



Performance of Handloom Sector in India in recent years: An Empirical Survey based on Secondary Data

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Abstract

The handloom sector holds a significant place in the Indian economy, being one of the largest rural informal economic activities and providing direct employment to over 6.5 million individuals involved in weaving and related tasks. This study assesses the sector's performance in India from 2000-01 to 2020-21, focusing on sales, revenue, turnover, and employment. Data has been primarily sourced from the National Handloom Development Corporation (NHDC), Handloom Census Reports, the Ministry of Textiles, and other government publications. The analysis includes tabular and graphical representations. Considerable inter-state differences in employment are observed, with states like Assam, West Bengal, Tamil Nadu, Andhra Pradesh, and Odisha leading in the number of persons engaged. However, recent trends indicate a downturn in the sector, marked by declines in sales, turnover, exports, and overall growth. This suggests stagnating demand for handloom products both domestically and internationally, especially in the latter half of the last decade. The COVID-19 pandemic has further worsened the situation. Despite these setbacks, the sector possesses untapped potential for growth and employment, particularly in the context of globalization and export-driven development. The study concludes that understanding the precise

reasons for this decline requires further in-depth, primary data-based research in handloom-intensive regions.

Keywords: *Handloom Sector, Sales & Revenue, Export, Growth and Employment.*

1. Introduction and objectives

India's handloom tradition dates back to ancient times, with roots in the Indus Valley Civilization, showcasing the country's long-standing expertise in weaving. The handloom sector today stands as one of the largest unorganized economic activities in India, characterized by exceptional craftsmanship that reflects and sustains India's vibrant cultural heritage. Renowned globally, Indian artisans are known for their distinctive hand spinning, weaving, and printing techniques, which are deeply embedded in rural communities where skills are often passed down through generations.

Currently, the handloom industry is the largest cottage industry in India, operating with approximately 23.77 lakh looms. It ranks as the second-largest employment provider in rural areas, offering direct and indirect livelihood to over three million individuals. More broadly, the sector provides direct employment to over 6.5 million people engaged in weaving and related activities. Government initiatives—including financial assistance and various developmental and welfare programs—have played a crucial role in supporting the sector, positioning it as a potential economic lifeline for rural artisanal households.

The handloom industry contributes about 19 percent of India's total cloth production and plays a significant role in the country's export economy. Its products are highly valued both domestically and internationally due to their rich variety, detailed designs, and unique craftsmanship, ensuring a steady demand over time.

This paper aims to analyze the recent performance of India's handloom sector, particularly in terms of sales, revenue generation, turn over, employment, and export trends. The primary focus is to assess how the sector has evolved in the past two decades and to evaluate its current status, especially

in the context of globalization and the potential for export-led growth. The data for this study has been drawn from the National Handloom Development Corporation (NHDC), the Handloom Census Reports, publications from the Ministry of Textiles, and other government sources.

The study explores the sector's trajectory since the beginning of the new millennium, emphasizing its critical role in rural economic development. With globalization offering new market opportunities, the handloom sector holds significant promise as a growth engine for India's rural informal economy. By evaluating recent trends and challenges, the paper provides insight into the sector's capacity for resilience and its potential for future growth.

1. The Handloom Industry in Assam: A brief Overview

The handloom sector holds significant socio-economic importance in Assam, providing substantial employment, especially in rural areas, and ranking second only to agriculture in terms of workforce engagement. Assam has immense potential in this sector, being the sole producer of approximately 125 metric tons of golden silk, known as Muga, annually—an exclusive silk variety that has earned a Geographical Indication (GI) tag. The state boasts the highest concentration of handlooms and weavers in the country. According to the 3rd National Handloom Census conducted in 2009–2010, Assam had around 11.2 lakh handlooms in operation. This number has since grown to approximately 14.01 lakh and continues to rise, indicating the sector's dynamic growth.

Despite its potential, the handloom industry in Assam faces several challenges. A key issue is the lack of organization among weavers, which hampers their ability to fulfil large-scale orders efficiently and meet quality and delivery standards. This disorganization affects the credibility and market reach of hand-woven products. Additionally, the sector is under intense pressure from the power loom industry, which offers cheaper alternatives, thereby undermining the profitability of hand weaving and making it a less viable livelihood option. To overcome these challenges, a comprehensive state handloom policy is essential. This policy should focus on infrastructure development, skill enhancement, and market-oriented design and product innovation. Such interventions will help bridge existing gaps, enhance the sector's

competitiveness, and ensure better income opportunities for weavers through access to vibrant markets.

2. Literature on the problems, prospects and performance of the handloom sector in India

Over the years, numerous influential research studies have been undertaken to examine the handloom sector in India, covering both the national and state-level scenarios. Some of these studies focus broadly on the overall Indian handloom industry, emphasizing aspects such as sales, turnover, and profit margins. Others are more localized, examining the performance of the sector in specific handloom-intensive states. Additionally, a large number of micro-level, primary-data-based studies have emerged that focus on individual households engaged in the handloom industry. These studies analyze the challenges and difficulties experienced at the grassroots level.

Macro-level research generally explores national trends, including handloom exports and overall industrial performance, relying mostly on secondary data sources such as Ministry of Textiles reports, Central Statistical Office (CSO) publications, and data from the National Sample Survey Office (NSSO). In contrast, micro-level or household-level studies typically gather primary data through field surveys and concentrate on employment generation, income levels, and the economic sustainability of the sector.

Kumar (2018) emphasizes the significant role the handloom industry plays in providing employment, especially in rural and semi-urban regions. According to his study, consumers generally appreciate handloom products for their quality and reasonable pricing. However, a common expectation among buyers is a greater variety in product design. Kumar also argues that due to the complexity and diverse nature of the textile industry, government support in the form of subsidies and incentives is essential to help handloom weavers remain competitive and sustain their livelihoods.

Vinayagamorthy and Bhaskaran (2018) focus on the marketing challenges faced by the handloom sector. Their study, based on a sample of 200 entrepreneurs from the G.N. divisions of Thanjavur,

finds that middlemen have a dominant role in the distribution and sales of handloom products. The study identifies poor marketing practices as one of the major obstacles for handloom producers. Furthermore, it highlights that the power loom sector is overtaking the handloom industry due to its more efficient and cheaper production methods. The authors suggest that handloom businesses should adopt specific pricing strategies for each of their products based on a full cost analysis, which could make handloom items more competitive in the marketplace.

Goswami and Jain (2014) explore the gap between government efforts and actual improvements in the handloom sector. Their research includes input from 50 senior officials from organizations like Rajasthan Rajya Bunkar Sahkari Sangh (RRBSS) and Rajasthan Handloom Development Corporation (RHDC). Utilizing semi-structured interviews and observation methods, the study reveals that many handloom institutions are failing to implement strategic planning in raw material procurement, product design, and promotional activities. As a result, despite continuous governmental initiatives, weavers still face significant livelihood challenges. The study suggests that differentiated and tailored strategies must be introduced to strengthen the sector.

Dutta (2020) investigates the motivating factors and challenges of the handloom industry in Dhemaji district. Using the Garrett ranking method for identifying motivation factors and the Likert scale for assessing problems, Dutta's study highlights several key issues—lack of access to credit, inadequate marketing facilities, poor awareness of development schemes, infrastructure deficits, and insufficient training opportunities. Despite these challenges, the handloom sector continues to play a vital role in the economic development of both the district and the state. The study underscores the importance of policy interventions to address these pressing issues and enhance the sector's long-term sustainability.

Amaravathi and Raj (2019) analyze the root causes behind the declining interest in handloom weaving as a profession. The study finds that the younger generation is increasingly moving away from handloom weaving due to factors such as low income, technological backwardness, and limited production capabilities. Migration of skilled workers to other professions is also a concern.

These issues have led to a decline in productivity and a negative impact on the overall growth and export potential of the Indian textile industry. The authors emphasize the need for structural reforms to make the handloom profession more attractive and viable for future generations.

Mishra (2021) aims to highlight the cultural significance and strength of the handloom industry. Despite its unique and artistic value, the handloom sector represents only a small fraction of India's total textile exports in the global market. Mishra advocates for more concerted efforts to promote the cultural heritage embedded in handloom products while also strengthening the industry's global competitiveness.

Rastuar (2022) discusses various factors that significantly affect the handloom industry's contribution to economic development in India. These include customer satisfaction, government schemes, buyer-seller relationships, financial assistance programs, and product quality. The study underscores the crucial role that the textile industry plays in the competitive economic landscape of the country. According to Rastuar, improvements in service quality and production standards are essential for enhancing the sector's economic contribution.

Kalita (2019) brings attention to the declining interest among weavers in continuing the handloom tradition in Assam's Barpeta district. A survey involving 200 weavers reveals that the future of handloom weaving as a profession is uncertain, despite being a cultural heritage passed down through generations. The study suggests that without significant governmental planning and intervention, the handloom industry in Assam risks severe decline. Kalita emphasizes the need for immediate action to preserve and protect what is arguably the state's largest rural industry.

Bajpeyi et al. (2010) explore the importance of the sericulture and textile sectors in Assam, identifying silk as a vital component of the state's economy and cultural identity. The study argues that while several initiatives have been introduced under various government schemes from the Ministry of Textiles and the Ministry of Rural Development, consistent and focused support is necessary to sustain the handloom industry. These initiatives include financial aid to entrepreneurs, assistance for garment

manufacturing units, and schemes aimed at improving product quality. The authors argue that these efforts are essential not only for the survival of weavers but also for the preservation and promotion of Assam's rich handloom tradition.

In summary, the body of research on India's handloom sector presents a comprehensive view of its opportunities and challenges. While the sector holds significant cultural and economic value, it faces numerous issues such as lack of organization, limited access to markets, technological lag, and dwindling interest among the younger population. Multiple studies stress the need for government intervention in the form of policy support, marketing strategies, skill development, and financial incentives. Addressing these concerns through a cohesive and inclusive approach could significantly enhance the viability and sustainability of the handloom industry in India.

3. Data Sources

In this study, the secondary data on the distribution of handloom workers households, total number of employment in the handloom sector, Annual turnover as well as Annual sales over the years were collected from the various governmental reports on handloom, articles, Ministry websites such as Ministry of Textile, National Handloom Development Corporation (NHDC), Handloom Export Promotion Council (HEPC), National Sample Survey Organization (NSSO) and Central Statistical Organization (CSO). Simple tabular representation of data is used and relevant annual growth rates calculated wherever found relevant or necessary. Besides, simple graphical representations are done to highlight the nature of the data.

4. Analysis of the Empirical Results

To begin with the distribution of handloom workers across Indian states in is presented in table 1 Along with its urban, rural origin, the first column presents data on total workers engaged in the Handloom Sector. These data has not been normalized by the share of informal sector workers as because secondary data on the size of the informal sector work force is unavailable. Even then some important observations from table 1 are worth noting. Assam has the highest number of workers engaged in the handloom sector

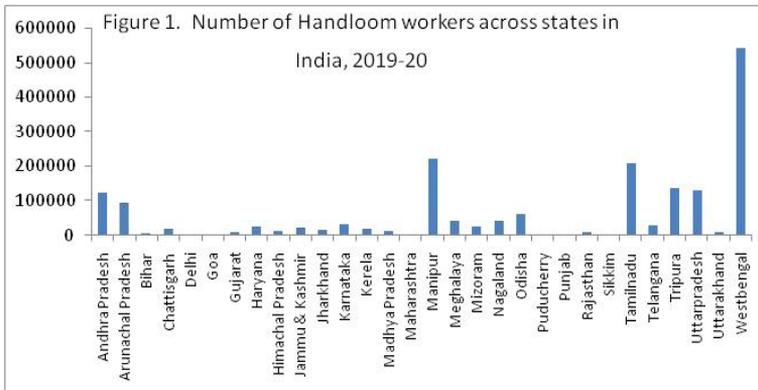
followed by Tamil Nadu, Tripura, Uttar Pradesh, Arunachal Pradesh and Odisha. Moreover from the second and third column of table 1 is the rural dominance in handloom related activities is clearly visible. For instance, almost 99% of handloom workers operate in the rural sector for the states of Assam, Meghalaya, Sikkim, Tripura, and Himachal Pradesh whereas; close to 90% of rural handloom workers can be found in the states of Arunachal Pradesh, West Bengal, Manipur among few others. Comparing the rural and urban columns it is clear that the handloom sector in India is clearly rural in nature. Apart from the highly urbanized states of Delhi, Punjab, Haryana and Maharashtra most states have a rural dominance as far as handloom related activities are concerned.

Table 1. Distribution of handloom Workers across Indian States

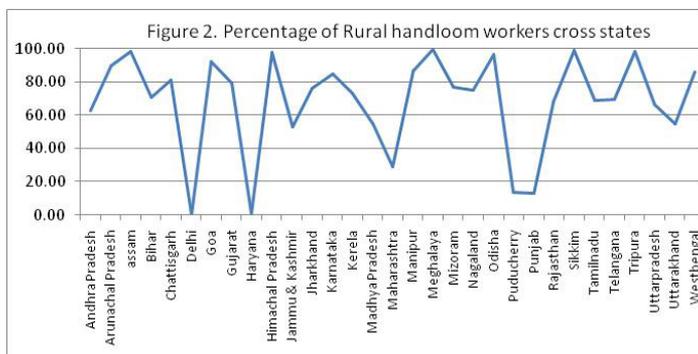
State	Total Workers	Rural (%)	Urban (%)
Andhra Pradesh	122644	62.84	37.16
Arunachal Pradesh	93314	90.03	9.97
Assam	1269506	98.64	1.36
Bihar	6665	70.76	29.24
Chhattisgarh	18876	80.97	19.03
Delhi	4053	0.00	100.00
Goa	26	92.31	7.69
Gujarat	10209	79.43	20.57
Haryana	25408	0.88	99.12
Himachal Pradesh	13572	97.70	2.30
Jammu & Kashmir	23068	52.77	47.23
Jharkhand	16478	76.36	23.64
Karnataka	33677	84.92	15.08
Kerala	20247	73.00	27.00
Madhya Pradesh	14257	54.86	45.14
Maharashtra	3435	28.82	71.18
Manipur	221855	86.74	13.26
Meghalaya	42755	99.75	0.25

Mizoram	27402	77.00	23.00
Nagaland	42411	75.38	24.62
Odisha	63223	96.81	3.19
Pondichery	1629	13.44	86.56
Punjab	936	12.93	87.07
Rajasthan	8770	68.47	31.53
Sikkim	697	99.00	1.00
Tamil Nadu	209582	68.98	31.02
Telangana	27916	69.56	30.44
Tripura	137455	98.21	1.79
Uttar Pradesh	131120	66.67	33.33
Uttarakhand	11096	54.97	45.03
West Bengal	542557	86.21	13.79

Source: Ministry of Textiles, Government of India, All India Handloom Census Reports (2019-20) Annexure II, Page no- 71 [www.https://ruralindiaonline.org/en/library/resource/fourth-all-india-handloom-census-2019-2020](https://ruralindiaonline.org/en/library/resource/fourth-all-india-handloom-census-2019-2020)



Source: Plotted by the authors based on data from Ministry of Textiles, Government of India, All India Handloom Census Reports (2019-20)



Source: Plotted by the authors based on data from Ministry of Textiles, Government of India, All India Handloom Census Reports (2019-20)

Figure 1 Plots the total handloom workers across Indian states for the year 2019-20. Clearly Assam is an outlier and hence it kept outside the graph. Moreover, the handloom dominant states are clearly visible with West Bengal having the highest number of handloom workers after Assam. Whereas, figure 2 plots the percentage of rural handloom workers across states clearly Delhi Haryana and Punjab urbanized states with very little rural base. As such for the states percentage of rural workers are meager. On the hand, near 100% rural handloom workers can be found in Assam, Himachal Pradesh, Odisha, Sikkim, Tripura and West Bengal.

Table 2. Performance of the Handloom Sector in India in recent years

YEARS	Total Sales (Rs. Crs.)	Growth Rate	Annual Turnover (Rs. Lakhs)	Growth Rate
2000-01	-	-	19470.66	-
2001-02	-	-	21056.71	8.15
2002-03	-	-	39239.28	86.35
2003-04	-	-	28474.96	-27.43
2004-05	-	-	24172.27	-15.11
2005-06	8.37	-	25345.20	4.85
2006-07	10.12	20.91	41716.25	64.59
2007-08	25.23	149.31	58867.17	41.11

2008-09	34.43	36.46	82948.39	40.91
2009-10	44.89	30.38	102078.03	23.06
2010-11	64.00	42.57	122674.71	20.18
2011-12	85.99	34.36	110106.93	-10.24
2012-13	84.25	-2.02	137546.57	24.92
2013-14	101.00	19.88	184003.11	33.78
2014-15	89.00	-11.88	221696.49	20.49
2015-16	92.37	3.79	240604.43	8.53
2016-17	88.89	-3.77	299351.79	24.42
2017-18	93.78	5.50	260515.54	-12.97
2018-19	52.88	-43.61	95093.59	-63.50
2019-20	75.80	43.34	74866.74	-21.27
2020-21	12.85	-83.04	57203.63	-23.59

Source: Ministry of Textiles, Government of India,
Annual Reports from (2000-01 to 2020-21) [www.http://texmin.nic.in/
documents/annual-report](http://texmin.nic.in/documents/annual-report)

Table 2 presents the performance of the overall handloom sector in India since 2000-01 till 2020-21. The third column shows the annual growth rate sales while the fifth column shows the annual growth rate of turnover. An outstanding growth performance in sales can be observed in 2007-08 where, almost 150% growth in sales was registered. However, sales showed a negative growth in the year 2012-13 after which it has fluctuated substantially. The covid period i.e. post 2020 has seen a massive decline in sales resulting in a negative growth rate of -83.05%. Overall since 2014-15 the performance of the handloom sector has been lacklustre.

Coming to the growth rate of annual turnover we find a massive growth in this sector in 2002-03 which was followed two consecutive years of negative growth. However, since 2006 till 2010 the annual turnover showed the steady growth. However, since 2017-18, annual turnover has been constantly declining. Revenue is the money companies earn by selling their products and services, while turnover refers to the number of times businesses make assets or burn through them. Thus revenue affects a company's profitability while turnover affects its efficiency.

Source	Year	No. of Female Workers			No. of Male Workers			Total
		Full Time	Part Time	Total	Full Time	Part Time	Total	
Handloom Census	1987-88	779038	1859459	2638497	1410117	145153	1552270	
Handloom Census	1995-96	603247	1500640	2103887	998286	223915	1222201	
NSSO 55th Round Household Survey (Weekly Status)	1999-2000	N/A	N/A	992938	N/A	N/A	2043100	
NSSO 55th Round Household Survey (Usual Status)	1999-2000	N/A	N/A	1132123	N/A	N/A	2135104	
NSSO 55th Round Enterprise Survey	1999-2000	554714	254941	809655	1394747	91117	1485864	
NSSO 55th Round Enterprise Survey	2000-2001	959658	265718	1225376	1717868	65118	1782986	
Handloom Census	2009-2010	N/A	N/A	2998362	N/A	N/A	848473	
Handloom Census	2019-2020	N/A	N/A	2546285	N/A	N/A	975733	

Source: Ministry of Textiles, Government of India, All India Handloom Census Reports,

Examining Employment figures in the Handloom Sector commissioned by AIACA (all India Artisans Craft workers Welfare Association), www.aiaca.org

Table 3 presents the employment scenario of the handloom sector as per the secondary data sources. Both handloom census (various years) as well as NSSO 55th round data sources shows that male workers over the years have been dominant over female workers in the handloom sector in India except for the handloom census reports of 2009-10 and 2019-20. The last two rows of table 3 reveals that total female workers engaged in these sector was substantially more than total male workers. Furthermore, there has been a growth of male workers according to the handloom census in between 2010-20. However, there has been a decline in total female workers as per the handloom census. According to the NSSO 55th round enterprise survey there has been a significant growth of both male and female workers in this sector.

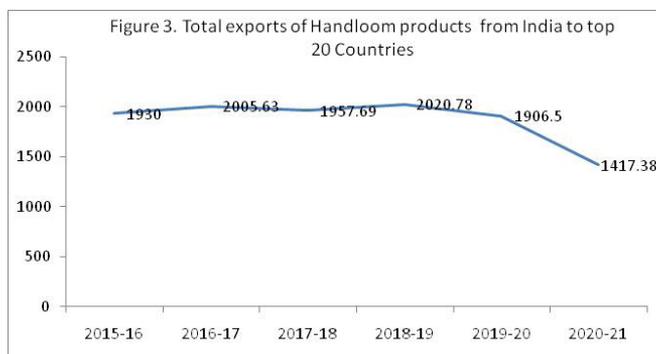
Table 4. Export of Handloom products to Top-20 Countries during 2015-16 to 2020-21 (in Rs Crs)

Countries Name	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
USA	693.05	669.3	599.96	656.39	716.16	613.78
UK	146.39	123.47	168.46	124.14	123.16	140.17
Spain	74.39	104.71	136.65	175.66	238.3	74.5
Italy	114.63	131.2	116.21	114.62	77.74	66.67
Germany	100.59	99.56	114.84	101.49	88.22	73.32
U. Arab Emirates	126.44	121.84	107.43	113.18	79.81	25.2
France	85.93	97.24	105.23	96.9	86.21	71.81
Netherland	70.91	91.72	88.36	84.4	58.56	25.2
Australia	70.91	91.72	88.36	84.4	58.56	71.81
Japan	67	89.31	74.82	93.95	78.82	32.22
South Africa	52.22	55.65	62.92	65.05	58.08	47.95
Sweden	54.32	56.43	54.38	32.72	36.55	33.7
Canada	31.7	34.52	35.13	38.72	32.29	29.75
Brazil	44.26	25.52	35.13	33.23	26.95	18.31

Greece	29.27	46.07	33.85	39.58	37.3	26.09
Belgium	30.46	36.84	33.11	41.14	18.85	12.79
Chile	39.54	39.4	31.62	38.69	22.1	15.38
Denmark	20.98	29.39	30.06	25.84	16.2	12.51
Thailand	20.38	24.5	20.44	24.83	16.71	11.71
Sri Lanka	56.63	37.24	20.73	35.85	35.93	14.51

Source: Ministry of Textiles, Government of India, Handloom Export Promotion Council (HEPC) Page no- 3 [www.hepcindia.com/page/export scenario](http://www.hepcindia.com/page/export%20scenario)

Table 4 describes the annual exports (in Rupees Crores) to the top 20 countries during 2015-16 to 2020-21. USA stands out the single largest importer of Indian handloom products. The 2nd highest importer of Indian handloom products is UK followed by Spain, Italy and Germany but as figure 3 shows total exports of handloom products from India has been declining since 2018-19. Although this is an overall decline, exports have not declined equally for every country. However in between 2019-20 and 2020-21 there has been a massive drop in exports of India's handloom products owing to the Covid-19 pandemic. Since, we don't have 2021-22 data we are unsure about any recovery of India's handloom exports during the post Covid era. It is worth mentioning that even during 2015 till 2018 India's export performance in handloom to top 20 importing countries was more or less stagnating and should almost no sign of growth and this is evident from the flat export curve in figure 3.



Source: Plotted by the authors on the basis of secondary data from Ministry of Textiles, Government of India, Handloom Export Promotion Council (HEPC) [www.hepcindia.com/page/export scenario](http://www.hepcindia.com/page/export%20scenario)

5. Summary and Conclusions

This paper aims to assess the recent performance of the handloom sector in India, focusing on critical indicators such as sales, revenue, turnover, and employment. The handloom industry holds a crucial position in the Indian economy, particularly within the rural informal sector. It is a significant source of livelihood, employing approximately 65 lakh individuals engaged in weaving and related activities. The study relies on secondary data drawn from key sources, including the National Handloom Development Corporation (NHDC), various editions of the Handloom Census, reports from the Ministry of Textiles, and data from the National Sample Survey Office (NSSO). The analysis is presented using simple tabular and graphical formats to highlight trends and patterns.

The findings reveal considerable interstate disparities in handloom employment. States such as Assam, West Bengal, Tamil Nadu, Andhra Pradesh, and Odisha lead in terms of the number of individuals engaged in the sector. However, the study also highlights a concerning trend—over recent years, there has been a noticeable decline in the sector's performance, evidenced by a drop in sales, turnover, exports, and overall growth. This downward trend suggests that the demand for handloom products, both domestic and international, has weakened, particularly in the latter half of the past decade.

The impact of the COVID-19 pandemic further exacerbated these challenges, severely affecting production, supply chains, and consumer demand. Despite these setbacks, the study emphasizes that the handloom sector retains significant potential for revival and growth. In the context of globalization and an export-driven economy, strategic interventions could enhance its contribution to employment and economic development. However, the study concludes that understanding the underlying causes of the sector's decline requires detailed primary data-based empirical research, especially in states with a strong handloom presence. Such research would provide deeper insights into localized challenges and help in designing targeted policy interventions.

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