



Department of MSME and Export Promotion Government of Uttar Pradesh

Draft District Export Action Plan, Kasganj, Uttar Pradesh

Knowledge Partner



विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF
FOREIGN TRADE

Districts
as Export Hubs

EY
Building a better

Preface

This district export plan for Kasganj 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 Kasganj district as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Kasganj 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	6
2.1	Geography.....	6
2.2	Topography & Agriculture.....	7
3.	Industrial profile of the district	7
3.1	Major Exportable Product from Kasganj.....	9
4.	Product 1: Zari Zardozi	9
4.1	Cluster Overview	9
4.2	Product profile.....	9
4.2.1	Product Portfolio	9
4.2.2	Status of GI Tag	10
4.3	Cluster Stakeholders	11
4.3.1	Industry Associations	11
4.4	Export Scenario	11
4.4.1	HS code	11
4.4.2	Current Scenario	11
4.5	Export Potential	12
4.6	Potential Areas for Value Added Product.....	14
4.7	SWOT analysis	14
4.8	Challenges and interventions	15
4.9	Future Outcomes	16
5.	Product 2: Camphor (K Kapoor).....	16
5.1	Cluster Overview	17
5.2	Product Profile.....	17
5.2.1	Status of GI Tag	17
5.3	Cluster Stakeholders	17
5.4	Export Scenario	17
5.4.1	HS Code.....	17
a.	Export Potential	17
b.	Potential Areas for Value Added Product	19
c.	Challenges and interventions	19
d.	Future Outcomes	20
6.	Scheme under Uttar Pradesh Export Promotion Bureau.....	20
7.	Action Plan.....	22

List of Tables

Table 1:Industrial infrastructure of Kasganj	7
Table 2: Industries details	7
Table 3: Occupational Distribution of Main Workers	8
Table 4: Major exportable product from district	9
Table 5: HS codes for Zari-Zardozi	11
Table 6: SWOT Analysis	14
Table 7:Figure 9: Zari Zardozi cluster; challenges & interventions.	15
Table 8: HS Code with description.....	17
Table 9: SWOT Analysis for Camphor product.	19
Table 10: Challenges & interventions; Camphor product.	19
Table 11: Action Plan	22

List of Figures

Figure 1: MSME landscape of the district	8
Figure 2: Occupational distribution of Kasganj	8
Figure 3: Key Facts of Zari Zardozi Cluster	9
Figure 4: Cluster Stakeholders.....	11
Figure 5: Key facts Zari Zardozi cluster.	11
Figure 6: Top importers for this product (581092) from India in the world	12
Figure 7: Markets for export potential	13
Figure 8: Top importers for this product (580500) from India in the world	13
Figure 9: Markets for export potential	14
Figure 10: Future Outcomes; Zari Zardozi cluster.	16
Figure 11: Key facts; Camphor product.	17
Figure 12: Cluster Stakeholders.....	17
Figure 13: Key facts Camphor product exports.	18
Figure 14: Top importers for the product 291429 from India	18
Figure 15: Markets for export potential	19
Figure 16: Future outcomes; Camphor product.	20

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”

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 in order 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

The district Kasganj (Former Name as Kanshi Ram Nagar) was formed on 17th Apr 2008 by carving out Kasganj, Patiali and Sahawar Tehsils from Etah district. Kasganj is the 71th district of Uttar Pradesh, India. The district and particularly the city Kasganj are popularly known as because it was established in a thick forest of “kans”. Kasganj comes in the Aligarh division jurisdiction. Sant Tulsidas born in the district and Amir Khusro also belongs to Patiali tehsil of the district. Popular area of the district includes Soron, Patiali, Nadri etc. The town has got a prominent geographical feature in the shape of Kali River. The river originates in Doon Valley and merges with Hindon River in Ghaziabad which subsequently merges with holy river Yamuna. The Kali River has also got two canals which pass over the river through the two bridges specially made for this purpose. This is a sort of modern civil architectural wonder which attracts some curious onlookers from and around the town to witness and marvel this piece of engineering.

2.1 Geography

The total area of Kasganj District is 22.18 sq km and lies between Latitude 27°48'30"N and Longitude 78°38'45"E. In terms of area of district Kasganj is at 68th place in Uttar Pradesh. It is surrounded by Farrukhabad in the East, Aligarh in the West, Etah district in the North and in South it is surrounded by Badaun. Kasganj is well connected by road, railway and air network. The district is situated on State Highway No. 33, Agra -Budaun -Bareilly which is also known as the Mathura-Bareilly Highway. There are regular buses from other cities to Kasganj and vice versa. Kasganj is approachable from other cities by Indian Railway Network since British Rule. It lies on a trijunction and it is well connected to Lucknow, Bareilly and Mathura through rail network in three different directions. The nearest airport is situated in Agra which is famous as Kheria Airport which approximately 100 kms away from the district.

2.2 Topography & Agriculture

The Topography of Kashiram Nagar district is mainly a plain. The district has a pleasing climate with cool and foggy winter and generally hot and humid summer. The wet session from July to October during which the district receives rainfall. The average annual rainfall is around 892mm. The temperature of the district is varies from 48C in summer and 3C in winter.

3. Industrial profile of the district

Most of the industrial units are concentrated in 2 industrial areas;

Table 1: Industrial infrastructure of Kasganj.

S. No.	Name of Industrial Area	Land Developed	Prevailing Rate	Allotted Plots	Units in productions
		Acre	INR per Sqm	No.	No
1	Mini Industrial estate Kasganj	6	—	60	39
2	Mini Industrial Estate, Ganjdundwara	0.8	—	46	15
Total		6.8		106	54

District Kasganj is one of the traditional craft pocket of Zari-Zardozi embroidery. This craft has been identified as a product to be taken under the prestigious State Government Scheme- One District One Product. Zari embroidery craft is basically located in 7 blocks of Kasganj district which are in proximity to Delhi and Farrukhabad district. The important craft pocket Patiyali is connected to Delhi.

Table 2: Industries details¹

Sno	Industry	Total Units	Investment (INR Lakhs)	Employment
1	Agro Based	76	490	262
2	Ready-made Garments and Embroidery	15	67.5	32000 ²
3	Wood/wooden based furniture	3	8	12
4	Metal based (Steel Fab.)	2	348	14
5	Repairing & servicing	3	9.5	10
6	Others	64	394.5	253

Kasganj district is predominantly agricultural and nearly 70% of the work force is still engaged in the agricultural & allied activities. From the foregoing chapters it can be said that the Kasganj district has minimum necessary infrastructure that is required for setting up small-scale units in the district.

¹ <http://dcmsme.gov.in/old/dips/Aligarh.pdf>

² *Diagnostic Study Report Kasganj District*

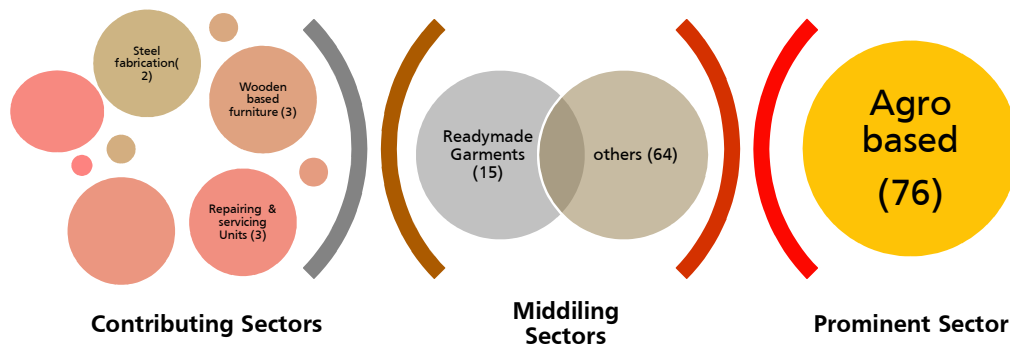


Figure 1: MSME landscape of the district

Out of total population of 1,436,719 (2011 census) 4,72,765 are working population. Out of total working population, 71% are cultivators and agricultural labourers. This indicates that agriculture is the major source of income in the district.

Table 3: Occupational Distribution of Main Workers³

S. No.	Particulars	Kasganj	%
1	Cultivators	2,81,501	48.0%
2	Agriculture Laborer's	1,07,094	23%
3	Household Industry Workers	22,492	5%
4	Others	1,14,091	24%

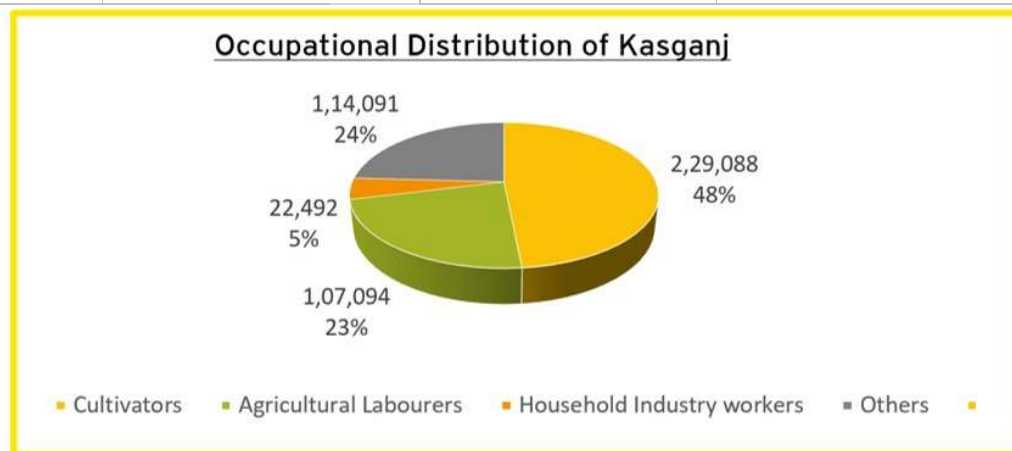


Figure 2: Occupational distribution of Kasganj

³District census handbook 2011- Aligarh

3.1 Major Exportable Product from Kasganj

The following table depicts the value of export of major product from Kasganj:

Table 4: Major exportable product from district

S. No	HSN Code	Product	Export value Fy 2020-21
1	291429 (22)	Camphor: Synthetic	INR 69,058,157 ⁴
Total Exports from Kasganj			INR 93,789,091

4. Product 1: Zari Zardozi

4.1 Cluster Overview

The word 'Zardozi' is made up of two Persian terms, Zar meaning gold and Dozi meaning embroidery. A Persian embroidery form, Zardozi attained its summit in the 17th century, under the patronage of Mughal Emperor Akbar. Under the rule of Aurangzeb, the royal patronage stopped, and this led to the decline of the craft. District Kasganj is a traditional craft pocket of Zari-Zardozi embroidery.

Zari embroidery craft is basically located in 7 blocks of Kasganj district which are in proximity to Delhi and Farrukhabad district. The important craft pocket Patiyali is connected to Delhi. Around 32000 artisans are skilled in traditional zardozi craft work since a longtime. The income per artisan per day is Rs. 150-200, depending on the workmanship. The annual turnover of the cluster is approximately INR. 172 Crores there are is no direct export of Zari Zardozi products from Kasganj District.

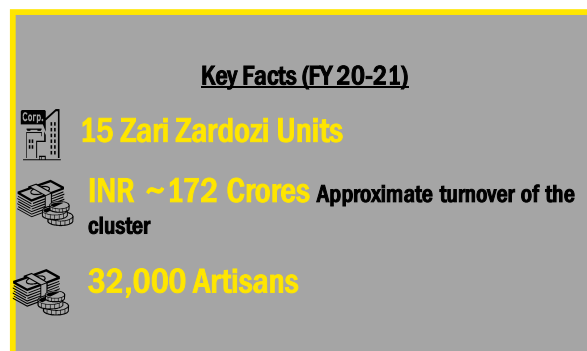


Figure 3: Key Facts of Zari Zardozi Cluster

4.2 Product profile

Currently, the cluster prepares intricate designs on Lahenga, bridal sarees, bridal wear, and any fashion items with lot of glitter. At the onset of the craft, one of the first products ever manufactured was for the headgear used by the nawabs in Lucknow. It was in the due process that the embroidery art was also transformed and diversified into a variety of products. The traditional products comprise of Caps, Chakan, Angrakha, Kurta-Kameez and Applique etc.

The modern products in the cluster are categorized as men's wear, such as embroidered sherwani, handkerchief and shirts etc; women's wear, like unstitched suit - salwar cloth, stitched suit, saree, kurti, lehenga, ladies' short kurta; children's clothing, like a baby set, etc. Over a period of time, the artisans of Lucknow Chikankari have additionally indulged in product diversification by fabricating new-fangled products, like table mat, pillow cover, bedsheet, curtain, table accessories, cushion cover, etc.

4.2.1 Product Portfolio

Artisans from the district Kasganj are producing value-based Zari/zardozi products. The value of products varies with the use of type of cloth & material used for embroidery and richness of design. The following are the key products manufactured in the cluster:

Zardozi

⁴ DGFT

Zardozi is a heavy and elaborate embroidery work which uses a variety of gold threads, beads, seed pearls and gota. Zardozi work is mainly done on fabrics like heavy silk, velvet and satin. It is used to embellish wedding outfits, heavy coats, and other products. Zardozi embroidery is a beautiful metal embroidery, which was once used to embellish the attire of the Kings and the royals in India. It was also used to adorn walls of the royal tents, scabbards, wall hangings and the paraphernalia of regal elephants and horses.

Kamdani

Kamdani is light needle work, which is done on lighter materials like scarves, caps etc. using flattened wire. Ordinary thread is used, and the wire is pressed down to produce satin stitch effect. This effect produced is glittering and it is called hazara butti. In Kamdani, the wire is attached to a small length of thread is pulled through the fabric with a needle, beautifully working into motifs. This is also referred to as 'fancy kaam'. Kamdani is becoming a rarity and most of the craftsmen are elderly men

Gota Work

Traditionally, gota ribbons were woven with a warp of flattened gold and silver wire and a weft of silk/ cotton threads and used as a functional trim on garments and textiles. While most believe that gota patti is the forte of Rajasthan alone, some also claim that it is, in fact, a form of Pakistani embroidery that originated in Punjab before spreading in popularity to neighbouring states. The handcraft is centuries-old and was traditionally the domain of the royal family & members of the court. Today, it's a must-have in festive and bridal wardrobes

Kataoki Bel

This is a border pattern made of stiff canvas and the whole surface is filled with sequins edging. A variation of this border technique is lace made on net and filled with zari stitches & spangles. Zari or Jari, is an even thread made of fine gold or silver, used to make traditional Indian or Pakistani embroidered fabrics, through an intricate art of weaving threads. Started during the Mughal era, Zari was associated with the grand attires of Gods, Kings and literary figures in literary sources.

Mukaish

This is one of the oldest styles and is done with silver wire or badla. The wire itself serves as a needle, piercing the material to complete the stitches. A variety of designs are produced in this manner. The craft of mukaish is easily identified as a dotted pattern in silver or gold metal, embedded in the body of lightweight fabric. Today, contemporary modifications of the traditional metal work can be seen both on fashion week runways and in sought-after ethnic ensembles.

Tilla or Marori Work

Also known as Abha work and Kashmiri Tilla work. Made with golden/ silver/ antique zari thread (Kasab/ Tilla). This is the kind of embroidery where gold thread is stitched on to the surface with a needle.

Kinari Work

Also known as Gota Patti Work, Gota-Kinari work or Lappe ka Kaam. It is a type of metal embroidery that originated in Rajasthan, India. The cities of Jaipur, Bikaner, Ajmer, Udaipur, and Kota are the epicentre of uniquely styled Gota work. Elaborate patterns are created with metals like gold, silver, copper etc. A small variation is kinari work where the embellishments are done only at the edges in the form of tassels. This is done mainly by men and women of the muslim community. It is applied on to the edges of a fabric to create fancy patterns and is popularly used in edging bridal sarees and lehengas. In Rajasthan, gota work is extensively done on Dupattas and Ghagras. Outfits adorned with gota work are popularly worn at auspicious functions.

4.2.2 Status of GI Tag

The registration of Geographical Indication (G.I.) status of Kasganj Zari Zardozi products is yet to be initiated.

4.3 Cluster Stakeholders



Figure 4: Cluster Stakeholders

4.3.1 Industry Associations

Following are principal Industry Associations/SPVs that are working for the development of Zari Zardozi in Kasganj:

- ▶ Zari Zardozi & Garments cluster Society

4.4 Export Scenario

4.4.1 HS code

The following table lists the HS codes under which the Zari Zardozi products are exported:

Table 5: HS codes for Zari-Zardozi

HS codes	Description
581092	Embroidery of man-made fibers on a textile fabric base, in the piece, in strips or in motifs.
580500	Hand-woven tapestries of the type Gobelin, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries, e.g., petit point, cross-stitch, whether or not made up (excluding Kelem, Schumacks, Karamanie and the like, and tapestries > 100 years old)

4.4.2 Current Scenario

The export scenario of India and Uttar Pradesh have been analysed basis the export statistics of HS codes mentioned above under which Zari Zardozi products are exported. Alongside are the key facts⁵ pertaining to the analysed product codes.

Based on our analysis, we have identified key synergies that should be developed to expand our current reach and potential; These synergies are divided into immediate and long term. The immediate synergies include countries with Signed FTA's, high

⁵ <https://www.trademap.org/>

Key Facts of Export

3,47,91,917 USD Thousand
Value of world exports in 2020

331688 USD Thousand
India's exports 2020

155620 USD Thousand
UP's Export 2020

~4.6%
Share of UP in India's Exports

growth potential, and one is catered by India and not UP. Whereas the long-term synergies include countries with untapped market potential which can only be fulfilled if UP's exporters comply and raise the quality of the product to the highest standards, freight rates are more subsidized and major efforts is required in marketing which will require time to accommodate the same.

4.5 Export Potential

- ▶ There are more than 10 HSN Codes which may be used for Exports of Zari-Zardozi but here analysis of one prominent HSN code has been done.
- ▶ The cluster has tremendous export potential, but owing to lack of proper market assessment mechanism, changing design patterns, specific demand preferences the export is very less.
- ▶ Hence, it was pointed out that the proper study of the foreign market, region specific demand patterns to be ascertained. Along with that, a common platform to be created where there can be an integration between the exporters and importers, thereby making the export ecosystem robust and effective.
- ▶ Zardozi products do not have specific HSN codes. Based on stakeholder consultations, following HSN codes were mentioned for the product.

Product 581092: India exports this product to **USA, China, UAE, Hong Kong, Singapore, Bangladesh, UK, Germany, Netherlands & Malaysia**. Below figure shows the top importers for this product (581092)c in the world:

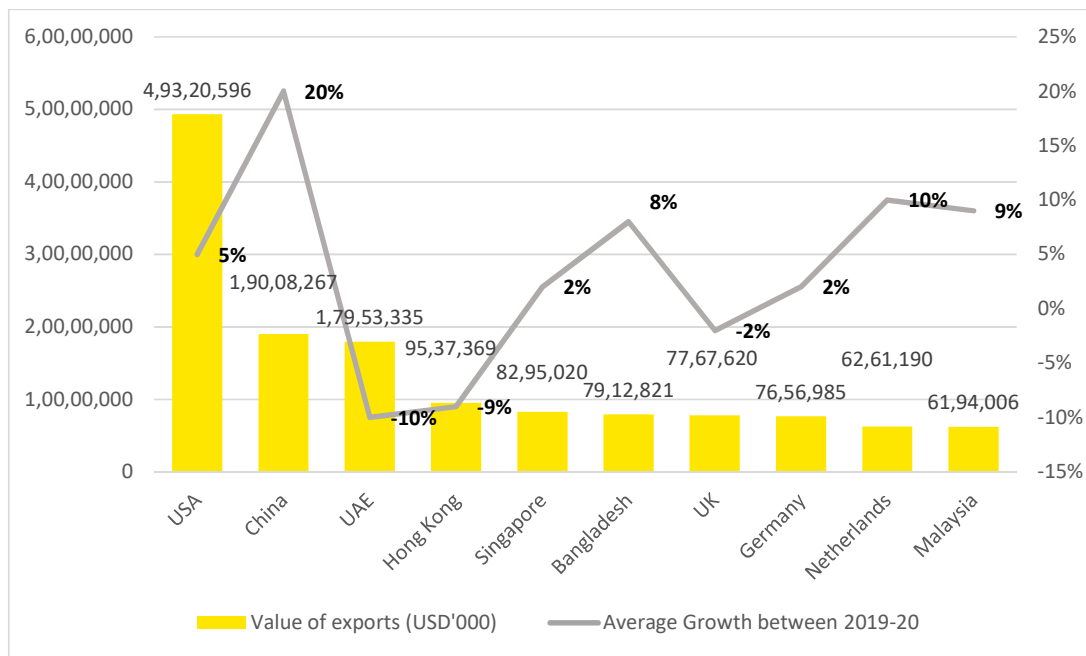


Figure 6: Top importers for this product (581092) from India in the world

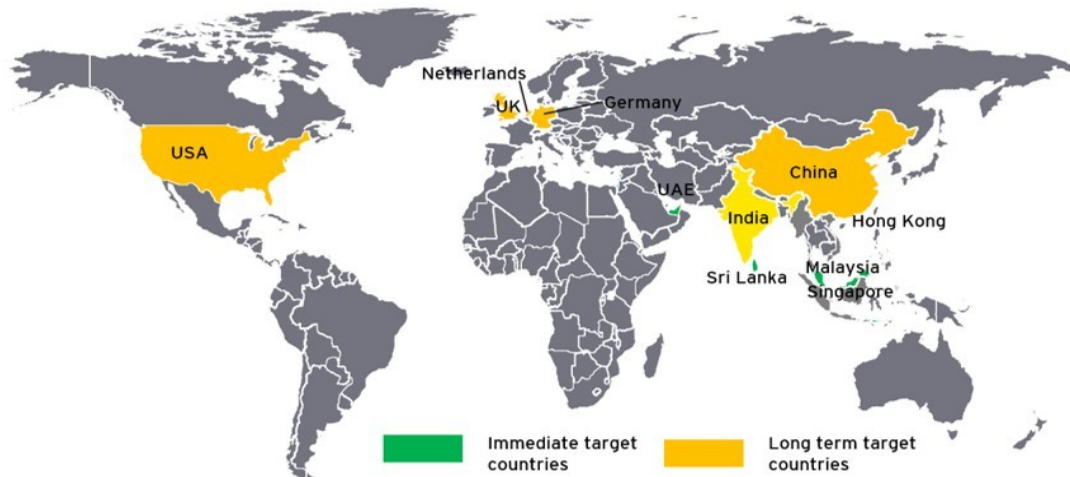


Figure 7: Markets for export potential

Product 580500: India exports this product to USA,UK, Canada, Malaysia, Australia, Nepal, Egypt, Greece, Germany, Netherlands. Below figure shows the top importers for this product (581092) in the world:

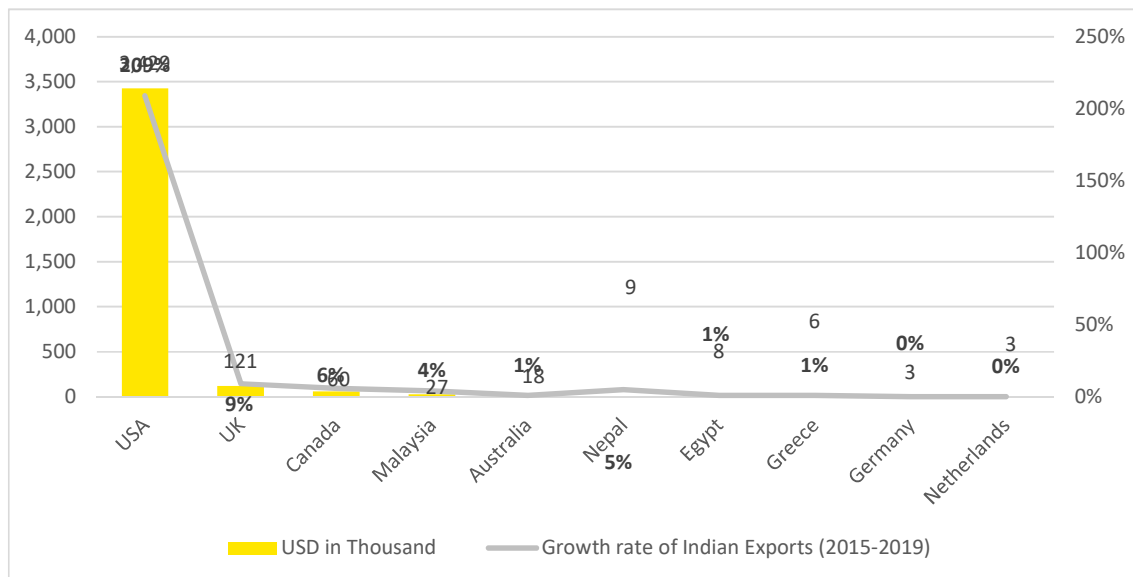


Figure 8: Top importers for this product (580500) from India in the world

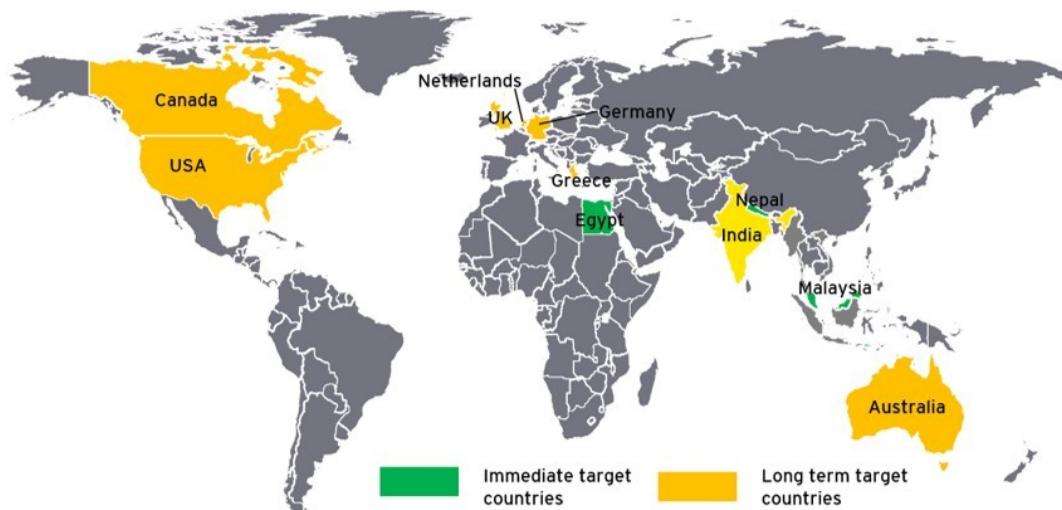


Figure 9: Markets for export potential

4.6 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 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:

During the product diversification new product line like Purses, Langar/Ghagra, Churidar, Punjabi, Curtains, Other dress materials like Scarf etc needs to be promoted. Additionally creation of a new product range like *zari-work* that can be laminated and attached to wooden doors, frames, wall paintings etc. They can also create gift bags, curtains with intricate *zari work*.

2. Modifications of Existing Products

It has also been found that most of the artisans use no strategy for making modifications to the existing products in the light of design and fusion. The artisans can make fusion products by blending zari work with **madhubani or block prints**. They can also expand in terms of the materials they use for making the products by introducing cotton and jute into their product range.

4.7 SWOT analysis

Table 6: SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> ▶ Easy availability of skilled workforce particularly artisans ▶ Large potential for diversifying on variety of apparels ▶ Availability of various government interventions for fostering the cluster 	<ul style="list-style-type: none"> ▶ Minimal technological upgradation and long production time ▶ Existence of large number of intermediaries between artisans and entrepreneurs ▶ Limited design innovation ▶ In light of competition the focus has shift from quality to quantity ▶ Lack of individuals with technical qualifications ▶ Lack of focus on increasing export
Opportunities	Threats
<ul style="list-style-type: none"> ▶ Huge scope of market expansion- domestic and foreign ▶ Scope for development of new products and modifying existing range ▶ Potential collaborations with renowned designers and design institutes for improving existing designs ▶ Increase participation in marketing events- International and domestic 	<ul style="list-style-type: none"> ▶ Tough competition with cheaper, printed & machine embroidered items ▶ Industrialization causing artisans to move to metropolitan cities in search of better paying jobs

4.8 Challenges and interventions

Table 7:Figure 9: Zari Zardozi cluster; challenges & interventions.

Parameter	Challenges	Intervention
Raw Material	<ul style="list-style-type: none"> ▶ Raw Material Bank: <ul style="list-style-type: none"> ○ Sourcing of Raw Material ○ Lack of storage facility in the cluster leading to spoilage of fabrics 	<ul style="list-style-type: none"> ▶ Establishment of a Raw Material Bank within the CFC ensuring easy availability of all types of quality checked fabrics at discounted rates.
Technological upgradation	<ul style="list-style-type: none"> ▶ Lack of ancillary machineries for artisans which limits their potential and hinders the productivity and potential of the cluster 	<ul style="list-style-type: none"> ▶ Establishment of Common Processing Center (CFC Scheme of ODOP program) with modern machines including fabric checking and measuring machine, packaging, and tagging machine, Sewing (Juki) machine etc.
Design	<ul style="list-style-type: none"> ▶ Traditional designs are still being followed by artisans they are not focusing on design innovation 	<ul style="list-style-type: none"> ▶ Establishment of Product Design Center with CAD/CAM facility along with a display center under CFC Scheme of ODOP program. ▶ Collaboration with renowned designers to conduct workshops for artisans pertaining to design forecasting, upcoming trends, market assessment etc.
Marketing & branding	<ul style="list-style-type: none"> ▶ Lack of infrastructure for marketing and trading of the product in domestic and international markets ▶ Offline marketing is broadly used over online marketing ▶ No exclusive HSN code for Zari-Zardozi Craft. Which could have supported in facilitation of sales in the international market. ▶ Creation of brand name for the zardozi products. ▶ Minimal use of Govt of India's e-commerce portal: India Handmade Bazaar – Seller Registration for maximizing sale ▶ Lack of knowledge of existing schemes and govt. initiatives ▶ Lack of participation in national and international 	<ul style="list-style-type: none"> ▶ Onboarding on E-commerce platforms like Flipkart, Amazon, Ebay for maximizing sales. ▶ Collaboration with NIFT, to support artisans in establishing the brand name of the 'Zari-Zardozi' products in the national and international market ▶ Conduct awareness workshops at block level to create awareness about schemes like International Cooperation (IC), Market Assistance Scheme (MAS) etc. which provides assistance to individuals/associations wishing to participate in marketing events ▶ The UPEB can set targets for participating in events per year. Example: Participation in at least 3 international events for this sector every year to create business linkages. ▶ Artisans enterprises should participate in international events to create & foster business linkages and expand to new markets.

	events related to the sector	
Quality Improvement	<ul style="list-style-type: none"> ▶ Undefined quality standards of the products. 	<ul style="list-style-type: none"> ▶ MoU with QCI for defining quality standards of the products so that their quality can be maintained/ improved, and they can be exported across the globe with brand logo which ensures its authenticity.
GI Initiative	<ul style="list-style-type: none"> ▶ Register GI Tag for Zari Zardozi products of Kasganj. 	<ul style="list-style-type: none"> ▶ Target to make 100 authorised Users to become IEC holder in a year. (DIC) to identify such stakeholders post GI Registration. ▶ Organise a seminar every quarter 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)
Exporter's issue	<ul style="list-style-type: none"> ▶ No focal point to address exporters ongoing issues. 	<ul style="list-style-type: none"> ▶ 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.
Freight Issues	<ul style="list-style-type: none"> ▶ U.P. is a land-locked state hence this increases the transportation cost which in turn adds to the overall production expenses 	<ul style="list-style-type: none"> ▶ 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. ▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website. ▶ 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.

4.9 Future Outcomes

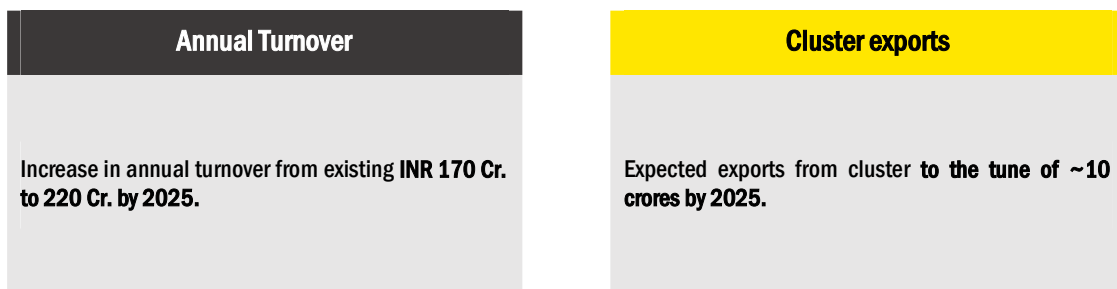


Figure 10: Future Outcomes; Zari Zardozi cluster.

5. Product 2: Camphor (Kapoor)

5.1 Cluster Overview

There is one unit⁶ involved in manufacturing Camphor providing direct/indirect employment to around 20 workers.

5.2 Product Profile

The camphor is being produced in different shapes & sizes such as tablets, balls, granules & even small bricks. The shape and size id totally dependent on the work order & the basic constituent or the building block remains same.

5.2.1 Status of GI Tag

GI tag registration for Kasganj Camphor products is not initiated.

5.3 Cluster Stakeholders

- ❖ Unit owners.
- ❖ Workers.
- ❖ Transport service providers.
- ❖ Banks

Figure 12: Cluster Stakeholders

5.4 Export Scenario

5.4.1 HS Code

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

Table 8: HS Code with description

HS Code	Description	Value of exports (in INR Crores)
291429 (22)	Cyclanic, cyclenic or cycloterpenic ketones, without other oxygen function (excluding cyclohexanone, methylcyclohexanones, ionones and methylionones).	6,90,58,197

Current Scenario

The export scenario of India and Uttar Pradesh have been analysed basis the export statistics of HS codes 291429 under which Camphor is being exported. Alongside are the key facts pertaining to the analysed product code.⁷

a. Export Potential

⁶ Mittal Enterprises

⁷ <https://www.trademap.org/>

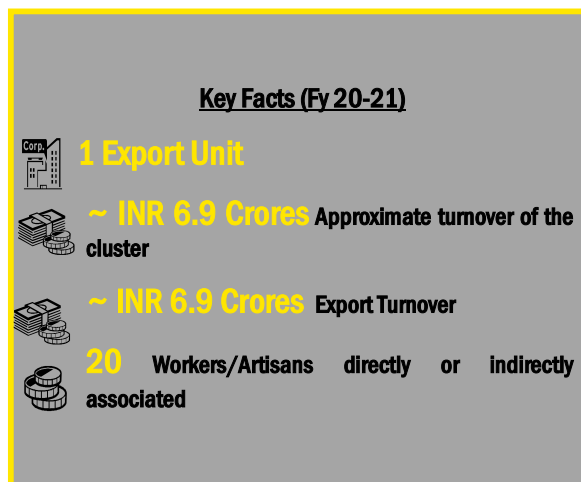


Figure 11: Key facts; Camphor product.



- ▶ The total exports of Camphor products from Kasganj district were around INR 7 crores⁸ in year 2020-21.
- ▶ India's exports represent 9% of world exports for this product.⁷

Product 291429: India exported this product to USA, Switzerland, Netherlands, France, Singapore, Brazil, Spain, Germany & Japan etc.

Figure 13: Key facts Camphor product exports.

Below figure shows the top importers for this product (291429) from India in the world:⁹

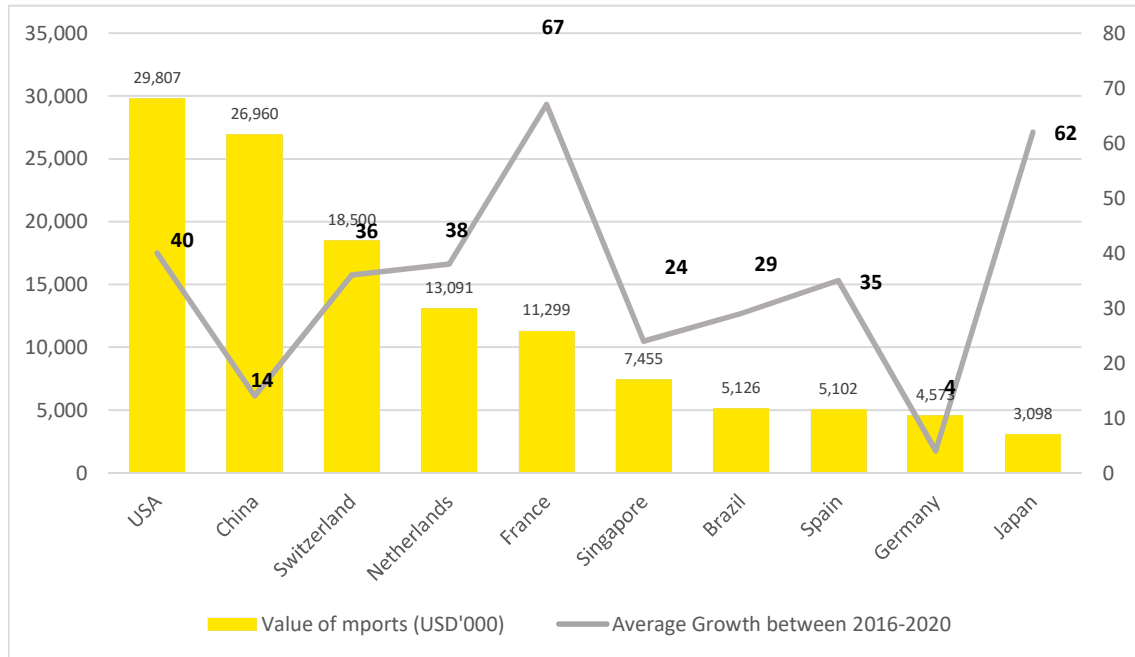


Figure 14: Top importers for the product 291429 from India

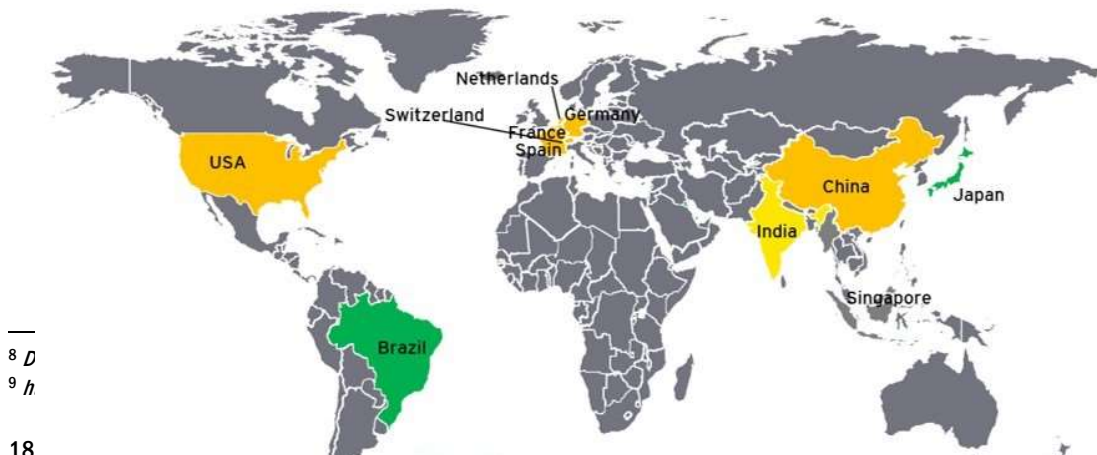


Figure 15: Markets for export potential

b. Potential Areas for Value Added Product

Product Diversification – As of now based on the discussions with the manufacturer it came to be known that there is no scope of product diversification in the product as the production solely depends on the uses intended by the buyer (without changing the composition , only change in shape & size is demanded by customers) and currently the only diversification being practiced is the change in shapes and sizes of the product.

SWOT Analysis

Table 9: SWOT Analysis for Camphor product.

Strengths	Weaknesses
<ul style="list-style-type: none"> ▶ Availability of ample unskilled workforce. ▶ Ability to develop customized shapes. 	<ul style="list-style-type: none"> ▶ Lack of Automation & use of outdated technology. ▶ lack of skilled operators for machinery. ▶ Unavailability of packaging material within the district, the manufacturer informed that packaging materials are ordered from Aligarh, supply often gets delayed. ▶ Import of Raw material from China.
Opportunities	Threats
<ul style="list-style-type: none"> ▶ Large scope in domestic and foreign market for expanding sales network. ▶ Scope of evolving into a cluster, manufacturing & exporting Camphor on large scale. 	<ul style="list-style-type: none"> ▶ Competition in domestic & international markets from Chinese products.

c. Challenges and interventions

Table 10: Challenges & interventions; Camphor product.

Parameter	Challenges	Intervention
Technology	<ul style="list-style-type: none"> ▶ The basic outdated machinery is being used such as Grinder, Mixer and tablet making machines. 	<ul style="list-style-type: none"> ▶ High scope of automation of the processes right from grinding to packaging depending upon the demand of the product. If the demand is higher in future it is desirable to develop capability to manufacture on a scale by automating the processes.
Marketing & Branding	<ul style="list-style-type: none"> ▶ Offline marketing is broadly used over online marketing. ▶ Lack of knowledge of existing schemes and govt. initiatives ▶ Lack of participation in national and international events related to the sector. 	<ul style="list-style-type: none"> ▶ Onboarding of manufacturers/artisans on odopmart.com, Flipkart, Amazon etc. for selling of products ▶ Spreading awareness about MDA scheme & providing encouragement to participate in exhibitions such as Dilli Haat & Hunar Haat etc.
Access to finance	<ul style="list-style-type: none"> ▶ Finance availed through unorganized sectors on higher rate based on personal relationship. ▶ Low awareness on existing schemes, poor report and documentation preparation owing to higher rate of 	<ul style="list-style-type: none"> ▶ Leverage ODOP, MYSY, PMEGP margin money scheme. ▶ Awareness campaigns, workshops to spread awareness on existing government schemes.

Parameter	Challenges	Intervention
	rejection.	
Packaging	▶ The unit is ordering packaging material from Aligarh which often gets delayed & charged relatively higher rates.	▶ Encourage establishment of packaging unit by leveraging margin money schemes.
Exporter's Issue	▶ No focal point to address exporters issues.	▶ 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.
Freight Issues	<ul style="list-style-type: none"> ▶ U.P. is a land-locked state. India's cost of logistics is one of the highest in the world. ▶ Since the start of Covid 19 Pandemic, the availability of containers and the Freight Charges by the Shipping lines has been the main concern of the industry 	<ul style="list-style-type: none"> ▶ 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. ▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updation of the same at the district website. 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.

d. Future Outcomes

Annual Turnover	Cluster exports
Increase in the annual turnover from current ~INR 6.9 crores to ~15 crores by 2025.	Substantial growth in cluster exports expected to be grow from ~INR 6.9 crores to ~INR 12.5 crores by 2025.

Figure 16: Future outcomes; Camphor product.

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) <ul style="list-style-type: none"> a. Stall charges b. Air fare (economy class) 	<ul style="list-style-type: none"> 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

Table 11: Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation ¹⁰
Increasing the overall exports from the state		
Sensitization and facilitation in availing Import/ export documents: 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
Creation of an event calendar comprising of events to be conducted in a Financial Year with a focus on international marketing events . Further, DGFT and FIEO can finalize a target to participate in at least 3 international events in a year per product category/industry (food, engineering & auto components, handicrafts, textile& apparel etc.) by utilizing schemes like IC and MAS	DIEPC , UPEPB	Continuous initiative
<p>Sensitization of cluster actors:</p> <p>a. The individuals of a cluster should be sensitized on the plethora of schemes¹¹ available for them for maximizing the potential of exports. Merchandise Exports from India Scheme, Service Export from India Scheme etc. provides various exemptions for facilitating exports. Further, schemes like Advance Authorization Scheme (AAS), Duty Free Import Authorization (DFIA Scheme) ensure procurement of imported duty-free raw materials</p> <p>b. 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 sensitized on target countries identified through export analysis mentioned in DAPs and EAP</p>	DIEPC , UPEPB	Continuous initiative
DIC and FIEO can play a pro-active role in this regard. 10% increase 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	DIC, UPEBP and FIEO	Intermediate

¹⁰ Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

¹¹ 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>:

under this segment		
Common interventions across sectors/ clusters		
Onboarding on e-commerce platforms 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 Make In India Initiative and PLI 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
Cost Structure:	DIEPC/UPEPB	Long term
<ul style="list-style-type: none"> 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. 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. 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 	DIEPC/UPEPB	Long term

about container availability and issues relating to it. The industry may be informed of this portal.	DIEPC/UPEPB/FIEO	Short term
Product 1: Zari Zardozi		
Establishment of Common Facility Centre incorporating one or more of following: a. Raw Material Bank b. Common Production Center c. Design and display center and space to showcase products to undertake sale. d. Marketing centre for undertaking marketing events.	DIEPC, DGFT	Long term
Application to Directorate General of Foreign trade for a unique HSN Code for Zari-Zardozi	UPEPB/ODOP Cell / DGFT	Intermediate term
Application for district specific GI tag for Zari-Zardozi product of Kasganj	DIEPC/UPEPB/ODOP Cell	Intermediate term
Collaboration with NIFT and NID for design inputs and support in branding initiatives	UPEPB/ODOP Cell	Long term
Collaboration with E-commerce companies	Amazon/Flipkart and UPEPB and DIEPC	Short term
Product 2: Camphor		
Collaboration with E-commerce companies	Amazon/Flipkart and UPEPB and DIEPC	Short term
The Camphor (HSN code 29142922) was earlier included in the MEIS scheme for obtaining benefits in form of duty scrips however the said scheme is closed & supplanted with RoDTEP (Remission of Duties and Taxes on Export Products) & as per the stakeholder the product is not included for any kinds of benefits under the current scheme. UPEPB & DIEPC shall represent the matter with DGFT & Ministry of Commerce and Industry (MoCI).	DIEPC/UPEPB/FIEO	Intermediate term

Abbreviations

APEDA	The Agricultural and Processed Food Products Export Development Authority
API	Active pharmaceuticals ingredients
CAD	Computer-Aided Design
CAM	Computer Aided Manufacturing
CFC	Common Facility Center
CONCOR	Container Corporation of India
CPC	Common Production Center
DGFT	Director General of Foreign Trade
DHO	District Horticulture Officer
DIC	District Industries Centre
DIEPC	District Industry and Enterprise Promotion Centre
DPR	Detailed Project Report
EPC	Export Promotion Council
EPCG	Export Promotion Capital Goods
FIEO	Federation of India Export Organization
FPO	Farmer Producer Organizations
FTA	Free Trade Agreement
GCC	Gulf Cooperation Council
GI	Geographical Indication
HS	Harmonized System
IC	International Cooperation
IC Engines	Internal Combustion Engines
IEC	Import Export Code
IIP	Indian Institute of Packaging
ISW	Industrial Solid Waste
ITI	Industrial Training Institute
KVK	Krishi Vigyan Kendra
MAS	Market Assistance Scheme

MSE CDP	Micro & Small Enterprises - Cluster Development Programme
MSME	Micro, Small and Medium Enterprises
NHB	National Horticulture Board
NIC Code	National Industrial Classification Code
NIC	National Informatics Center
NID	National Institute of Design
NIFT	National Institute of Fashion Technology
NSDC	National Skill Development Cooperation
ODOP	One District One Product
PM FME	Pradhan Mantri Formalisation of Micro food Processing Enterprises
PMU	Project Monitoring Unit
QCI	Quality Council of India
R&D	Research & Development
RMB	Raw Material Bank
SGPGI	Sanjay Gandhi Post Graduate Institute of Medical Science
SIDBI	Small Industries Development Bank of India
SPS	Sanitary & Phytosanitary
SPV	Special Purpose Vehicle
SWOT	Strength, Weakness, Opportunities, Threats
TBT	Technical Barriers to Trade
UAE	United Arab Emirates
UK	United Kingdom
UP	Uttar Pradesh
UPEPB	Uttar Pradesh Export Promotion Bureau
UPICO	UP Industrial Consultancy Organisation
USA	United States of America

Knowledge Partner



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Districts
as Export Hubs

