



# Department of MSME & Export Promotion, Uttar Pradesh

Knowledge Partner



विदेश व्यापार महानिदेशालय  
DIRECTORATE GENERAL OF  
FOREIGN TRADE

सत्यमेव जयते

**Districts**  
of Export Hubs



Building a better  
world

## Preface

This district export plan for Mathura 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 Mathura district as an export hub. In view of above, a District Level Export Promotion Committee has been formed by the office of DIC, Mathura 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 Mathura district's geographic, and demographic, 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.

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# 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 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 Uttar Pradesh (UP), where EY has contributed as Knowledge Partner.

## 2. District Profile

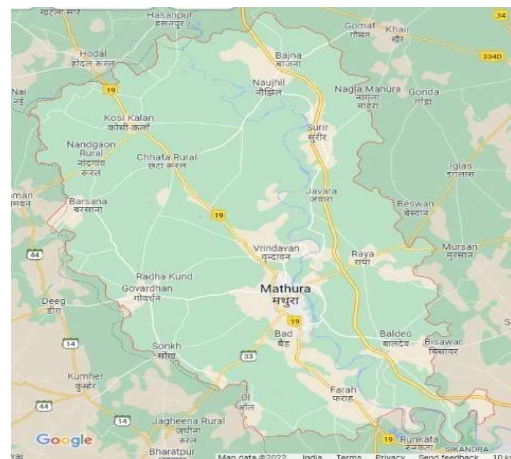
Mathura district is also known as Brij Bhoomi and it belongs to the Agra division of UP. The district since time immemorial has been a sacred land for the Hindus as it is believed that Lord Krishna was born on the site of Sri Krishna Janma Bhoomi, a Hindu temple.

Mathura is tagged as one of the heritage cities under the Heritage City Development and Augmentation scheme of the Government of India(GoI). ISCON Temple, Geeta Mandir, Bhuteshwar temple, Mathura Museum, Birla Mandir, Prem Mandir, Gopinath Maharaj Mandir, etc., are a few places of historic and religious importance in Mathura.

The gender gap in the workforce is quite stark, with only 8% of women participating in the workforce as compared to 25% of their male counterparts.

With regards to the district's economic profile, the services sector contributed 45% of NDP while agriculture, manufacturing sectors, and other industries contributed 32%, 17%, and 7% respectively in 2016-17. A similar trend is observed in Uttar Pradesh, wherein the contribution of the services sector was maximum with a share of 46 % of NDP followed by agriculture and manufacturing sector at 28 and 13 % respectively. Thus, it is said that on average Mathura is more manufacturing intensive as compared to Uttar Pradesh.

The contribution of Mathura in the formal manufacturing sector turnover of UP declined from 14% to 7% during the period 2011-12 and 2016-17. In 2016-17, the top 8 sectors contributed around 88% of the total industrial turnover of the district. Manufacturing of refined petroleum products contributed towards 76 % of the turnover in 2016-17, down from 94 % in 2011-12. The other top contributors included Plastics, vegetable and animal oils and fats, grain mill and starch, dairy, casting, textiles, and apparel.



## 2.1 Geography

Mathura is located approximately 50 kilometres north from Agra, 145 kilometres south-east from Delhi; 11 kilometres from the town of Vrindavan and 22 kilometres from Govardhan. The total area covered by this city is 3,709 square kilometres. It is surrounded by Haryana (districts of Faridabad and Gurgaon) and Rajasthan (Bharatpur district) in north-west and west and by the districts of Aligarh, Hathras and Agra of UP in the northeast, east and south. Situated on the banks of the Yamuna river the city has a pleasant climate throughout the year.

## 2.2 Connectivity



**Road:** Mathura is well connected by road to the rest of Uttar Pradesh and India. National highways like NH-19 (NH-2 as per old numbering system) passes from Mathura which connects the city to Delhi, Chennai, and Kolkata. Yamuna expressway Greater-Noida to Agra, a 165 km long 6 lane access controlled express highway also passes from the city connecting it to Noida, Agra and Lucknow.



**Railways:** Mathura Junction railway station is situated on the major Delhi-Mumbai train route connecting it conveniently to all major cities. Both Central Railway and Western Railway routes pass through Mathura. Further, trains from NCR (north-central railway) to ER (eastern railway) also pass from the Mathura junction railway station. Mathura Cantt railway station is a major route for an eastern and central railway.



**Airport:** Currently the city has no airport. The nearest airport is Agra which is around (about 60 km away) and Delhi Airport which about 160 km away. Both these airports have flights to major cities of the world, Jewar Airport which is currently under construction in Greater Noida will be approximately 75 km away from Mathura and is expected to be country's largest airport when fully operational.

## 2.3 Topography & Agriculture

Mathura falls in the rich 'doab' or area between two rivers of the northern plains. It has rich fertile plains dry climate which is conducive for the ripening and sweetening of fruits like the mangoes, which are in abundance in the area.<sup>1</sup>These factors act as a catalyst for agriculture. The general slope of the town is from the North-westerly direction towards the South-easterly direction that drops into River Yamuna.

The main agricultural products are grains, potatoes, oilseeds and sugarcane.

## 2.4 Tourism

Mathura is a holy city for Hinduism which is the third-largest religion in the world. The city has multiple places of historic and religious importance in the vicinity. Mathura is famous as one of the seven holy places for Hindus in India. Mathura's famous Brajbhoomi is divided into two distinct units. One being at eastern part of Yamuna, with places such as Gokul, Mahavan, Baldeo, Mat and Bajna; while western side of Yamuna covers entire Mathura region that comprises of Vrindavan, Govardhan, Kusum Sarovar, Barsana and Nandgaon.<sup>2</sup>

The twin-city to Mathura is Vrindavan which is also well known for its religious importance, as the home of Lord Krishna in his youth, the small town is host to a multitude of temples belonging to various sects of Hinduism proclaiming Krishna in various forms and avatars. Major Mathura attractions include Shri Krishna Janma Bhoomi Temple Complex, Jama Masjid, Vishram Ghat, Dwarkadeesh Temple, Gita Mandir, Govardhan Hill, Raja Bharatpur's Palace, Keshavdeo Temple and Government Museum.

<sup>1</sup> <https://www.mathuraonline.in/city-guide/geography-of-mathura>

<sup>2</sup> <https://mathura.nic.in/how-to-reach/>



### 3. Industrial profile of the district

The district has around **6,873 functional units that employs around 71,454 individuals.**<sup>3</sup> The key enterprises of the district include **Handicraft related to Worship, Dairy products , Food Processing, Sanitary fittings, and Engineering.**

The **handicraft related to worship comprises of around 4,200** units of production in Mathura. Turnover of these units sum up to Rs. 3,181crores, out of which, the export turnover is around Rs. 636 crores and domestic market is Rs. 2,545 crores.

The dairy products sector cumulatively have about 1,160 operational MSME units with an annual turnover of Rs. 21,285 crores through domestic sale.

The Sanitary fitting have about 150 MSME units with an annual turnover of Rs. 360 crores, out of which, the export turnover is around Rs. 12 crores and domestic market is to the tune of 348 crores.

The **Handicraft related to Worship** contribute most in terms of employment and revenue, which is approximately 33.58% and 2.9% respectively. Food processing including dairy products contributes ~39.37% to revenue, and ~19.65% to work force. While, Sanitary fitting contributes ~3.4% to revenue, and ~0.33% to work force.

The following table depicts the MSME units with their turnover and employment:<sup>4</sup>

Table 1: Details of key industries

Industry	No. of functional units	Employment (No's)	Turnover (INR. Cr)
Handicraft related to Worship	4,200	24,000	3,181
Dairy products	1,160	25,000	4,000
Food Processing	197	3,135	17,285
Sanitary fitting	150	2,500	360
Engineering	127	2,336	8,211
Chemicals	94	1,044	7,566
Manufacturing	91	1,395	10,484
Roads & Highways	91	914	3852
Housing	80	843	3026
Metals & Mining	79	1901	8373
Hospitality	58	522	2621
Textile & Apparel	51	1050	4961
Transport	49	521	5627
Entertainment	48	533	4716
Arts & Culture	47	512	2322
Construction	31	345	1753
Electronic Systems	24	348	2779
Healthcare	23	1663	1521
Oil & Gas	22	219	2351
Financial Services	16	115	358
Auto Components	15	290	1689
Education	13	135	272
Telecom	11	71	172
Servicing	5	33	130
Social sector	5	46	192
Advertising & Marketing	3	27	57

<sup>3</sup> Information populated based on stakeholder consultations and MSME Industrial Report

<sup>4</sup> DIC, Mathura and DSR- Mathura Poshak Cluster, prepared by ADB



Industry	No. of functional units	Employment (No's)	Turnover (INR. Cr)
Leather	2	156	458
Sports	2	22	37
Wood Products	1	5	15
Other	178	1773	9925
<b>Total</b>	<b>6873</b>	<b>71454</b>	<b>108,294</b>

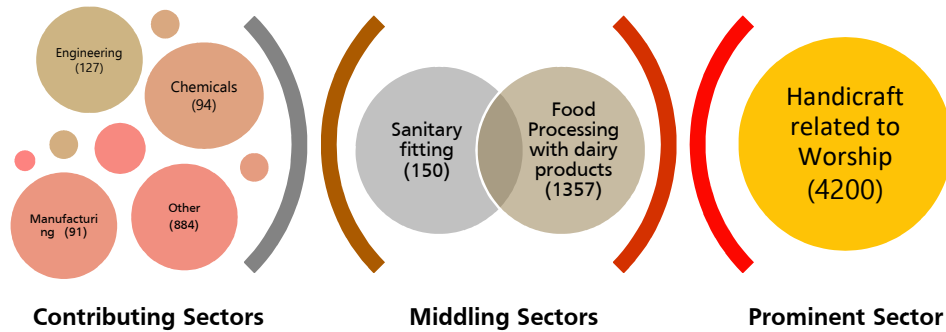


Figure 2: MSME landscape of the district

Out of the total population of 2,547,184, total 840,939 are working population. <sup>5</sup>Out of total working population, 49% are cultivators and agricultural labourers. Only 5% are household industry workers, and 46% are working in other industries. This indicates that agriculture is the main source of income in the district.

Table 2: Occupational Distribution of Main Workers<sup>6</sup>

S. No.	Particulars	Mathura	%
3	Household Industry Workers	44,453	5%
2	Agriculture Labourers	1,79,248	21%
1	Cultivators	2,35,886	28%
4	Other workers	3,81,352	46%

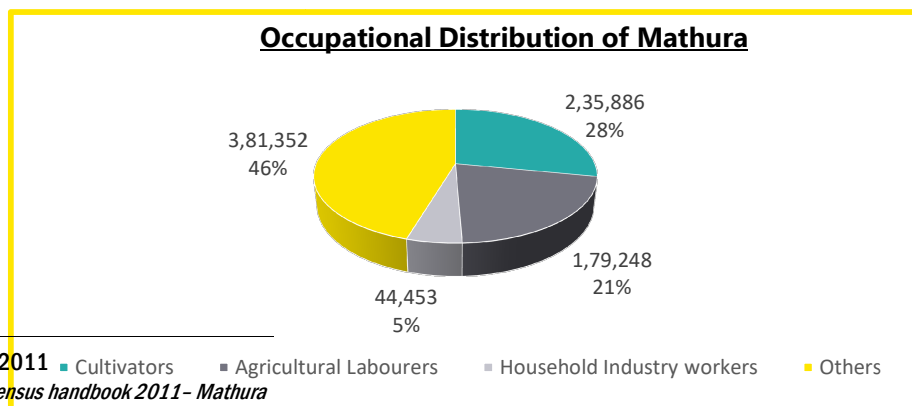


Figure 3: Occupational distribution of Mathura

### 3.1 Major Exportable Product from Mathura

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

Table 3: Major exportable product from Mathura

S. No	Product	Export value (in INR Cr.) <sup>7</sup> from September 2020 to September, 2021
1	Cotton Thread	172.73
2	Packing and Wrapping Paper	160.00
3	Steel Pipes	120.00
4	Petroleum Bitumen	31.60
5	Sanitary fitting	12.00
6	Product Consisting's of Sheets Of Paper/Rbord, Impregnated, Coted Or Covered with Plastics.	6.30
7	Handicraft related to Worship (Poshak)	5.00
8	Dairy products	4.00





## 4. Product 1: Handicraft related to Worship products

### 4.1 Cluster Overview

Mathura being a religious hub with multiple temples is a major manufacturing base for different poshak (dresses) for idols of Lord Krishna & Radha.

Thakur ji ki Poshak has been identified as the ODOF product from the district of Mathura. The Mathura's Poshak cluster is a unique cluster and this report highlights the findings of poshak manufacturing ecosystem of Mathura. The report was prepared based on information collected from both secondary and primary sources. While the existing literature provided important macro insights, the primary survey helped in identifying the size, spread and issues that need to be addressed. During this study, we interacted with nearly 50 respondents including primary and secondary stakeholders.

**Key Facts**

-  **4200 Manufacturers**
-  **INR 3181 Crores** Approximate turnover of the cluster
-  **INR 636 Crores ~** Indirect Export Turnover
-  **24000** employment

Handicraft related to worship includes -Thakur Ji Poshak & Kanthi Mala (Mathura Poshak) cluster of Mathura which covers Mathura, Mathura City, Dehat, Ramanuj Nagar, Rajpur, Rawal, Godnli Puram, Vrindavan, Gaura Nagar, Jatipura, Gopal Gunj, Ghatoli, Kailash Nagar, Dhorera, Van khedi, Nandgaon-Barsana, Gokul-Mahavan and Govardhan. There are ~4,200 operational units in the cluster employing around 24,000 individuals and with a

<sup>7</sup> DIC, Mathura and DGFT

turnover of about INR 3,181 crore.<sup>8</sup> 80 to 85 % of the poshak making units are mostly located in Vrindavan, while the remaining are located in Mathura city and nearby villages of Mathura district within a radius of 20 kilometres. Vrindavan is considered as the hub of the cluster as it has the maximum no. of units & artisans and it is well connected to neighboring cities through road.

## 4.2 Product profile

Spread across the central doab region of Ganga – Yamuna Rivers and adorned with the benevolence of supreme lord Radha and Krishna, Braj is the land of rich culture and heritage in India. Situated along the banks of river Yamuna (also known as Kalindi) Braj can be divided into two units, the eastern side of the Yamuna encompassing places like Gokul, Mahavan, Baldeo, Mat and Bajna, while the western side region of the river spanning the Mathura region along with Vrindavan, Govardhan, Kusum Sarovar, Nandgaon and Barsana. Brajbhoomi as closely related to the mythological epics of Vishnupuran, Mahabharata, Bhagvata and Varaha Purana originally inherited its name from the Sanskrit word 'Vraja' which is closely linked to pastimes or Leelas of Lord Krishna. Lord Krishna is not only worshipped since 5th Century BC but represents a way of life, central to culture, philosophy, theology, art, clothing, architecture and literature. For over last three decades Krishna cult has been a global movement initiated by International Society for Krishna Consciousness (ISCON) influencing not only a way of life but also design, art, music theatre & architecture.

According to a UNIDO survey of Indian SSI clusters undertaken in 1996, there are 350 SSI clusters and approximately 2000 rural and artisan-based clusters in India. It is estimated that these clusters contribute 60% of the manufactured exports from India. For example, Thakur Ji Poshak & Kanthi Mala & artificial Jewellery being exported all over the Globe & estimated export is in around 100 crores. Mathura, being an important district of the 4th largest State of Uttar Pradesh, of India which alone contributes to 8.7 % of the GDP which is also home to largest number of MSME units in the country, the leading State for handicrafts, RMG, carpets, textiles exports. It is also home to manufacturing of cotton made ups such as cotton bleached sarees for men & dhotis for women, textile printing that includes sari-printing & fabric dyeing and silver ornaments manufacturing that are major industrial contributors to the region. Majority of silver ornaments include silver jewellery and statues of gods and goddesses including Krishna. Apart from these, decorative and household items is also an ancillary industry. The cluster is located at Dora village, Kailash agar, Vrindavan, Gora Nagar, Gopalganj, etc. of Mathura district. Also, for during the last three decades, Krishna cult has been a global movement initiated by International Society for Krishna Consciousness (ISCON) influencing not only a way of life but also design, art, music theatre and architecture. Mathura Poshak Cluster (MPC) has thus emerged as the country's main hub for poshaks across the country.<sup>9</sup>

Mathura is the largest cluster of handicrafts related to Worship products- Thakurji ji poshak products of different sizes, and characteristics manufacturing in India.

The handicraft related to Worship products- Thakurji ji poshak products industry in Mathura exists mainly in the form of cottage units. Some units have developed themselves into semi-mechanized. ones and undertaken exports.

### 4.2.1 Product Portfolio

The following are the key products manufactured for handicraft related to Worship products- Thakurji ji poshak products – mostly for Radha and Kishanji in the cluster:<sup>10</sup>

- ▶ Machine stitched Laddu Gopal Plain Gol (Round) Poshak (PGP)
- ▶ Machine Embroidered Laddu Gopal Gol Poshak (MEGP)

<sup>8</sup> Diagnostic Study Report: Mathura Poshak Cluster, Uttar Pradesh

<sup>9</sup> DSR- Mathura Poshak, prepared by ADB

<sup>10</sup> DSR- Mathura Poshak, prepared by ADB

- ▶ Hand Embroidered machine stitched Laddu Gopal Gol Poshak along with Accessories (HEGPA)
- ▶ Machine Embroidered machine stitched 4 feet Idol Radha Krishna temple Poshak (MEIP)
- ▶ Hand embroidered machine stitched 4 feet Idol Radha Krishna temple Poshak along with Accessories (HEIPA)

### 4.3 Cluster Stakeholders

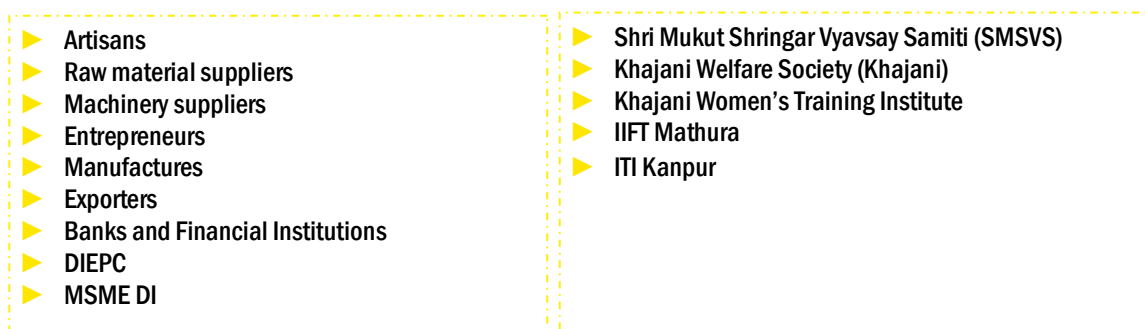


Figure 4: Cluster Stakeholders

### 4.4 Export scenario

#### 4.4.1 HS code

The following table lists the HS codes under which the products are exported from the district:<sup>11</sup>

Table 4: HS codes for handicrafts related to Worship products

HS codes	Description
621710	Made-up clothing accessories, of all types of textile materials, n.e.s. (excluding knitted or crocheted)
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.

#### Current Scenario

The export scenario of India and Uttar Pradesh has been analysed basis the export statistics of HS codes mentioned above under which handicraft related to worship products are exported. Alongside are the key facts <sup>12</sup>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 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

**Key Facts of Export**

**71916327 (USD Thousand)**  
Value of world exports in 2020

**332522 (USD Thousand)**  
Total Exports from India in 2020

**19780 (USD Thousand)**  
Total Export from UP in 2020-21

**~ 5.95%**  
Share of UP in India's Exports

<sup>11</sup> Consultation with Stakeholder

<sup>12</sup> <https://www.trademap.org/>

subsidized and major efforts is required in marketing which will require time to accommodate the same.

Approximately 10% of the products are sold via retail locally while 20% are sold wholesale to bulk buyers/ Temple Trusts locally. Around 50% are sold to other states including Maharashtra, Uttar Pradesh, Madhya Pradesh, Uttarakhand, Assam, Gujarat, Andhra Pradesh, Rajasthan, Punjab, Jammu and Kashmir, etc., Whereas around 20% is exported to countries like United States, United Kingdom, Canada, Germany, France, Italy, Japan, Hong Kong, Singapore, and Spain.<sup>13</sup>

#### 4.5 Export Potential

As various products are manufactured and sold under the handicraft related to Worship products in Zari-zardozi category of Mathura<sup>14</sup>, in order to gauge our understanding of where India stands relative to the world on the trade of these products, each product has been delved into as a separate unit defined by its exports and imports in comparison to its competition and potential markets to target in the future.<sup>15</sup>

The consolidated list of countries that India can target, respective to the analysis carried out in each chapter are USA, UK, UAE, Netherlands, Canada, Germany, Denmark, Spain, France, Korea, Nepal, Japan as mapped below.

**Product 1: 621710; \_Made-up clothing accessories, of all types of textile materials, n.e.s. (excluding knitted or crocheted)**

India's exports represent 1.3% of world exports for this product, ranking it number 18, behind Italy, China, Korea, France, Germany, Singapore, Netherlands, USA, UK, Spain, Panama, Belgium, Hong Kong, Bangladesh, Viet Nam, UAE and Mexico. The value of India's exports over the last 5 years have decreased by CAGR 5% with a sharp increase in 2016 and then a subsequent dip post that. <sup>16</sup>As per data FY 2018-19 to 2020-21 for exports from the state of UP, it is observed that there has been increased by CAGR 14.07%, with a similarly sharp increase from 2018-19.<sup>17</sup>

The top importers for this product in the world are given below, alongside the value of the product imported in

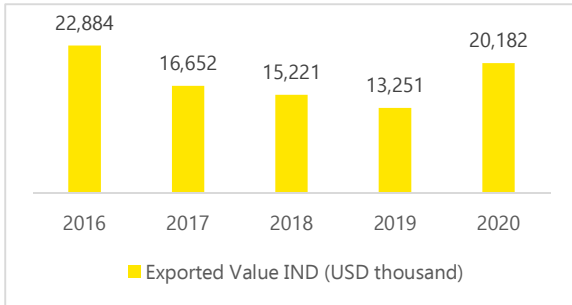


Figure 5: Exported value of India for HSN-621710

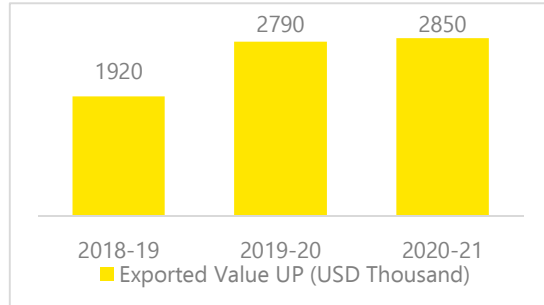


Figure 6: Exported value of UP for HSN-621710

**2020.**

<sup>13</sup> DSR-Mathura poshak, prepared by ADB

<sup>14</sup> Basis stakeholder discussions

<sup>15</sup> Since district-wise data is not available, the analysis has been performed on import and export data of India

<sup>16</sup> <https://www.trademap.org/>

<sup>17</sup> [www.dgcisanalytics.in](http://www.dgcisanalytics.in)



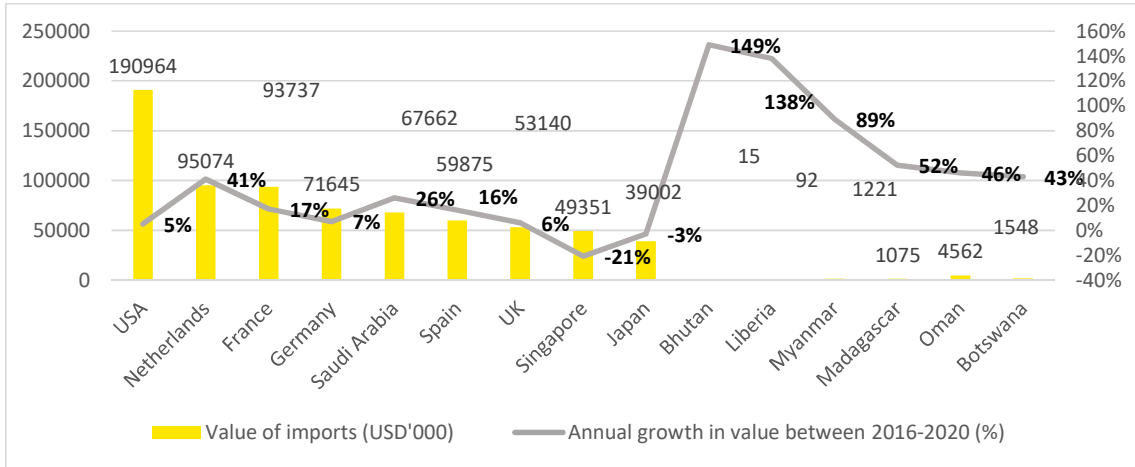


Figure 7: The top importers for this product in the world for HSN-621710

**Prominent countries that import the product from India:**

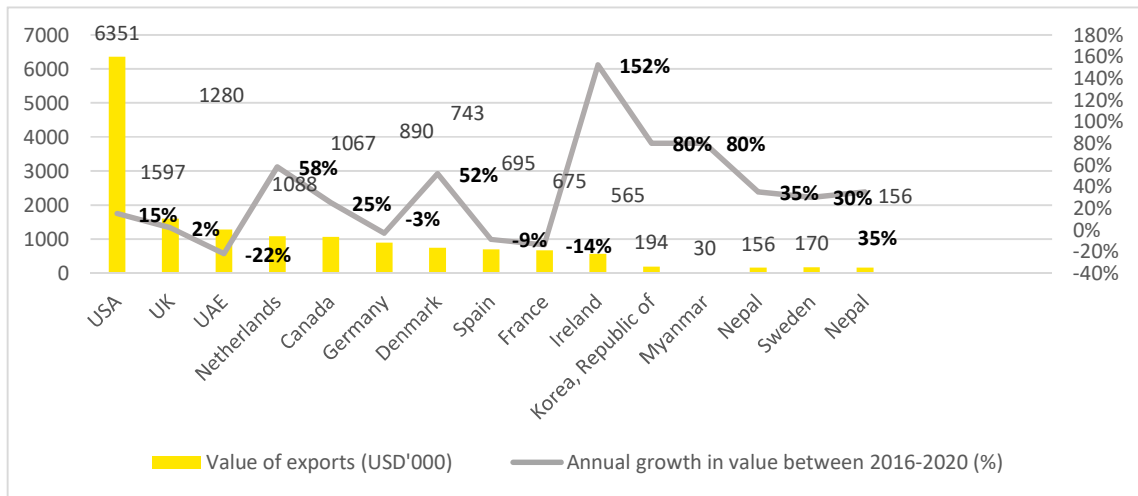


Figure 8: Prominent Import Countries to whom India export of HSN- 621710

The following synergies/ markets are identified for UP and India based on the signed FTAs, untapped potential, high growth potential, the ones is catered by India and not UP etc.



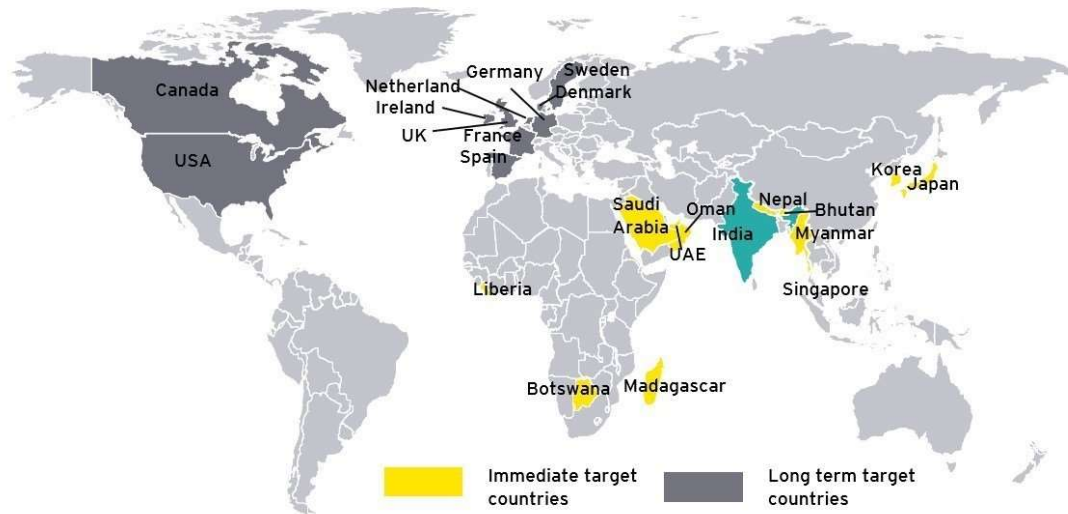


Figure 9: Markets for export potential for HSN- 621710

Countries to which UP exports this product under in HSN code -621710 are **USA, UK, Germany, France, Turkey, Australia, Denmark, Nepal, Italy, Canada, Greece, Mexico, Spain, Korea RP, and Israel.**<sup>18</sup>

<sup>18</sup> [www.dgcisanalytics.in](http://www.dgcisanalytics.in)



**Product 2: 630790- Made-up articles of textile materials, incl. dress patterns, n.e.s.**

India's exports represent 0.4% of world exports for this product, ranking it number 15, behind China, Germany, Viet Nam, USA, Hong Kong, Mexico, Korea, Republic of, Netherlands, Turkey, Belgium, France, UK, Poland, and Austria. The value of India's exports over the last 5 years have decreased by CAGR 13% with a sharp increase in 2017 and then a subsequent dip post that. <sup>19</sup>As per data FY 2018-19 to 2020-21 for exports from the state of UP, it is observed that there has been decreased by CAGR 1.43%, with a similarly sharp increase in 2018-19 which fell in the year post that.<sup>20</sup>

The top importers for this product in the world are given below, alongside the value of the product imported in

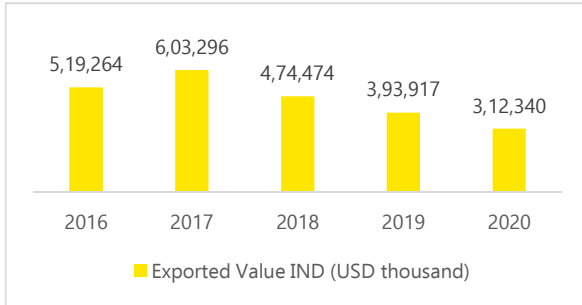


Figure 11: Exported value of India for HSN-630790

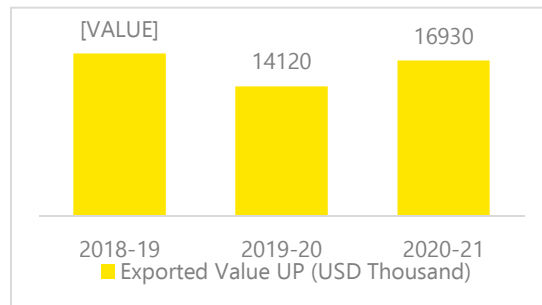


Figure 10: Exported value of UP for HSN-630790

**2020.**

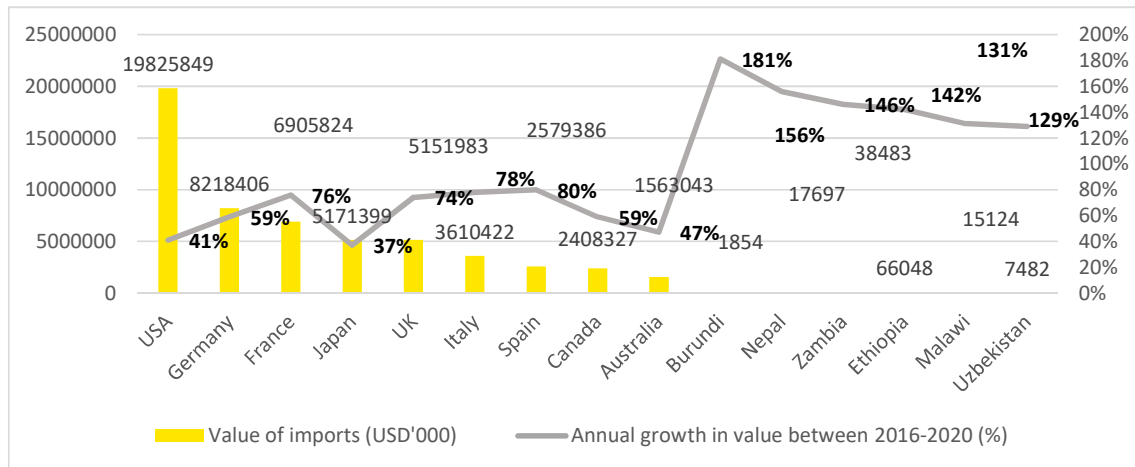
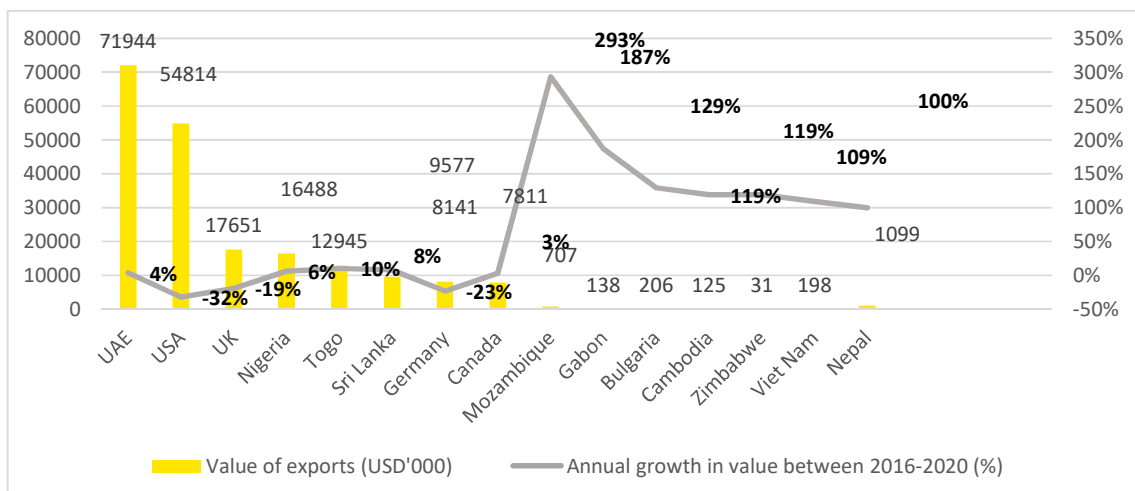


Figure 12: The top importers for this product in the world for HSN-630790

**Prominent countries which import from India:**





The following synergies/ markets are identified for UP and India based on the signed FTAs, untapped potential, high growth potential, the ones is catered by India and not UP etc.

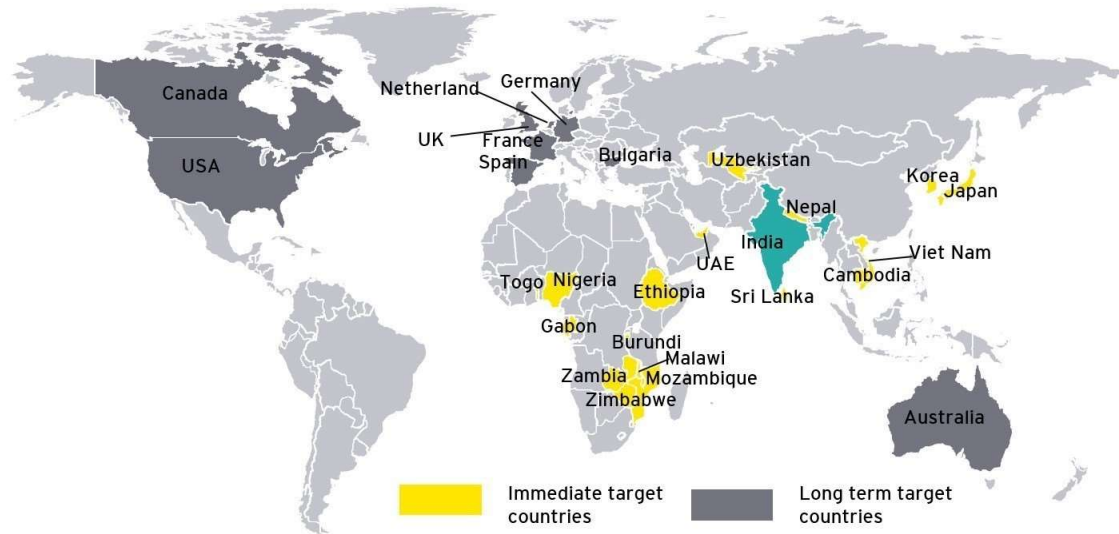


Figure 14: Markets for export potential for HSN-630790

Countries to which UP exports this product under HSN code -630790 are **USA, Australia, UK, El Salvador, France, Germany, Italy, Croatia, Russia, UAE, Sweden, Netherlands, Spain, Poland, and Canada.**<sup>21</sup>

#### 4.6 Potential Areas for Value Added Product

This plays a vital role in any product’s exports as it is a product uplifting strategy. Most artisans aren’t 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 **Modifying the existing product range to create variations using new fabrics and designs.** The artisans/ unit’s owners can make more value products by blending traditional with contemporary designs. For example, the artisans can aim to blend the zari-zardozi work into the Poshaks.

#### 4.7 SWOT analysis

Table 5: SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> <li>▶ The cluster has a well spread-out industry with basic knowledge of stitching and an elaborate market system</li> <li>▶ The heritage of the cluster is of immense importance and is responsible for tourism of the district. The district sees around over 10 cr. tourists from various part of country and the globe. These tourists act as buyers of the cluster by purchasing</li> </ul>	<ul style="list-style-type: none"> <li>▶ Shortage of skilled labour in various aspects including, drawing, design, lining, cutting, stitching, embroidery, etc.</li> <li>▶ Traditional manufacturing methods and use of hand operated tools / machines like Ata Machine, needle, pleating machine etc. are still in practice which tend to directly affect the precision of the end-product</li> </ul>

<sup>21</sup> [www.dgcisanalytics.in](http://www.dgcisanalytics.in)



<p>various products from the cluster for their households and as souvenirs</p> <ul style="list-style-type: none"> <li>▶ The cluster serves as an employment source for a large percentage of women of the cluster, helping them generate an income</li> </ul>	<ul style="list-style-type: none"> <li>▶ Lack of designing facilities and technology upgradation affects the productivity and sales of the cluster</li> <li>▶ Lack of raw material availability within the cluster</li> <li>▶ Limited international penetration due to lack of implementation of marketing strategies by majority small and micro units</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▶ Rising tourism resulting in higher demand</li> <li>▶ Improving the product quality to tap international markets</li> <li>▶ Product diversification for attracting larger audiences</li> <li>▶ Opportunity in technical up gradation for efficient production</li> <li>▶ Opportunity for increasing sales by participation in various national and international marketing events</li> <li>▶ Branding for market conquering.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Tough competition with cheaper products with a wide offering in price ranges by competing districts / countries</li> <li>▶ Rising input prices.</li> <li>▶ Dependence on supply of raw material.</li> </ul>

#### 4.8 Challenges and interventions

Parameter	Challenges	Intervention
<b>Raw Material</b>	<ul style="list-style-type: none"> <li>▶ Higher cost for small volume and indirect purchase of basic raw material like fabric, Synesthetic thread, cotton thread, Pom-pom etc.</li> <li>▶ Losing out on value addition: Raw materials like cloth for fancy fabric, used for making Machine Embroidered Laddu Gopal Gol Poshak (MEGP) and Machine Embroidered machine stitched 4 feet Idol Radha Krishna temple Poshak (MEIP), travel from Mumbai to Surat, where the embroidery happens and then it travels to Mathura. Such value addition is estimated at around 50 to 60% of the product cost,.</li> <li>▶ Low production of fancy fabrics-different types of synthetics with golden embellishments within the district/ cluster which adds on to the procurement cost</li> </ul>	<p><b>Hard Interventions</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of a CFC for production of fancy fabric</li> <li>▶ Establishment of a Raw Material Bank within the CFC ensuring easy availability of all types of quality raw materials.</li> </ul> <p><b>Soft Interventions</b></p> <p>Trainings to the primary producers /artisans on effective use of different raw materials and various procurement practices</p>
<b>Technological upgradation</b>	<ul style="list-style-type: none"> <li>▶ Usage of equipments like scissors in cutting impacts on productivity as it affects</li> </ul>	<p><b>Hard Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of Common Production Center with modern machines including Single Head Embroidery</li> </ul>

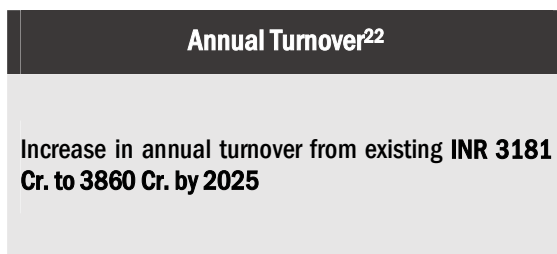
Parameter	Challenges	Intervention
	<p>precision and is time consuming</p> <ul style="list-style-type: none"> <li>▶ Techno awareness and adaptability among the primary stakeholder is very low</li> <li>▶ Lack of proper working space and investment capacity to scale up the existing units.</li> </ul>	<p>Machine, Multi-head Embroidery Machine, Single needle chain Stitch machine, Multi-needle chain stitch machine, Fabric spreading machines, Automatic Batton kaj machine etc., for enhancing production.</p> <p><b>Soft Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Exposure visits to benchmark clusters for cross learning on technologies to be adapted in production process</li> <li>▶ Facilitating technology demonstration at the cluster by the domestic and global machine suppliers</li> </ul>
<b>Design</b>	<ul style="list-style-type: none"> <li>▶ Traditional designs and patterns like flower, normal shine and silk cloth patti, are being followed without any design innovation</li> <li>▶ Absence of value added and diversified products like blending of zari-zardozi work into the fabrics to modify the existing range</li> <li>▶ Lack of usage of latest machine-like Multi-head Embroidery Machine, integrated CAD and CAM software machine.</li> </ul>	<p><b>Hard Interventions:</b></p> <ul style="list-style-type: none"> <li>▶ It is proposed that a Design and Innovation center be set up in the cluster. The centre will include following components: <ul style="list-style-type: none"> <li>○ Design Bank and product Library</li> <li>○ Database of various vendors/suppliers</li> <li>○ Training Centre</li> </ul> </li> </ul> <p><b>Soft Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Capacity building workshops should be undertaken on product development, design development, product diversification and value addition for the artisans and units</li> <li>▶ Exposure visits to key clusters like tirpur, surat etc. to understand the use of new technology and design in product development and production line</li> <li>▶ Connecting the cluster with institute like National Institute of Fashion Technology, U.P. Institute of Design, Noida for an effective engagement</li> </ul>

Parameter	Challenges	Intervention
Marketing & branding	<ul style="list-style-type: none"> <li>▶ Dependency of cottage units on the middlemen/commission agents for sales of their products.</li> <li>▶ Need for infrastructure for marketing &amp; promoting the product</li> <li>▶ Lack of knowledge of existing schemes and govt. initiatives</li> <li>▶ Poor communication skills of cluster actors leading to poor liaison with buyers</li> </ul>	<p><b>Hard Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of a Marketing centre within the CFC to facilitating marketing events and small-scale exhibitions.</li> </ul> <p><b>Soft Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Awareness and outreach programmes for participating in Domestic / international fairs and exhibitions.</li> <li>▶ Encouraging cluster actors to leverage ODOP MDA scheme for financial assistance.</li> <li>▶ Organizing state and national level exhibitions</li> <li>▶ Collaboration with E-commerce companies- Amon, Flipkart, eBay etc.</li> <li>▶ Training on marketing, branding and packaging by collaborating the SPV/ artisans with Uttar Pradesh Development and Marketing Corporations Ltd Emporium</li> <li>▶ Business development services (BDS) may be setup in the CFC or providing direct exposure of market to the artisan</li> <li>▶ Create a Brand “God Blessed Poshak”, Promotion of worship products by DIEPC across the State through branding within their premises and through events like Udyam Samagam</li> <li>▶ Creation of video for branding of the worship products by highlighting its quality benefits and historical background.</li> <li>▶ Get linked to Okhla Garment &amp; Textile Cluster (OGTC) for marketing</li> </ul>
Quality	<ul style="list-style-type: none"> <li>▶ Unaware of global standards and quality ratings of this</li> </ul>	<p><b>Soft intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Collaboration with Quality Council of India (QCI) will</li> </ul>

Parameter	Challenges	Intervention
<b>Improvement</b>	sector/ industry. <ul style="list-style-type: none"> <li>▶ Non-availability of testing centres or machines or tools for quality check purpose.</li> </ul>	help in setting the quality standard of these handicrafts related to Worship products- Thakurji ki poshak products, to increase the sales in international markets.
<b>Access to finance</b>	<ul style="list-style-type: none"> <li>▶ Lack of awareness about existing Financial institutions and their initiatives</li> <li>▶ Limited knowledge on the schemes and policies of central and state government</li> <li>▶ Blockage of working capital owing to extended payment timelines</li> <li>▶ The linkages with banks and financial institution in the cluster are not established properly.</li> <li>▶ Improper documentation leading to loan rejection</li> </ul>	<b>Soft intervention:</b> <ul style="list-style-type: none"> <li>▶ Awareness and outreach program for raising consciousness about existing central and state government schemes that can be leveraged</li> <li>▶ Collaboration with SIDBI for finance support</li> <li>▶ Collaboration with nationalized banks/ financial institutions for easy lending to manufacturers through digital platforms to ease out paperwork.</li> <li>▶ Sensitization of banks/financial institutions to understand the product value chain while fixing WC/CC limits.</li> </ul>
<b>Packaging</b>	<ul style="list-style-type: none"> <li>▶ Majority of the cluster actor lacks awareness and knowledge on packaging requisites and its importance</li> <li>▶ The final product is often not, packed or labelled .</li> <li>▶ Lack of innovative packaging</li> <li>▶ No skilled manpower used for packaging</li> </ul>	<b>Hard Intervention</b> <ul style="list-style-type: none"> <li>▶ Innovative and modern packaging and Labelling unit is required to overcome this challenge in cluster.</li> </ul> <b>Soft Intervention</b> <ul style="list-style-type: none"> <li>▶ Collaboration with Indian Institute of Packaging (IIP) for conducting workshops/ seminars or training program for handicrafts related to Worship products manufacturers to upgrade their packaging techniques.</li> </ul>
<b>Skill Development</b>	<ul style="list-style-type: none"> <li>▶ Majority of the artisans learn their skills from their family or on the job as the cluster</li> <li>▶ Lack of recognition for formally trained artisans</li> <li>▶ Lack of encouragement to setup/ expand their business</li> <li>▶ Limited knowledge of artisans in business operations</li> <li>▶ The skill gap in various fonts including, drawing, design, lining, cutting, stitching, embroidery, merchandising, CAD</li> </ul>	<b>Soft Intervention:</b> <ul style="list-style-type: none"> <li>▶ ODOP Skill Development Scheme could be leveraged to provide training/skill-upgradation to the artisans and toolkit distribution.</li> <li>▶ Entrepreneurship and Skill Development Programme (ESDP) scheme may be leveraged for undertaking skilling and upskilling workshops/ training programmes for the cluster actors .</li> <li>▶ Collaboration with NID /NSDC/ UPSSDM for undertaking skilling and upskilling under value chain activities and business development parameters- design, marketing, accounting, production process etc.</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 export related 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</li> </ul>	<ul style="list-style-type: none"> <li>▶ 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</li> </ul>

Parameter	Challenges	Intervention
	<p>production expenses</p> <ul style="list-style-type: none"> <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>	<p>Authorization Scheme.</p> <ul style="list-style-type: none"> <li>▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updation 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>

#### 4.9 Future Outcomes

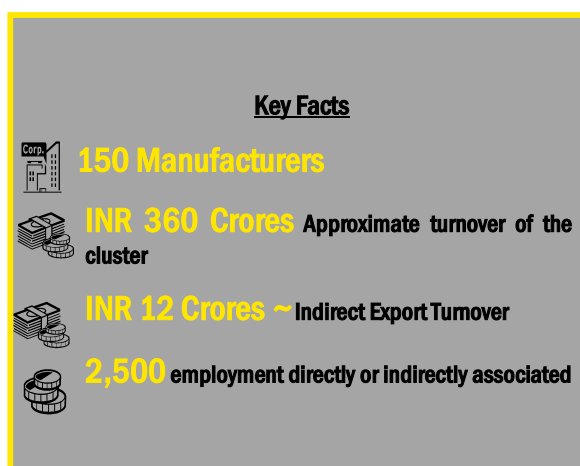


### 5. Product 2: Sanitary Fittings products

#### 5.1 Cluster Overview

Sanitary fittings such as taps, Pipes and Fittings, Sanitary Wares, Water Pump, Shower Taps, Water Tanks and Bathtubs, Faucets, Water Tubes and Mirror Cabinets etc. <sup>25</sup>are produced in Mathura district. These products are made with core mechanism and sand dye casting method. There are as many as 150 micro and small units involved in production of taps in the district. Mathura is a well-known centre for manufacturing and supply of sanitary fittings in Uttar Pradesh.

Sanitary fitting products cluster of Mathura covers **Gaur Udyog Kendra, Sonkh Road, Krishna Nagar.**



<sup>22</sup> DIC, Mathura and calculation -5% growth per year

<sup>23</sup> DIC, Mathura and calculation -5% growth per year

<sup>25</sup> <http://odopup.in/>

## 5.2 Product profile

Taking a bath is something of all times. But personal hygiene wasn't always as normal as it is today. At the end of the 19th century Europe as well as the US passed through a period of industrialisation and urbanisation. Big cities were tormented by frequent epidemics of all sorts because of the lack of a proper sewage system. City councils decided to develop sewage systems in order to banish all diseases from the cities. In the US very strict sanitation laws were issued at the end of the 19th century that prohibited the construction of new houses without a proper toilet and wash facility and closed down houses where such an installation had not been installed. In the Netherlands such sanitation laws came only in effect after 1910 and only in 1965 every newly constructed house was to have a bathroom.

With the installation of running water in the houses it became easier to get water and with the heating water kettles this water could be heated. Wood and charcoal were to be replaced within a few decades with gas and later with electricity and bathrooms were equipped with boilers. But apart from (clean) running water, the installation of sewage systems was the most important step towards a cleaner and healthier city. In the UK and mainly in London these projects were undertaken from the mid nineteenth hundred and by the end of the century London sewage systems were fully functional. Clean water and a sewage system were now available for the larger part of the inhabitants.

In the beginning of the 20th century most households that could afford a bathtub changed the brass or zinc ones for a cast-iron enamelled one. The brass tubs had to be abraded with chlorohydric acid to remove oxidation, for an enamelled bath lather was sufficient. Most firms offered an enormous choice in models in different sizes and versions. Oval, straight back, with an overflow, with a white exterior and plain legs or with the most elaborate legs and elegant decorations on the exterior. The customer could make his choice from a wide variety of colors and patterns. The characteristic legs of these bathtubs often had the shape of a lion's paw or an eagle's claw that held a ball. From the beginning of the twentieth century you also see floral patterns, influenced by the Art Nouveau.

For years and years bathrooms were being arranged following a strict pattern. Not considering the luxury of the bathroom every bathroom had the same necessities: a bath to bathe and shower in, a bidet and a washbasin with a shelf and mirror. These essentials could be completed with other elements such as a foot bath, a hip bath, a separate shower or a dressing table when the bathroom was more luxurious. The plumbing was still visible so the bath was placed against a wall. A free-standing bath was not an option, not even in the most luxurious bathroom, because it was not yet technically possible.<sup>26</sup>

Mathura is the cluster of sanitary fitting products manufacturing in India. The sanitary fitting products of different sizes, and characteristics such as taps, Pipes and Fittings, Sanitary Wares, Water Pump, Shower Taps, Water Tanks and Bathtubs, Faucets, Water Tubes and Mirror Cabinets etc.

### 5.2.1 Product Portfolio

The following are the key products manufactured for sanitary fitting products in the cluster:

- ▶ Sanitary fittings include Pipes and Fittings,
- ▶ Sanitary Wares,
- ▶ Water Pump,
- ▶ Shower Taps,
- ▶ Water Tanks
- ▶ Bathtubs,
- ▶ Faucets,
- ▶ Water Tubes
- ▶ Mirror Cabinets etc.

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<sup>26</sup> <https://www.affairedeau.com/en/service/badkamergeschiedenis/>

## 5.3 Cluster Stakeholders

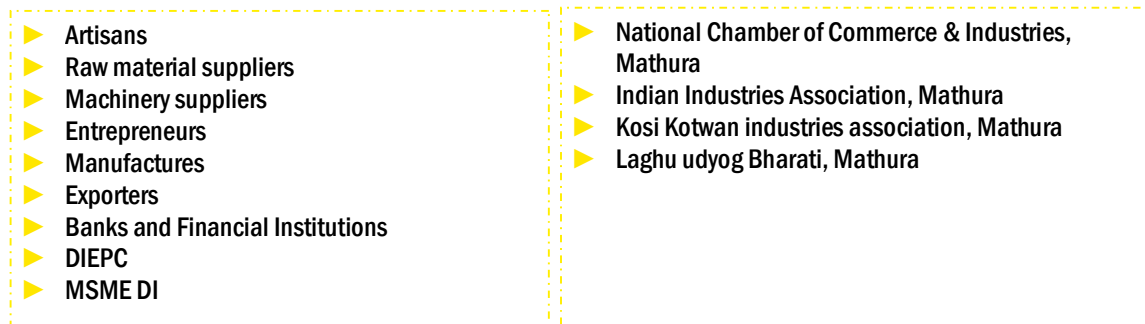


Figure 15: Cluster Stakeholders

## 5.4 Export Scenario

### 5.4.1 HS code

The following table lists the HS codes under which the products are exported from the district:<sup>27</sup>

Table 6: HS codes for sanitary fitting products

HS codes	Description
848180	Appliances for pipes, boiler shells, tanks, vats or the like (excluding pressure-reducing valves, valves for the control of pneumatic power transmission, check "non-return" valves and safety or relief valves)

#### Current Scenario

The export scenario of India and Uttar Pradesh have been analysed basis the export statistics of HS code mentioned above under which sanitary fitting products are exported. Alongside are the key facts <sup>28</sup>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 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.

#### Key Facts of Export

- 50,599,864 (USD Thousand)**  
Value of world exports in 2020
- 762,891 (USD Thousand)**  
Total Exports from India in 2020
- 15850 (USD Thousand)**  
Total Export from UP in 2020-21
- ~ 2.07%**  
Share of UP in India's Exports

<sup>27</sup> Consultation with Stakeholder

<sup>28</sup> <https://www.trademap.org/>



## 5.5 Export Potential

As various products are manufactured and sold to sanitary fitting products of Mathura<sup>29</sup>, in order to gauge our understanding of where India stands relative to the world on the trade of these products, each product has been delved into as a separate unit defined by its exports and imports in comparison to its competition and potential markets to target in the future.<sup>30</sup>

The consolidated list of countries that India can target, respective to the analysis carried out in each chapter are USA, UAE, China, Singapore, Spain, Saudi Arabia, Oman, Nigeria, UK, Russian Federation, Kuwait, France, Germany, Nepal, Korea Republic of, Malaysia, etc.

**Product 1: 848180\_ Appliances for pipes, boiler shells, tanks, vats or the like (excluding pressure-reducing valves, valves for the control of pneumatic power transmission, check " non-return " valves and safety or relief valves)**

India's exports represent 1.5% of world exports for this product, ranking it number 14, behind China, Germany, USA, Italy, Japan, France, Mexico, UK, Czech Republic, Korea, Spain, Netherlands, and Poland. The value of India's exports over the last 5 years have increased by CAGR 3% with a sharp increase in 2019 and then a subsequent dip post that. <sup>31</sup>As per data FY 2018-19 to 2020-21 for exports from the state of UP, it is observed that there has also been increased by CAGR 10.55%, with a sharp increase in 2019 and then a subsequent dip post that.<sup>32</sup>

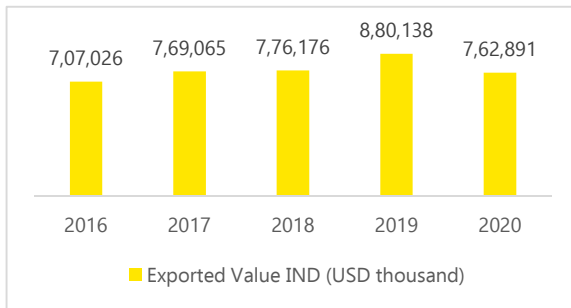


Figure 16: Exported value of India for HSN-848180

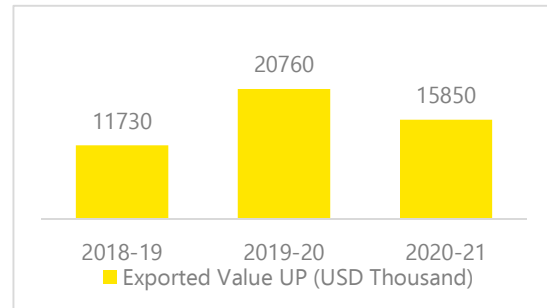


Figure 17: Exported value of UP for HSN-848180

The top importers for this product in the world are given below, alongside the value of the product imported in 2020.

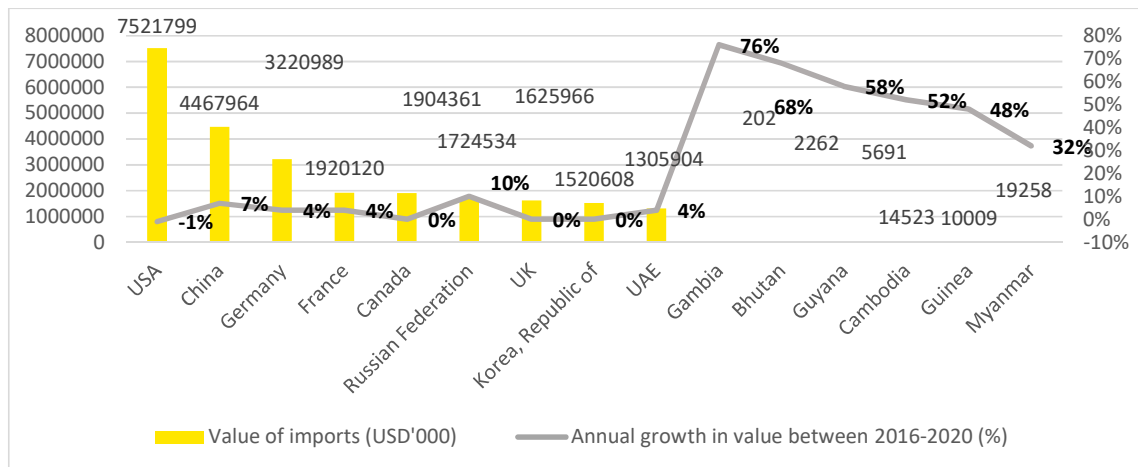


Figure 18: The top importers for this product in the world for HSN-848180

<sup>29</sup> <https://www.trademap.org/>

<sup>30</sup> Since district-wise data is not available, the analysis has been performed on import and export data of India

<sup>31</sup> <https://www.trademap.org/>

<sup>32</sup> [www.dgcisanalytics.in](http://www.dgcisanalytics.in)



**Prominent countries which import from India:**

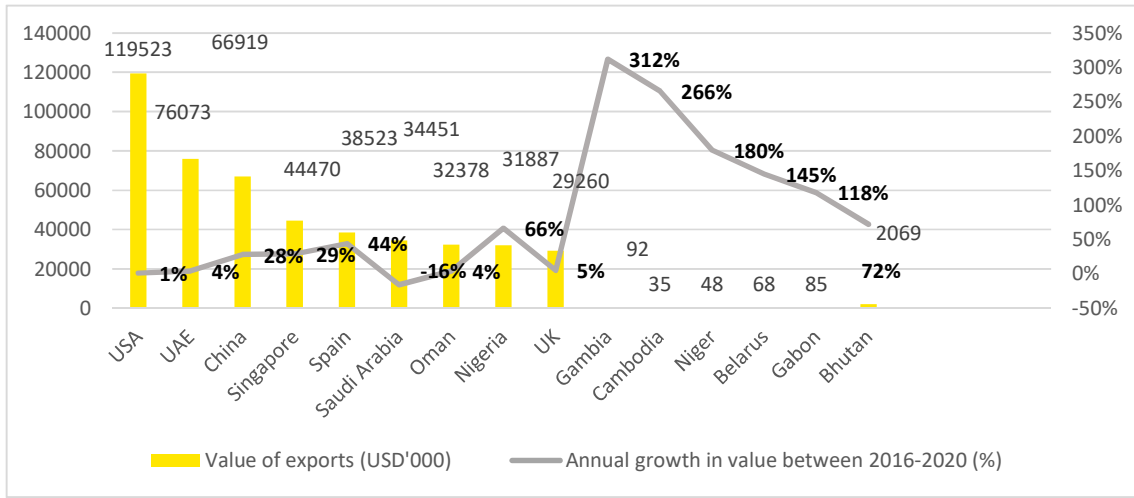


Figure 19: Prominent Import Countries to whom India export of HSN- 848180

The following synergies/ markets are identified for UP and India based on the signed FTAs, untapped potential, high growth potential, the ones is catered by India and not UP etc.

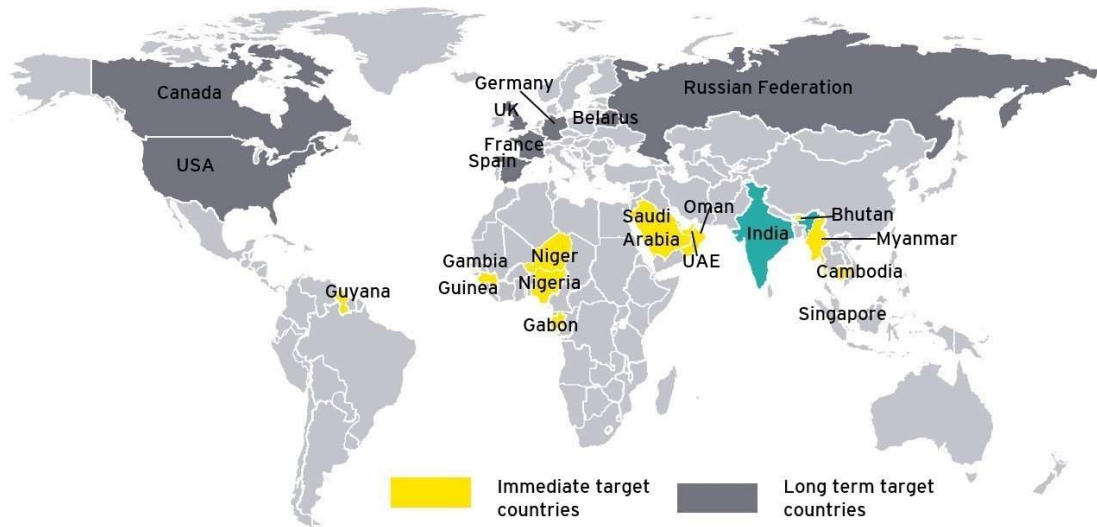


Figure 20: Markets for export potential for HSN- 848180

Countries to whom UP exports this product in HSN code -848180 are **Russia, UAE, Bahrain, USA, Nepal, Nigeria, Oman, Germany, Thailand, Uganda, Kenya, Singapore, Kazakhstan, Sri Lanka, and Belgium.**<sup>33</sup>

<sup>33</sup> www.dgcisanalytics.in



## 5.6 Potential Areas for Value Added Product

This plays a vital role in any products exports as it is a product uplifting strategy. Most artisans aren't 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:

- ▶ **Development of a new products:** The cluster units should be encouraged to diversify the product categories and must be provided with enough resources to create innovative products. The artisans going forward should focus on creating new range of sanitary fitting products like bathware, kitchenware
- ▶ **Modifications of Existing Products:** It has also been found that most of the units use no strategy for making modifications to the existing products in the light of design and market demand. The artisans/ unit's owners can make more value products by blending contemporary designs and new types of raw materials to modify the existing products

## 5.7 SWOT analysis

Table 7: SWOT Analysis

Strengths	Weakness
<ul style="list-style-type: none"> <li>▶ The cluster has a well spread-out industry with basic knowledge of manufacturing and an elaborate market system</li> <li>▶ Strong presence in the domestic market</li> <li>▶ Ancillary arrangement with large industries</li> </ul>	<ul style="list-style-type: none"> <li>▶ Traditional manufacturing methods are still followed as majority of the workers are not formally trained and are heavily dependent on on-the-job training by workers of the older generation</li> <li>▶ Traditional manufacturing methods and use of hand operated tools / machines are still in practice which tend to directly affect the precision of the end-product</li> <li>▶ Lack of raw material availability within the cluster</li> <li>▶ Dependence on supply of raw material from China &amp; Taiwan.</li> <li>▶ The products of this cluster have manufacturing defects and its high rejection rate and low quality are factors of concern</li> <li>▶ Limited international penetration due to lack of implementation of marketing strategies by majority small and micro units</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▶ Improving the product quality to tap international markets</li> <li>▶ Focussing on product diversification for attracting larger audiences</li> <li>▶ Increasing efficiency and production through up-gradation of technology</li> <li>▶ Opportunity for increasing sales by participation in various national and international marketing events</li> <li>▶ Branding for market conquering.</li> <li>▶ Increasing exports through focussed channels identified through this report</li> </ul>	<ul style="list-style-type: none"> <li>▶ Consistent quality of product by competing Districts / countries</li> <li>▶ Rising input prices.</li> <li>▶ Lack of quality raw material availability within the area</li> <li>▶ Difficulty in encountering competition unless raw material imports are made cheaper (90% of the raw material is imported and the custom duty is much higher compared to China &amp; Taiwan).</li> </ul>

## 5.8 Challenges and interventions

Parameter	Challenges	Intervention
<b>Raw Material</b>	<ul style="list-style-type: none"> <li>▶ High fluctuations in price of basic raw materials.</li> <li>▶ High dependency on informal source of raw material procumbent</li> <li>▶ Most of the raw materials are imported after paying High</li> </ul>	<p><b>Hard Interventions</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of a Raw Material Bank within the CFC ensuring easy availability of all types of quality raw materials.</li> </ul>

Parameter	Challenges	Intervention
	<p>custom duties (-about 23%) increasing the overall production costs by 45%</p> <p>▶ The increased raw material prices also hinders the cluster to cater to a larger audience and it often faces tough competition from its competitors on this front as they are able to manufacture cheaper products as they save on the additional expenditure on raw material</p>	
<b>Technological upgradation</b>	<p>▶ Traditional manufacturing methods are still followed</p> <p>▶ Technology awareness and adaptability among the primary stakeholder is very low</p> <p>▶ Lack of proper working space and limited investment capacity to scale up the existing units.</p> <p>▶ Absence of adequate facilities at cluster level for enhancing production process</p>	<p><b>Hard Interventions:</b></p> <p>▶ Establishment of Common Production Center with modern machines including Automatic Core Shooter Machine, Squeeze Casting Machine, fixtures cutting tools, gauges, press tools, plastic molds, forging dies, pressure casting dies, CAD/CAM system, IMR FA 2.5 Core shooter Machine, VMC Machine, CNC Machine, Shaper Machine, Planer Machine, 500T Squeeze Casting Machine with Induction Furnace 125KW, Spectromaxx Analyser, XRF Thickness Tester, Defect free Castings, Modern Die making tools &amp; Machinery etc.</p> <p><b>Soft Interventions:</b></p> <p>▶ Exposure visits to benchmark clusters like surat for cross learning of the exiting units for production process and machines operate.</p> <p>▶ Facilitating technology demonstration at cluster level by the domestic and global machine suppliers</p> <p>▶ Engineering and technical institutes like Council of Scientific &amp; Industrial Research, New Delhi may be tied up with global and national level for running a sector specific course for the youth and exiting entrepreneurs for sanitary products.</p>
<b>Design/ product line</b>	<p>▶ Lack of focus on creating/ expanding the existing designs/ product-line</p> <p>▶ There is a huge gap in the connect between cluster and local/ regional/ national level TIs and Service Providers</p>	<p><b>Hard Interventions:</b></p> <p>▶ It is proposed that a Design and Innovation center be set up in the cluster. The centre will include following components:</p> <ul style="list-style-type: none"> <li>○ Design Bank and Product Library</li> <li>○ Database of various vendors/suppliers</li> <li>○ Training Centre</li> </ul> <p><b>Soft Intervention:</b></p> <p>▶ Design training, Die &amp; Mould making and certificate courses for local aspirants in collaboration with local engineering institutes</p>

Parameter	Challenges	Intervention
		<ul style="list-style-type: none"> <li>▶ Capacity building of the cluster firms/artisans on product development, design development, product diversification and value addition</li> <li>▶ Exposure visits to key cluster producing similar products to understand the use of new technology in product development and production line</li> </ul>
<b>Marketing branding</b>	<p><b>&amp;</b></p> <ul style="list-style-type: none"> <li>▶ Dependency of micro units upon the middlemen/small units for sales of their products.</li> <li>▶ Need for infrastructure for marketing and trading for marketing the product</li> <li>▶ Limited Market diversification</li> <li>▶ Lack of knowledge of existing schemes and govt. initiatives</li> </ul>	<p><b>Hard Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of a Marketing centre within the CFC to facilitate marketing events.</li> </ul> <p><b>Soft Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Awareness and outreach for participating in Domestic / international fairs and exhibitions.</li> <li>▶ Encourage to leverage ODOP MDA scheme for financial assistance.</li> <li>▶ Organize state and national level exhibitions</li> <li>▶ Collaboration with E-commerce companies- Amazon, Flipkart, etc.</li> <li>▶ Business development services (BDS) may be setup in the CFC or providing direct exposure of market to the artisan</li> <li>▶ Creation of video for branding of the Sanitary fitting products by highlighting its quality benefits background.</li> <li>▶ Promotion of Sanitary fitting products by DIEPC across the State through branding within their premises and through events like Udyam Samagam</li> </ul>
<b>Quality Improvement</b>	<ul style="list-style-type: none"> <li>▶ Unaware of global standards and quality ratings.</li> <li>▶ Non-availability of testing centres or machines or tools for quality check purpose.</li> </ul>	<p><b>Hard interventions:</b></p> <ul style="list-style-type: none"> <li>▶ Establishment of Metallurgical testing laboratory for testing and mandatory certification of products manufactured in this cluster</li> </ul> <p><b>Soft intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Special focus should be given on creating Brand labels with uniform quality standards which will improve the quality of the product</li> <li>▶ Collaboration with Quality Council of India (QCI) will help in setting the quality standard of these sanitary fitting products, to increase the sales in international markets, and they can be exported across the globe with brand logo which ensures its authenticity.</li> </ul>
<b>Access to finance</b>	<ul style="list-style-type: none"> <li>▶ Lack of awareness about existing Financial institutions and their schemes &amp; policies</li> </ul>	<p><b>Soft intervention:</b></p> <ul style="list-style-type: none"> <li>▶ Awareness and outreach program for raising consciousness about existing central and state</li> </ul>

Parameter	Challenges	Intervention
	<ul style="list-style-type: none"> <li>▶ Limited knowledge on the schemes and policies of central and state government</li> <li>▶ Blockage of working capital owing to extended payment timelines</li> <li>▶ The linkages with banks and financial institution in the cluster are not established properly.</li> <li>▶ The linkages with banks and financial institution in the cluster are not established properly.</li> <li>▶ Improper documentation leading to loan rejection</li> </ul>	<p>government schemes that can be leveraged</p> <ul style="list-style-type: none"> <li>▶ Collaboration with SIDBI</li> <li>▶ MSME department is partnering with banks to ease up the sanctioning process, for e.g. Canara Bank</li> <li>▶ Collaboration with nationalized banks/ financial institutions for easy lending to manufacturers through digital platforms to ease out paperwork.</li> <li>▶ Sensitization of banks/financial institutions to understand the product value chain while fixing WC/CC limits</li> </ul>
<b>Packaging</b>	<ul style="list-style-type: none"> <li>▶ Lacks any formal standards for packing and branding of their products.</li> <li>▶ The final product does not get the proper shape, packaging, labelling etc.</li> <li>▶ Lack of innovative packaging</li> <li>▶ No skilled manpower used for packaging</li> </ul>	<p><b>Hard Intervention</b></p> <ul style="list-style-type: none"> <li>▶ Innovative and modern packaging and Labelling unit is required to overcome this challenge in cluster.</li> </ul> <p><b>Soft Intervention</b></p> <ul style="list-style-type: none"> <li>▶ Collaboration with Indian Institute of Packaging (IIP) for conducting workshops/ seminars or training program for sanitary fitting manufacturers to upgrade their packaging techniques.</li> </ul>
<b>Skill Development</b>	<ul style="list-style-type: none"> <li>▶ Lack of recognition for formally trained artisans</li> <li>▶ Lack of encouragement to setup/ expand their business</li> <li>▶ Limited knowledge of artisans in business operations</li> <li>▶ The skill gap in various fonts including, design, cutting, merchandising, CAD etc.</li> </ul>	<p><b>Soft Intervention:</b></p> <ul style="list-style-type: none"> <li>▶ ODOP Skill Development Scheme could be leveraged to provide training/skill-upgradation to the artisans and toolkit distribution.</li> <li>▶ Entrepreneurship and Skill Development Programme (ESDP) scheme may be leveraged for undertaking skilling and upskilling workshops/ training programmes for the cluster actors.</li> <li>▶ <b>Collaboration with Engineering Institute /NSDC/ UPSSDM</b> for undertaking skilling and upskilling under value chain activities and business development parameters- design, marketing, accounting, production process etc.</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</li> </ul>	<ul style="list-style-type: none"> <li>▶ 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.</li> <li>▶ The CONCOR rates are to be made available at regular intervals to the DIC office for updation of</li> </ul>

Parameter	Challenges	Intervention
	Pandemic, the availability of containers and the Freight Charges by the Shipping lines has been main concern of the industry	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.

## 5.9 Future Outcomes

Annual Turnover <sup>34</sup>
Increase in annual turnover from existing <b>INR 360 Cr. to 437 Cr. by 2025</b>

Cluster exports <sup>35</sup>
Increase in exports from <b>INR 12 Cr to INR 14.58 Cr over the period of 5 years</b>

## 6. Various Schemes being run by Export Promotion Bureau, UP

### 6.1 Marketing Development Scheme (MDA)

S.No	Incentives 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 lac / fair) b. 50% (max 0.5lac 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)

<sup>34</sup> DIC, Mathura and calculation -5% growth per year

<sup>35</sup> DIC, Mathura and calculation -5% growth per year



4	ISO /BSO certification	50 % (max 0.75 lac/annum)
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## 6.2 Gateway Port Scheme

Particulars	Details
<b>Brief Description</b>	Assistance is given to all manufacturing exporting units on expenses incurred on the rail transport of their goods from ICD/CFS to Gateway ports.
<b>Eligible units</b>	Micro, small & medium enterprises.
<b>Incentives Offered against actual expenditure</b>	25% of the total expenditure or Rs 6000 (20 ft' container) & Rs 12000 (40 ft' container) (whichever is less)
<b>Maximum limit</b>	Rs 12 lacs /unit /year
<b>Empowered committee</b>	District Users Committee under the chairmanship of district magistrate.

## 6.3 Air Freight Rationalization Scheme

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

## 7. Action Plan

Quantifiable activity/ intervention	Responsible authority	Timeline for implementation <sup>36</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	ODOP cell, 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> of sanitary fitting products by <b>utilizing schemes like IC and MAS</b>	ODOP cell, DIEPC UPEPB	Continuous initiative
<b>Sensitization of cluster actors:</b> <ul style="list-style-type: none"> <li>a. The individuals of a cluster should be <b>sensitized on the plethora of schemes<sup>37</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 procurement of imported duty-free raw materials</li> <li>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 <b>sensitized on target countries identified through export analysis mentioned in DAPs and EAP</b></li> </ul>	ODOP cell, 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>36</sup> Short term: Should be initiated within 6 months, Intermediate: to be initiated between 6- 12 months, long terms after 12 months

<sup>37</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. and Onboarding workshops to be conducted for handholding to artisans and entrepreneurs	UPEPB/DIEPC	Short term
Creation of video for branding of the worship and Sanitary fitting products by highlighting its quality benefits and historical background.	UPEPB/DIEPC	Short term
Promotion of worship and Sanitary fitting products by DIEPC across the State through branding within their premises and through events like Udyam Samagam	DIEPC	Ongoing activity
MoU with QCI for defining quality standards of the products	UPEPB/DIEPC	Short term
Collaboration with IIP to define cluster-wise packing standards	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
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

<p><b>Cost Structure:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ul>	DIEPC/UPEPB	Long term
	DIEPC/UPEPB	Long term
	DIEPC/UPEPB/FIEO	Short term
<b>Product 1: Handicraft related to Worship products</b>		
<p><b>Establishment of Common Facility Centre with:</b></p> <ul style="list-style-type: none"> <li>a. Raw Material Bank</li> <li>b. Common Production Center for production of fancy fabric</li> <li>c. Common Production Center with modern machines including Single Head Embroidery Machine, Multi-head Embroidery Machine, Single needle chain Stitch machine, Multi-needle chain stitch machine, Fabric spreading machines etc.,</li> <li>d. Design, display and Innovation center with CAD/CAM facilities and space to showcase products to undertake sale</li> <li>e. Testing laboratory</li> <li>f. Innovative and modern packaging and Labelling unit</li> <li>g. Marketing centre for undertaking marketing events</li> </ul>	DIEPC, DGFT and ODOP Cell	Long term
<b>Product 2: Sanitary fitting products</b>		
<p><b>Establishment of Common Facility Centre with:</b></p> <ul style="list-style-type: none"> <li>a. Raw Material Bank</li> <li>b. Common Production Center with modern machines including Automatic Core Shooter Machine, Squeeze Casting Machine, fixtures cutting tools, gauges, press tools, plastic molds, forging dies, pressure casting dies, CAD/CAM</li> </ul>	DIEPC, DGFT and ODOP Cell	Long term

system, IMR FA 2.5 Core shooter Machine, VMC Machine, CNC Machine, Shaper Machine, Planer Machine, 500T Squeeze Casting Machine with Induction Furnace 125KW, Spectromaxx Analyser, XRF Thickness Tester, Defect free Castings, Modern Die making tools & Machinery etc.

- c. Design, display and Innovation center with CAD/CAM facilities
- d. Metallurgical testing laboratory
- e. Innovative and modern packaging and Labelling unit
- f. Marketing centre for undertaking marketing events

## 8. Annexure 1

### Abbreviations

<b>API</b>	<b>Active pharmaceutical ingredients</b>
<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>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>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>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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