ No testing laboratory</li> </ul>	<p>meets the norms as prescribed by BIS/FSSAI. It is very important that the entrepreneurs are properly skilled and taught on how to produce jaggery that passes the test prescribed by the BIS/FSSAI.</p>
<b>Post GI Initiative</b>	<ul style="list-style-type: none"> <li>▶ Lack of promotion of products highlighting their GI tag</li> </ul>	<ul style="list-style-type: none"> <li>▶ Target to make <b>100 authorised Users</b> to become IEC holder in a year. (DIC) to identify such stakeholders.</li> <li>▶ Organise one seminar within two months to apprise the stakeholders about the importance of Geographical Indication (GI) and for increasing the authorised users. (This can be done by DGFT /FIEO/ MSME with the help of DIC)</li> </ul>
<b>Exporter's issue</b>	<ul style="list-style-type: none"> <li>▶ No focal point to address exporters ongoing issues.</li> <li>▶ Lack of awareness</li> </ul>	<ul style="list-style-type: none"> <li>▶ DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.</li> <li>▶ DGFT organize workshops for Export .</li> </ul>
<b>Cost Structure</b>	<ul style="list-style-type: none"> <li>▶ No Minimum support price (MSP) for Jaggery - Currently Minimum support price for sugarcane is fixed by the Government. However, there is no MSP for Jaggery products. Considering the scope of sugarcane production and manufacturing of jaggery products, unit owners have raised demand for fixing MSP for jaggery by Central and State Government.</li> <li>▶ No attractive policy for organic jaggery producers</li> </ul>	<ul style="list-style-type: none"> <li>▶ The Uttar Pradesh may outlay the MSP's for the Jaggery produced in the state. This would encourage more entrepreneurs to enter this sector. Currently there is no subsidy being given to entrepreneurs to purchase the sugarcane which is the primary raw materials for jaggery production.</li> <li>▶ An exemption or tax relief (or a subsidy) for organic processors could be considered, together with other measures like subsidisation of fuel used in organic production, loans with lower rates, taxes on polluting inputs, products/seeds, internalisation of environmental costs, &amp; charge reductions for processed organic food sample analyses</li> </ul>

#### 4.6 Future Outcomes:

At present the output to the extent of 60% is exported. Export would start substantially after implementation of intervention over the span of next 3 years and industry can export up to 60% of the output.

#### Cluster exports

Substantial targeted growth in cluster exports from approx. INR 843 Cr to ~ INR 1050 Cr (over a span of 3 years).

## 5. Product 2: Articles of Iron/Steel/ Aluminium

### 5.1 Cluster Overview

Bijnor's artisan have develop expertise in preparing Iron/ Steel based decorative and home furnishing items like Artware, Utensils and Artificial Ornaments. Basically, Bijnor is inspire by Moradabad metalcraft industry which is just 45 KM from District.

### 5.2 Product Profile

At present Artisan/Manufacturer are using Iron/steel as raw material for manufacturing the products. While in finishing Silver, Brass coating is being use, this method is helpful in reducing the final price and opening the bigger market segment.

MRP is playing measure role when Iron/Steel is being use as raw material in comparison to other base material.

Aluminum is mainly being use of portable/foldable table, chair, photo frames etc.

#### 5.2.1 Product Portfolio

The following are the key products manufactured in the cluster:

1. **Artware:** It consists of table lamps, lanterns, flower vases, stationery items, photo frames, and multiple decorative items. These artware are made from mix of Brass, Aluminium, Iron, Wood, Glass, or combination of any of these depending on the nature of the finished product or the buyer's demand. These products are mainly for international markets.
2. **Utensils:** Metal lamps (diya), candle stands, pooja set, idols of gods, sindoor box, etc. are the daily household utilities and have a local market. The demand for these products increases during festival times. Major buyers are form Haryana, Rajasthan, Maharashtra, and Tamil Nadu.
3. **Artificial Ornaments:** Bangles, Belts, artificial jewellery, etc.

### 5.3 Cluster Stakeholders

- ▶ Artisans
- ▶ Manufacturers
- ▶ Exporters
- ▶ Financial Institutions
- ▶ District Industries Center
- ▶ Export Associations
- ▶ Export Promotion Council for Handicraft (EPCH)
- ▶ Indian Industries Associations (IIA)
- ▶ Other District Level Associations



### 5.3.1 Industry Associations

- ▶ Indian Industries Association

### 5.3.2 Status of GI Tag

There is NO G.I. Tag applied by cluster stake holders for Bijnor District.

### 5.4 Export Scenario

Bijnor is exporting more than 10 type of products, which includes chemical product, Bovine Meat, Sugar product, Medicine, Articles of Glass, Articles of Iron/Steel etc.

#### 5.4.1 HS Code

HS codes under which the product is exported from the state.<sup>5</sup>

HS Code	Description
761699	OTHER Articles of Aluminium

#### 5.4.2 Current Scenario

##### Product 761699:

The export scenario of World and India have been analysed basis the export statistics of HS codes 761699 under which articles of Iron/Steel are exported. Alongside are the key facts pertaining to the analysed product code.

##### Export Potential

- ▶ India's exports represent 1.8% of world exports for this product, its ranking in world exports is 16
- ▶ India exported this product to USA, UK, Germany, Netherlands, Canada, UAE, Italy, France, ETC.
- ▶ District export for the Period of Sep-20 to Nov-21 is INR 3 Crore.

##### Key Fact of Export<sup>Error! Bookmark not defined.</sup>

**1,64,33,705 (USD Thousand)**

Value of world exports in 2020

**3,01,496 (USD Thousand)**

Total Exports from India in 2020

**1,92,670 (USD Thousand)**

Total Exports from Uttar Pradesh in 2020

**63.90%**

Share of Uttar Pradesh in India Exports

<sup>5</sup> DGFT, Kanpur

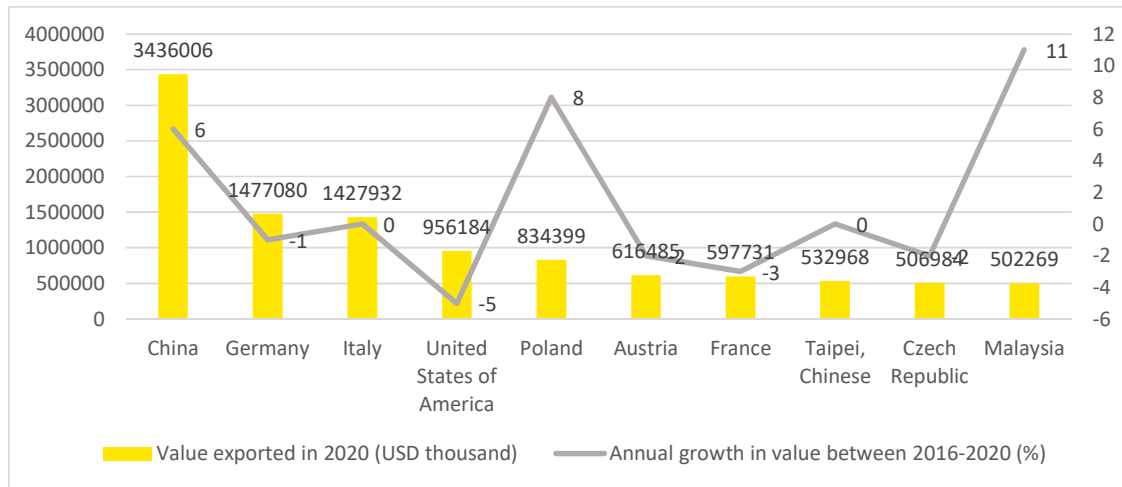


Figure 7 Top 10 Exporters worldwide (761699)

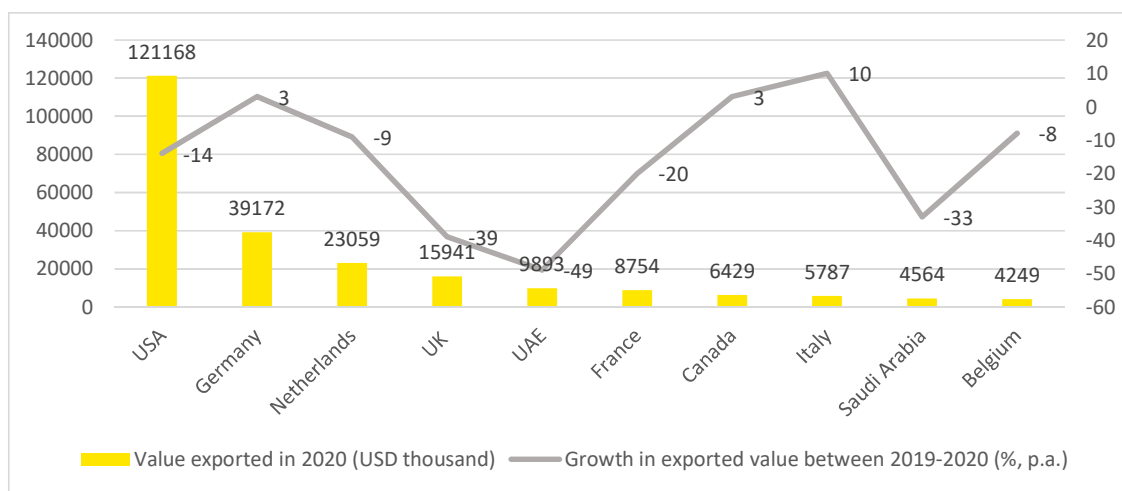


Figure 8 Top 10 Importers of product (761699) importing from India

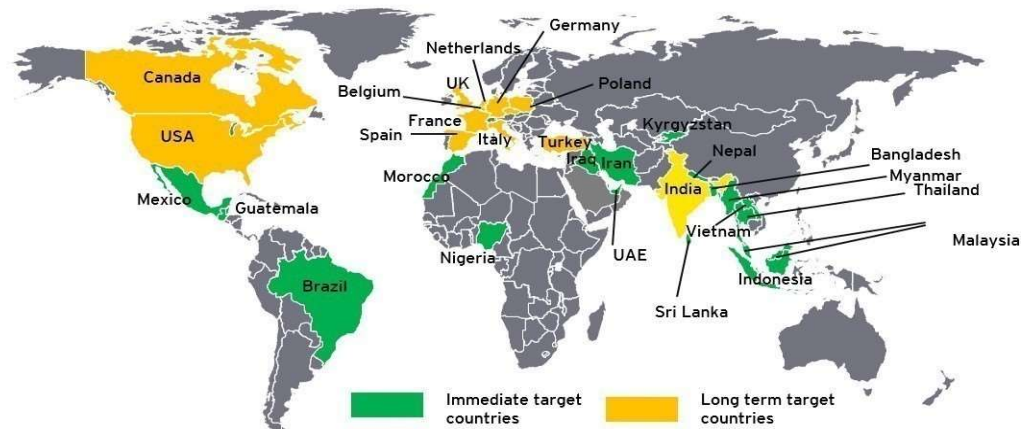


Figure 9 Markets for export potential

## 5.5 Potential Areas for Value Added Product

**Product Diversification** is one of the most crucial product uplifting strategies which in turn is an important part of a product's export. This plays a vital role in any products exports as it is a product uplifting strategy. Most

artisans/Manufacturer are not bothered about changing their product range and they fail to understand that it is an integral part of comprehensive marketing. Diversification can be brought in the cluster by:

**3. Development of a new products:**

The artisans/Manufacturer of the district should be encouraged to diversify the product categories and must be provided with enough resources to create innovative products without losing the ancestral essence of the craft.

**4. Modifications of Existing Product manufacturing process**

It has also been found that most of the artisans/manufacturers use no strategy for making modifications to the existing products in the light of design and fusion.

## 5.6 SWOT Analysis

Table 5: SWOT Analysis of Metal Craft

Strengths	Weakness
<ul style="list-style-type: none"> <li>▶ Easy availability of skilled workforce</li> <li>▶ Availability of Semi-Upgraded Technology</li> <li>▶ Experienced exporters /traders/ Wholesalers.</li> <li>▶ Experience of International market and Demand.</li> <li>▶ Adjoining district “Moradabad” is having rich experience in industry and help skilled manpower supply.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Minimal technological upgradation</li> <li>▶ Existence of large number of intermediaries between importers and manufacturer</li> <li>▶ Limited design innovation</li> <li>▶ Usage of coal-based furnace</li> <li>▶ Lack of focus on increasing export</li> <li>▶ Violation of pollution norms or improper compliance of environmental regulations and pollution norms</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▶ Huge scope of market expansion- domestic and foreign like Mexico, Russia, Peru etc</li> <li>▶ Scope for development of new products and modifying existing range like combination of Wood and Metal products (Lamp, Decorative items)</li> <li>▶ Increase participation in marketing events- International and domestic trade fairs through govt schemes likes Marketing Development Assistance (where Stall charges, Fairs etc are being reimburse)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Competition from China, Thailand</li> <li>▶ Industrialization causing artisans/craftsman to move to metropolitan cities in search of better paying jobs</li> <li>▶ Lack of Proper Marketing Infrastructure</li> </ul>

## 5.7 Challenges and interventions

Parameter	Challenges	Intervention
<b>Raw Material</b>	<ul style="list-style-type: none"> <li>▶ Copper, Aluminum, Iron, Zinc, Tin are the major metals used as raw materials in the cluster.</li> <li>▶ The cluster has a rough demand of around 30,000 tons per day of raw material.</li> <li>▶ Currently, raw material is produced locally through scrap; metal sheets, pipes</li> </ul>	<ul style="list-style-type: none"> <li>▶ The cluster needs at least 1 Raw Material Banks with the output of around 3000 tons each are recommended to minimize artisans'/ manufacturers' dependency on multiple private suppliers and quality raw material would be available at concessional rates to artisans.</li> <li>▶ There is a need of piped connection for gas-based furnaces in the cluster.</li> <li>▶</li> </ul>

	<p>and rods are procured from Jamnagar, Gujarat.</p> <ul style="list-style-type: none"> <li>▶ Also, scrap is imported from Middle East, Australia, Sweden, USA</li> <li>▶ Availability of Raw Material is the most important concern amongst artisans and manufacturers.</li> </ul>	
<b>Technological upgradation</b>	<ul style="list-style-type: none"> <li>▶ Artisans use hand-held tools and traditional techniques in product manufacturing.</li> <li>▶ Majority of the artisans do job work given by manufacturers at home-based units.</li> <li>▶ Artisans and manufacturers use coal-based furnaces causing pollution and health related issues.</li> <li>▶ Use of electroplating method is also hazardous and causing pollution.</li> <li>▶ One of the reason Indian metal handicraft industry is facing tough competition with China is not using advance technology.</li> <li>▶ Introduction of technology facilitates quality improvement, standardization of products, and lesser production time.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Introduction of latest technologies like gas-based furnaces for raw materials, automatic sand-casting technology.</li> <li>▶ Modern metal Raw Material Bank and PVD coating CFCs are recommended, this will reduce the hazardous and polluting method of electroplating.</li> <li>▶ Introduction of mechanization in the process to have a competitive edge for mass production of products.</li> <li>▶ Product standardization and vertical integration of units.</li> <li>▶ The cluster has MHSC, under DC Handicraft, having access to latest technology in metal craft. There is a need to give extra responsibility of research and development in designing, quality improvement and technology adoption</li> <li>▶ The cluster may form a technical committee comprising metal technology experts, members from IIA, Exporters' Association, FICCI, DIC etc. to evaluate the latest technology and its requirement in the cluster.</li> <li>▶ Organizing exposure visits and trainings for artisans and manufacturers in new technologies in the metal craft Association of MHSC with "Indian Institute of Metals" for developmental activities in metal technologies and its outreach amongst the cluster stakeholders.</li> <li>▶ using Moradabad MHSC's services as a one stop solution for all technology and innovations in the field of metal development.</li> <li>▶ Units can upgrade themselves under AHVY technology upgradation scheme</li> </ul>
<b>Design</b>	<ul style="list-style-type: none"> <li>▶ Around 80-90% designs come from exporters who get them from the overseas buyers.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Design Bank and display center can be setup in district.</li> </ul>
<b>Marketing &amp; branding</b>	<ul style="list-style-type: none"> <li>▶ Major metal craft importing countries are USA, Canada, European nations, Middle East, and Australia.</li> <li>▶ Product made in the cluster are majorly hand-made thus lack standardization and has not developed a brand.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establishment of Marketing Hub in the cluster to promote cluster products and promotion.</li> <li>▶ Marketing Assistance Scheme and International Cooperation Scheme can be utilised.</li> </ul>
<b>Quality Improvement</b>	<ul style="list-style-type: none"> <li>▶ Undefined quality standards of the products.</li> </ul>	<ul style="list-style-type: none"> <li>▶ MoU with QCI for defining quality standards of the products so that their quality can be maintained/ improved.</li> </ul>

<b>Exporter's issue</b>	<ul style="list-style-type: none"> <li>▶ No focal point to address exporters ongoing issues.</li> </ul>	<ul style="list-style-type: none"> <li>▶ DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.</li> </ul>
<b>Cost Structure</b>	<ul style="list-style-type: none"> <li>▶ U.P. is a land-locked state hence this increases the transportation cost which in turn adds to the overall production expenses</li> <li>▶ Since the start of Covid 19 Pandemic, the availability of containers and the Freight Charges by the Shipping lines has been main concern of the industry</li> </ul>	<ul style="list-style-type: none"> <li>▶ The DIC office should organize workshops for exporters to apprise them about <b>Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.</b></li> <li>▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updating of the same at the district website.</li> <li>▶ The formation of the sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.</li> </ul>
<b>Skill Development &amp;</b>	<ul style="list-style-type: none"> <li>▶ Youth is leaving the interest and supply of skilled manpower is issue in cluster</li> </ul>	<ul style="list-style-type: none"> <li>▶ PM Kaushal Vikas Kendra provides skill development</li> <li>▶ Training under ODOP Toolkit scheme</li> <li>▶ A separate Building is being constructed under existing MHSC at Moradabad adjoining district for "Indian institute of Handicraft technology" where Certificate and Diploma courses will be available for Metal craft.</li> </ul>

## 5.8 Future Outcomes

During the stakeholder consultation, it is found that Bijnor district is majorly exporting from Moradabad district City code hence district number is lower. Although cluster is emerging with Woodwork product where wood and Iron/ Steel item is being produce and export as product mix.

Annual Turnover
Increase in annual turnover from <b>INR 5 Crore</b> in 2020-21 to <b>10 Crore</b> by 2025

Cluster exports
The increase in export of the product from <b>INR 3 Crore</b> during the September 2020 to November 2021 to <b>6 Crore</b> by 2025.

## 6. Scheme under Uttar Pradesh Export Promotion Bureau

Various schemes being run by Export Promotion Bureau to apprise the exporters are as follows:

### A. Marketing Development Scheme (MDA)

S. No	Incentive Offered	Amount of incentive against total expenditure
1	Participation in foreign fairs/exhibitions (total three fairs / annum) a. Stall charges b. Air fare (economy class)	a. 60% of stall charges (max 01 lakh /fair) b. 50% (max 0.5 lakh for one person /fair)
2	Publicity, advertisement, development of website	60 % (max 0.60 lac/annum)
3	Sending of samples to foreign buyers	75 % (max 0.50 lac/annum)
4	ISO /BSO certification	50 % (max 0.75 lac/annum)

### B. Gateway Port Scheme

Brief Description	Assistance is given to all manufacturing exporting units on expenses incurred on the rail transport of their goods from ICD/CFS to Gateway ports.
Eligible units	Micro, small & medium enterprises.
Incentives Offered against actual expenditure	25% of the total expenditure or Rs 6000 (20 ft' container) & Rs 12,000 (40 ft' container) whichever is less
Maximum limit	Rs 12 lacs /unit /year
Empowered committee	District Users Committee under the chairmanship of district magistrate.

### C. Air Freight Rationalization Scheme

Incentive offered	20% of the actual expenditure or Rs 50 / kg (whichever is less)
Eligible Units	Manufacturer & merchant exporter
Maximum limit	Rs 2 lacs /unit /year
Recognized Cargo Complexes	Varanasi & Lucknow





## 7. Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation <sup>6</sup>
<b>Increasing the overall exports from the state</b>		
<b>Sensitization and facilitation in availing Import/ export documents:</b> Majority of the cluster actors though interested and sensitized on exports are unaware of Import-Export Code which is crucial for participating in global trade. While some of them are aware, they face challenges in applying. Thus, at district level, a camp should be set in every three months to help the individuals interested in trade to understand about the requisite documents required for undertaking import/ export and provide support in availing them	DIEPC UPEPB	Continuous initiative
<b>Creation of an event calendar</b> comprising of events to be conducted in a Financial Year with a <b>focus on international marketing events</b> . Further, DGFT and FIEO can finalize a target to participate <b>in at least 3 international events in a year per product category/industry</b> (food, engineering & auto components, handicrafts, textile& apparel etc.) by <b>utilizing schemes like IC and MAS</b>	DIEPC UPEPB	Continuous initiative
<b>Sensitization of cluster actors:</b> <ol style="list-style-type: none"> <li>The individuals of a cluster should be <b>sensitized on the plethora of schemes<sup>7</sup></b> available for them for maximizing the potential of exports. <b>Merchandise Exports from India Scheme, Service Export from India Scheme</b> etc. provides <b>various exemptions</b> for facilitating exports. Further, schemes like <b>Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme)</b> ensure <b>procurement of imported duty-free raw materials</b></li> <li>Currently, majority of the exporters and traders focus on selling their goods to USA, UK and European countries without correctly analyzing the demand market. Thus, these cluster actors should be <b>sensitized on target countries identified through export analysis mentioned in DAPs and EAP</b></li> </ol>	DIEPC UPEPB	Continuous initiative
DIC and FIEO can play a pro-active role in this regard. <b>10% increase</b> in every year in the number of units taking part in the trade fairs organized by FIEO and other organizations may be proposed as a target under this segment	DIC, UPEBP and FIEO	Intermediate
<b>Common interventions across sectors/ clusters</b>		

<sup>6</sup> Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

<sup>7</sup> List of available schemes facilitating exports: <https://cdn.s3waas.gov.in/s3555d6702c950ecb729a966504af0a635/uploads/2020/12/2020120965.pdf> and <https://www.ibef.org/blogs/indian-export-incentive-schemes>:

Collaboration with e-commerce companies like Amazon, ebay, Flipkart etc.	ODOP cell, UPEPB/DIEPC	Short term
MoU with QCI for defining quality standards of the products	ODOP cell, UPEPB/DIEPC	Short term
Collaboration with IIP to define cluster-wise packing standards	ODOP cell, UPEPB/DIEPC	Short term
Sensitization of banks and bankers to help them understand the niche sectors of MSME and their specific requirements which shall help banks evaluate projects better while lending credit	UPEPB/DIEPC and banks	Short term
Introduction of revolving working capital within the cluster to help MSMEs procure raw materials and undertake production without hinderances	UPEPB/DIEPC and banks	Intermediate
Tie up with the banks/financial institutions (SIDBI, BoB etc.) for better interest rates, enhanced working capital limits etc.	UPEPB/DIEPC and banks	Intermediate
Handholding of MSMEs for increasing their awareness on schemes of state & centre and the procedure to apply to avail financial assistance	UPEPB/DIEPC	Intermediate
Sensitization of cluster actors from this sector on <b>Make in India initiative and PLI</b> for leveraging the assistance provided to the sector to enhance productivity and expand exports	DIEPC UPEPB	Short term
DIEPC to act as a focal point for all exporters issues. Deputy Commissioner Industries may be given this responsibility to monitor the cell in consultation with DGFT.	DIEPC/DGFT/UPEPB	Long term
<b>Cost Structure:</b>		
a. The DIC office should organize workshops for exporters to apprise them about Foreign Trade Policy benefits viz. Duty Exemption Scheme / Advance Authorization Scheme / Duty Free Import Authorization Scheme.	DIEPC/UPEPB	Long term
b. The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website.	DIEPC/UPEPB	Long term
c. The formation of the Sub-committee comprising the representative of CONCOR and Deputy Commissioner Industries to understand the issue and suggest ways to help Industry. Ease of Logistics portal of FIEO has been developed to provide information about container availability and issues relating to it. The industry may be informed of this portal.	DIEPC/UPEPB/FIEO	Short term
<b>Product 1: Jaggery (sugar cane products)</b>		
Establishment of Common Facility Centre with: i. Automatic Jaggery Processing Plant ii. Labelling, Packaging and Branding Unit iii. Testing Laboratory Unit iv. Skill Upgradation Centre	DIEPC, DGFT and ODOP Cell	Long term
Research & Training for Natural Farming & Food Processing	DIEPC-Muzaffarnagar, ODOP Cell	Long term
Application to Directorate General of Foreign trade for a <b>unique HSN Code</b>	UPEPB/ODOP Cell / DGFT	Intermediate term

MoU with QCI for defining quality standards of ODOP products so that their quality can be maintained/ improved, and they can be exported across the globe with local brand logo which ensures its authenticity.	QCI/ODOP Cell	Long term
<b>Application for G.I. Tag</b>	UPEPB/ODOP Cell	Short term
<b>Promotion of post GI initiative:</b> a. DIC to identify 100 authorized users to become IEC holder in a year Organize one seminar within two months to apprise the stakeholders about the importance of Geographical Indication (GI) and for increasing the authorized users	DIEPC/UPEPB/ODOP Cell	Intermediate term

### Product 2: Articles of Iron/Steel/Aluminum

<b>Establishment of Common Facility Centre with:</b> a. Raw Material Bank b. Common Production Center c. Design and display center with CAD/CAM facilities and space to showcase products to undertake sale d. Marketing center for undertaking marketing events	DIEPC, DGFT and ODOP Cell	Long term
Collaboration with NIFT and NID for design inputs and support in branding initiatives	UPEPB/ODOP Cell	Long term
Increase the usage of the portal as this portal facilitates the artisans/Manufacturers to provide information about their products for easy understanding of exporters.	UPEPB/ODOP Cell	Short term

## Abbreviations

<b>APEDA</b>	The Agricultural and Processed Food Products Export Development Authority
<b>API</b>	Active pharmaceuticals ingredients
<b>CAD</b>	Computer-Aided Design
<b>CAM</b>	Computer Aided Manufacturing
<b>CFC</b>	Common Facility Center
<b>CONCOR</b>	Container Corporation of India
<b>CPC</b>	Common Production Center
<b>DGFT</b>	Director General of Foreign Trade
<b>DHO</b>	District Horticulture Officer
<b>DIC</b>	District Industries Center
<b>DIEPC</b>	District Industry and Enterprise Promotion Center
<b>DPR</b>	Detailed Project Report
<b>EPC</b>	Export Promotion Council
<b>EPCG</b>	Export Promotion Capital Goods
<b>FIEO</b>	Federation of India Export Organization
<b>FPO</b>	Farmer Producer Organizations
<b>FTA</b>	Free Trade Agreement
<b>GCC</b>	Gulf Cooperation Council
<b>GI</b>	Geographical Indication
<b>HS</b>	Harmonized System
<b>IC</b>	International Cooperation
<b>IC Engines</b>	Internal Combustion Engines

<b>IEC</b>	Import Export Code
<b>IIP</b>	Indian Institute of Packaging
<b>ISW</b>	Industrial Solid Waste
<b>ITI</b>	Industrial Training Institute
<b>KVK</b>	Krishi Vigyan Kendra
<b>MAS</b>	Market Assistance Scheme
<b>MSE CDP</b>	Micro & Small Enterprises - Cluster Development Programme
<b>MSME</b>	Micro, Small and Medium Enterprises
<b>NHB</b>	National Horticulture Board
<b>NIC Code</b>	National Industrial Classification Code
<b>NIC</b>	National Informatics Center
<b>NID</b>	National Institute of Design
<b>NIFT</b>	National Institute of Fashion Technology
<b>NSDC</b>	National Skill Development Cooperation
<b>ODOP</b>	One District One Product
<b>PM FME</b>	Pradhan Mantri Formalisation of Micro food Processing Enterprises
<b>PMU</b>	Project Monitoring Unit
<b>QCI</b>	Quality Council of India
<b>R&amp;D</b>	Research & Development
<b>RMB</b>	Raw Material Bank
<b>SGPGI</b>	Sanjay Gandhi Post Graduate Institute of Medical Science
<b>SIDBI</b>	Small Industries Development Bank of India
<b>SPS</b>	Sanitary & Phytosanitary

<b>SPV</b>	Special Purpose Vehicle
<b>SWOT</b>	Strength, Weakness, Opportunities, Threats
<b>TBT</b>	Technical Barriers to Trade
<b>UAE</b>	United Arab Emirates
<b>UK</b>	United Kingdom
<b>UP</b>	Uttar Pradesh
<b>UPEPB</b>	Uttar Pradesh Export Promotion Bureau
<b>UPICO</b>	UP Industrial Consultancy Organisation
<b>USA</b>	United States of America



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