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GHCL to retail handloom abroad

Company plans to turn artisans into entrepreneurs

Urvashi Dev Rawal
Ahmedabad

If GHCL chairman Sanjay Dalmia has his way, India's handloom exports will register a quantum leap and share the honours with mill-made products.

Dalmia's ambitious plans for the handloom sector, which employs over 6.5 million people, envisage substantial market penetration of handloom products through retail outlets under the GHCL umbrella overseas, following its strategic acquisitions in the US and UK.

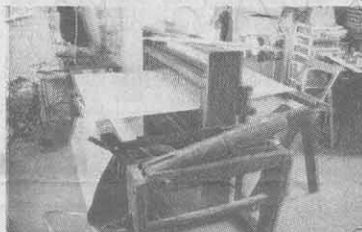
GHCL acquired Dan River textile mill in Virginia, US, in January 2006 for \$54 million. In July, the company took over UK home textiles retailer Rosebys for \$50 million. The \$250-million firm

Boost for sector

Govt urged to give textile sector same benefits as SEZs

Handloom sector second only to agriculture in generating employment

Upswing in production of handloom fabrics now



has about 300 stores in Britain. Dalmia said the number will rise to more than 500.

"We see great scope in this. There is such a variety of products being made in each state. We want to develop handloom centres all over India and sell the products in our stores in the west where there is great demand," Dalmia told *DNA Money* from New Delhi.

"We will identify the production centres in each state where we shall provide artisans all support in terms of design, product develop-

ment, marketing and quality control," Dalmia said.

"This would require only minimum investment. The idea is to transform artisans into entrepreneurs," he said. The plan would be implemented next year.

Dalmia urged the government to provide the textile industry tax benefits given to SEZs. "Textiles have great export and employment potential. We are not asking for land. Benefits like those given to SEZs should be extended to textile manufacturers."

The textiles sector is next only to agriculture sector in

creating jobs.

The production of handloom fabrics, which fell by 21.6% in 2002-03 and 8.14% in 2003-04, has been on the upswing in the last two years, with a growth of 4.16% in 2004-05 and 8.14% in 2005-06.

Handloom has a 12% share of the country's total textile exports, contributing around \$14 billion.

India's handloom products are extremely popular overseas but the multi-fibre agreement, which was in operation till January 2005, was a major hassle which prevented larger volumes.

The textile ministry had to literally wrangle for special quotas when talks were held for fixing annual quotas for textile exports. Because of the perceived threat of India's handloom exports, textile importing countries often reject pleas for enhancement of handloom quotas on the ground that the products were either not entirely hand-made, or citing employment of child labour.