

Bhagalpur Silk Industry of India

How can Bihar's sick silk industry get back its sheen and what prospects it holds for the Indian silk industry as a whole?



Introduction to Silk Industry of India

India's Silk Industry is world's second largest producer of silk after China, contributing to about **18%** to the world production. However, India's requirement of raw silk is much higher than its current production at present.

Silk industry occupies a unique position in India. Sericulture is an important cottage industry in India. This is a labour-intensive industry operating on around **54,000 villages** all over the country. An **assortment of silk varieties** such as **Mulberry, Tasar (tropical and temperate), Eri, Muga** etc are grown. The industry is providing job opportunities and livelihood for more than **6 million people** in the **rural areas**. Tremendous silk output from the largest silk producing states in India remains the major driving factor for growth of this industry. The silk industry in India has long been one of the most vital contributors to the country's booming textile and apparel industry supply chain, export earnings, and the overall economic growth. Despite the recent decline in India's silk production and exports caused by severe droughts and rising competition from neighbouring countries, India still holds the position as one the world's leading silk producers, and major silk producing states in India will continue to be some of the most prominent suppliers in the global silk market in the coming years.



As the second largest silk producing country in the world in 2018, India is producing over **30,000 tonnes of raw silk** every year, accounting for about **18%** of the world's total raw silk production. The annual export of silk and silk products from India is around **INR 2800 Crores**. The US has been the largest importer of Indian silk and silk products over the recent years, followed by China — the world's largest silk consumer, and the UAE — one of the fastest growing silk importers in the world. The history of the silk industry in India is storied and extends beyond just the largest silk producing states in India — today, over **52,000** villages in all the states across India are involved in sericulture and the production of silk in India, while the country's silk industry employs more than **8.25 million people**. India's total raw silk production recorded **28,523 metric tonnes** in the fiscal year ending 2016. The top 10 largest silk producing states in India include: **Karnataka, Andhra Pradesh, Assam, West Bengal, Jharkhand, Tamil Nadu, Meghalaya, Nagaland, Manipur** and **Maharashtra**.

[Silk Producing States in India](#)

The table below shows the amount of raw silk producing by different Indian States in 2017-18 measures in metric tonnes.

Rank	States	Production of Raw Silk (Metric Tons) in 2017-18
1	Karnataka	5962
2	Andhra Pradesh	4466
3	Assam	2723
4	West Bengal	1628
5	Tamil Nadu	1307
6	Jharkhand	990
7	Meghalaya	986
8	Nagaland	450
9	Chhattisgarh	401
10	Manipur	243
11	Maharashtra	184
12	Uttar Pradesh	147
13	Jammu & Kashmir	132
14	Mizoram	81
15	Telangana	56
16	Tripura	48
17	Andhra Pradesh	46
18	Madhya Pradesh	25
19	Himachal Pradesh	25

20	Uttarakhand	19
21	Odisha	16
22	Sikkim	9
23	Bihar	9
24	Kerala	6
25	Punjab	3
26	Haryana	0.43

It is seen that Karnataka is the state that produces the largest amount of silk than other states in India. Out of 26 states producing silk in India, Bihar's rank is 23rd, producing only 9 metric tonnes of raw silk.

Import and export of raw materials and finished products

Export of silk raw materials

Export of silk is done to the countries like **USA, Germany, Switzerland**. The market share of Indian Silk exports in the global silk trade is 4-5% which is not significant considering the fact that India is the second largest producer of raw silk. This is because India has a large domestic market for silk goods and about 85% of silk goods produced are sold in the domestic market. However, India exports approximately 15% of its output of all types of silk goods (including value-added items). The export of Indian silk products consists of finished goods like fabrics, made-ups, ready-made garments and furnishing materials like curtains, carpets, bed spreads, cushion covers Stoles, Shawls, Scarves etc.

Some of the issues affecting silk exports are as under

- Decreased demand from major consuming markets (Europe & USA)
- Rising prices of raw silk yarn/fabrics
- Increased competition from blended silk products (silk blends with synthetic and polyester fabrics)
- Silk not being major focus of current fashion trends in European and USA market
- Lack of on-shore availability of high quality silk and dependence on China for high end raw silk/fabric

However, while exports have reduced to traditional markets like USA, Europe, silk exports are picking up in new/non-traditional markets like UAE, Malaysia, Sudan, Nigeria, etc.

The quality of silk produced in India requires improvement, for making high fashion garments for export. India depends on import of high-grade bivoltine raw silk (4A & above quality) and fabric from China. At present, India has reached the level of production of 3A grade silk and in order to boost the silk exports, the Government has been taking several steps for increasing the domestic production of the import-substitute-quality silk (bivoltine), such as: R&D has

been focused to evolve productive bivoltine hybrids and package of practices for production of high quality bivoltine silk in the country.

Import of raw materials of silk

The country continues to import no less than 6,000 tonnes of silk every year from China while the government's ambition to become self-sufficient in production remains unfulfilled. Demand (for silk) continues to grow every year. The demand for silk products particularly saris and readymade garments is also increasing. Due to promotion of sericulture in the country, a number of organised players had set up modern silk goods production units. Till a few years ago, most weavers preferred Chinese silk for its superior quality and would use imported silk along with indigenous silk. In terms of quality there is no need of imported silk in terms of quality. Production of bivoltine silk has increased in recent times to constitute 25 per cent of the mulberry silk variety produced in India. Bivoltine silk is as good if not better than imported silk.

The difference between imported and indigenous silk was not much even after decrease in import duty. As per the (CSR&TI) if imported silk is available to weavers for Rs 3,500 a kg, indigenous silk is available for Rs 3,200.

With demand for silk exceeding supply, India has to import nearly 4,000 tonnes of silk fabrics from China. As against the demand of 30,000 tonnes of raw and fabric silks, India was producing only 21,500 tonnes, necessitating imports of 5,000 tonnes of raw silk and 4,000 tonnes of silk fabrics from China. Indian government aims to eliminate silk imports and make India self-sufficient by 2020.

Top 20 importing Countries of Indian Silk and Silk Products- Productwise analysis Value in US \$ million (2013-14)

Country	Yarn/Fabrics/made-up	RMG	Silk waste	Silk Carpet	Total
UAE	16.62	48.85	NIL	0.46	65.93
USA	31.45	28.88	NIL	0.67	61.00
U.K	17.73	13.66	NIL	0.11	31.50
FRANCE	5.53	14.59	NIL	0.04	20.16
ITALY	7.64	9.85	1.54	0.03	19.06
GERMANY	11.24	7.58	NIL	0.21	19.03
Pr.CHINA	1.04	0.56	10.85	NIL	12.45
CANADA	4.12	2.15	NIL	0.02	6.29
MALAYSIA	3.89	5.82	NIL	NIL	9.71
SPAIN	2.16	7.18	NIL	NIL	9.34
AUSTRALIA	2.03	5.64	NIL	0.03	7.70
JAPAN	1.39	5.02	NIL	0.01	6.42
HONG KONG	2.24	2.82	NIL	0.16	5.22
BELGIUM	2.14	2.41	NIL	0.29	4.84
SAUDI ARABIA	0.84	3.64	NIL	NIL	4.48
LAC REGION	1.12	3.28	NIL	NIL	4.40
THAILAND	0.40	1.00	1.30	NIL	2.70
POLAND	0.15	2.12	NIL	NIL	2.27
SWITZERLAND	1.02	0.69	NIL	0.04	1.75
SWEDEN	0.61	0.93	NIL	0.01	1.55

Note: RMG denotes Readymade Garments

[Indian Sericulture Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2018-2023](#)

The Indian sericulture market was worth **INR 205 Billion** in 2017. The **market** is further **projected to reach INR 553 Billion** by **2023**, at a **CAGR of around 18%** during **2018-2023**.

The market for silk in India is driven by both exports and a very strong domestic demand. Fabrics made up of silk are quite popular in the domestic market during ceremonies, religious rituals, weddings, festivals, etc.

Although silk is currently regarded as a luxury item in India with its price being significantly higher than other fabrics, we expect a continuous increase in disposable incomes to increase the consumption of silk fabrics in the country.

[Market Summary](#)

Based on the segment, the market has been segregated as Mulberry and Vanya. The **Vanya** segment has been further segregated as Tasar, Eri and Muga. Mulberry currently represents the biggest segment.

Despite being the world's second largest producer of silk, the demand of silk outpaces its supply in India. The current gap between production and demand is currently met by imports.

On the basis of application, the market has been further segmented as **natural silk yarns, fabrics and made ups; readymade garments; silk carpets;** and others. Silk yarns, fabrics and made ups currently represent the largest application area.

Karnataka is the leading producer of mulberry silk, whereas Assam is currently the largest producer of Vanya silk.

[History of Bhagalpur Silk Industry](#)

Bhagalpur is a town with historical importance situated on the banks of the river Ganga in the state of Eastern Bihar. Once considered as the biggest trade centre of Eastern India, the city is famous for its unique silk fabrics called 'Tussah or Tassar. Silk weaving is an age old tradition in the city. Fabrics produced in the city are famous both at the domestic and the international market. It has been named as the Silk City due to its popularity for Bhagalpuri silk. Bhagalpur silk fabrics are under the global spotlight. But, beneath all the sheen, the industry has a dark side as well, leaving the existence of its craftsmen in obscurity.

The silk industry in Bhagalpur is 200 years old, with skills passed on to the craftsman over many generations. More than **35,000 handloom weavers**, with **25,000 looms** live in Bhagalpur. Total trade of Bhagalpur is approximately **100 crores per annum**, **50%** comprising **domestic** and **50%** from the **export market**. Around **1,00,000 people** are engaged in the work of separating silk threads from cocoons, and spinning the yarn to weave into cloth.

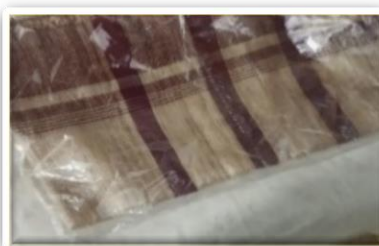
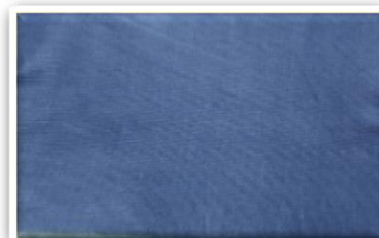
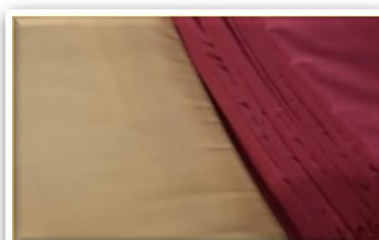


Silk fabrics made in Bhagalpur are being exported to countries like West Asia, Europe, U.S., and Japan. Home furnishings are becoming increasingly famous in the international market. Outfits designed with this exclusive silk fabric have gained immense popularity in ramp shows, and fashion weeks.

There are two types of methods used in weaving process; one is handloom and another is power loom. Within 50-60 km radius of the city, 1000 units of handloom establishments and about 100 units for power looms establishments are there. Number of weavers for handloom are more than the number of weavers for power looms as the demand for handloom products is more than power loom products.

Bhagalpur silk is used in making many products like saris, stoles, scarves, than, dupattas, blankets and dress materials.

Silk products manufactured by weavers in Bhagalpur



Industry roadblocks, challenges and problems faced by the weavers

The industry makes 2 million meters of silk in a year. After reaching a figure of INR 3, 500 crores in 2007, silk exports fell to INR **2, 000 crore** in 2009. Bhagalpur, once a booming place for silk fabric making is now losing its market to new centres such as Bangalore, and Ahmadabad. Lack of credit, power shortage, and increasing competition from the other silk manufacturing centres has put the Bhagalpur craftsmen under jeopardy. In Radha Nagar, around 150 families are indulged in the profession of making silk sarees for years. According to the weavers, the craftsmanship of Bhagalpur 'silk city' is blurring. Here, workers' families work for 18 hours on a saree and earn only Rs 150. For a bright future, they want the government to support this art which, they claim, is at the verge of dying.

The subsidies offered by the Government to the silk making units in Bhagalpur are also drained off by some other people. Some of the looms are operated by generators, and are more dependent on them. Chronic power cuts in the state have also intensified the problem. According to the weavers, government provides fund for them which they have never receive.

The craftsmen are average people, with many of them living below the poverty line. While they make glorious fabrics for the elite of the society, their lives always are in darkness. Most of the time, weavers are not able to get their loan sanctioned from banks which forces them take loans from the market for an interest rate of 5% for a month. With the payments for their cloth getting delayed, they face problems in repayment. Possibilities exist that, weavers might shift for alternate source of earning, and leave the age-old weaving tradition to deteriorate, and die gradually.

The silk industry of Bhagalpur is reeling under adverse conditions. The drying market is staring at the silk weavers, leaving them on the brink. Many factories are shut down, and weavers are moving to other cities, while some of them are doing labour works, and a few started selling vegetables. The silk industry of Bhagalpur is now fighting for a foothold to survive.

Financial hurdles faced by the weavers

Many weavers and artisans are finding it difficult to migrate to the new GST system weaving which requires constant care and long hours of work. The weavers are unorganised and lack the necessary financial support.

Financial hurdles faced by the weavers:

- High production cost
- High cost of imported threads

Bhagalpur had been facing 2 major problems:

- Lack of working capital
- Yarns are becoming so expensive that the weavers cannot afford the expensive raw materials. As an alternative the traders supply yarn and weaver sale to them.

Industry initiatives towards the upliftment of the weavers

Investment capacity is limited and beyond the capacity of the poor weavers. Many corporate buyers have entered and weavers are working efficiently to increase the amount of production to satisfy their profit margin.

In addition to it, now no more child labour is involved in the weaving process. Government is providing free education, mid-day meals, cycles and some financial aids to the children in the weaver community based on their merit. Wages are also increasing due to shortage of labours. No insurance schemes are provided for the weavers. Not much government awareness is there about the ground level labours of the silk industry.

Development of Sericulture industry

The Government of India through Central Silk Board is also implementing Catalytic Development Programme (CDP) in coordination with the Govt. of Bihar, to provide:

- I. Support for development of host plantation
- II. Construction of Rearing houses/Chawki Rearing Centers (CRCs)/Cocoon storage houses, assistance to Tasar Seed production
- III. Support for state Department for strengthening of Eri Farm-cum-Grainages
- IV. Rearing appliances
- V. Establishment of improved cottage basin reeling units
- VI. Support for hot air driers etc

Under Quality Certification System (QCS) scheme, the Silk Mark Organisation of India (SMOI) organises structured and well-planned Silk Mark Expos in various cities across the country regularly and provides a platform to weavers, traders and exporters to showcase and sell their silk products including sarees. Weavers and Exporters from Bhagalpur region also participate in these expos in a big way and get benefited.

For holistic and sustainable development of handloom sector including weavers of Bhagalpur, the Ministry of Textiles, through various schemes and programmes, facilitates the following:

- I. Marketing of handloom products,
- II. Infrastructure development
- III. Brand building, training and skill up-gradation
- IV. Infusion of new and contemporary designs through design intervention as well as product diversification
- V. Technology up-gradation
- VI. Easy access to raw material at subsidized prices
- VII. Easy credit flow at low interest rate etc.

VIII. Providing better health care and life insurance under welfare schemes

Conclusion

In its move to revive the silk industry of Bhagalpur, the Bihar government decided to come out with a one-time-settlement (OTS) scheme to facilitate regularisation of outstanding power dues of handloom weavers. The government would work for the revival of handloom, power loom and silk sectors to tap their growth potential and employment generation capability. As a first step, the government would tackle the stalemate over energy dues and provide new power connections in Champanagar (Bhagalpur)—the hub of handloom weavers—to kick start production. All possible steps will be taken to revive the sector and support those engaged in traditional occupation and generate employment opportunities for a maximum number of people.

It is advised that the participants select one agency to channelize their supplies to ensure that product quality is maintained. Weavers should also strike a proper synergy with those engaged in the profession of dyeing so that they may be able to sustain themselves and come out with attractively coloured products to meet market requirements. 661 equipment have been distributed among women engaged in Tassar industry, the expansion of four regional unions will help in enhancing reach and drawing more weavers into the fold of cooperative societies. It has been decided to increase the number of cooperative societies and involvement of JeeVika, a livelihood project backed by the Bihar government, in handloom trade and silk production.

Overall Findings:

1. Acute crisis of capital that forces them to spend a miserable life and also prevent them from educating their offspring.
2. They desperately lack negotiation skills with the companies as well as to the government.
3. Less job opportunity. They do not get work throughout the year. Lack of work enhances their problem as crisis of capital is always there.
4. Wide illiteracy and ignorance are rampant among weavers and their families.
5. Government is keen on developing the silk industry but proper synergies between the State and the Central Government is needed in order to implement the schemes properly.
6. Schemes get manipulated while getting implemented by middle men, hence schemes become inaccessible to needy weavers.
7. One efficient platform/association/organisation or market is needed for the weavers to sustain on their own in the marketplace. Current associations and organizations are not efficient enough to support the weavers.

8. Most of the companies or organization prefer power loom as it save both time as well as money and hence create more hurdles for handloom weavers.
9. There are some NGOs which work for the welfare of weavers. However, their achievement is not too good.

Recommendations and Suggestions:

- In order to solve capital problem their wages need to be increased. It should be monitored whether the traders are abiding by the Minimum Wages Act of the State government. The following table shows the minimum wages as declared by the Bihar government on 1st October 2018:

Minimum wages for Shops and Establishments in Bihar (in INR), October 2018

Class of Employment	Basic Per Day	Basic Per Month	VDA Per Day	VDA Per Month	Total Per Day	Total Per Month
Unskilled	237	6162	20	0	257	6682
Semi-Skilled	247	6422	21	0	268	6968
Skilled	301	7826	24	0	325	8450
Highly Skilled	367	9542	29	0	396	10296
Supervisory/Clerical	261.5	6799	0	560	283.04	7359

Note: VDA denotes Variable Dearness Allowance

- A blend of young and old people needs to be recognized who are one of them and have got the wherewithal and will to do something for their upliftment. They can negotiate on behalf of them and also seek details of the schemes from government offices.
- Any financial organization or banks can provide them loan or fund so that family member of any weaver can start some small-scale business.
- Wide manipulations while implementing the government schemes need to be checked.
- The textile ministry should focus a bit more towards this sector. They are the real needy and besides this, handloom products are having very good future in the textile industry.