



COVID-19

Challenges, Opportunity & Threat for Indian Handicraft Exports

Lifestyle

Submitted by:



**Indian Institute of Foreign Trade
Deemed University under Ministry of Commerce
Government of India**

CHAPTER 1

BACKGROUND

NEED ASSESSMENT

The Covid-19 pandemic is taking a hard toll on the global economy and India is no exception to this. Handicraft industry, the largest second largest employer in the country after agriculture, which is largely informal, is severely affected witnessed by cancellations of existing export orders wherein around 30% of orders of labour-intensive sectors have got cancelled., default payments and lowering down the future business prospects in near future due to cancellation of few promising trade fairs including the 49th edition of IHGF – Delhi Fair Spring-2020 hampering the exports from major craft clusters like Moradabad, Saharanpur, Jodhpur, Jaipur, Agra, Narsapur, Firozabad, North-eastern region. Cancellation of key trade fairs in the US, Hong Kong and Jaipur has impacted the jewelry business.

A lockdown in India's major export destinations such as China and Europe is also impacting India's handicraft export earnings. India's exports contracted 1.5% to \$292.9 billion in the 11 months to February 2020. The decline is likely to be much sharper going ahead. The country's labour-intensive export sectors such as leather, textiles, gems and jewelry, carpets and handicrafts have borne the brunt of the Covid-19 pandemic. About ₹7,600 crore of leather export orders have been cancelled, ₹2,000 crore carpet orders are stuck and handicraft sector losses are seen at ₹8,000 crore.



India will be the 10th most impacted economy due to supply chain disruptions in China, with agriculture, handicrafts, textiles and apparel at the forefront of the disruption.

Looking for trade opportunities beyond traditional markets of the USA and EU for Indian handicraft exports post COVID does make business sense due to the fact that while on one hand COVID crises seem to have brought forward obvious challenges for Indian exporters due to issues in these export markets, on the other hand appreciating the fact that the COVID crises have hit global markets, many of which have been competing suppliers for India in prime importing countries for Indian handicrafts, this current crises also seem to open newer prospects for Indian handicraft exports.

COVID crises in India's major export destinations such as China, USA and Europe has impacted India's handicraft export earnings. This entails the need for an immediate hunting and trade diversion towards newer destinations with relatively lesser COVID impact.

Assuming the fact that China being the epicenter of the COVID-19 crises; would bring a psychological shift in global procurement priorities from China to alternate sources.

COVID-19: EXPECTED ADVANTAGE FOR INDIAN HANDICRAFTS

As a result of the global COVID crises, it is witnessed that the western economies are badly battered while countries like India, Indonesia, etc. are not so battered. Emotional and Economic backlash against China is expected. Already, countries and companies are working on strategy to pivot away from China as part of their supply chains. Japan Govt has announced packages for its companies bringing back manufacturing home.

Consumer behavioral shift post COVID Impact on Indian handicraft exports	
For individuals, health and safety will become a priority area of consumer spending	Handicraft products like khadi mask, organic clothing, cotton textile wears etc. would gain edge
The ticket size of spending will drop for a while. People will spend on cheaper goods than on expensive goods, or delay spending for a while	Gift items and other high priced handicraft products would face a setback.
Extreme acceleration in digital economy	EPCH members needs to be promoted to have their own websites and look for rigorous E-commerce marketing. Councils needs to plan virtual trade fair
People will be less loyal towards brands as other aspects will take over. People will switch brands faster due to various other concerns like safety, etc.	Shift in brand loyalty would mean opportunity for MSMEs against bigger brands. Except for the fact that price competitiveness and design innovation will be most important focus. It's time for survival of the fittest.

Businesses need to keep this in mind and work accordingly. As a result of this, there is an expected shift in consumer behavior post COVID which might impact the purchasing behavior towards handicrafts. Indian businesses therefore need to try to become the contract manufacturer of the world, just like China is. India needs to make use of this opportunity smartly.

COVID impact is quite visible in shift of consumer preference

Opportunity For India

Global buyers of textiles, homeware, lifestyle goods, ceramic tiles looking for Indian products

Replacement buying enquiries from US, EU

THE CONSTRAINTS

Leather footwear cos dependent on Chinese components

Supply chain disruptions to hit India

Global buyers are turning to India to source ceramics, homeware, fashion and lifestyle goods, textiles and furniture from the country as China grapples with the deadly coronavirus outbreak.

Cevisama 2020 ceramics fair in Spain, some 55 Indian companies have drummed up greater interest from buyers owing to muted competition from China.

Clients in the US and the EU have also set their sights on India for labour-intensive products such as garments. Indian exporters have received enquiries above Rs. 10 crore from the EU and US.

CHAPTER 2

INDIAN HANDICRAFTS EXPORTS: PRE-COVID STATUS

INDIAN HANDICRAFT SECTOR: SNAPSHOT

The handicrafts sector is of importance to the Indian economy as it is one of the largest employment generators and account for a significant share in the country's export. The state and regional clusters contribute significantly to handicrafts export. The Indian handicrafts industry is fragmented with more than seven million regional artisans and over 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets. Exports from the sector aggregated to Rs 24,500 crore. Handicrafts embody the rich cultural heritage and traditions of India. There are a total of 744 handicraft clusters in India engaging nearly 2,12,000 artisans, offering more than 35,000 products. The major clusters are in Surat, Bareilly, Varanasi, Agra, Hyderabad, Lucknow, Chennai, Ranipet, Mumbai, Kanpur, Farrukabad, Saharanpur, Etikoppaka, Jaipur, Asharikandi, etc. The table below shows the handicraft categories produced in India:



ARTWARE

Brass Metalware, Bidri work, Dhokra, Bell Metal, Bells & Chimes, Candle Holders, Candle Sconces, Fireplace, Flower Vases, Jewelry boxes, Utensils etc.



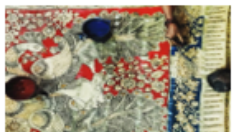
WOODWARE

Almirah, Beds, Cabinets, Chairs, Home Temples, Mirror Frames, Side Boards, Sofa sets, Stools, Tables etc.



EMBROIDERY & CROCHET GOODS

Zardozi, Parsi work, Kashmiri Crewel Embroidery work, Phulkari work, Kasuti, Chikankari, Crocheted work, Kantha Embroidery, Mirror Work



HANDPAINTED TEXTILES & SCARVES

Kalamkari, Tie and Dye, Block Printing, Bed covers, Carpets, Coverlets, Curtains, Cushion covers, Duvets, Kitchen Towels, Quilts, Rugs & Mats, Sofa



IMITATION JEWELLERY

Anklets, Armllets, Bangles, Bracelets, Brooches, Chokers, Cufflinks, Earrings, Necklaces, Pearls, Pendants, Rings, Toe Rings etc.

Out of these traditional production strengths, main handicraft items exported by India include house-ware, home textiles, furniture, glassware, bamboo goods, fashion jewelry and lamp and lighting.

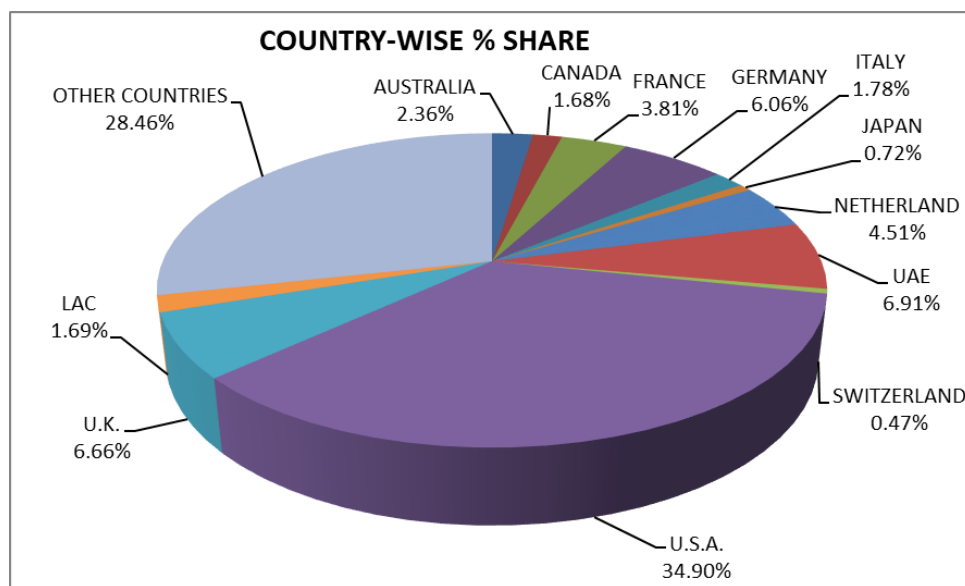


Annexure I details out the entire list of 167 HS code divided into five categories:

- Lifestyle
- Fashion
- Home
- Textiles
- Furniture

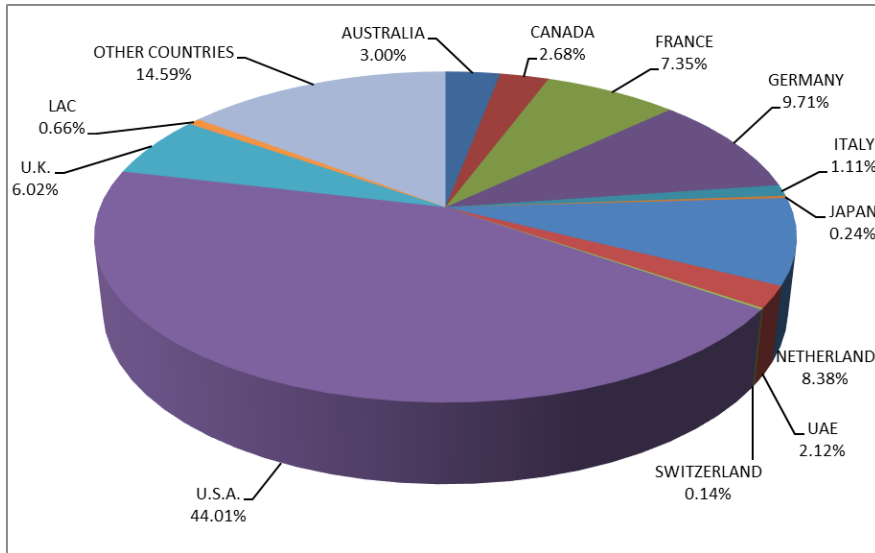
Major export destinations for domestic handicrafts items include the US, Europe, South America, Africa and China. Other markets include UAE, Australia, Canada and Japan. The US and Europe together account for about 60 per cent of the country's total handicraft exports.

INDIAN HANDICRAFTS: COUNTRY WISE EXPORT SHARE



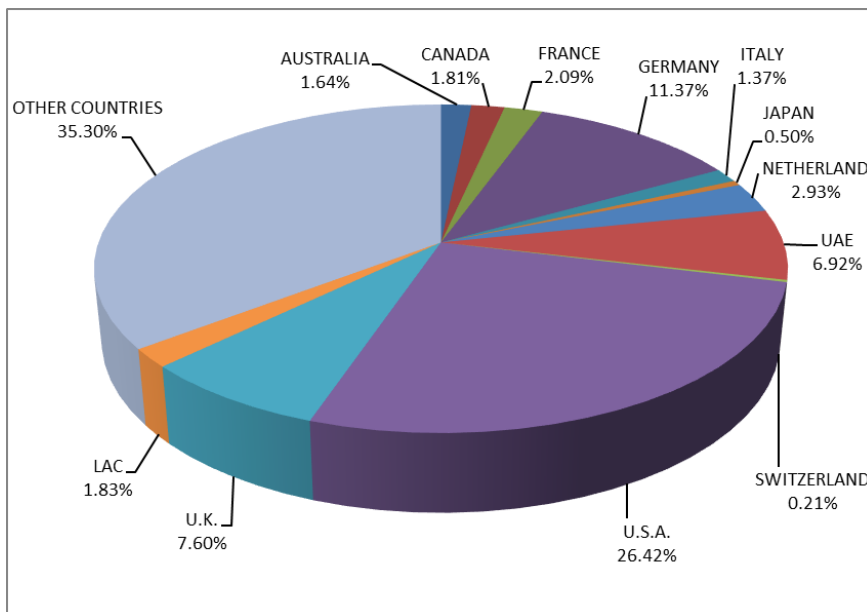
USA was the highest in importing of handicrafts among all the importing countries of the world, which was 34.90 percent share of the total export. Further, followed by UAE, UK, Germany, Netherland and France were having the percentage share of 6.91, 6.66, 6.06, 4.51 and 3.81 respectively in the import of handicrafts during the year. These five countries have more demand for the handicraft products produced by India, which was more than 64 percent of the total export during this year.

Export Markets for Woodenware



Some of the centers for these crafts are in Saharanpur, Nagina, Hoshiarpur, Srinagar, Amritsar, Jaipur, Jodhpur, Jagdalpur, Bangalore, Mysore, Chennapatna, Madras, Kerala & Berhampur (WB). The USA was the highest importer with Rs 2418.50 Crore which was 44.01% of the total export from India and the second country was Germany.

Export Markets for Metal Artware



India is the largest brass metal ware producer in the world. The major cluster of brassware is Moradabad, Murshidabad, Madurai, Salem, Cuttack, and Haryana. USA was the highest importer of metalware followed by the Germany. Which was 26.42% and 11.37 % respectively of the total export. People of these countries have a great fascination for the Indian metal ware.

Trend in Indian Handicraft exports (1986-2020)



Source: DGCIS, 2020

Handlooms and Handicrafts Sector craved for growth since quite a few years, which has now actually turned prolific. No doubt, India has an edge against its competitors like China, Philippines, Thailand, Taiwan and Korea who generally produce machine-made products. Indian handmade products have a niche market all over the world creating a distinct impact through exclusive designs, workmanship, finesse, colors and raw material.

“India is failing to raise its share in the global market, beyond 2% for a long time. confronting challenges due to increased competition from machine-made products of China.”

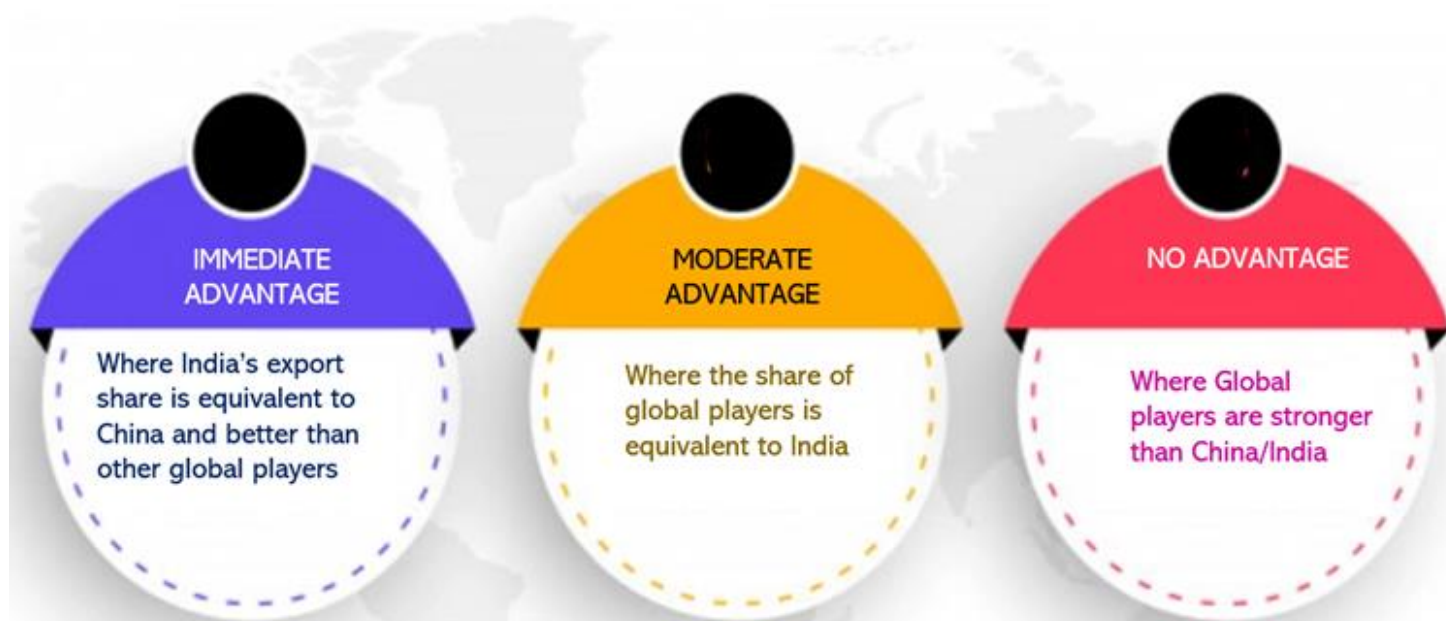
However, despite these promising trends, India is failing to raise its share in the global market, which has remained at around 2% for a long time. Globalization has involved changes in economic structure, relative prices, consumption possibilities and pattern, which in turn affects the growth of the sector. The handicraft industry is confronting challenges due to the intervention of new technology and also increased competition from different countries and especially, from machine-made products. Indian products are now facing challenges of price competitiveness from other countries like China which have mixed craft with the latest technology.

India is still to introduce such innovative technologies in the handicraft sector. Appreciating the fact that the world handicraft market would be worth \$ 1091.2 billion by 2024, expanding at 11%, annually compounded, during 2019-2024; it is worth exploring the status of India versus other global players especially China in each of the 167 HS codes carrying huge production strength for India.

WILL ANTI- CHINA SENTIMENTS GIVE ANY TRADE ADVANTAGE TO INDIAN HANDICRAFTS?

As analyzed, China have been losing its market share in countries like USA, EU, Latin America, GCC etc. which have been traditional export markets for Indian handicraft exports. Also, the products where it has lost market in handicraft category includes furniture, textiles and apparel and its accessories, iron and steel articles (wrought iron handicraft products), footwear, toys and games. Most of these product categories seem to be having great export potential across various handicraft clusters of India.

The section below therefore analyses the impact of all 167 HS codes of export interest to EPCH and compares India's export share with that of China versus other global exporters. The HS codes are then divided into three categories:



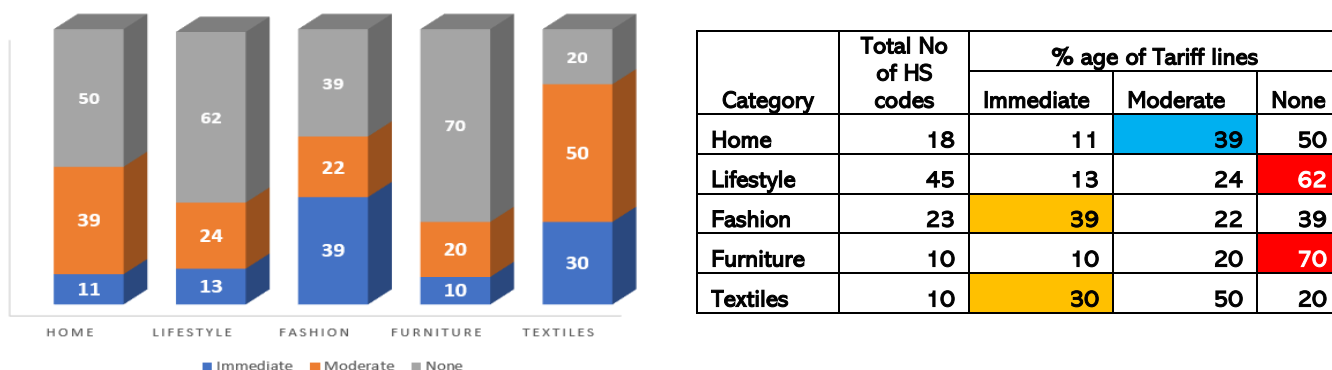
Anti-China sentiment would give immediate advantage to Indian exports.

If global players have equivalent share, anti-China sentiment will only extend moderate advantage to India.

- If China has not been the major player, anti-China sentiment will have no impact for India.
- Even if China is competitive but global players are stronger than India, advantage of the anti-China sentiment would be incurred by other competing players and not India.

As seen in the table below, immediate advantage goes to products in fashion (39%) and textiles (30%) categories, while moderate opportunity goes to handicraft products in home. (39%). Lifestyle and furniture category products are expected to have minimum opportunity.

TRADE OPPORTUNITY FOR INDIAN HANDICRAFTS: IMPACT ANALYSIS



Source: Author's estimation as per ITC, 2021

Annexure II details out the analysis depicted in the table below. Many products including aggarbatti, table, kitchen and household articles captured a decent market share in the world just next to China and hence the fall of China is expected to shift the focus of global sourcing towards India. Similarly, in category of lifestyle products where Indian exporters should focus includes extracted oleoresins, wallets, purses, key-pouches, cigarette-cases, tobacco-pouches, handmade paper and worked vegetable or mineral carving material.

China's fall: India's Advantage? HS code wise analysis (Annexure III)

Category	Immediate	Moderate	None
Home	330741, 741810	442191, 700992, 701349, 741999 830630, 960310, 960899	691110, 691190, 691200, 701328 701333, 701337, 701341, 970400 970500
Lifestyle	330190, 420231, 460199, 480210, 960200, 961400	340600, 420229, 441400, 441919, 460219, 482390, 702000, 761510, 830610, 830621, 940550	330749, 392310, 420239, 442010, 460129, 482370, 660200, 691310, 691390, 701391, 701890, 830629, 920290, 920590, 920600, 940510,

			940530, 950300, 950510, 950590, 960622, 970110, 970190, 970200, 970300, 970400, 970500, 970600
Fashion	560500, 580900, 581010, 611710, 630790, 681599, 711311, 960190, 960200	580810, 581092, 701810, 711719, 711790	581100, 610431, 640320, 650400, 650500, 670100, 711711, 830890, 960110
Furniture	442090	940360, 940389	460211, 460212, 940330, 940350, 940390, 950300, '940382
Textiles	580430, 580500, 940490	581100, 630411, 630491, 630790, 640610	580410, 670290

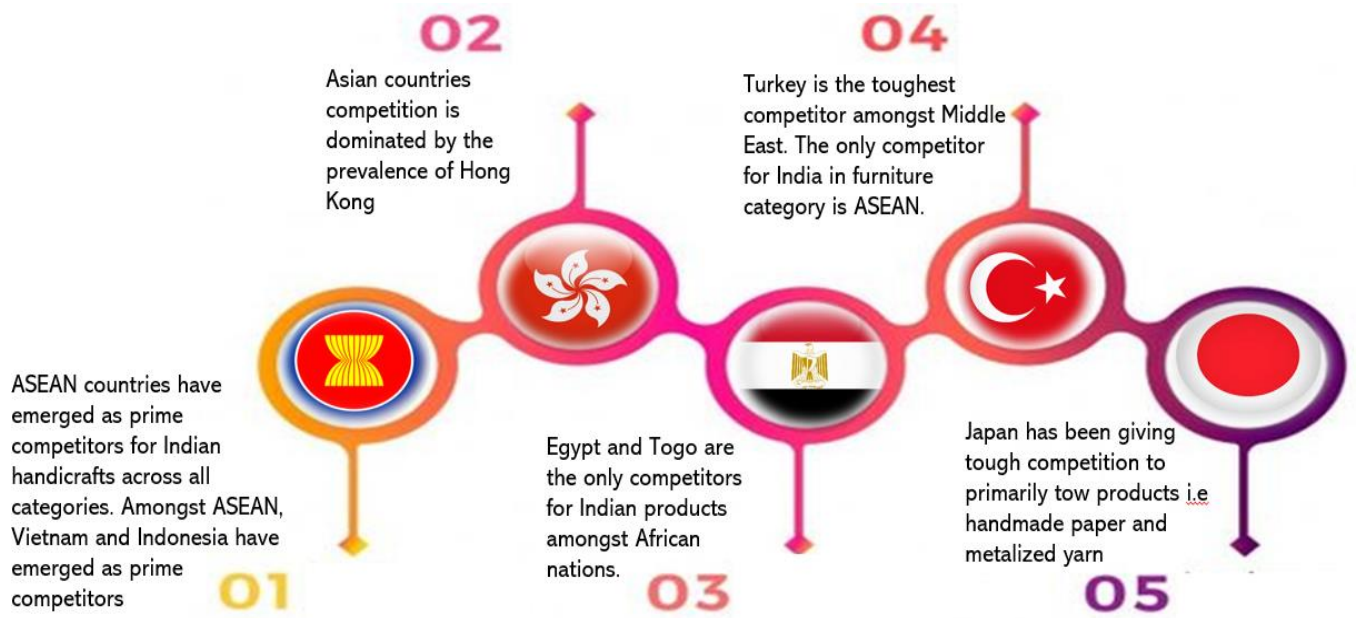
Source: Author's estimation as per ITC, 2021

Products amongst fashion category where Indian exporters have immediate advantage includes; metallized yarn, woven fabrics of metal thread, embroidery on a textile fabric ground without visible ground, articles of stone, articles of jewelry and worked bone and tortoiseshell. Indian doesn't have any major advantage in furniture products where the only product worth considering includes wood marquetry and inlaid wood; caskets and cases for jewelry or cutlery. Textile sector carries maximum advantage amongst all the handicraft categories where products carrying utmost opportunity includes handmade laces, tapestries handmade, mattress support and bedding material.

GLOBAL COMPETITION FACED BY INDIAN HANDICRAFTS: APART FROM CHINA

The reason for product having either moderate or no advantage of the fall of China was attributed to strong presence of global competing players. While European nations were predominant competitors across almost all the product categories; even emerging markets of ASEAN, Asian Pacific including Korea and Japan and South Asian countries including Srilanka and Pakistan were found to be better market players as compared to India in most of the products. Hence if Indian government or Indian exporters intend to make their presence in the said products, they would need to cater to strong competition arising from these countries apart from China.

Figure below summarized from the data in the table below highlights the status of global competition faced by Indian exporters across different handicraft categories. Annexure I details it our further.



GLOBAL COMPETITORS (APART FROM EU) IN CATEGORY: LIFESTYLE

NAFTA/LAC			ASEAN			Asia		
HS code	Product	Country	HS code	Product	Country	HS code	Product	Country
330190	Extracted oleoresins	Brazil	340600	Candles		480210	Handmade paper	Japan
330749	Odoriferous preparations	Mexico, USA	460129	Mats/ screens of plant materials		660200	Walking sticks	Chinese Taipei
482370	Articles of paper pulp	Canada, USA	460219	Basketwork, wickerwork		950300	Dolls, toys	
940510	Chandeliers	Mexico	702000	Articles of glass	Vietnam	960622	Buttons of base metal	Hongkong
950590	Festival articles		420229	Handbags	Vietnam, Cambodia			
960200	Worked vegetable carving material		420239	Wallets, purses, key-cases, cigarette-cases	Vietnam, Singapore			
961400	Smoking pipes,	USA	441400	Wooden frames for paintings				
970110	Paintings,		442010	Statuettes of wood				
970190	Collages		920290	String musical instruments	Indonesia			
970200	Original engravings		761510	Household articles	Thailand			
970300	Original sculptures		940530	Electric lighting Christmas trees	Cambodia, Philippines			
970500	Collections							
970600	Antiques of > 100 years old							
392310	Boxes, cases, crates for packaging							
920290	String musical instruments							
920600	Percussion musical instruments							
940550	Non-electrical lamps							

CHAPTER 3

SURVIVAL STRATEGY FOR INDIAN HANDICRAFTS

COMPARATIVE QUADRANT ANALYSIS FOR IDENTIFIED CATEGORIES

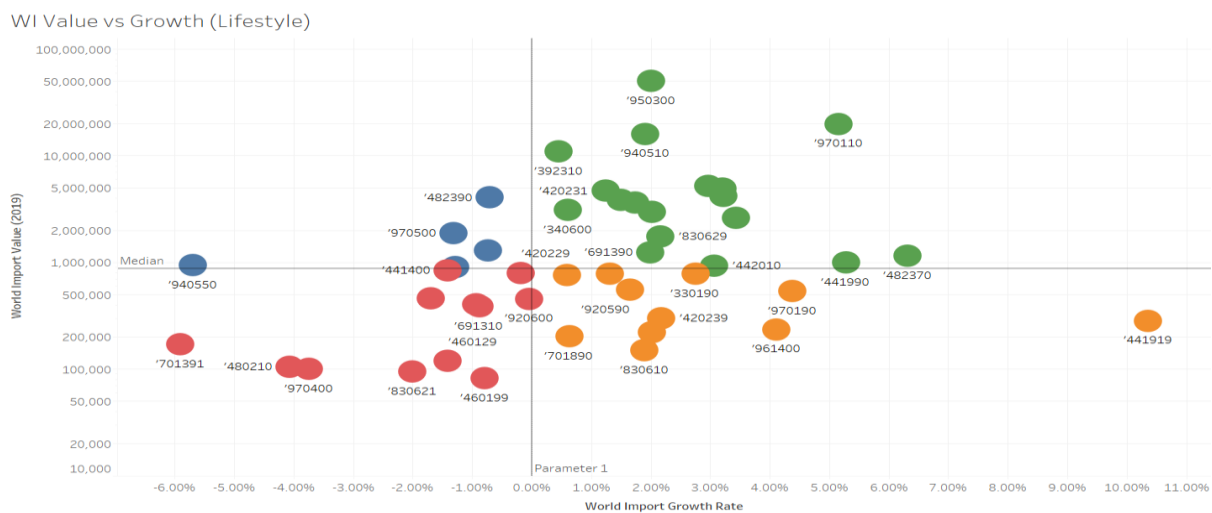
Based on the above rationale and category-wise analysis; corresponding policy suggestions are listed in the subsequent section. Graphs below illustrates the status of all the products across different categories, which have been organized as per their performance on the two parameters indicated above. Bubble graph on world imports in each of the categories; depicts status of individual products across four quadrants based on the above two parameters:

Color Coding	Growth 2014-20	Absolute value 2020
	High	High
	High	Low
	Low	High
	Low	Low

Once the HS codes in each category is distributed across 4 quadrants based on their status in world imports, the same products are then mapped across another 4 quadrants based on their status in India's exports. Finally; the policy recommendations HS code-wise is suggested as per the above-mentioned rationale

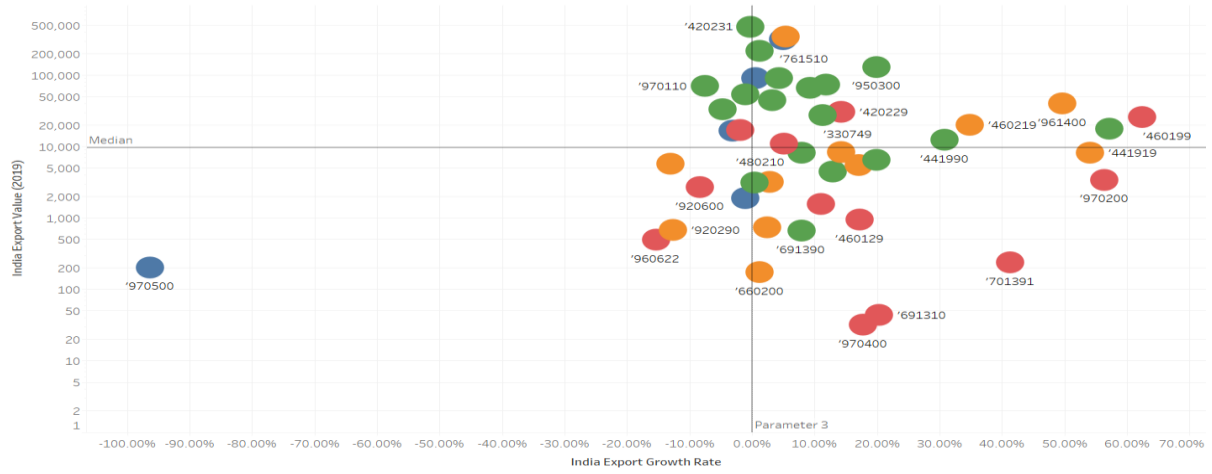
CATEGORY: LIFESTYLE

WORLD IMPORT VALUE VS GROWTH



INDIAN EXPORT VALUES VS GROWTH

INDEXP Value vs Growth (Lifestyle)



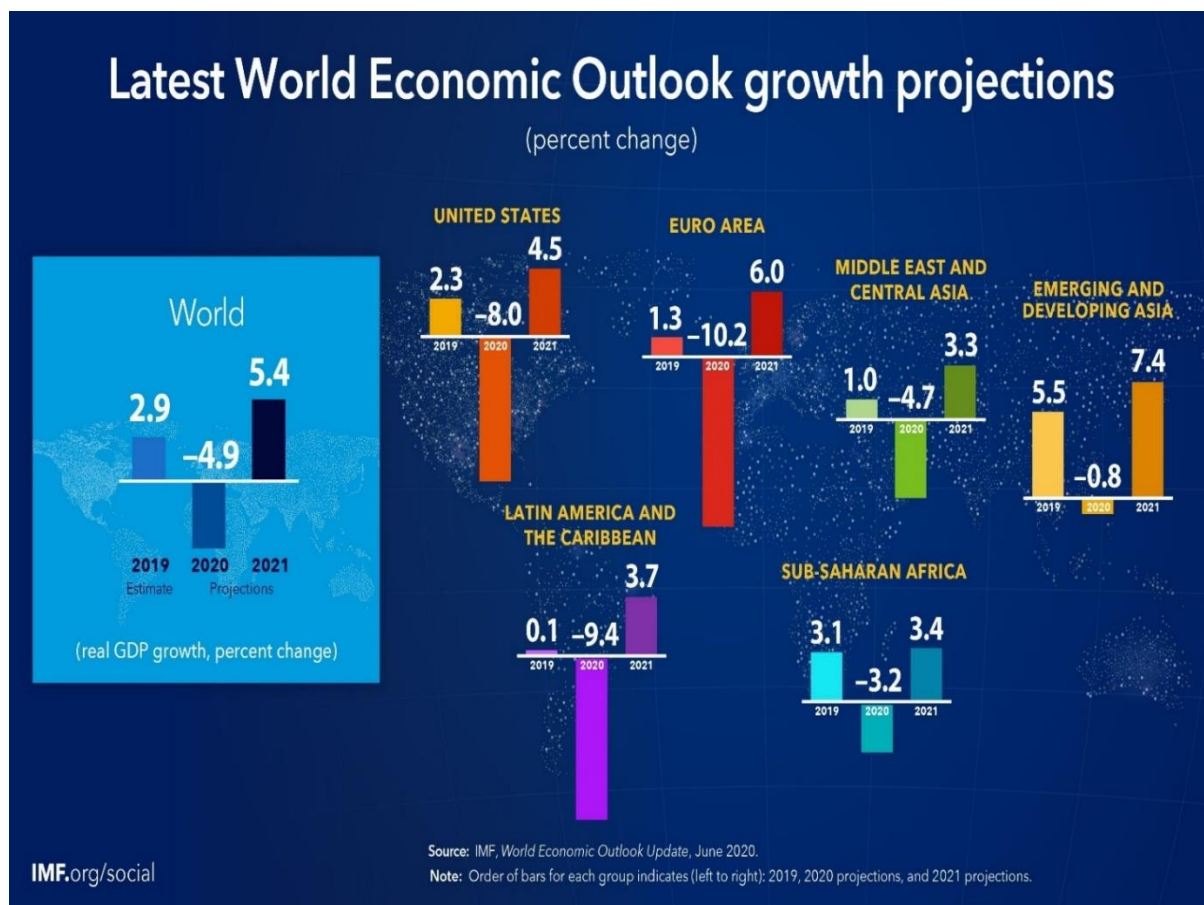
Sum of India Export Growth Rate vs. sum of India Export Value (2019). Color shows details about Quadrant Color. The marks are labeled by Code1. The data is filtered on Category1, which keeps Lifestyle.

CHAPTER 4

EXPORT PROMOTION FOCUS POST COVID

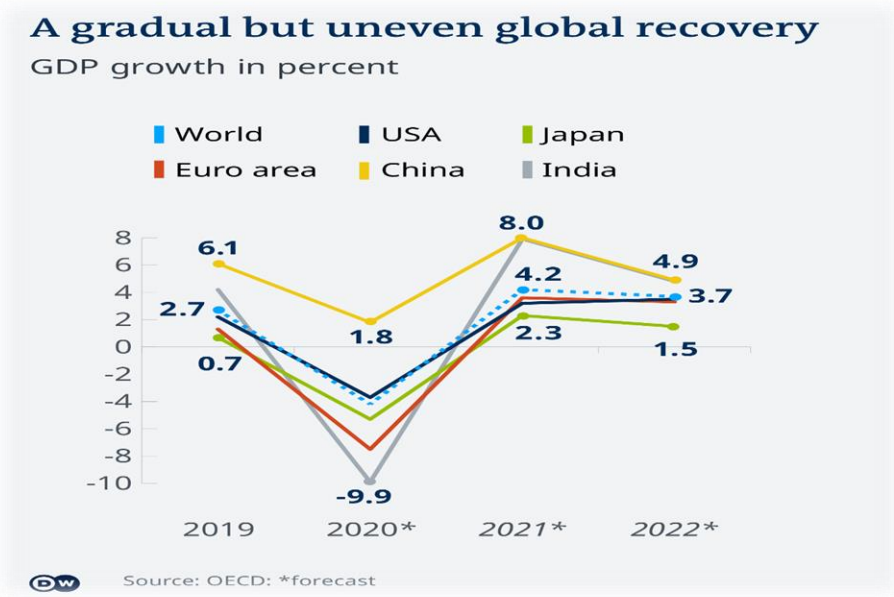
POST COVID DEMAND ANALYSIS: FORECAST 2025

Since the COVID-19 crisis began, global GDP has fallen by 4.2%. Although the pandemic has had a devastating economic effect around the world, it is expected to return to pre-pandemic levels by the end of 2021. This revival of economy post covid would vary from one region to another. Europe is expected to see GDP growth of 5.2% in 2021, while for the United States, that figure is just 3.1%.



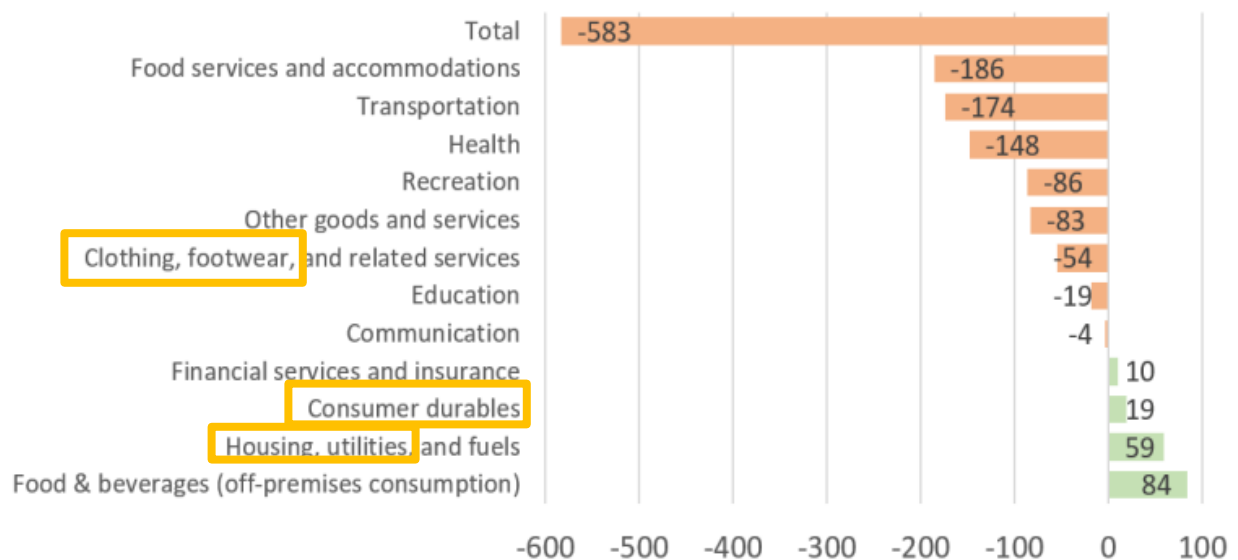
Asian countries, in contrast have recovered much faster and are projected to see GDP growth of 8% this year – in particular, China, which experienced only a moderate dip in 2020 and which the International Monetary Fund (IMF) predicts will

see 8.2% in real GDP growth in 2021. The output in many other countries is projected to remain around 5% below pre-crisis expectations in 2022. OECD has projected global GDP to rise by around 4.2% in 2021 and by a further 3.7% in 2022.



According to the Organization for Economic Development (OECD), while global GDP should rise by around 4¼% by the end of 2021, national bounce-back could be uneven. This would change the consumer spending across different countries.

In 2020, American consumers shifted their spend from services to retail goods, with groceries and consumer durables like home appliances outpacing restaurants and travel as consumer spending held steady over the summer months.

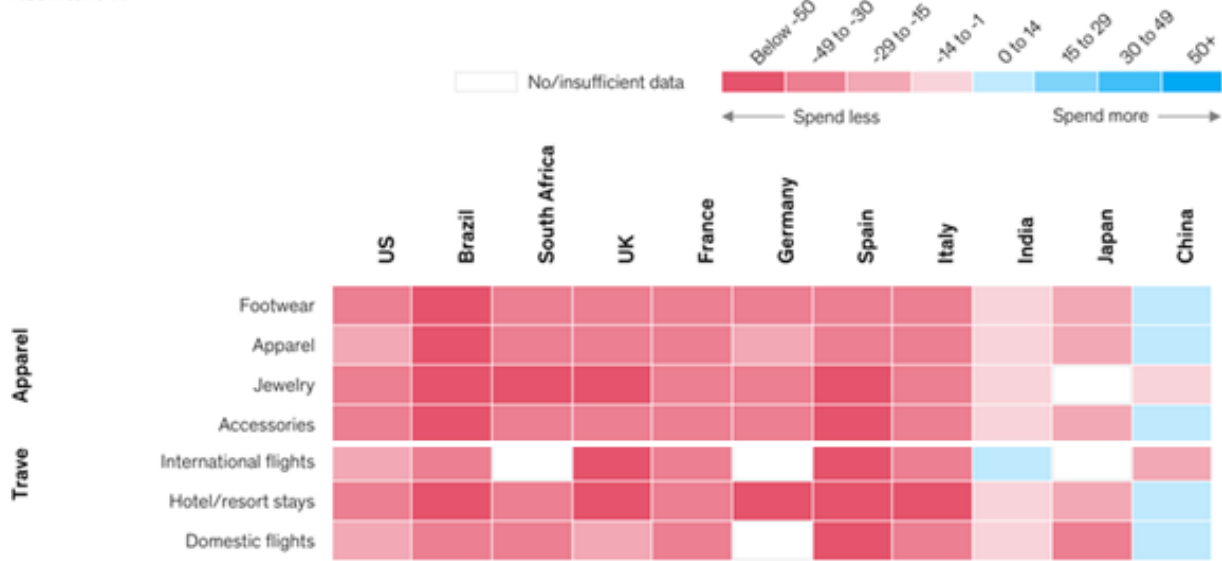


But in Asian countries with greater optimism around a COVID-19 recovery, spending is higher on items such as clothing, cars and hotels, and consumers are more likely to shop differently to the way they did before the pandemic.

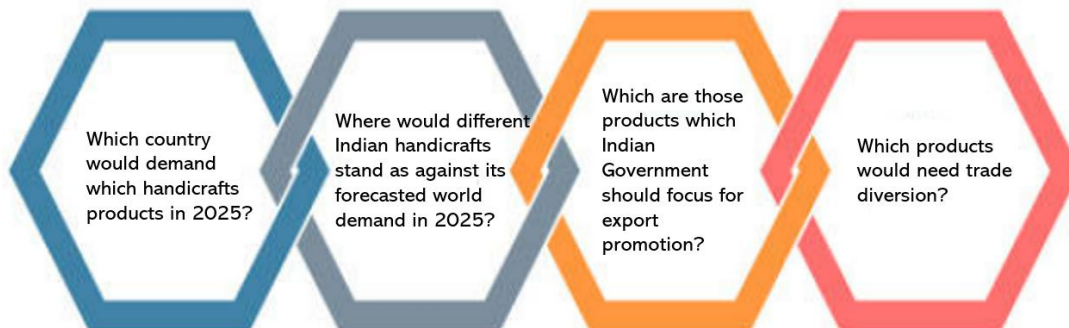
Outside of China and India, global consumers anticipate pulling back on spending.

Expected spending per category over the next two weeks compared to usual¹

Net intent %²



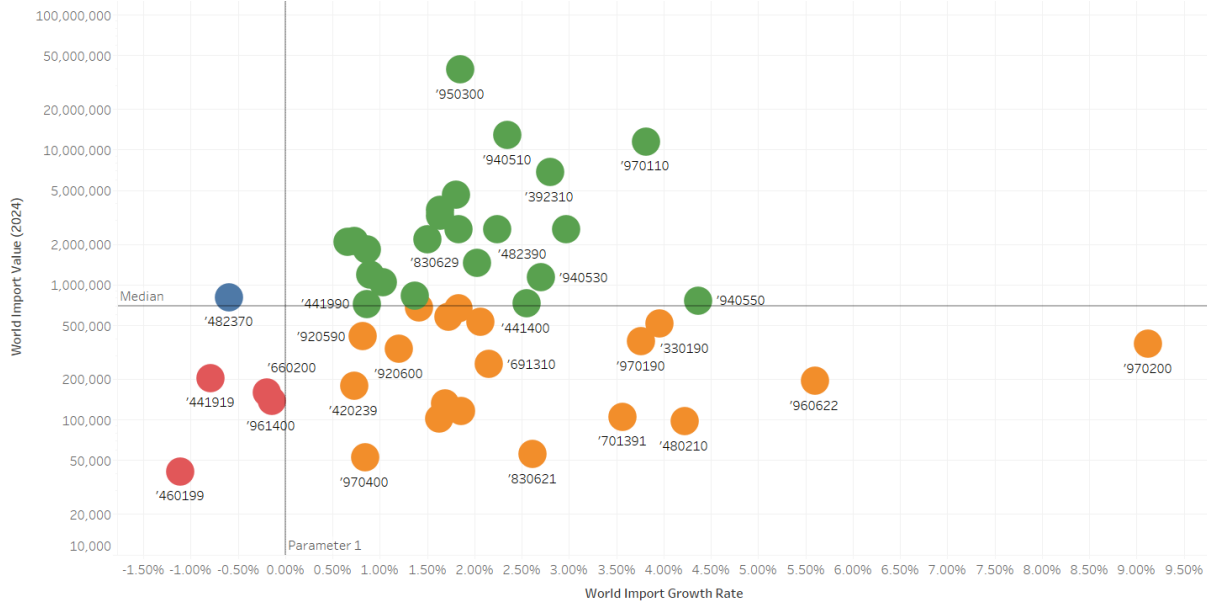
The above data highlights the fact that while global GDP should rise by around 4¼% by the end of 2021, national bounce-back could be uneven. This would change the consumer spending differently across different products and nations. This section therefore analyses the world import demand for handicraft products forecasted for 2025 across different categories. Analysis further dwells into an interesting comparison of the status of India’s exports in 2025 as against that of the world. This would highlight the fact about:



CATEGORY: LIFESTYLE

WORLD IMPORT VALUE VS GROWTH

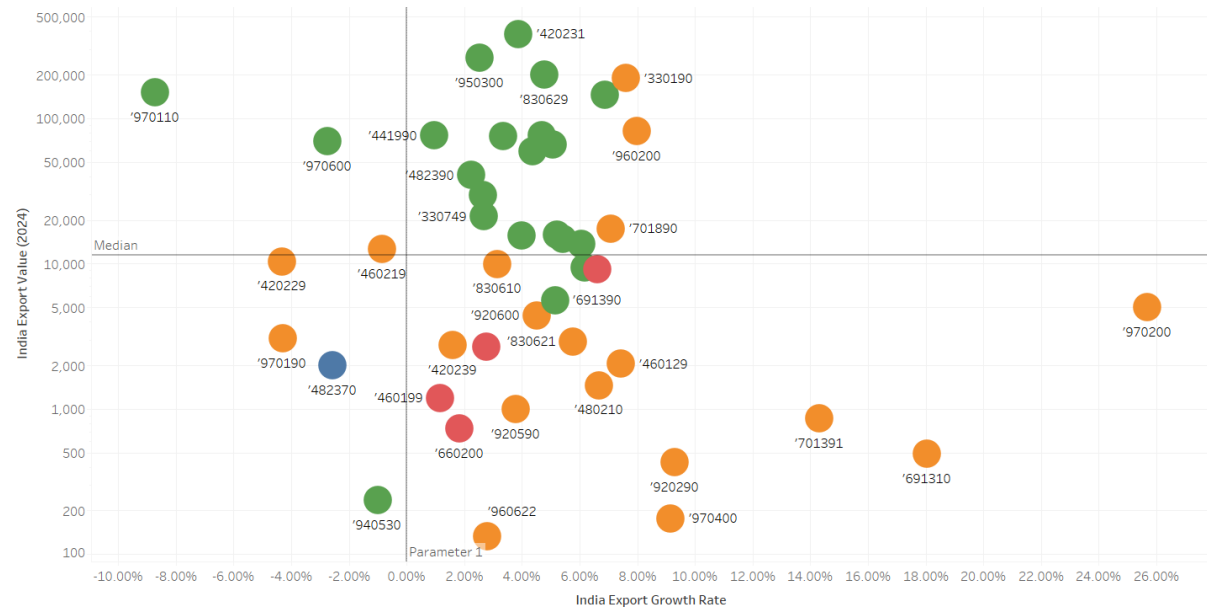
WI Value vs Growth (Lifestyle)



Sum of World Import Growth Rate vs. sum of World Import Value (2024). Color shows details about Quadrant Color. The marks are labeled by Code1. The data is filtered on Category1, which keeps Lifestyle. The view is filtered on Quadrant Color, which keeps no members.

INDIAN EXPORT VALUES VS GROWTH

INDEXP Value vs Growth (Lifestyle)



Sum of India Export Growth Rate vs. sum of India Export Value (2024). Color shows details about Quadrant Color. The marks are labeled by Code1. The data is filtered on Category1, which keeps Lifestyle.

Inference

A closer look on the lifestyle category brings out interesting observations:

- Indian export focus in sync with expected global demand for HS codes 420231 (Jewellery Boxes-42023110), 950300 (Toys – 95030010), 830629 (Candles & Candle Holders – 83062990), 482390 (Decorative Paper – 48239018), 330749 (Loban – 33074900), 441990 (Chopping Boards - 44199090)
- However, India needs to work on enhancing its production for certain HS codes which are expected to pick up as demand, but we are falling short in volumes. Such products include HS code 691390 (Statuette – 69139000).
- Indian Government should strongly focus on promoting both volumes as well as growth for HS 940530 (Christmas Light – 94053000).
- For HS 330190 (Aromatics, Incense & Oils – 33019031) And 960200 (Potpourri - 96020010, world import growth is high, but volumes are low. However, for India, focus is given for both promotions of volumes as well as the growth. If the volumes of world demand will not pick up as much by 2025, more focus on enhancing production would result in enhanced supply with no global demand resulting into loss in export opportunities and fall in price even in domestic market. With MSMEs working on poor margins and their inability to hold inventories, focus on enhancing volumes may seem detrimental.
- HS codes including 970200 (Leather Carving – 97020000), 691310 (Ceremonial Items – 69131000), 701391 (Glassware Of Lead Crystal – 70139100), 460129 (Agri Mats – 46012900), 480210 (Hand Made Paper - 48021010), 920290 (String Musical Instruments – 92029000), 970400 (Philat – 97040090), 960622 (Horn Bone Buttons For Textiles – 96062200), 420239 (Jewel Cases/Boxes/Pads – 42023910), 830610 (Bells Gongs - 83061000) And 920600 (Musical Instruments – 92060000) does not need any policy shift as their expected export growth and volumes are absolutely in sync with expected global demand.
- HS codes including 691390 (Statuette – 69139000), 830621 (Precious Ornament - 83062190, 460199 (Plaiting Materials - Bamboo Articles – 46019900) and 660200 (Walking Sticks – 66020000); world demand is expected to decline badly both in value as well as growth. However, Indian export growth rate is expected to flourish. Since there will be no takers, export focus should shift all together from these clusters dealing into these products.
- For HS 482370 (Papier Mache – 48237030), world import value is expected to remain high but the growth wouldn't pick up much. Indian exports on the other hand would witness just the opposite trend.

PRODUCT SELECTION OF UTMOST IMPORTANCE CATEGORYWISE ANALYSIS

All Products								
World imp..	RCA India..	RCA	India R..	China fall im..				
High	High	Rising	More	Moderate	741999			
			Less	Moderate	441990			
		Fluctuating	More	Immediate	960190			
				Moderate	482390			
Moderate	High	Fluctuating	More	Immediate	711311	420231		
				Moderate	701810	640610		
		Rising	Less	Moderate	711790	700992		
			More	Immediate	581010			
		Fluctuating	More	Immediate	960200	442090	741810	580430
				Moderate	830610			
		Rising	Less	Immediate	480210			
			More	Immediate	560500	580500		
Moderate	High	Fluctuating	More	Immediate	580810	830630	830621	
				Moderate	580900			
		Rising	More	Moderate	960310	960899	340600	
			Less	Moderate	460219			

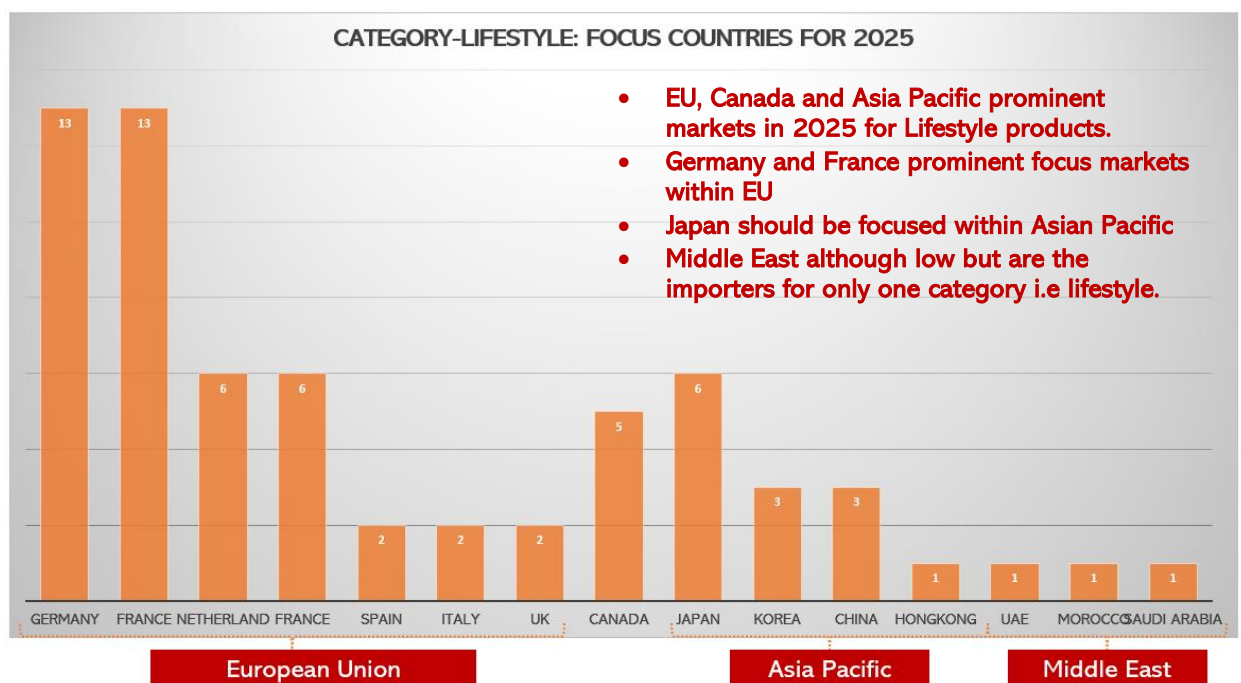
Above 27 HS codes are of utmost important and deserve a focused policy focus towards sustaining the market share. All these identified commodities fair quite well across all the parameters wherein Indian handicraft exporters as well as the Government can be assured of sustainable import demand in the global market by the end of 2025 with India having a great comparative advantage and expected to have a decent share of exports in global market. Other Important HS code

Lifestyle	
Order of selection	Product
330190	AROMATICS, INCENSE & OILS - 33019031
960200	POTPOURRI - 96020010
460199	PLAITING MATERIALS - BAMBOO ARTICLES - 46019900
441400	WOODEN PICTURE FRAME - 44140000
702000	GLASS SHELLS & GLOBES - 70200090
761510	WOODEN CHEST WITH CERAMIC DARAJ -

	76151090
940550	LANTERNS & GARDEN LIGHTING - 94055010
441919	BAMBOO TABLEWARE - 44191900
950510	CHRISTMAS TREE DECORATION & ORNAMENTS - 95051000
970300	SCULPTURES - 97030010
970600	ANTIQUÉ FURNITURE - 97060000
961400	SMOKING ACCESSORIES - 96140000
420229	HANDBAGS - 42022910
920600	MUSICAL INSTRUMENTS - 92060000
970190	KNICK NACK TRAYS - 97019092
970200	leather carving - 97020000
330749	Loban - 33074900
442010	SANDLEWOOD ARTICLES - 44201000
830629	CANDLES & CANDLE HOLDERS - 83062990
460129	AGRI MATS - 46012900
482370	PAPIER MACHE - 48237030
691390	STATUETTE - 69139000
970110	ORIENTAL PAINTINGS - 97011090
970500	ANIMAL FIGURES - 97050010
950300	TOYS - 95030010
970400	PHILAT - 97040090
420239	JEWEL CASES/BOXES/PADS - 42023910
701391	GLASSWARE OF LEAD CRYSTAL - 70139100
701890	GLASS BEADS - 70189010
392310	BOXES - GIFT - 39231020
940510	CHANDLIERS - 94051010
950590	Festive,Carnival - 95059010
691310	CEREMONIAL ITEMS - 69131000
920290	STRING MUSICAL INSTRUMENTS - 92029000
920590	WIND MUSICAL INSTRUMENTS - 92059090
940530	CHRISTMAS LIGHT - 94053000
960622	HORN BONE BUTTONS FOR TEXTILES - 96062200
660200	WALKING STICKS - 66020000

MOVING BEYOND TRADITIONAL MARKETS: COUNTRY-CATEGORYWISE ANALYSIS

One of the reasons for poor comparative advantage or declining RCA values for past few years could be due to mismatch between India's prime export markets versus global markets where import demand is increasing. Hence a shift from old traditional destinations to newer emerging markets could help Indian exporters pick up the products in this category. Suggestions towards new possible markets product wise is listed below:



COUNTRY-HS CODEWISE ANALYSIS

Reality Check: Indian export markets versus Prime global importers (HS code wise analysis)

Category: Lifestyle

HS Code		India's export destination not so promising	Top Global Importers
330749	Loban - 33074900	USA, United Kingdom, Australia, UAE	USA, United Kingdom, Japan, Germany, Netherlands
392310	BOXES - GIFT - 39231020	United Kingdom, USA, UAE, Australia, Nepal	Mexico, USA, Germany, France, Netherlands
420229	HANDBAGS - 42022910	USA, Italy, Spain, France, United Kingdom, Germany	Korea, Thailand, Singapore, United Kingdom, Philippines
420239	JEWEL CASES/BOXES/PADS - 42023910	USA, UAE, France, Japan, Bahrain,	Korea, Germany, UK, USA, Canada
442010	SANDLEWOOD ARTICLES - 44201000	USA, UK, France, Malaysia, Netherlands	USA, Germany, Netherlands, France, Japan
460129	AGRI MATS - 46012900	UAE, Oman, USA, Bahrain, Switzerland	Japan, Spain, France, Germany, Netherlands
482370	PAPIER MACHE - 48237030	UAE, USA, Hong Kong, Oman, UK	USA, Germany, France, Italy, Canada
660200	WALKING STICKS - 66020000	USA, Malawi, Oman, Kenya	USA, Germany, Japan, France
691310	CEREMONIAL ITEMS - 69131000	Argentina, USA, Spain, Seychelles	USA, Vietnam, Germany, UAE
691390	STATUETTE - 69139000	USA, Switzerland, UK, Germany	USA, Germany, Netherlands, UK
701391	GLASSWARE OF LEAD CRYSTAL - 70139100	USA, Saudi Arabia, Ireland, Brazil, United Kingdom	USA, Japan, UK, France, China
701890	GLASS BEADS - 70189010	UAE, Denmark, Austria, USA, Nepal	USA, UAE, Italy, Japan, UK
830629	CANDLES & CANDLE HOLDERS - 83062990	USA, Germany, UK, Nigeria, Australia	USA, Germany, Netherlands, UK, France
920290	STRING MUSICAL INSTRUMENTS - 92029000	Nepal, Germany, USA, Bangladesh, Japan	USA, Germany, Japan, UK, France
920590	WIND MUSICAL INSTRUMENTS - 92059090	USA, Germany, Canada, Australia, France	USA, Germany, Japan, Korea, France
940510	CHANDLIERS - 94051010	USA, Germany, Netherlands, UK, France, Hungary	USA, Germany, France, Canada, UK, Austria, Netherland
940530	CHRISTMAS LIGHT - 94053000	USA, Netherland, UK, Spain, Nepal, Maldives	USA, Germany, UK, Netherland, Italy, France
940550	LANTERNS & GARDEN LIGHTING - 94055010	USA, UK, Bangladesh, Kenya Netherlands	USA, Germany, UK, Netherlands, Canada
950300	TOYS - 95030010	USA, UK, Germany, Netherlands, Poland	USA, Germany, UK, France, Japan, Canada
950590	Festive,Carnival - 95059010	USA, UK, Canada, Denmark, Chile	USA, UK, Netherland, Canada, Germany
960622	HORN BONE BUTTONS FOR TEXTILES - 96062200	Bangladesh, Sri Lanka, USA, Germany, Kenya	Bangladesh, Vietnam, Hongkong, China, Morocco
961400	SMOKING ACCESSORIES - 96140000	Germany, USA, Netherlands, Australia, Canada	Germany, USA, Spain, Saudi Arabia, France
970110	ORIENTAL PAINTINGS - 97011090	USA, UK, Japan, Hong Kong (China), Singapore	USA, Hong Kong (China), UK, Switzerland, Germany
970400	PHILAT - 97040090	USA, Bahrain, Zambia, French Polynesia, South Africa	Switzerland, Germany, USA, Denmark, China
970500	ANIMAL FIGURES - 97050010	Bahrain, USA, Canada, UK, Belgium	USA, UK, France, Germany, Belgium

CHAPTER 5

INDIA'S TRADE AGREEMENT EX-POST ANALYSIS & WAY FORWARD FOR INDIAN HANDICRAFTS

RTA ANALYSIS IN PRIME IMPORTING COUNTRIES

Appreciating the fact that trade agreements aim at reducing the import duty rates and hence are expected to make country's export more price competitive as against other competing suppliers in the importing country. This section hence compiles a comparative chart between the prime export markets for India versus the top 5 prime global importers in the same HS code. This would give us a reality check of India's future course of policy focus from old traditional destinations to new destination as emerging markets.

Reality Check: Indian export markets versus Prime global importers (HS code wise analysis)

Category: Lifestyle

HS Code	India's export destination not so promising	Top Global Importers
330749	USA, United Kingdom, Australia, UAE	USA, United Kingdom, Japan, Germany, Netherlands
392310	United Kingdom, USA, UAE, Australia, Nepal	Mexico, USA, Germany, France, Netherlands
420229	USA, Italy, Spain, France, United Kingdom, Germany	Korea, Thailand, Singapore, United Kingdom, Philippines
420239	USA, UAE, France, Japan, Bahrain,	Korea, Germany, UK, USA, Canada
442010	USA, UK, France, Malaysia, Netherlands	USA, Germany, Netherlands, France, Japan
460129	UAE, Oman, USA, Bahrain, Switzerland	Japan, Spain, France, Germany, Netherlands
482370	UAE, USA, Hong Kong, Oman, UK	USA, Germany, France, Italy, Canada
660200	USA, Malawi, Oman, Kenya	USA, Germany, Japan, France
691310	Argentina, USA, Spain, Seychelles	USA, Vietnam, Germany, UAE
691390	USA, Switzerland, UK, Germany	USA, Germany, Netherlands, UK
701391	USA, Saudi Arabia, Ireland, Brazil, United Kingdom	USA, Japan, UK, France, China
701890	UAE, Denmark, Austria, USA, Nepal	USA, UAE, Italy, Japan, UK
830629	USA, Germany, UK, Nigeria, Australia	USA, Germany, Netherlands, UK, France
920290	Nepal, Germany, USA, Bangladesh, Japan	USA, Germany, Japan, UK, France
920590	USA, Germany, Canada, Australia, France	USA, Germany, Japan, Korea, France
940510	USA, Germany, Netherlands, UK, France, Hungary	USA, Germany, France, Canada, UK, Austria, Netherland
940530	USA, Netherland, UK, Spain, Nepal, Maldives	USA, Germany, UK, Netherland, Italy, France
940550	USA, UK, Bangladesh, Kenya Netherlands	USA, Germany, UK, Netherlands, Canada
950300	USA, UK, Germany, Netherlands, Poland	USA, Germany, UK, France, Japan, Canada
950590	USA, UK, Canada, Denmark, Chile	USA, UK, Netherland, Canada, Germany

960622	Bangladesh, Sri Lanka, USA, Germany, Kenya	Bangladesh, Vietnam, Hongkong, China, Morocco
961400	Germany, USA, Netherlands, Australia, Canada	Germany, USA, Spain, Saudi Arabia, France
970110	USA, UK, Japan, Hong Kong (China), Singapore	USA, Hong Kong (China), UK, Switzerland, Germany
970400	USA, Bahrain, Zambia, French Polynesia, South Africa	Switzerland, Germany, USA, Denmark, China
970500	Bahrain, USA, Canada, UK, Belgium	USA, UK, France, Germany, Belgium

Global importers marked in red against each product are the ones that Indian handicraft exporters should aim to shift to from its traditional export destinations considering high import demand of these products in these markets. While these markets should be the focus areas both for Indian Govt. as well as handicraft exporters; it is equally important to analyze the feasibility of Indian exporters to enter these new markets.

CATEGORY: LIFESTYLE

HS code	Importing Country	Signing RTA beneficial	Non Price Factors more prevalent	Price Sensitivity	Major Competitors	Fall of China Impact
330749	JAPAN	No	Yes	Yes	Netherlands / Italy	Positive
	GERMANY	No	Unknown	No	China/Italy/Netherlands	Negative
	NETHERLANDS	No	Unknown	Yes	USA/Portugal	Negative
420229	KOREA	No	Yes	Yes	Italy/France/UK	Negative
	THAILAND	Yes	Unknown	No	Italy	Positive
	SINGAPORE	No	Unknown	Yes	France	Negative
	PHILIPPINES	Yes	Yes	No	Hong Kong	Positive
420239	KOREA	No	Yes	No	Italy/UK/France	Negative
	GERMANY	No	Yes	Yes	France/Netherland/ Italy	Negative
	CANADA	Yes	Yes	Yes		Positive
442010	GERMANY	No	Yes	No	Russia	Positive
	JAPAN	No	Yes	Yes	Indonesia	Positive
460129	JAPAN	Yes	Yes	Yes	Vietnam/Bangladesh	Positive
	FRANCE	No	Yes	No	China/Netherlands	Negative
	GERMANY	No	Unknown	Yes	Vietnam/Netherlands	Positive
	NETHERLANDS	No	Unknown	Yes	China/Germany	Negative
	SPAIN	No	Yes	Yes	Bangladesh/Vietnam	Positive
482370	GERMANY	No	Unknown	Yes	China	Negative
	FRANCE	No	Unknown	No	China	Negative
	ITALY	No	Unknown	Yes	Czech Republic	Negative
	CANADA	No	Unknown	Yes	USA/Finland	Positive
691310	VIETNAM	No	Yes	No	China	Positive
	GERMANY	Yes	Yes	Yes		Negative
	UAE	No	Yes	Yes	Netherlands	Negative
691390	NETHERLANDS	No	Yes	No	Vietnam/Germany/Portugal	Positive
701391	JAPAN	No	Yes	Yes	Germany/China	Positive
	FRANCE	No	Unknown	Yes	China	Positive
	CHINA	Yes	Unknown	Yes	France	Negative
701890	ITALY	Yes	Unknown	Yes	China	Positive
	JAPAN	Yes	Yes	Yes		Positive
	UK	Yes	Unknown	Yes	Austria	Positive
8300629	NETHERLANDS	No	Yes	Yes	China/Vietnam	Positive

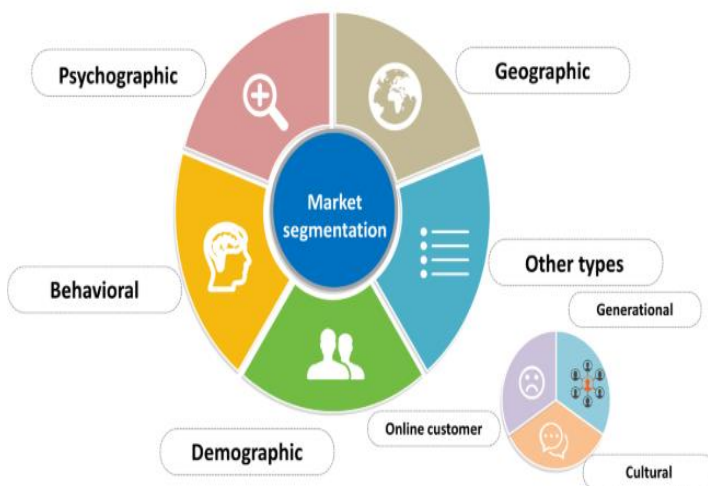
	FRANCE	No	Yes	Yes	China/Netherlands	Positive
920290	UK	No	Yes	Yes	China	Negative
	FRANCE	No	Yes	Yes		Negative
940510	CANADA	Yes	Yes	Yes	Mexico/China	Positive
	AUSTRIA	No	Unknown	Yes		Negative
940530	GERMANY	No	Yes	Yes	Belgium/China/Netherlands	Positive
	FRANCE	No	Unknown	Yes	Germany	Negative
950590	GERMANY	No	Yes	Yes	China/Netherlands	Positive
	NETHERLANDS	No	Unknown	Yes	China/Turkey/Portugal	Negative
960622	VIETNAM	No	Yes	Yes	China	Positive
	HONG KONG	No	Yes	Yes	China	Positive
	CHINA	No	Unknown	Yes	Korea/Chine Taipei	Negative
	MOROCCO	No	Unknown	Yes	China	Negative
961400	FRANCE	No	Unknown	Yes	China/Belgium	Negative
	SAUDI ARABIA	Yes	Unknown	Yes	China/Egypt/Jordan	Negative
	SPAIN	No	Unknown	Yes	Germany	Negative
970110	GERMANY	No	Yes	No		Negative
	SWITZERLAND	No	Yes	No		Negative
970400	SWITZERLAND	No	Unknown	No		Negative
	GERMANY	No	Unknown	No		Negative
	DENMARK	No	Unknown	No		Negative
	CHINA	No	Unknown	No		Negative
970500	FRANCE	No	Yes	Yes	Japan/Canada/USA	Negative
	GERMANY	No	Yes	Yes	USA/Brazil	Negative

CHAPTER 6

GLOBAL CONSUMER BEHAVIOUR ANALYSIS

PRE AND POST COVID-19

In every market, consumers are the drivers of the market competitiveness, growth and economic integration. As indicated in the section above, there have been incidences where Indian handicraft products have been reasonably priced as against other competing players including China, ASEAN and African countries in the traditional export destinations of the USA and EU; still share of Indian handicrafts was found meagre in these countries; highlighting the fact that while being price competitive was important to combat global competition there are other non-price factors which are much more important in certain developed markets. This highlights the importance of Indian handicrafts exporters to customize their products as per the consumer behavior, custom,



customs and traditions, gifting etiquette, beliefs and taboos, demographic profile etc. to gain competitive advantage. Hence exploration of these factors through country case studies towards adoption of Indian handicraft products as per importing country becomes important.

With economic instability, consumers are also

experiencing a transformation in behavior. The COVID-19 pandemic has upended life for individuals across the globe, from how they work to how they socialize and even how they shop. This section therefore also looks at how has consumer behavior changed considering COVID-19, what trends in consumer behavior and sentiment have been witnessed in the past few months, and what are consumers expecting as we move closer to a post-pandemic lifestyle.

Product Mix Analysis

Indian Lifestyle product exports have been divided into Six prime categories (i) Festive Décor and hangings (ii) Metal and Instruments (iii) Wooden Articles (iv) Paper and plaiting handicrafts (v) Ceramics and Glass Items (vi) Paintings, Artwork and Manufactured items.



DÉCOR AND HANGING	
42022910	Hanging of other material
34060010	Candles
33019031	Fixed oil based
33074900	Exclusive agarbatti
94051010	Hanging lamp
95051000	Articles for christmas festivities
94051020	Wall lamps
94053000	Christmas tree lighting
95059010	Magical equipment
97019092	Plastic restaurant decoration

METALS INSTRUMENTS	
83061000	Bells gongs and the like
83062190	Other ornmnt plted with prcs metal
83062990	Others
83062910	Othr statuettes (excludin g works of art)
92029000	Other string musical instrumen ts
92059010	Flutes
92059090	All other wind musical instrumen ts

WOODEN ARTICLES	
44140000	Wooden frames for paintings photographs mirrors or similar objects
44191900	Other
44199090	Other
44201000	Statuets and othr ornamnts of wood
95030010	Dolls of wood
97019091	Domestic artcls of wood (hnd decorated)

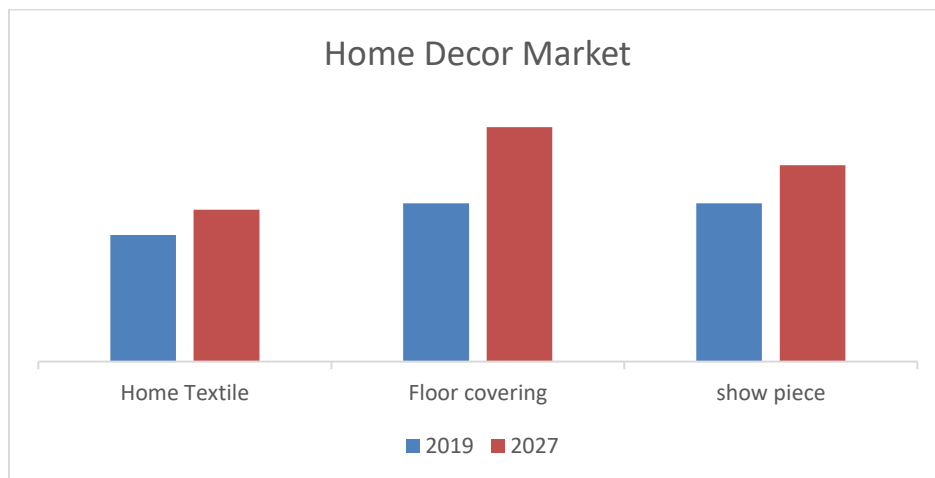
	High value, growing
	Low value, growing
	High value, declining
	Low value, declining



PAPER AND PLAITING HANDICRAFTS		5.4.5 MANUFACTURED ITEMS AND ARTWORK	
46012900	Other	96020090	Othr under hdng 9602
46019900	Othr plaiting materials (excl veg materls)	97011010	Madhubani paintings(on txtls)
46021911	Palm leaf basket etc.	97011020	Kalamkari paintings(on txtls)
46021919	Palm leaf items other then baskets	97011030	Rajsthani paintings(on txtles)
46021990	Others	97050010	Stuffed animals and birds (taxidermy)
48237030	Articles of papr mache other than artware and moulded/pressed of wood pulp	97030010	Original sclptrs and statuary in metal
48239018	Product consistings of sheets of paper/ rbord, impregngted,coted or covered with plastics.	97030090	Orignl sclptrs and statuary in othr matrls
48021010	Hand made paper	97060000	Antiques of an age excdng one hundred yrs
48021020	Hand-made paperboard	96062200	Buttons ofbase mtl,nt cvrd wth txtl mtrl
		96140000	Pipes and pipe bowls
		42023110	Jewellery boxes
		42023910	Jewellery box
		39231020	Watchbox jewellery box and similar container of plastics
		97030090	Orignl sclptrs and statuary in othr matrls
		97060000	Antiques of an age excdng one hundred yrs

	High value, growing
	Low value, growing
	High value, declining
	Low value, declining

The global home decor market was valued at \$616.6 billion in 2019 and is estimated to reach \$838.6 billion by 2027, registering a CAGR of 3.9% from 2020 to 2027. The home décor market is growing nationally at 20%. South India is growing at a faster clip of 25 to 30%. As expected to grow at a CAGR of 4.0% throughout the forecast period. The adoption of home decor products has been significantly high in mature regions such as the U.S., Canada, and Germany, while consumer demand in emerging countries such as China, Brazil, and India is anticipated to increase at a steady pace.



- Festive Décor & Hangings and Artwork and manufacturing Items amount to approx. similar amount of export value, amounting to 1687 and 1134 INR cr approx respectively.
- Prime exportable products under Festive décor and hanging category includes Candles, articles for Christmas festivities and other odoriferous products for deodorizing rooms which have been witnessing better acceptance and rising export demand. Indian exporters have been witnessing declining demand for Wall lamp and Magical Equipment.
- Prime export items under Metal and Instruments includes Bells, with price metal plated ornament and musical instruments. Prime export items under Wooden Article, include dolls of wood and domestic articles of wood which have witnessed rising trend along with a decent share in exports. Under Paper and plaiting handicrafts, Palm leaf Items, Palm leaf Basket, where we can see a decline in paper artware and moulded or pressure pulp decline
- Prime export items under manufactured items and artwork are hand-decorative stuffed animals and birds and madhubani painting are going good whereas buttons of base metal and antique are declining.



DÉCOR & HANGINGS

WHERE DOES INDIA STAND IN GLOBAL DÉCOR AND HANGINGS?

The home decor and interiors industry in India has witnessed a boom. The booming urban Indian middle class over the last 5 years. This has also coincided with the share of organized retail in this space doubling from 5% to 10% in the same period. For a \$20BN market with an 8% CAGR, this is significant. However, these are still early days. Where in the world china is the biggest player in the candles and wall lamp category with around 21% in the world market share so there is a huge opportunity for the Indian product to take a lead. The United States, UK and Australia is the biggest market of India exporting product. In the current scenario, China is the biggest export of decorative. So India has a great opportunity.

PROSPECTS FOR INDIAN DECOR ACROSS GLOBAL MARKETS

UNITED STATES OF AMERICA

US is one of the most rising markets in the world, for the product categories listed below. US import demand had shown rise for the last 5 years, the demand for décor and hanging in the US is expected to gain more traction.

USA	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Decor and hangings	6759240	7054802	7632897	8402160	8257363		
'940510	Chandeliers and other electric ceiling or wall lighting fittings (excluding for lighting public	3848394	4067342	4410407	4831452	4343656	52.60%	
'950510	Christmas articles (excluding candles and electric lighting sets, natural Christmas trees	2223367	2280902	2453605	2685916	2960181	35.85%	
'340600	Candles and the like	413470	422986	474748	540582	579325	7.02%	
'330749	Preparations for perfuming or deodorising rooms, incl. odoriferous preparations used	258413	268709	279039	324547	349856	4.24%	
'420229	Handbags, whether or not with shoulder strap, incl. those without handle, with outer	15596	14863	15098	19663	24345	0.29%	

Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 950510 i.e Christmas articles as it has increasing demand, growing for the last 5 years, and the best RCA amongst all. People celebrate Christmas Day in many ways. It is often combined with customs from pre-Christian winter celebrations. Many people decorate their homes, visit family or friends, and exchange gifts. Many people decorate their homes and gardens with lights, Christmas trees, and much more.

People in America like to decorate the outsides of their houses with lights and sometimes even statues of Santa Claus, Snowmen, and Reindeer. Some cookies and a glass of milk are often left out as a snack for Santa on Christmas Eve! The worldwide market for Christmas Lights and Christmas Decorations is expected to grow at a CAGR of roughly 12% over the next five years, will reach 96 million US\$ in 2023, from 54 million US\$ in 2017. India is witnessing a 20% growth year on year.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported	Unit Value	Annual growth	Average tariff
China	5100819	N/A	N/A	-3	0
Mexico	1499104	N/A	N/A	-9	0
Canada	615840	N/A	N/A	15	0
Viet Nam	293471	N/A	N/A	20	0
India	131473	N/A	N/A	20	0
Germany	95954	N/A	N/A	13	0
Italy	67813	N/A	N/A	4	0

As is indicated in the table above, China is largest exporter for HS code 950510 with tariff of 0% in MFN. Mexico is the closest competitor. India here to perform better in market India need to have competitive advantage in future too.

EUROPEAN UNION

European import has grown significantly and consistently. Most of these imports are intra-European and despite China being one of the leading developing country suppliers, Chinese imports have been declining though over the years.

EU	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Decor and hangings	9326973	9706174	10344682	10839470	10899983		
'940510	Chandeliers and other electric ceiling or wall lighting fittings (excluding for lighting public	5290935	5568690	6098782	6437124	6434018	59.03%	
'340600	Candles and the like	1660459	1752791	1803205	1844673	1785825	16.38%	
'950510	Christmas articles (excluding candles and electric lighting sets, natural Christmas trees	1185290	1243668	1233164	1262218	1290075	11.84%	
'330749	Preparations for perfuming or deodorising rooms, incl. odoriferous preparations used	1013022	998662	1051636	1137195	1211380	11.11%	
'420229	Handbags, whether or not with shoulder strap, incl. those without handle, with outer	177267	142363	157895	158260	178685	1.64%	

Import trends of festive décor and hangings in the EU is high in Chandeliers and other wall fittings but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 950510 i.e Christmas articles as it has increasing demand, growing for the last 3 years, and the best RCA amongst all. Netherland registered a growth of 191% in the festive décor category in the last year and has an increasing demand for Christmas Articles (HS code 950510) among all the countries in Japan. However, in the absence of any trade agreement, a high import duty rate of 15% is applied here.

Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %
Germany	1971076	291330	6766	-5
United Kingdom	1456415	179676	8106	5
France	1337606	149973	8919	0
Netherlands	922082	141950	6496	4
Italy	629863	81695	7710	-7
Spain	579891	33424	17350	0
Austria	565171	58676	9632	19
Belgium	524738	82308	6375	-2
Poland	519708	69052	7526	8
Sweden	329046	52865	6224	-2
Czech Republic	259388	40871	6347	0

Netherlands has an increasing demand for Wooden product (HS code 701890) i.e., 4% among all the countries in the European Union. As is indicated in the table above, Netherlands is largest exporter for HS code 950510 with tariff of 4%. India here to perform better in market India need to have competitive advantage in future too.

In the Netherlands, people celebrate Christmas both on the 25th and the 26th of December. During Dutch Christmas people spend two days with their family, playing games, watching movies, and eating some traditional Christmas food. Christmas in Amsterdam is a fairy-tale mix of twinkle lights, majestic trees adorned in brightly colored baubles, and crackling hearths that warm hands and hearts. In the Netherlands, the Christmas tree is called the paradise tree. One can buy artificial trees or real pine trees. Some people build wooden Christmas pyramids and decorate them with evergreens and candles. Celebrants of Christmas decorate the trees with small electric lights and other items of adornment such as glass baubles, bells, and stars. Many also visit local markets to shop for Christmas decorations, music, snacks, and gifts.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



JAPAN

Japan is one of the biggest importers of Indian products. Import Trends of festive décor and hangings in Japan is high in Chandeliers and other wall fittings but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 950510 i.e Christmas articles as it has increasing demand, growing for the last 3 years, and the best RCA amongst all.

JAPAN	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Decor and hangings	584708	577451	598399	629461	627950		
'940510	Chandeliers and other electric ceiling or wall lighting fittings (excluding for lighting	341580	330477	352290	357776	340356	54.20%	
'330749	Preparations for perfuming or deodorising rooms, incl. odoriferous preparations used	175934	179861	182364	209795	226988	36.15%	
'340600	Candles and the like	36132	36872	32833	30172	30891	4.92%	
'950510	Christmas articles (excluding candles and electric lighting sets, natural Christmas trees	30210	29299	30075	30410	28918	4.61%	
'420229	Handbags, whether or not with shoulder strap, incl. those without handle, with outer	852	942	837	1308	797	0.13%	

In Japan, however, Christmas is known more as a day to spread happiness, rather than being viewed as a religious celebration. As a result, Christmas Eve is often celebrated more than Christmas Day. Christmas Eve is similar to the way we celebrate Valentine's Day in the UK; it is seen as a romantic day where loved ones get together and exchange gifts. Due to this, trying to book a table at a restaurant on Christmas Eve in Japan is nearly impossible. The decorations of the Christmas celebrations in Japan include all the traditional elements. The Nativity scene is given a corner in every house. They also have turkey for Christmas dinner, Christmas trees, evergreens, and mistletoe in their stores and homes, and even their version of Santa.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Christmas celebrations in Japan are a time to spread happiness and romance. They involve illumination! The country lights up during this time of the year, from shopping centers to restaurants, to public areas. Japan takes Christmas displays a step further than most countries, decorating their most famous landmarks with unique festive lighting displays.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in	Unit Value (USD/ton)	Annual growth in	Average tariff (estimated)
China	440348	40809	10790	2	3.2
Thailand	52032	9751	5336	0	0
United States of America	18642	923	20197	7	3.2
Viet Nam	17821	3957	4504	-6	0
Korea, Republic of	17479	4235	4127	-28	3.2
Italy	12685	327	38792	0	0
Taipei, Chinese	10859	540	20109	-10	3.2

As is indicated in the table above, despite enjoying duty-free status in Japan as against an MFN rate of 3.2% for China, Korea, and the USA, Indian décor and hanging.

LATIN AMERICA

Import Trends of festive décor and hangings in LAC is high in Chandeliers and other wall fittings but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 950510 i.e Christmas articles as it has increasing demand, growing for the last 3 years, and the best RCA amongst all.

LAC	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Decor	1,261,802	1,222,405	1,333,187	1,395,064	1,280,410		
940510	Chandeliers and other electric ceiling or wall lighting fittings (excluding for lighting public ...	677,859	692,159	792,718	818,061	718,958	56.2%	
950510	Christmas articles (excluding candles and electric lighting sets, natural Christmas trees	287,161	247,877	240,818	266,043	275,378	21.5%	
330749	Preparations for perfuming or deodorising rooms, incl. odoriferous preparations used	172,955	165,508	179,054	196,013	186,438	14.6%	
340600	Candles and the like	61,900	58,907	58,839	66,836	59,176	4.6%	
420229	Handbags, whether or not with shoulder strap, incl. those without handle, with outer surface ...	61,927	57,954	61,758	48,111	40,460	3.2%	

Christmas festivities in South America are very religious affairs, with the entire region boasting over 91% adherence to Christianity. Cities are adorned with all manner of festive decorations and restaurants open until very late on the 24th. Buenos Aires and Lima are particularly festive. Rio is renowned for its enormous floating Christmas tree, which stands 53m-tall and weighs 350 tonnes. The world's largest floating Christmas tree drifts about in Rio's lagoon for all of December and will be removed by the 6th January, the traditional day of the Epiphany. By mid-December, Rio also holds a 'lighting' of all the Christmas decorations.

- About 2/3 of the population are Roman Catholics in LAC.
- Countries such as Peru and Brazil have seen rapid growth in their consumption of decorative products. During the holiday season, nativities, wreaths, lights, and Christmas trees decorate Panama City's neighborhoods that compete for the best ornamental creations. Christmas markets that sell lovely handicrafts are also commonplace.

- In Argentina, Christmas is decorated with garlands of green, gold, and red hues, while the front door is adorned with a wreath bearing white flowers. These Christmas decorations also include slightly more alternative decorations, where cotton balls serve as white snowflakes.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



THE APIPHANY

The Epiphany, which falls on the 6th January every year, manages to eclipse Christmas celebrations in most of South America. This is the day when the Latino world celebrates the arrival of the Three Kings bearing gifts for Jesus. The Dia de los Reyes Magos, or day of the Three Wise Men, is yet another day of festivities and culminates in the removal of all Christmas decorations.



Piñatas may be shaped like a seven-pointed star, where each point represents one of the seven deadly sins. Piñatas are made of papier-mâché or clay, and are filled with candy. Children play the piñata game blindfolded, and attempt to puncture the figure so all the candy comes out.





Christmas decorations in Medellín, Colombia.

Dominican Republic has an increasing demand for Christmas Articles (HS code 950510) among all the countries in the LAC region, growing at the rate of 9% in the past year in the décor category. However, in the absence of any trade agreement, high import duty rate of 20% is applied here.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Mexico	354219	0	1133	-7
Brazil	174345	42735	4080	-1
Chile	109922	34673	3170	-14
Columbia	104416	20155	5181	-7
Peru	88676	13570	6535	1
Panama	60767	0	10322	N/A
Argentina	56009	7902	7088	-28
Dominican Republic	40491	6170	6563	9

Christmas trees and decorations used in Dominican Republic can go from simple to very elaborate. Many of the decorations are white in color to give the illusion of snow. A Dominican tradition is the lighting and decorating of the Charamicos (which in Dominican slang is a dry tree branch). These items are Dominican folk art and can be found in abundance around the country during the Christmas season.

One can see Charamicos being made and sold on many of the street corners and in open places along the roads. These decorations are fashioned from straw, tree branches and pliable wood. They are made in the form of angels, cows, deer, some giraffe looking animals, pots, and wreaths. The nicer ones are painted in white and adorned with balls, ribbons and lights.



CIS

Import Trends of festive décor and hangings in CIS has been found to be high in Chandeliers and other wall fittings but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 950510 i.e Christmas articles as it has an increasing demand, growing for the last 3 years and the best RCA amongst all.

CIS	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Decor	508,583	496,956	651,797	754,503	860,097		↗
940510	Chandeliers and other electric ceiling or wall lighting fittings (excluding for lighting public ...	308,156	317,494	427,805	493,178	584,113	67.9%	↗
950510	Christmas articles (excluding candles and electric lighting sets, natural Christmas trees	86,156	69,249	94,743	116,019	132,267	15.4%	↗
330749	Preparations for perfuming or deodorising rooms, incl. odoriferous preparations used	80,769	74,117	91,600	100,053	101,077	11.8%	↗
340600	Candles and the like	18,900	20,807	25,293	30,985	31,893	3.7%	↗
420229	Handbags, whether or not with shoulder strap, incl. those without handle, with outer surface ...	14,602	15,289	12,356	14,268	10,747	1.2%	↘

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Ukraine - Christmas in Ukraine is celebrated on the 7th January because, like many countries where the main Church is the Orthodox Church, they use the old 'Julian' calendar for their church festivals. During Soviet rule, Christmas was downsized in Ukraine, so now many families are returning to the tradition and the holiday grows more and more festive every year.



Ukrainians continue the Christmas tradition, adorning their trees with fake spiders and cobwebs made from crystals, silver and gold tinsel, glitter, and paper. These are called made of paper and silver wire, called 'pavuchky' (which means 'little spider'). By decorating the tree with spiders, the people in the household hope it will bring them luck and good fortune in the coming year.

Uzbekistan registered a growth of 191% in the festive décor category in the last year, and has an increasing demand for Christmas Articles (HS code 950510) among all the countries in the CIS region. However, in the absence of any trade agreement, high import duty rate of 15% is applied here.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Russia	509968	88490	5763	11
Ukraine	95079	20822	4566	27
Kazakhstan	69295	14895	4652	26
Belarus	64118	15708	4082	9
Georgia	25966	3848	6748	14
Azerbaijan	24432	4965	4921	-3
Uzbekistan	23446	0	-	191
Moldova	13744	2090	6576	23
Armenia	12065	2756	4378	-4



Decorations are set up for the upcoming Christmas season in Tashkent, Uzbekistan

AFRICA

Import Trends of festive décor and hangings in Africa has been found to be high in Chandeliers and other wall fittings but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 950510 i.e Christmas articles as it has an increasing demand, growing for the last 3 years and the best RCA amongst all.

Africa	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Decor	446,017	431,608	407,589	420,406	423,924		
940510	Chandeliers and other electric ceiling or wall lighting fittings (excluding for lighting public	234,355	242,693	222,126	233,545	234,509	55.3%	
340600	Candles and the like	64,611	54,593	56,003	54,257	60,865	14.4%	
330749	Preparations for perfuming or deodorising rooms, incl. odoriferous	51,192	48,287	43,026	51,205	53,842	12.7%	
420229	Handbags, whether or not with shoulder strap, incl. those without handles with outer surface	69,281	67,770	68,142	61,421	49,330	11.6%	
950510	Christmas articles (excluding candles and electric lighting sets, natural	26,578	18,265	18,292	19,978	25,378	6.0%	

- While the majority of countries in Africa celebrate Christmas on December 25th, it's not the same everywhere. The Coptic Christians in Egypt and Ethiopia actually celebrate Christmas on January 7th as they follow the older Julian calendar.
- People in Ghana celebrate Christmas from the 20th of December to the first week in January with lots of different activities. In Ghana, the Yuletide festivities get started as soon as December arrives, with shops, streets and homes decorated in twinkling lights and ornaments. There's also double the celebration in Ghana, as Christmas falls at the same time as the end of the cocoa harvest. The African Christmas trees are just a little different from your usual pine or fir tree. One can find everything from Cypress trees to mango and palm trees bedazzled with little ornaments like bells and candles across Africa.

Mauritius registered a highest growth of 20% in the festive décor category in the last year among all the countries, and has an increasing demand for Christmas Articles (HS code 950510) in the African region. **Since the import duty MFN is 0% here, it is advantageous for India to target this country.**

Importers	2015	2016	2017	2018	2019	Annual growth in value between 2018 & 2019	Trend
Africa Aggregation	446017	431608	407589	420406	423924		
Morocco	53522	58069	68737	71544	77932	9	
South Africa	66078	54492	54695	59364	54036	-9	
Libya, State of		21538		18228	27911	N/A	
Algeria	44427	50989	46324	28918	25127	N/A	
Egypt	46025	28646	19320	20811	22791	10	
Angola	20678	21204	32675	22314	20677	-7	
Mauritius	7975	9247	10958	12794	15310	20	
Tunisia	10685	10878	10685	11423	11875	4	

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In Mauritius, the traditional Mauritian fir tree Filao, pine, cypress or araucaria decorated. Fir trees are on sale only a few days before Christmas on the main streets, although in recent years the artificial trees gained ground not only for its practicality but also for ecological reasons.

ASEAN

Import Trends of festive décor and hangings in ASEAN has been found to be high in Chandeliers and other wall fittings but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 950510 i.e Christmas articles as it has an increasing demand, growing for the last 3 years and the best RCA amongst all.

ASEAN	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Decor	726,808	775,988	889,340	944,684	946,662		
940510	Chandeliers and other electric ceiling or wall lighting fittings (excluding for	353,723	394,582	422,111	424,233	422,902	44.7%	
420229	Handbags, whether or not with shoulder strap, incl. those without	227,752	231,815	304,468	328,759	312,962	33.1%	
330749	Preparations for perfuming or deodorising rooms, incl. odoriferous	98,429	103,848	113,091	130,008	141,214	14.9%	
950510	Christmas articles (excluding candles and electric lighting sets, natural	22,515	23,446	24,774	29,613	37,906	4.0%	
340600	Candles and the like	24,389	22,297	24,896	32,071	31,678	3.3%	

Philippines registered a highest growth of 20% in the festive décor category in the last year among all the countries, and has an increasing demand for Christmas Articles (HS code 950510) in the ASEAN region. Though the MFN duty is 10%, but India avails the benefit of 0% import duty because of the India-ASEAN FTA.

Importers	2015	2016	2017	2018	2019	Annual growth in value between 2018 & 2019	Trend
Thailand	150,263	178,670	197,614	243,479	239,829	-1	
Singapore	179,387	146,174	163,182	180,159	184,400	2	
Philippines	75,850	82,279	86,163	112,126	134,443	20	
Malaysia	141,313	175,604	181,346	171,572	132,883	-23	
Viet Nam	62,681	80,156	96,786	119,906	131,121	9	
Indonesia	85,282	80,483	112,370	79,282	85,504	8	
Myanmar	13,201	13,787	31,677	18,208	16,049	-12	

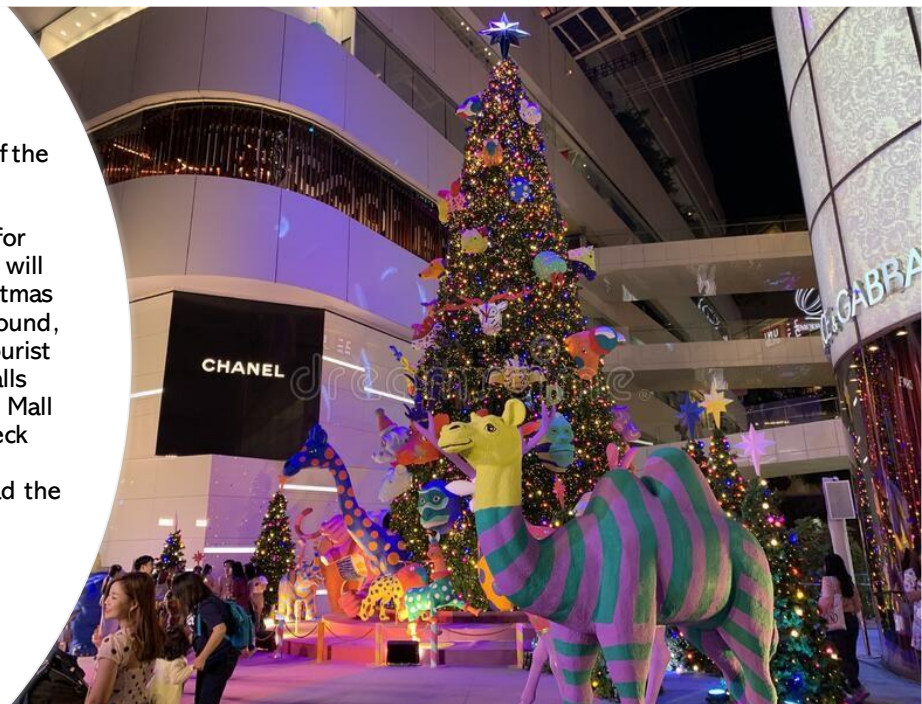
- **Most Filipinos are Christians with about 80% of people being Catholics.** It's the only Asian country with so many Christians. Because of this, Christmas is the most important holiday in the Philippines.
- The Philippines is one of two predominantly Catholic countries in Asia and Christmas is the most enthusiastically celebrated holiday on the calendar. **The country is known for celebrating the world's longest Christmas season, which begins September 1st.**

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES

Indonesia In Bali, the roads are lined with towering penjors (a traditionally Hindu decoration of tall, curved bamboo poles decorated with yellow coconut leaves) and their Christmas trees are made of chicken feathers handmade by locals.



Thailand - The majority of the country's population are Buddhists, so there's no public holiday allocated for Christmas. However, you will still be able to find Christmas decorations scattered around, particularly at popular tourist attractions. Shopping malls in Bangkok, like Paragon Mall and MBK Mall, love to deck the halls with tinsel and Christmas lights to spread the Christmas cheer.





In Philippines, parols (made of plastic bottles and straws) are used, perhaps the ultimate icon of the Filipino Christmas, it holds a religious symbol as representing the star of Bethlehem and today is often used to decorate streets,

- Parols are star-shaped lanterns that represent the star of Bethlehem, which guided the Three Kings. Early parols were made of bamboo, rice paper, and oil lanterns. Now, the art form of making parols has become as intricate as they are beautiful.
- It's traditionally made from bamboo strips and colored Japanese paper or cellophane paper and represents the star that guided the Wise Men. It is the most popular Christmas decoration in the Philippines.



MUSICAL INSTRUMENT

The global musical instruments market size was valued at USD 7.5 billion in 2018. An increase in the penetration of digital musical instruments is anticipated to drive the market over the forecast period. The global musical instrument market 2020-2024 and is poised to grow by USD 1.17 bn during 2020-2024, progressing at a CAGR of 3% during the forecast period. The report on the global musical instrument market 2020-2024 provides a holistic analysis. This is due to the sudden increase in music lovers and people started developing as a hobby.

Bells of bronze dating from approximately 1000 BCE have been excavated in India, from the 22nd dynasty (945–730) in Egypt, and from about 700 in Assyria. An intimate connection existed in ancient India between bell sound and mystic experience, and today a handbell is still rung in temple ceremonies in India and other areas of Buddhist influence. Bronze is an alloy of copper and tin used for making bells, cymbals, and gongs. This type of bronze is called **'bell metal'**. Gongs have been around since the Bronze Age, where they were used in Shamanic healing ceremonies announce the start of ceremonies. According to Gong Healing:

“Gong Baths and gong bath therapy has been used longer than any other instrument for holistic sound healing.”

The gong is one of the instruments from different cultures or ethnic groups who use them to achieve states of deep relaxation that allows us to experience a state of complete neutrality, as when we sleep. The Gongs resonate harmonically with the cosmic cycles, which have been known since antiquity as the "music of the spheres". Transmitting powerful vibrational energy, inducing higher planes of consciousness are powerful tools in the field of physical and spiritual healing.

WHERE DOES INDIA STAND IN GLOBAL MUSICAL INSTRUMENTS?

India is the inheritor of one of the most ancient and evolved music systems in the world. The continuity of the musical traditions of India is established through a study of musical texts and numerous visual references one finds of musical instruments in painting and sculpture from prehistoric times to the present day. Musical instruments are the tangible and material representation of music which is an auditory art. Revenue in the Musical Instruments segment is projected to reach US\$4,248m in 2021. The market is expected to grow annually by 10.6% (CAGR 2021-2025).

PROSPECTS FOR INDIAN MUSICAL INSTRUMENTS ACROSS GLOBAL MARKETS

UNITED STATES OF AMERICA

Import Trends of metals handicrafts and Musical instruments in USA region is high in HS code 830629 but its RCA is poor.

USA	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Metals and Instruments	875795	835443	851669	943556	937673		
'830629	Statuettes and other ornaments, of base metal, not plated with precious metal (excluding works ...	695502	656200	679238	764667	755485	80.57%	
'920600	Percussion musical instruments, e.g. drums, xylophones, cymbals, castanets, maracas	122180	121675	114286	117635	119628	12.76%	
'830610	Bells, gongs and the like, non-electric, of base metal (excluding musical instruments)	58113	57568	58145	61254	62560	6.67%	

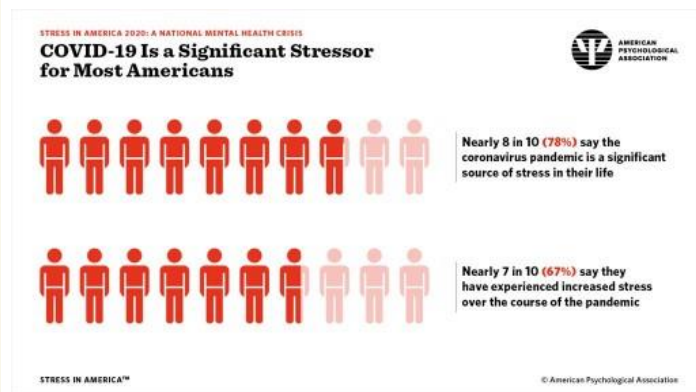


Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 830610 i.e bells, gongs, and the like of base metals as it has a better RCA amongst all products. India's avg tariff is 5.8%. So this hampers the opportunity for the Indian product.

Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	growth in value between 2018-2019,	Average tariff (estimated) applied by the country (%)
China	710021	N/A	N/A	-1	5.8
India	96481	N/A	N/A	-2	5.8
Taipei, Chinese	20862	N/A	N/A	-4	5.8
Canada	16013	N/A	N/A	5	0
Thailand	15088	N/A	N/A	-4	0
Mexico	10108	N/A	N/A	7	0
Germany	9128	N/A	N/A	19	5.8



The New York Times
Americans Are Among the Most Stressed People in the World



Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 830610 i.e bells, gongs, and the like of base metals as it has a better RCA amongst all products. India's avg tariff is 5.8%. so this hampers the opportunity for the Indian product.

EUROPEAN UNION

Bell metal was used to cast many early Spanish, Portuguese and Malay cannons, most notably the Malay cannon known erroneously as Rentaka. Import Trends of metals handicrafts and Musical instruments in the EU region has been found to be the highest in HS code 830629 (Statutes and other ornaments of base metals) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 830610 i.e bells, gongs, and the like of base metals as it has a better RCA amongst all products.

EU	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Metals and Instruments	665799	668619	721641	767284	773212		
'830629	Statuettes and other ornaments, of base metal, not plated with precious metal (excluding works ...	489571	485248	526902	559457	555631	71.86%	
'920600	Percussion musical instruments, e.g. drums, xylophones, cymbals, castanets, maracas	139674	143021	151474	165465	168397	21.78%	
'830610	Bells, gongs and the like, non-electric, of base metal (excluding musical instruments)	36554	40350	43265	42362	49184	6.36%	

Germany registered a growth of -5% in the musical instruments category in the last year and has an increasing demand for Bells, gongs, and the like (HS code 830610) among all the countries in the EU region.

Most households have metallic bells in their house. They believe keeping copper and tin bells with them can help to be successful. During the Nazi era Between 1939 and 1945, 175,000 bells across Europe were taken by Nazi Germany. They were transported to collection points, known as Glockenfriedhöfe, or bell cemeteries, the biggest of them in Hamburg. Some 150,000 were delivered to foundries and melted down to make shell casings and armaments.

Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %
European Union	773212	99098	7803	N/A
Germany	220549	27699	7962	-5
Netherlands	103032	18901	5451	3
United Kingdom	102305	13532	7560	7
France	87445	9599	9110	1
Belgium	36418	4222	8626	23
Spain	32723	3866	8464	-4
Austria	30935	2879	10745	12
Italy	25495	2784	9158	-11
Denmark	22257	2189	10168	11
Sweden	21107	2647	7974	9

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Major shops in Germany use manual doorbell as a signal that the presence of the customer.

JAPAN

India's avg tariff is 5.8%. so this hampers the opportunity for the Indian product.

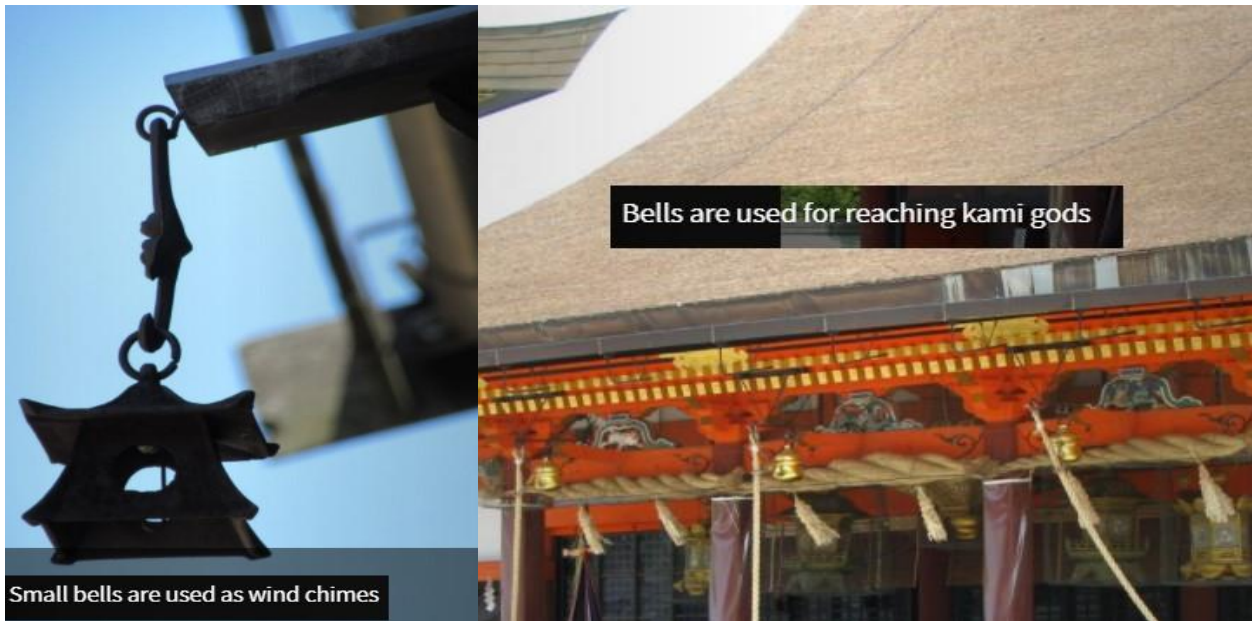
Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %	Average tariff (estimated) applied by the country (%)
China	32658	1422	22966	-11	0
United States of America	6907	79	87430	26	0
Taipei, Chinese	4828	262	18427	-17	0
Thailand	3390	141	24043	6	0
India	1375	123	11179	18	0
Canada	1182	19	62211	15	0
Indonesia	1181	49	24102	-1	0

As is indicated in the table above, Germany is largest exporter for HS code 830610 with tariff of 4%. India avg tariff is also 0% here to perform better in market India need to have competitive advantage in future too.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Around 31% population in Japan follows Buddhism where gong become an integral part of Japanese culture. In many Shinto shrines there are special bells in a round shape with a long rope. At large shrines there are many bells and they are quite big, and in contrast at small shrines there is often just one bell of a small size.



Small bells are used as wind chimes

Bells are used for reaching kami gods

Bells are often attached to special guardian talismans called ogonori. The sound of a bell is considered to bring good luck and drive away misfortunes.

LATIN AMERICA

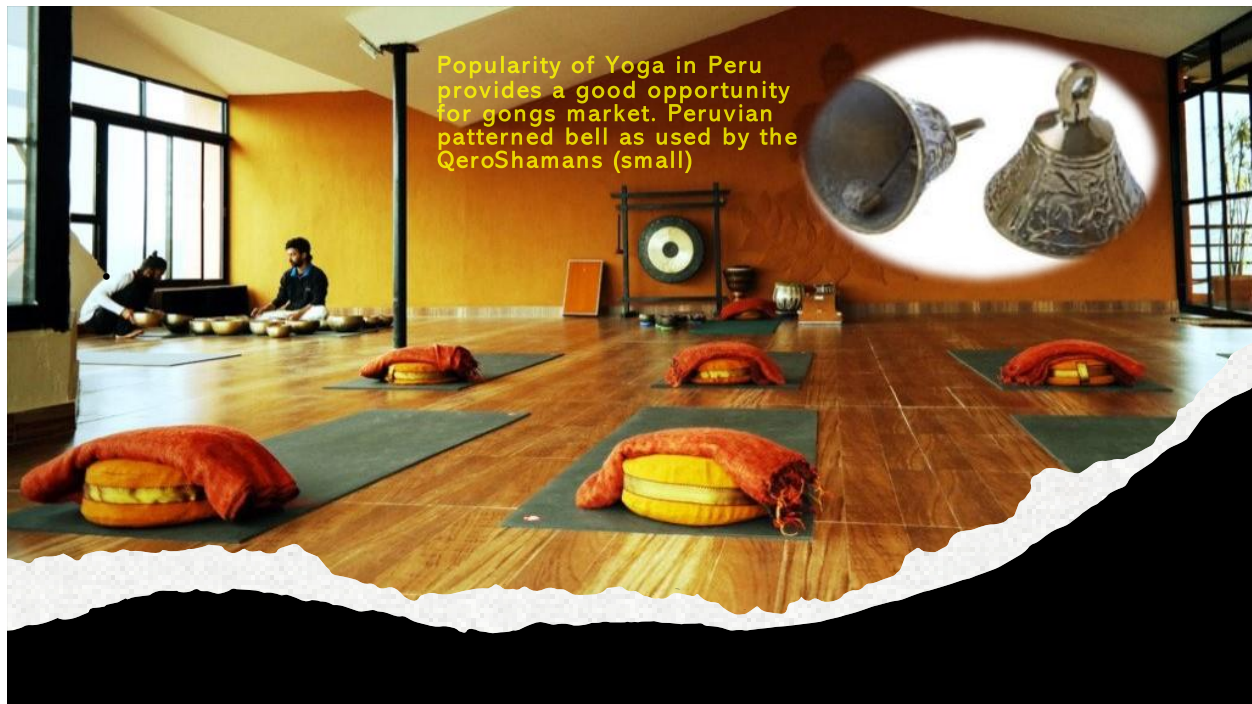
Import Trends of metals handicrafts and Musical instruments in LAC region has been found to be high in HS code 830629 (Statuettes and other ornaments of base metals) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 830610 i.e bells, gongs and the like of base metals as it has a better RCA amongst all products.

LAC	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Metals and instruments	85,211	78,253	79,750	83,801	73,435		
830629	Statuettes and other ornaments, of base metal, not plated with precious metal	40,155	37,524	39,257	42,335	38,915	53.0%	
920600	Percussion musical instruments, e.g. drums, xylophones, cymbals, castanets.	41,042	36,745	35,769	36,400	30,549	41.6%	
830610	Bells, gongs and the like, non-electric, of base metal (excluding musical	4,014	3,984	4,724	5,066	3,971	5.4%	

Peru has an increasing demand for Bells, gongs and the like (HS code 830610) in the LAC region. Since the import duty MFN is 0% here, it is advantageous for India to target this country.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Mexico	16874	0		-3
Brazil	11235	2462	4563	0
Chile	8071	1459	5532	-14
Colombia	4814	981	4907	3
Peru	4562	627	7276	11
Guatemala	3759	547	6872	-17
Panama	3531	0	8367	N/A
Ecuador	2710	386	7021	-15
Dominican Republic	2551	258	9888	-4

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Sound has been used for healing by most ancient cultures including Peruvian shamans who conduct healing through powerful medicinal songs called icaros.

- The significance of a bell; Symbology varies, sound has long been know for its healing benefits. Calling on, celebrating, honouring something or someone, represents the archetypal energy of the feminine or the masculine, with each bell having its own unique tone.
- Often bells are paired with one representing the earth, pachamama or otherwise known as the feminine as the red path and a second, Inti, the Sun or the masculine on the white path.
- Patterns such as, The sun, Chacana, Eagle, Women-Pachamama are just a few.
- Meanings - Eagle, higher self, flight and vision, Women - feminine, pachamama, grounding, Chacana - encompasses all perfectly, sacred geometry holding all things in equal, Llama - wealth, happiness & vitality, Tumi - Medicine God, creator, life, death and renewal!

CIS

Import Trends of metals handicrafts and Musical instruments in the CIS region has been found to be the highest in HS code 830629 (Statutes and other ornaments of base metals) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 830610 i.e bells, gongs and the like of base metals as it has a better RCA amongst all products.

CIS	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Metals and instruments	21,191	16,603	23,425	25,905	30,697		
830629	Statuettes and other ornaments, of base metal, not plated with precious metal (excluding	17,881	13,493	19,019	19,845	24,188	78.8%	
920600	Percussion musical instruments, e.g. drums, xylophones, cymbals, castanets, maracas	1,788	1,747	2,844	4,088	4,419	14.4%	
830610	Bells, gongs and the like, non-electric, of base metal (excluding musical instruments)	1,522	1,363	1,562	1,972	2,090	6.8%	





Uzbekistan registered a growth of 30% in the musical instruments category in the last year, and has an increasing demand for Bells, gongs and the like (HS code 830610) among all the countries in the CIS region. However, in the absence of any trade agreement, high import duty rate of 20% is applied here.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Russian Federation	15279	2677	5708	-4
Kyrgyzstan	5546	2509	2210	1311
Ukraine	2399	552	4346	2
Kazakhstan	2229	419	5397	20
Belarus	1914	461	4152	-7
Azerbaijan	1027	186	5522	19
Georgia	902	115	7843	10
Uzbekistan	475	0	353	30
Moldova, Republic of	403	45	8956	10
Armenia	364	72	72800	3

India can popularize gong therapy through the Indian Cultural Centre in Uzbekistan, established in 1995 and renamed as Lal Bahadur Shastri Centre for Indian Culture in 2005. They organise regular yoga classes in its premises in Uzbekistan.

AFRICA

Import Trends of metals handicrafts and Musical instruments in the African region has been found to be the highest in HS code 830629 (Statuettes and other ornaments of base metals) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 830610 i.e bells, gongs and the like of base metals as it has a better RCA amongst all products.

Africa	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Metals and instruments	31,683	25,557	22,991	32,002	40,759		
830629	Statuettes and other ornaments, of base metal, not plated with precious metal (excluding	17,037	13,696	14,538	21,980	29,175	71.6%	
920600	Percussion musical instruments, e.g. drums, xylophones, cymbals, castanets, maracas	12,879	10,497	7,092	8,118	9,325	22.9%	
830610	Bells, gongs and the like, non-electric, of base metal (excluding musical instruments)	1,767	1,364	1,361	1,904	2,259	5.5%	





Egypt registered a growth of 15% in the musical instruments category in the last year, and has an increasing demand for Bells, gongs and the like (HS code 830610) among all the countries in the African region. However, **in the absence of any trade agreement, high import duty rate of 30% is applied here.**

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
South Africa	7079	101394	70	-7
Libya, State of	6988	-	7571	N/A
Algeria	4844	-	2992	N/A
Nigeria	3867	2327	1662	42
Egypt	3140	1178	2666	15
Morocco	2462	639	3853	19
Mauritius	1237	47677	26	2
Djibouti	1228	915	1342	N/A
Ghana	1084	636	1704	-13

- Musical instruments in Africa are not only used for making music, they are also used to communicate to both man and spirit, translating and emitting daily experiences and events. They serve a variety of roles: some may be confined to religious or ceremonial occasions, others are used in a more secular fashion for entertainment.
- Drumming is an essential part of the African healing dance experience where the energy of the drums forms an important triad of music, dance and song.
- In Ancient Egypt, music therapy was a staple in temples.

ASEAN

Import Trends of metals handicrafts and Musical instruments in the ASEAN region has been found to be the highest in HS code 830629 (Statuettes and other ornaments of base metals) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 830610 i.e bells, gongs and the like of base metals as it has a better RCA amongst all products.

ASEAN	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Metals and instruments	51,393	54,642	44,972	50,984	48,702		
830629	Statuettes and other ornaments, of base metal, not plated with precious metal	32,856	34,420	24,657	30,709	29,255	60.1%	
920600	Percussion musical instruments, e.g. drums, xylophones, cymbals, castanets,	14,853	16,545	16,180	15,855	14,807	30.4%	
830610	Bells, gongs and the like, non-electric, of base metal (excluding musical	3,684	3,677	4,135	4,420	4,640	9.5%	

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



TRADITIONAL GONGS ARE USED TO CALL THE VIETNAMESE CHILDREN'S TO SCHOOL.



The space of gong culture in the Vietnam Central Highlands (Vietnamese: Không gian văn hóa Cồng Chiêng Tây Nguyên) is a subregion in Central Vietnam that is home to cultures that value gongs. It includes provinces of Kon Tum, Gia Lai, Dak Lak, Dak Nông, and Lam Dong. In the length of Vietnam cultural history, the gong culture acknowledges gongs as a privileged connection between men and the supernatural, where each gong houses a deity whose power corresponds to the gong's age.

In **Vietnam cultural** history, gongs were played to celebrate a new and prosperous rice season and express the sacred belief of communicating with the supernatural powers. In all of the most important festivals in a year of the Highlanders, from infant's ear-blowing ceremony, mourning ritual to the buffalo-stabbing ceremony, the attractive and sweet melody of gongs play an undeniable part in connecting people in the same community.

Closely linked to daily life and the cycle of the seasons, their belief systems form a mystical world where the gongs produce a privileged language between men, divinities and the supernatural world. Behind every gong hides a god or goddess who is all the more powerful when the gong is older. Every family possesses at least one gong, which indicates the family's wealth, authority and prestige, and also ensures its protection. While a range of brass instruments is used in the various ceremonies, the gong alone is present in all the rituals of community life and is the main ceremonial instrument.

Each instrumentalist carries a different gong measuring between 25 and 80 cm in diameter. The maximum size of gongs can reach 90 to 120 cm in diameter. From three to twelve gongs are played by the village ensembles, which are made up of men or women. Gong festival is an annual festival held in provinces which are famous for gong

culture, including Đăk Lăk — an important and favorable place due to its crucial position in Tay Nguyen’s culture, politics and society.

Xylophones reach their highest development in Southeast Asia. They vary in form from the simplest log type to the highly developed orchestral instruments found in Indonesia. Xylophones of the Indonesian gamelan, or percussion orchestra (and some mainland ensembles), have various complementary compasses.

Indonesia registered a growth of 3% in the musical instruments category in the last year, and has an increasing demand for Bells, gongs and the like (HS code 830610) among all the countries in the ASEAN region. **Though the MFN duty is 12.5%, but India avails the preferential tariff of 5% import duty under the India-ASEAN FTA.**

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Singapore	13488			-7
Thailand	10976	122909	89	2
Malaysia	7717	71892	107	-22
Indonesia	6235	1142	5460	3
Philippines	4026	1452	2773	-15
Viet Nam	3774	350	10783	23
Cambodia	1814	290	6255	104
Myanmar	537	124	4331	20
Brunei Darussalam	99	410	241	-85
Lao	36	4	9000	-18

INSTRUMENTS OF THE GAMELAN BONANG



- Instruments with two row of gongs resting on cords across a wooden frame.
- One of the instrument that elaborate the main melody in Javanese Gamelan Music.

- Although metal instruments are expensive to make, compared with those of wood or bamboo, they will not mold or deteriorate in Indonesia's hot, steamy climate.
- In **Indonesia** and East Asia tuned gongs are united to form gong chimes. The horizontal gong chimes of Indonesia (called bonang in Java) are outstanding components of Southeast Asian orchestras and have been known since the 10th or 11th century. Frames of Thai gong chimes arch upward at both ends to form an upright semicircle.
- The **Gamelan** is the national instrument of Indonesia. A miniature orchestra, it is an ensemble of 50 to 80 instruments, including tuned percussion comprised of bells, gongs, drums and metallophones (xylophone-like instruments with bars made from metal instead of wood). The wood frames for the instrument are usually painted red and gold.
- Today, gamelan is an important feature of shadow puppet shows, dances, rituals, and other performances in Indonesia. Most Indonesians today have embraced this ancient musical form as their national sound. Important island-wide festivals, such as Galungan, call for ten days of prayer, music and dance. Most villages boast several gamelans owned by the local music club.



CERAMIC & GLASS

The major glass producing countries in the world are Germany, USA, UK, China, and Japan. The major importing countries are USA, Germany, Japan, France, Italy, and Australia. The main consuming regions are Europe, China, and North America, that together account for 74 per cent of global demand for glass. Europe is the most mature glass market and has the highest proportion of value-added products. Lower quality float and sheet glass production is gradually being replaced by high quality float glass across the globe.

Global Ceramics Industry

The ceramic ratio between consumption and production has been stable at around 94 per cent. Ceramic production has been increasing at a cumulative rate of close to 6 per cent. Asia is the most significant region by production, as well as consumption, accounting for more than 50 per cent of both. China is the leading country in the production of ceramic tiles with a share of 33 per cent at a total production of 2,200 million square meters, followed by Spain and Italy. Europe accounts for 30 per cent and USA accounts for 14 per cent of the total global production of ceramic tiles. In terms of consumption the pattern remains similar, with Asia accounting for 51 per cent, Europe for 26 per cent and USA accounting for 18 per cent of the total global ceramic tile consumption.

WHERE DOES INDIA STAND?

Indian ceramic industry is dominated by ceramic tiles industry, with market of 4.9 bln EUR in 2017; overall ceramic industry expected to grow at ~9% CAGR to become ~7.5 bln EUR by 2022. Rising domestic consumption and exports to drive the ceramics industry - Major Export markets: Middle East and Europe - 20% of the total ceramics export is shipped to Saudi Arabia.

Indian flat glass market is expected to register a CAGR of 8% over the forecast period 2021 to 2026. The growth of the market can be attributed to the high demand from the construction & infrastructure industry and emerging application industries such as automotive, construction & solar energy.

- Rapid industrialization and urbanization in India, combined with the adoption of smart and energy-efficient technology as advanced construction practice have a positive influence on the flat glass demand. Moreover, India’s construction sector is likely to outpace other countries.
- Indian real estate industry is likely to reach USD 1 trillion by 2030 and may contribute approximately 13% to the country’s GDP by 2025. This is likely to increase the demand for flat glass and propel its market in the region.

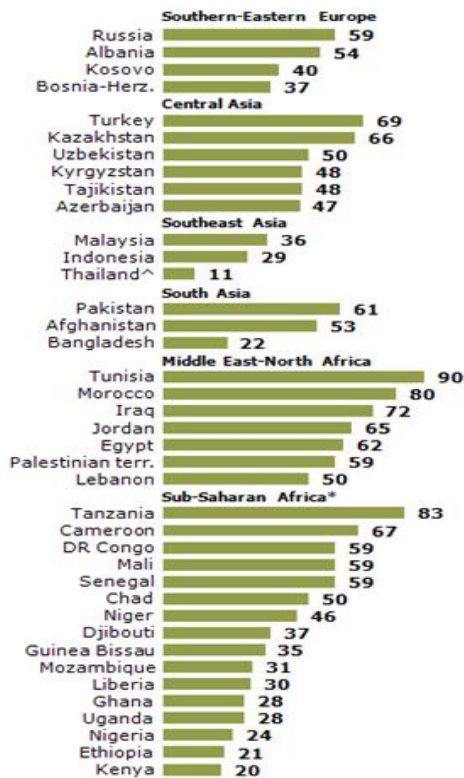
GLOBAL TREND IN GLASS ITEMS: WAY FORWARD FOR INDIA

The fascinating history of eye beads reminds us that gemstone and glass beads have always been more than adornment. Eye beads can bring peace of mind, ward off evil, expel bad luck and bring good fortune to its wearer. More recently, their meaning has expanded to include the cultivation of positive thoughts and happiness, too.

- In 20 of the 39 countries surveyed, half or more Muslims say they believe in the evil eye.
- Acceptance is generally highest in the Middle East and North Africa.

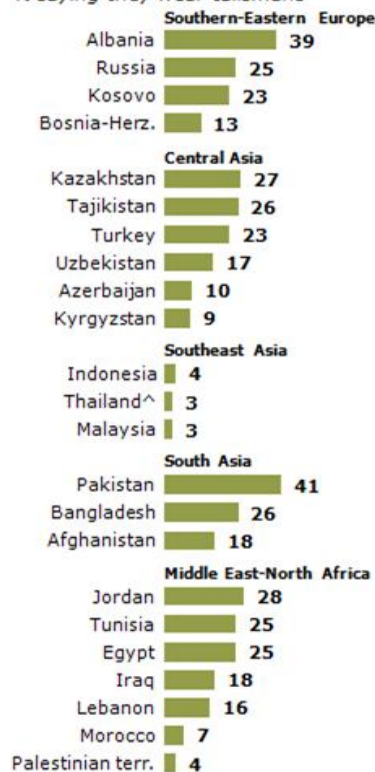
Belief in the Evil Eye

% saying people can cast harmful spells



Protection from Evil

% saying they wear talismans





PROSPECTS FOR INDIAN GLASS & CERAMIC ACROSS GLOBAL MARKETS

UNITED STATES OF AMERICA

The ceramics industry is one of the rapidly advancing sectors in the USA. The ceramics market in the US is estimated to be over 13 billion US dollars. The ceramic industry started progressing with the knowledge gained during the 1970s and with the attribution of new technologies.

The current dip in the trade. So there is a view of opportunity that India can utilize. The avg tariff is expected 3.2% where we lose our upper hand. Ceramics are special materials having a plethora of applications in almost all disciplines. The importance of ceramics is underestimated as many people believe that ceramics are all about tiles and pottery. This is not true.

USA	Product Label	2015	2016	2017	2018	2019	Trend
	Ceramics and Glass	30733	30290	30319	31118	29516	
'701890	Glass eyes (excluding prosthetic articles); articles of glass beads, or of imitation pearls, ...	30733	30290	30319	31118	29516	



Whitewares. These are used as electrical insulators, spark plugs, crucibles, high-class potteries, crucible dishes, and laboratory equipment.



Glass. It is used for making decorative items, optical lenses, and household glassware.

Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %	Average tariff (estimated) applied by the country (%)
India	11115	1043	10657	-1	3.2
China	9904	2827	3503	-20	3.2
Thailand	3430	3	1143333	35	0
Viet Nam	1010	7	144286	11122	3.2
Austria	922	3	307333	-7	3.2
Italy	798	3	266000	-28	3.2
Israel	742	5	148400	33	0

As is indicated in the table above, India is largest exporter for HS code 701890 with tariff of 0%.

EUROPEAN UNION

Import Trends of in Ceramic and Glass handicraft the EU region has been found to be the highest in HS code 701890 (Statutes and other ornaments of base metals) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 701890 as it has a better RCA amongst all products.

EU	Product Label	2015	2016	2017	2018	2019	Trend
	Ceramics and Glass	72126	65715	69803	69030	74247	
'701890	Glass eyes (excluding prosthetic articles); articles of glass beads, or of imitation pearls, ...	72126	65715	69803	69030	74247	

Italy registered a growth of 8% in the ceramics and glass category in the last year and has an increasing demand for glass eyes (HS code 701890) among all the countries in the EU region.

The production of glass jars in 2019 (7% of the total production of empty glass packaging) registered a slight drop of -0.4%. The main area of use of the jars is that of food preserves (including fish products) with a share of 67.8%; the remaining 32.2% is divided into sauces, baby food, jams, yogurt, and fresh desserts, spices, and more. In 2019 approximately 485 t/000 of glass jars were used in Italy, of which 27% were destined for the oil/vinegar sector and 16.1% for legumes.

Other user sectors are homogenized products (9.2%), various sauces, both tomato-based and not (14.2%), fish products such as tuna, anchovies, and sardines (5.7%). The remaining 27.8% of glass jars are divided into the fruit in syrup, olives, corn, spices, jams, cream spreads, yogurt, and more.

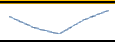



Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %
(EU 28) Aggregation	74247	11886	6247	N/A
United Kingdom	16405	4426	3707	58
Germany	10926	1586	6889	-3
Italy	9934	777	12780	8
Netherlands	7318	784	9334	5
Spain	5729	914	6268	0
Austria	4499	58	77569	-17
France	4385	449	9766	7
Belgium	4046	1134	3568	-2

Italy has an increasing demand for glass product (HS code 701890) i.e., 8% among all the countries in the European Union.

JAPAN

The trend in ceramics and glass handicraft products in the Japan region has been found to be high in HS code 701890 but its RCA is poor.

JAPAN	Product Label	2015	2016	2017	2018	2019	Trend
	Ceramics and Glass	5396	4842	4548	5223	5707	
'701890	Glass eyes (excluding prosthetic articles); articles of glass beads, or of imitation pearls, ...	5396	4842	4548	5223	5707	

Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 701890 i.e the like of ceramics as it has a better RCA amongst all products.

Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %	Average tariff (estimated) applied by the country (%)
China	3635	90	40389	46	6.6
Viet Nam	848	8	106000	-26	0
Austria	361	1	361000	-33	5.4
Italy	194	1	194000	22	5.4
USA	187	1	187000	24	6.6
Korea, Republic of	90	0		246	6.6
Thailand	65	1	65000	-72	0

As is indicated in the table above, China is largest exporter for HS code 701890 but has tariff of 6.6% in MFN. Vietnam is the closest competitor for India here has Preferential tariff is 1.2% and to perform better in market India need to have competitive advantage in future too.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Japanese people consume a very substantial amount of tea in their day-to-day life. So it creates a huge opportunity for our manufacturing sectors to full fill the demand.

LAC	Product Label	2015	2016	2017	2018	2019	Trend
	Ceramics	11,115	9,093	5,876	6,054	6,420	
701890	Glass eyes (excluding prosthetic articles); articles of glass beads, or of imitation pearls, ...	11,115	9,093	5,876	6,054	6,420	

Chile registered a growth of 5% in the ceramics and glass category in the last year and has an increasing demand for glass eyes (HS code 701890) among all the countries in the LAC region. MFN duty of 6% is applied here.

Country	Value imported in 2019 (the US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Brazil	1090	207	5266	14
Chile	971	2074	468	5
Mexico	899	0		-16
Panama	816	97	8412	N/A
Colombia	639	586	1090	66
Guatemala	300	88	3409	15
Ecuador	277	128	2164	44
Peru	181	82	2207	25
Argentina	157	73	2151	-5



Azabache Baby Brooch Evil Eye Protection Amulet Newborn Gift Mal de Ojo



- In Latin America the evil eye is known as "mal de ojo," and belief in it is especially widespread in rural areas. In Mexico and Central America, infants are considered at special risk for the evil eye (mal de ojo, above) and are often given an amulet bracelet as protection, typically with an eye-like spot painted on the amulet.

- Across Latin America and Spain amulets are employed to protect against the evil eye. Universal amulets to prevent evil eye include red and black glass bead bracelets, amber, and silver with a blue eye painted on top.

- In Latin America, Azabaches (a gold bracelet or gold pin with a black or red coral charm) are worn to protect against the Mal de Ojo, or evil eye.

CIS

CIS	Product Label	2015	2016	2017	2018	2019	Trend
	Ceramics	1,561	1,526	2,392	2,722	2,984	
701890	Glass eyes (excluding prosthetic articles); articles of glass beads, or of imitation pearls, ...	1,561	1,526	2,392	2,722	2,984	

TURKEY

- Throughout Turkey the profusion of cobalt blue eyes, known as Nazar Boncugu, are hard to miss. From key rings, to magnets, decorated plates, coffee cups, wall hangings, art work, jewellery and t-shirts. This amulet, known also as the Nazar eye bead, is thought to protect the bearer from the menacing power of the evil eye.
- The blue color reminds people of fresh, cool water in an arid region of the world, where water is precious.
- In the Jewish faith, red is often associated with luck and luck, so red is also a popular color.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Nazar amulets dangle from the front of houses, keep an eye on guests in hotel reception areas, cafes and businesses, are pinned on babies' clothing for protection, hang randomly from rear windows in cars, in buses – one on the driver's side and one on the passenger's side – and are even hammered into footpaths. In one case, a number of small Nazar eye beads were hammered around a manhole.



GLASS EYE JEWELLERY

Kazakhstan registered a growth of 209% in the ceramics and glass category in the last year, and has an increasing demand for glass eyes (HS code 701890) among all the countries in the CIS region. However, without any trade agreement, the applied tariff duty is 9.4%.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Russian Federation	1483	645	2299	-14
Kazakhstan	535	269	1989	209
Azerbaijan	237	106	2236	-1
Georgia	184	70	2629	47
Ukraine	144	26	5538	-31
Belarus	110	74	1486	24
Armenia	97	25	3880	-1
Uzbekistan	72	62	1161	125

Many Muslims in Central Asia also believe in the evil eye. Clear majorities in Turkey (69%) and Kazakhstan (66%) say the evil eye is real. About half in each of the other countries in the region share this view.

Khazakhstan

- Special amulets with eyes on them, known as “kozmonshak,” which literally means “beads with eyes,” are also thought to help ward off the evil eye. Similar amulets have become popular among car owners, who hang them in their vehicles in the belief they will bring an “open road” and luck.
- The baby's first smile was celebrated by giving it a bracelet against evil eye - kozmonshak, which consisted of black beads with white spots. The combination of black and white in this case functioned as a strongest guard.
- The Kazakh amulet represents a human eye, where the eyeball is a black bead, and the white spot on it show the iris and pupil, repelling an evil look and performing a protective function

AFRICA

Africa	Product Label	2015	2016	2017	2018	2019	Trend
	Ceramics	3,501	5,566	4,885	6,126	8,617	
701890	Glass eyes (excluding prosthetic articles); articles of glass beads, or of imitation pearls, ...	3,501	5,566	4,885	6,126	8,617	

Algeria has an increasing demand for glass eyes (HS code 701890) among all the countries in the African region. However, **without ant trade agreement, a very high tariff duty is applied at 30%.**

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Algeria	1829	304	6016	N/A
Libya, State of	1683	373	4512	N/A
Morocco	1179	125	9434	14
South Africa	936	887	1055	42
Tunisia	500	35	14286	77
Tanzania, United Republic of	326	149	2188	N/A
Angola	258	77	3351	30
Sudan	239	68	3515	N/A
Djibouti	230	74	3108	N/A
Egypt	220	140	1571	-20

- Another age-old Silk Road amulet: **hand-shaped hamsas**, plentiful in markets from Morocco to Israel. The graceful palms—which Jews call **Hands of Miriam** and Muslims know as Hands of Fatima—are rendered in brass, tin, enamel, and other materials. They’re available to go on necklaces, wall hangings, door knockers, coffee mugs, and what are surely meant to be protective candles.
- One of the most powerful examples of evil eye amulets in the Africa is Hamsa, also known as the "**Hand of Fatima.**" Hamsa is a hand symbol with evil eyes on the palm of your hand. Hamsa can be used for wallpaper or jewelry to prevent evil eyes.





The Hamsa is a palm-shaped amulet popular throughout the Middle East and North Africa.



Hamsa Charm Amulet Bracelet with blue evil eye, colored glass beads

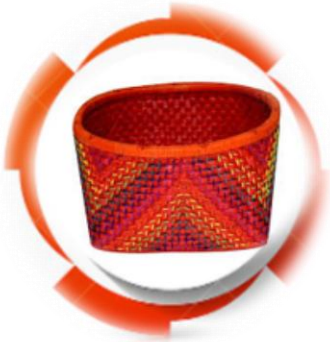
The hamza hand sometimes includes an evil eye symbol, which is thought to protect against the evil eye. It is often worn as a pendant on a necklace but also is found on key chains, house decorations, baby carriages, and other jewelry items.

ASEAN	Product Label	2015	2016	2017	2018	2019	Trend
	Ceramics	12,305	18,755	20,892	14,014	10,012	
701890	Glass eyes (excluding prosthetic articles); articles of glass beads, or of imitation pearls, ...	12,305	18,755	20,892	14,014	10,012	

Viet Nam registered a growth of 18% in the ceramics and glass category in the last year, and has an increasing demand for glass eyes (HS code 701890) among all the countries in the ASEAN region. MFN duty of 0% is applied here.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Singapore	3290	0		-8
Thailand	2518	572	4681	-19
Viet Nam	1470	110	8995	18
Philippines	1447	273	15160	-72
Malaysia	502	177	3172	60
Indonesia	498	113	5940	1
Cambodia	156	44	6700	16
Myanmar	72	21	1250	620
Brunei Darussalam	59	23	18000	228
Lao PDR	0	0	8197	-100

Overall, reliance on talismans is least common in Southeast Asia, where only a small number of Muslims in Indonesia (4%), Thailand (3%) and Malaysia (3%) report wearing objects to ward off evil or misfortune.



BASKETWORK

The global Handmade Paper Decorations market size is projected to reach USD million by 2026, from USD million in 2020, at a CAGR during 2021-2026. The global paper products market size was estimated at USD 268.8 billion in 2018 and is expected to register a CAGR of 0.3% from 2019 to 2025. This growth is primarily attributed to the rising demand for packaging paper by major companies in the retail, FMCG, pharmaceutical, and hospitality industries.

Straw is plaited to produce products including straw hats and ornaments. Straw can be plaited for several purposes, including the thatching of roofs, to create a paper-making material, for ornamenting small surfaces as a "straw-mosaic", for plaiting into the door and table mats, mattresses, and for weaving and plaiting into light baskets and to create artificial flowers. Straw is also plaited to produce bonnets and hats.

WHERE DOES INDIA STAND IN THE MARKET OF PLAITING HANDICRAFTS?





The Indian paper and board industry offer many opportunities for the innovative use of limited resources. For a developing country like India, faced with increasing shortages of raw materials, energy sources, and capital, the development of the handmade paper industry offers considerable potential to meet the increasing demand for paper products in an environment-friendly way. Handmade paper production uses exclusively non-forest raw materials. This sector produces goods valued at \$2.5 million with a workforce of 5300 persons. The demand for paper and board in India will certainly continue to grow as the country's economy develops over the coming decades. Per capita consumption is expected to rise from the present 2.5 kg to 4 kg by the year 2000.

This figure is still rather low compared with consumption per capita in many industrialized countries. Total production of paper and board in India is predicted to rise in the next six years from 2.2 million to 4 million tonnes. The Indian paper products market is projected to grow from \$ 8.6 billion in 2018 to \$ 13.4 billion by 2024, exhibiting a CAGR of 7.8% during 2019-2024.

PROSPECTS FOR INDIAN PLAINTAIN ACROSS GLOBAL MARKETS

UNITED STATES OF AMERICA

Import trends of handicrafts of plaiting and paperwork in the USA region has been found to be the highest in HS code 460219 (basketwork) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 460199 i.e plaiting materials, plaits, and similar products of non-vegetable material as it has a better RCA amongst all products.

USA	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Plaiting and Paper work	254837	242031	241541	268436	263566		
460219	Basketwork, wickerwork and other articles, made directly to shape from vegetable plaiting materials ...	239467	229159	234517	259010	253408	96.15%	
'460199	Plaiting materials, plaits and similar products of non-vegetable plaiting materials, flat-woven ...	5952	4826	3345	5575	8272	3.14%	
'480210	Handmade paper and paperboard of any size or shape	9418	8046	3679	3851	1886	0.72%	

The fastest-growing import markets in Bamboos used primarily for plaiting for the United States between 2017 and 2018 were Argentina(\$1.55M), Colombia (\$111k), and Guatemala (\$47.5k). As is indicated in the table above, China is largest exporter for HS code 460199 but has tariff of 2.7% in MFN. Vietnam is the closest competitor for India here has MNF tariff is 2.7% and to perform better in market India need to have competitive advantage in future too.

United States imported \$14.6M in Bamboos used primarily for plaiting, becoming the 1st largest importer of Bamboos used primarily for plaiting in the world. In the same year, bamboo used primarily for plaiting was the 3376th most imported product in the United States. United States imports Bamboos used primarily for plaiting primarily from China (\$11.3M), Argentina (\$1.9M), France(\$675k), Colombia (\$240k), and Guatemala (\$74.1k).



Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %	Average tariff (estimated) applied by the country (%)
China	121289			-23	2.7
Viet Nam	59873	14779846	4.05	48	2.7
Philippines	29280	N/A	N/A	18	0
Indonesia	14012	N/A	N/A	13	0
Mexico	12901	N/A	N/A	42	0
India	4903	N/A	N/A	28	2.7
Canada	3188	N/A	N/A	-17	0

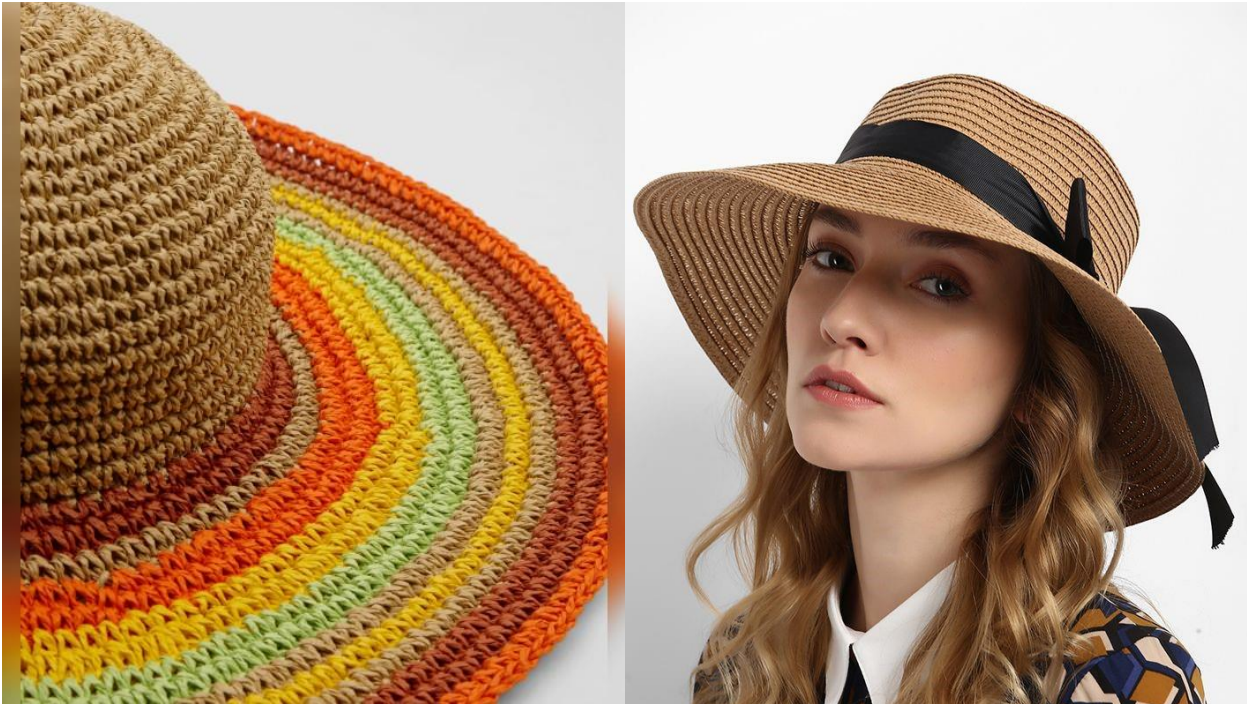
EUROPEAN UNION

Import Trends of handicrafts of plaiting and paperwork in the EU region has been found to be the highest in HS code 460219 (basketwork) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 460199 i.e plaiting materials, plaits, and similar products of non-vegetable material as it has a better RCA amongst all products. The European Parliament has voted to ban single-use plastic cutlery, cotton buds, straws, and stirrers as part of a sweeping law against plastic waste that despoils beaches and pollutes oceans. The vote by MEPs paves the way for a ban on single-use plastics to come into force by 2021 in all EU member states. Against this background, there is an increase in the consumption of wooden cutlery and tableware instead of disposable plastic ones. Growing demand is supported by both expanding domestic production and accelerated growth in imports.

EU	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Plaiting and Paper work	370865	358851	371400	412581	442633		
'460219	Basketwork, wickerwork and other articles, made directly to shape from vegetable plaiting materials ...	292702	286669	291270	312084	351819	79.48%	
'480210	Handmade paper and paperboard of any size or shape	51783	47418	54434	75424	62868	14.20%	
'460199	Plaiting materials, plaits and similar products of non-vegetable plaiting materials, flat-woven ...	26380	24764	25696	25073	27946	6.31%	

UK registered a growth of 11% in the ceramics and glass category in the last year and has an increasing demand for glass eyes (HS code 460199) among all the countries in the EU region. The UK recorded the highest rates of growth concerning imports, among the main importing countries over the last eleven years, while the other leaders experienced more modest paces of growth.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



A straw hat is a lightweight hat worn during the summer months. Historically a straw hat has always been made by using one, or more, of a wide range of materials. In the 1700s women’s hats were often made using wood chip which was eminently suitable. The style is back in trend and demand rose.

Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %
European Union (EU 28) Aggregation	442633	103852	4262	N/A
France	90330	30536	2958	6
Germany	69950	13727	5096	10
United Kingdom	52224	1838	28413	11
Netherlands	47812	13587	3519	-1
Spain	35715	8303	4301	13
Italy	24203	3742	6468	6
Poland	22691	9223	2460	9
Belgium	18699	3977	4702	28
Denmark	13385	3177	4213	-5

United Kingdom has an increasing demand for Wooden product (HS code 460199) i.e., 11% among all the countries in the European Union.

JAPAN

The trend Plaiting and paperwork handicraft product in the JAPAN region has been found to be high in HS code 460199 but its RCA is poor.

JAPAN	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Plaiting and Paper work	83833	80404	80614	77523	76000		
'460219	Basketwork, wickerwork and other articles, made directly to shape from vegetable plaiting materials ...	64940	61773	63771	60251	58121	76.48%	
'480210	Handmade paper and paperboard of any size or shape	13868	13366	12039	12594	12741	16.76%	
'460199	Plaiting materials, plaits and similar products of non-vegetable plaiting materials, flat-woven ...	5025	5265	4804	4678	5138	6.76%	

Japanese Hats have multiple uses in people's everyday lives. Primarily, it is used as a means of protection from the excessive heat from the sun or cold from the snow. It is used by people from different walks of life – from farmers tending the fields, to soldiers fighting in battle. Nowadays, hats serve a different function. People live in an age where they don't have to wear hats when traveling because of the availability of automobiles and other forms of transportation. This is in comparison to the earlier times when people needed to walk or ride a horse when traveling, exposing themselves to the harsh sunlight.

Importers	Value imported in	Quantity imported in	Unit Value	Annual growth in	Average tariff (estimated) applied
China	50304	6866	7327	-1	3
Taipei, Chinese	4831	724	6673	-2	3
Viet Nam	3734	618	6042	6	0
Philippines	3641	173	21046	-30	0
Thailand	2185	142	15387	10	0
Indonesia	2082	96	21688	10	0
Spain	1846	6	307667	181	0

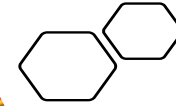
As is indicated in the table above, China is largest exporter for HS code 460199 with a tariff of 3% in MFN. Taipei, Chinese is the closest competitor for India here has Preferential tariff is 0% and to perform better in market India need to have competitive advantage in future too.

LATIN AMERICA

Import Trends of handicrafts of plaiting and paperwork in the LAC region has been found to be the highest in HS code 460219 (basketwork) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 460199 i.e plaiting materials, plaits and similar products of non-vegetable material as it has a better RCA amongst all products.

LAC	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Plaiting and paper	13,939	11,155	14,048	15,269	14,935		
460219	Basketwork, wickerwork and other articles, made directly to shape from	11,245	9,092	11,893	12,771	12,623	84.5%	
460199	Plaiting materials, plaits and similar products of non-vegetable plaiting	1,214	1,360	1,393	1,703	1,925	12.9%	
480210	Handmade paper and paperboard of any size or shape	1,480	703	762	795	387	2.6%	

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Handmade
baskets
made in
Antigua
market
Guatemala
Central
America



Ecuadorian hats are light-colored, lightweight, and breathable, and often worn as accessories to summer-weight suits, such as those made of linen or silk. The tightness, the finesse of the weave, and the time spent in weaving a complete hat out of the toquilla straw characterize its quality. A Panama hat, also known as an Ecuadorian hat or a toquilla straw hat, is a traditional brimmed straw hat of Ecuadorian origin. Traditionally, hats were made from the plaited leaves of the *Carludovica palmata* plant, known locally as the toquilla palm or jipijapa palm, although it is a palm-like plant rather than a true palm.

Chile registered a growth of 6% in the paper and plaiting handicrafts category in the last year, and has an increasing demand for Plaiting materials (HS code 460199) among all the countries in the LAC region. The MFN duty of 6% is applied here.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Brazil	3925	519	7563	16
Mexico	3392	0	9243	-5
Chile	1715	2200	780	6
Argentina	912	169	5396	-43
Panama	710	0	177500	N/A
Costa Rica	603	81	7444	84
Colombia	601	119	5050	72
Peru	499	95	5253	28
Uruguay	399	80	4988	8

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



The *chupalla* is a traditional Chilean horseman's hat made of straw. Many people in rural areas of Central Chile use it as well. In addition, it is often used when dancing the *cueca* (a Chilean folk dance) and during Chilean rodeos. The *chupalla* is essential to Chilean *huaso* dress. The name *chupalla* comes from a *chupalla*, a local name given to a bromelia plant that was used to make these hats. Today, *chupallas* are made of various types of straw, including rice and wheat.

CIS

Import Trends of handicrafts of plaiting and paperwork in the CIS region has been found to be the highest in HS code 460219 (basketwork) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 460199 i.e plaiting materials, plaits and similar products of non-vegetable material as it has a better RCA amongst all products.

CIS	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Plaiting and paper	8,681	9,726	9,808	10,845	12,430		
460219	Basketwork, wickerwork and other articles, made directly to shape from	7,502	7,821	7,801	8,263	10,220	82.2%	
460199	Plaiting materials, plaits and similar products of non-vegetable plaiting	749	935	1,204	1,647	1,628	13.1%	
480210	Handmade paper and paperboard of any size or shape	430	970	803	935	582	4.7%	

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Traditional Romanian hats made of straws.

Straw hats are worn by men (and women) throughout Romania in the summer. Straw hats vary in style from region to region although regional differences are now becoming less common as the straw version of the trilby takes over.

Belarus registered a growth of 39% in the paper and plaiting handicrafts category in the last year, and has an increasing demand for Plaiting materials (HS code 460199) among all the countries in the CIS region. The general tariff is 10%, but India avails the preferential tariff for GSP countries at 7.5%.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Russian Federation	9124	1894	4817	16
Ukraine	1068	153	6980	59
Belarus	567	128	4430	39
Tajikistan	509	0	920	-35
Kazakhstan	401	169	2373	-8
Georgia	196	29	6759	-13
Moldova, Republic of	190	24	7917	-21
Kyrgyzstan	135	156	865	322
Azerbaijan	120	22	5455	3
Armenia	58	8	7250	29

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES

Straws used in Belarus

Rye straw is mainly used for weaving as it has the longest and the most durable stems among cereals. Wheat straw is suitable too but it is more rough, shorter and thicker compared to the rye straw.



The image displays three distinct straw-weaving artifacts. On the left is a seated female figure, a doll. In the center is a horse, standing on four legs. On the right is a bird, possibly a peacock, with a large, fan-like tail. Each artifact is intricately woven from straw.

A doll was a protector for women.

A horse always accompanied a man and was his friend, adviser and protector.

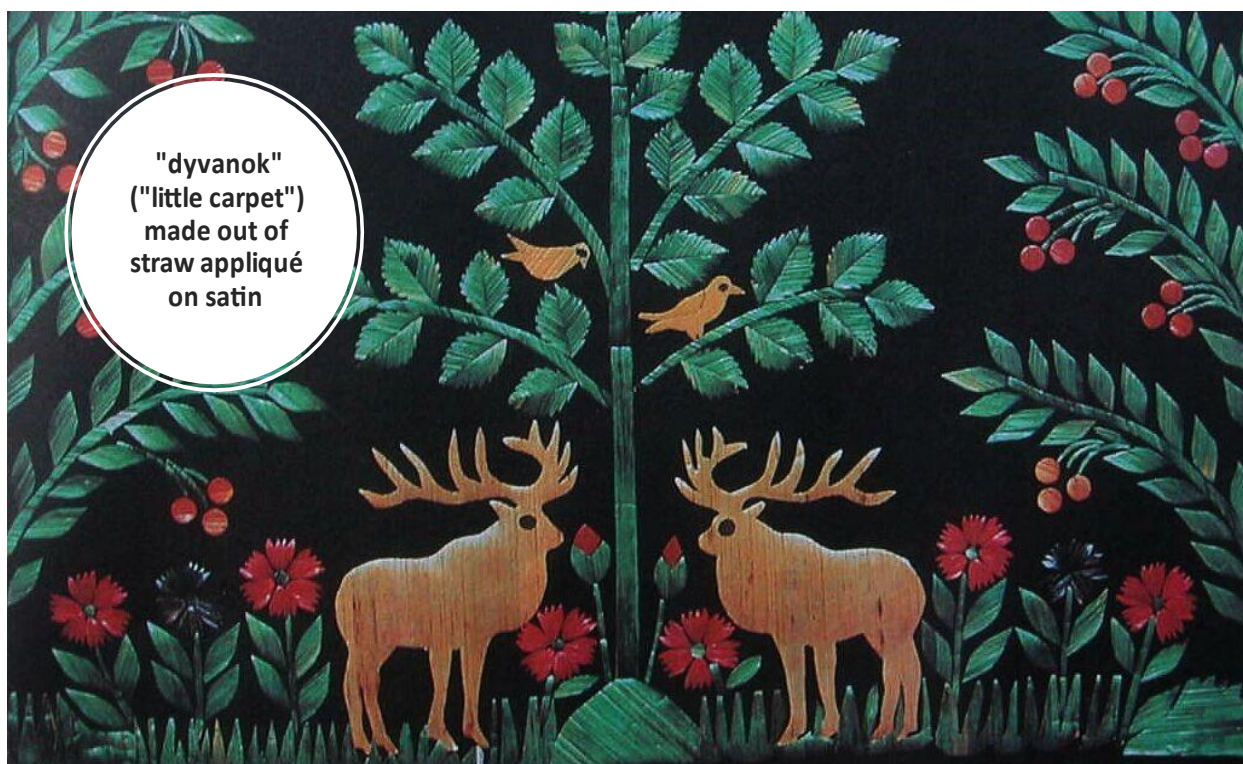
Birds represent our ancestors' souls



Beautiful and useful objects of everyday life were made out of straw and used for storage of goods and foods. All these boxes and baskets are made by straw weaving.



Belarusian men wear straw hats in summer



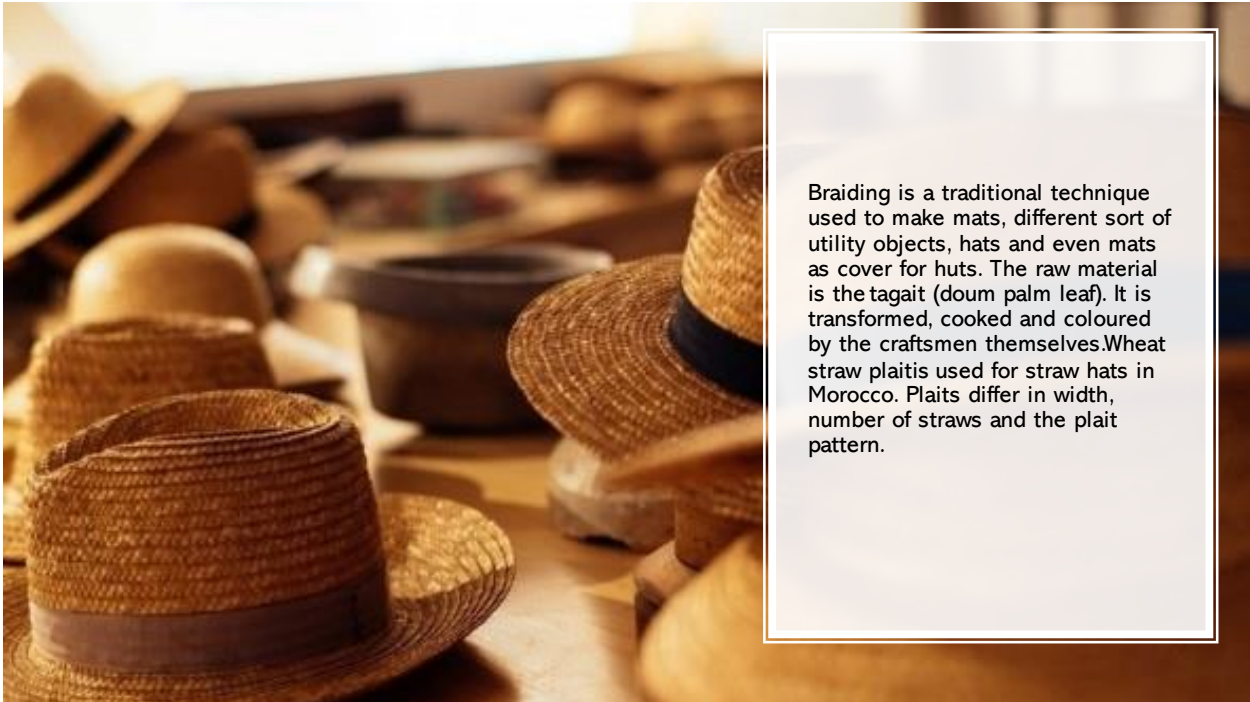
- Belarusian straw weaving techniques will get the status of historical and cultural heritage of Belarus.
- Acquiring the status of the national historical and cultural heritage will be the first step towards their inclusion in the **UNESCO World Heritage List**. The Culture Ministry intends to prepare the nomination file and send in to the UNESCO Committee for the Safeguarding of the Intangible Cultural Heritage in 2020.

AFRICA

Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 460199 i.e plaiting materials, plaits and similar products of non-vegetable material as it has a better RCA amongst all products. Also, the import trends of handicrafts of plaiting and paperwork in the African region has been found to be the highest in this code.

Africa	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Plaiting and paper	22,718	22,651	21,269	22,830	24,755		
460199	Plaiting materials, plaits and similar products of non-vegetable plaiting	8,287	9,222	9,755	14,512	16,090	65.0%	
480210	Handmade paper and paperboard of any size or shape	10,243	9,872	8,835	5,165	5,205	21.0%	
460219	Basketwork, wickerwork and other articles, made directly to shape from	4,188	3,557	2,679	3,153	3,460	14.0%	

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Straw hats can also be used as a chandelier.

NIGERIA

A prominent place among the Nigerian handicrafts is the weaving of palm fibers from raffia mats and a variety of straw or cane baskets for storage of cereals and even liquid. The woven products of the cities of Ikot Ekpene, Kano and Bida are especially valued.



Mats are made by plaiting fronds of raffia palm after which they are used as beddings or pieces of interior decoration. Fans, fishing baskets, shopping and wastepaper baskets, cane chairs are also made from palm fronds and canes.



95 million Nigerians are living without electricity

Nigeria has always been an electricity deficit country: straw made eco friendly fans for environmentally conscious customers

Import Prohibition in Nigeria

- ❖ Corrugated Paper and Paper Boards, and cartons, boxes and cases made from corrugated paper and paper boards
- ❖ All types of Bags and Suitcases

Niger has an increasing demand for Plaiting materials (HS code 460199) among all the countries in the African region. A very high MFN duty of 20% is applied here because there is no trade agreement of India with Niger.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Tunisia	2908	357	8146	-5
Burkina Faso	2830	3483	813	1
South Africa	2340	671	3486	13
Mali	2270	1238	1834	-15
Niger	1099	2053	535	-4
Egypt	788	357	2206	65
Nigeria	684	750	912	116
Morocco	578	115	5026	99

ASEAN

Import Trends of handicrafts of plaiting and paperwork in the ASEAN region has been found to be the highest in HS code 460219 (basketwork) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 460199 i.e plaiting materials, plaits and similar products of non-vegetable material as it has a better RCA amongst all products.

ASEAN	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Plaiting and paper	25,295	23,213	24,101	18,398	14,698		
460219	Basketwork, wickerwork and other articles, made directly to shape from	8,297	8,200	7,285	8,027	6,917	47.1%	
480210	Handmade paper and paperboard of any size or shape	14,482	11,857	13,705	6,987	4,339	29.5%	
460199	Plaiting materials, plaits and similar products of non-vegetable plaiting	2,516	3,156	3,111	3,384	3,442	23.4%	

Vietnam has an increasing demand for Plaiting materials (HS code 460199) among all the countries in the LAC region. Though the MFN duty is very high, 20%, but India avails a 0% duty benefit under the India-ASEAN FTA.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Thailand	4636	1295	3580	-16
Viet Nam	4075	1278	3188	-32
Singapore	2659	1225	2171	20
Malaysia	1730	742	2332	-32
Philippines	693	340	2038	51
Cambodia	465	426	1092	20
Indonesia	219	24	9125	-76
Lao PDR	99	101	980	-28
Myanmar	94	88	1068	-29
Brunei Darussalam	28	9	3111	-74

Filipinos have lived their lives amidst articles fabricated through plaiting. The banig or plaited mat, has serviced the Filipino for sleeping or sitting, for drying grain, as sails of water-going vessels, and in the past, for bundling the deceased in burial.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



In **Malaysia**, mats can be classified into two types: large, coarse mats for agricultural use; and finer ones for ceremonial or ritual purposes, mostly woven from processed pandanus strips dyed with chemical dyes and patterned.



Sedge mats are commonly found in Northern Vietnamese houses.

- The conical Asian hat is also known as the sedge hat, rice hat, paddy hat or coolie hat. Conical Asian hat is a simple style of conical hat originating in East and Southeast Asia, particularly Indonesia, Vietnam, Japan, and Korea.





ART WORKS/PAINTINGS

The global art market was valued at over 67 billion U.S. dollars in 2018, up from almost 64 billion the previous year. This increase is also shown in the volume of global art sales which reached approximately 40 million transactions in 2018, up from 39 million the previous year. When looking at different regions, North America held the highest share of the global art market, with Europe placing second.

WHERE DOES INDIA STAND IN THE MARKET OF PAINTING, ARTWORK, AND MANUFACTURED ITEMS?

India's art market is estimated to have been at around Rs14.6 billion (Rs1,460 crore), a decline of 6%. Growth in art and cultural initiatives is helping lay a strong foundation, positioning India as one of the major art destinations. With joint support from both private players and government bodies, the industry is likely to embark on a remarkable growth trajectory.

The Indian art industry has been dominated by art galleries; auction houses are slowly increasing their share in the overall market pie. The share of art galleries stood at 64% compared with 36% for auction houses.

Its 2019 annual auction turnover was up 29% versus the previous year, a faster pace of growth than any other Asian country, except South Korea. Just over 1,400 artworks sold in India in 2019, which – with an unsold rate of just 7% – was insufficient to satisfy domestic demand (the global average is above 30%). The country's annual Fine Art auction turnover total came to \$72.5 million in 2018, giving India 12th place in the global Art Market behind Australia.

PROSPECTS FOR INDIAN ART WORKS ACROSS GLOBAL MARKETS

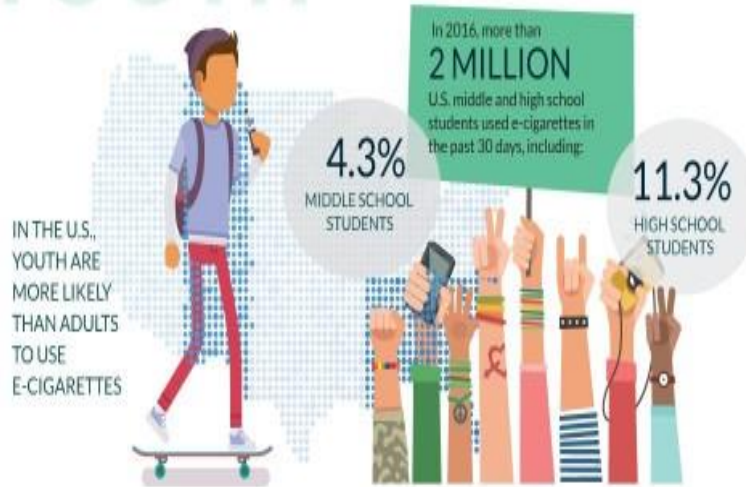
UNITED STATES OF AMERICA

Import Trends of paintings and manufactured artwork items in the USA region has been found to be the highest in HS code 960200 (worked vegetable or mineral carving) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 961400 i.e smoking pipes and pipe bowls as it has a better RCA amongst all products.

USA	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Art work and Mnf items	10045098	8188790	8761456	10186787	9807428		
'970110	Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by ...	8312808	6470058	7044044	7775006	7665228	78.16%	
'970300	Original sculptures and statuary, in any material	1249725	1261180	1230630	1867410	1605043	16.37%	
'960200	Worked vegetable or mineral carving material and articles of these materials n.e.s.; moulded ...	192327	197867	220877	245339	252224	2.57%	
'970190	Collages and similar decorative plaques	260844	233069	236258	261484	245909	2.51%	
'961400	Smoking pipes, incl. pipe bowls, cigar or cigarette holders, and parts thereof, n.e.s.	29394	26616	29647	37548	39024	0.40%	

WHO IS USING E-CIGARETTES?

E-CIGARETTES ARE NOW THE MOST COMMONLY USED TOBACCO PRODUCT AMONG U.S. YOUTH.



Nearly 40 million U.S. adults still smoke cigarettes, and about 4.7 million middle and high school students use at least one tobacco product, including e-cigarettes. Every day, about 1,600 U.S. youth younger than 18 years smoke their first cigarette.

Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %	Average tariff (estimated) applied by the country (%)
France	2901919	N/A	N/A	4	0
United Kingdom	1338669	N/A	N/A	-34	0
Italy	1130409	N/A	N/A	31	0
Germany	856117	N/A	N/A	-3	0
Spain	500316	N/A	N/A	-6	0
Belgium	333101	N/A	N/A	0	0
Switzerland	311483	N/A	N/A	-44	0
India	302969	N/A	N/A	228	0

As is indicated in the table above, France is largest exporter for HS code 961400 with a tariff of 0%. U.K is the closest competitor. For India here has Preferential tariff is 0% and to perform better in market India need to have competitive advantage in future too.

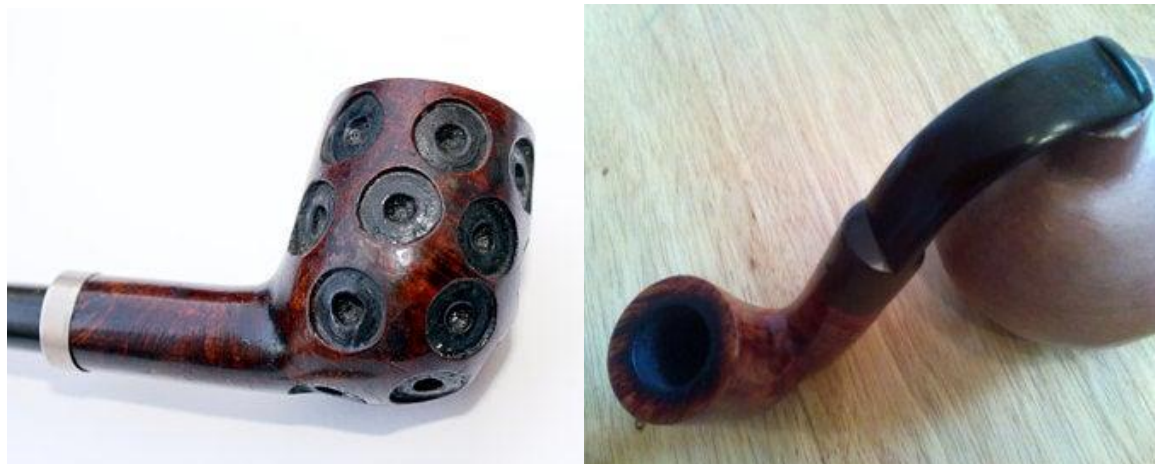
EUROPEAN UNION

Import Trends of paintings and manufactured artwork items in the EU region have been found to be the highest in HS code 960200 (worked vegetable or mineral carving) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 961400 i.e smoking pipes and pipe bowls as it has a better RCA amongst all products.

EU	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Art work and Mnf items	6665659	4472637	4157073	4871269	4671456		
'970110	Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by ...	5104043	3200345	2992421	3490451	3285983	70.34%	
'970300	Original sculptures and statuary, in any material	1043750	788815	663578	804780	805663	17.25%	
'960200	Worked vegetable or mineral carving material and articles of these materials n.e.s.; moulded ...	311071	298052	302994	329065	320997	6.87%	
'970190	Collages and similar decorative plaques	136249	106599	107725	143235	165713	3.55%	
'961400	Smoking pipes, incl. pipe bowls, cigar or cigarette holders, and parts thereof, n.e.s.	70546	78826	90355	103738	93100	1.99%	

Spain registered a growth of 13% in the paintings and manufactured artwork category in the last year, and has an increasing demand for smoking pipes and bowls (HS code 961400) among all the countries in the EU region.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



The law in Spain only allows bars and cafés to sell tobacco in machines, but there are no cigarette machines in water pipe bars. The tobacco packets used for the pipe carry false information on the nicotine and tar content, lowering both and omitting to say it is tobacco on the packet

Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %
European Union (EU 28)	4671456	48306	96705	N/A
United Kingdom	2448055	6226	393168	-2
Germany	588784	8951	65778	8
France	484453	4411	109828	-31
Italy	208403	1704	122267	-1
Austria	193302	739	261572	17
Belgium	167478	2559	65447	15
Spain	138015	14286	9661	13
Netherlands	100769	2345	42981	-37
Denmark	73254	345	212330	133

JAPAN

Import Trends of paintings and manufactured artwork items in Japan have been found to be the highest in HS code 960200 (worked vegetable or mineral carving) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 961400 i.e smoking pipes and pipe bowls as it has a better RCA amongst all products.

JAPAN	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Art work and Mnf items	351977	425305	515237	501388	447475		
'970110	Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by ...	288493	310655	459121	427078	375161	83.84%	
'970300	Original sculptures and statuary, in any material	51102	105934	46467	62835	61060	13.65%	
'970190	Collages and similar decorative plaques	6121	2820	3275	6189	5551	1.24%	
'960200	Worked vegetable or mineral carving material and articles of these materials n.e.s.; moulded ...	3569	2712	3264	3527	3517	0.79%	
'961400	Smoking pipes, incl. pipe bowls, cigar or cigarette holders, and parts thereof, n.e.s.	2692	3184	3110	1759	2186	0.49%	

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019,	Unit Value (USD tons)	Annual growth in value	Average tariff (estimated)
France	150024	13	11540308	-28	0
United States of America	147660	52	2839615	-10	5.2
Switzerland	31183	2	15591500	115	0
Netherlands	21127	1	21127000	-3	0
Germany	18543	12	1545250	-31	0
United Kingdom	18238	21	868476	-13	0
Italy	13078	16	817375	99	0
China	10719	372	28815	-13	5.2

As is indicated in the table above, France is largest exporter for HS code 961400 with a tariff of 0%. USA is the closest competitor. For India here has Preferential tariff is 0% and to perform better in market India need to have competitive advantage in future too.

LATIN AMERICA

Import Trends of paintings, artworks and manufactured items in the LAC region has been found to be the highest in HS code 960200 (worked vegetable or mineral carving) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 961400 i.e smoking pipes and pipe bowls as it has a better RCA amongst all products.

LAC	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Art Work	451,656	452,006	169,589	221,174	189,734		
960200	Worked vegetable or mineral carving material and articles of these materials n.e.s: moulded . . .	74,656	70,295	73,016	76,547	69,743	36.8%	
970110	Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by . . .	327,633	293,894	55,890	95,694	68,430	36.1%	
970300	Original sculptures and statuary, in any material	39,076	74,230	26,202	32,460	37,118	19.6%	
970190	Collages and similar decorative plaques	4,885	7,818	6,401	6,832	8,386	4.4%	
961400	Smoking pipes, incl. pipe bowls, cigar or cigarette holders, and parts thereof, n.e.s.	5,406	5,769	8,080	9,641	6,057	3.2%	

Artwork and Manufactured Items Regional Insights

- The availability of low cost raw material is the significant factor which is creating a positive impact on the market in Latin America. The stones used for sculpture are available in the region on a large scale. The low cost of raw material is complimented by low labor and transportation cost. One of the drivers for the market in Latin America is the high growth of North America market and the presence of prominent players in the market of North America who directly go to the Latin America region for finding good art pieces in the less price.
- In Mexico, both crafts created for utilitarian purposes and folk art are collectively known as “artesanía” as both have a similar history and both are a valued part of Mexico's national identity. Mexico's artesanía tradition is a blend of indigenous and European techniques and designs. Most of the artesanía produced in Mexico is ordinary things made for daily use, but they are still considered artistic because most contain decorative details and/or are painted in bright colors for aesthetic purposes. **Geometric designs are prevalent and Motifs from nature are as popular.**

Smoking pipes

- Adult **smoking** prevalence in Latin America has been reported to be approximately 40% for men and 24% for women, with 32% prevalence overall.

- Although Uruguay has fully legalized marijuana and consumption is "allowed" in many countries like Colombia, Argentina, Chile and Peru, most governments in the region still have strict views on cannabis.
- Brazil and Venezuela have some of the toughest postures against marijuana in the whole continent.
- Sturdy portable pipes that can endure rough handling are much more popular among regular users. Industrially-manufactured metal hand pipes, bullets and one-hitters are the usual devices people smoke from around here. Even most bowls in bongs/bubblers found in local smoke shops are made of metal, while the rest of the piece is made of plastic. Glass is generally reserved for importers, collectors and connoisseurs.
- Pipes have had a recent surge in popularity for different valid reasons. For starters, the need of many to remain stealth when smoking; a small pipe is more conspicuous than a blazing joint. Pipes have proven to be the best way for consumers to save weed (and money), in places where cannabis consumption is legal like Chile or Argentina and a gram can cost as much as \$25.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES

More fragile elements like ceramic, clay and wood are used by artisans to create unique pipes. Beautifully handcrafted works of native art that are well-liked as souvenirs and presents.



Colombia registered a growth of 57% in the paintings and manufactured artwork category in the last year, and has an increasing demand for smoking pipes and bowls (HS code 961400) among all the countries in the LAC region. A high MFN duty of 15% is applied because of no trade agreement.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Mexico	56252	-	-	-9
Brazil	47163	1745	27028	-9
Bahamas	16083	-	-	N/A
Argentina	10134	238	42580	-10
Panama	8390	-	-	N/A
Chile	7983	4378	1823	-26
Dominican Republic	5846	869	6727	33
Peru	4625	286	16171	-20
Colombia	3846	314	12248	57

- There are over 5 million smokers in Colombia. Teenage smokers account for nearly a third of smokers, and their numbers continue to rise. More than 72000 children (10-14 years old) and 2778000 adults (15+ years old) continue to use tobacco each day.
- In Colombia pipe tobacco and RYO tobacco are niche products, consumed mainly by affluent older males.

CIS

Import Trends of paintings, artwork and manufactured artwork items in the CIS region has been found to be the highest in HS code 960200 (worked vegetable or mineral carving) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 961400 i.e smoking pipes and pipe bowls as it has a better RCA amongst all products.

CIS	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Art Work	30,403	30,596	55,648	40,364	47,862		
960200	Worked vegetable or mineral carving material and articles of these materials n.e.s.; moulded . . .	12,716	14,920	18,216	21,108	24,683	51.6%	
961400	Smoking pipes, incl. pipe bowls, cigar or cigarette holders, and parts thereof, n.e.s.	6,108	4,915	4,888	6,603	8,832	18.5%	
970300	Original sculptures and statuary, in any material	2,892	3,012	3,229	4,518	8,548	17.9%	
970110	Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by . . .	8,119	7,288	28,748	7,617	5,301	11.1%	
970190	Collages and similar decorative plaques	568	461	567	518	498	1.0%	

Russian Federation registered a growth of 27% in the paintings and manufactured artwork category in the last year, and has an increasing demand for smoking pipes and bowls (HS code 961400) among all the countries in the CIS region. The general tariff is 13%, but India avails the preferential tariff for GSP countries at 9.75%.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Russian Federation	33123	3228	10261	27
Ukraine	5749	595	9662	8
Belarus	4254	1254	3392	7
Georgia	1035	79	13101	-18
Uzbekistan	990	-	19	31
Kazakhstan	977	168	5815	-10
Azerbaijan	700	71	9859	2

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



- Smoking was very popular throughout the 20th century and up to now we have a very high rate of smokers (About 69% of men and 30% of women are smokers). Nearly a third of Russia's adults smoke, making it one of the largest adult smoking populations.
- Russian Shisha design is far more superior to the mainstream hookahs. The stick design helps the better flow of smoke, while the steel exterior keeps the hookah cool. The base of the hookah is also designed to improve airflow and increase the capacity of smoke build-up. This design makes for dense vape-like smoke.

Russian Hand-made Phunnel designer bowl made from high grade clay. Provides exquisite smoking experience with no risk of overheating the shisha. Thick-walled bowl effectively insulates contents. The innovative clay processing technology we developed resulted in the creation of a bowl that neither overheats, nor chars the tobacco inside. This unique feature also allows people to remove the bowl with bare hands, making it highly convenient for both personal and lounge use. The thick walls guarantee steady warming, even heat distribution and stable temperature retention, ensuring a long smoking session without overheating and subsequent bitterness of tobacco.

AFRICA

Import Trends of paintings, artwork and manufactured artwork items in the African region has been found to be the highest in HS code 960200 (worked vegetable or mineral carving) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 961400 i.e smoking pipes and pipe bowls as it has a better RCA amongst all products.

Africa	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Art Work	82,391	93,614	103,691	119,679	96,064		
960200	Worked vegetable or mineral carving material and articles of these materials n.e.s; moulded . . .	35,816	34,175	39,249	37,609	34,217	35.6%	
970110	Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by . . .	24,393	26,052	24,431	21,724	32,415	33.7%	
970300	Original sculptures and statuary, in any material	7,882	6,716	19,775	10,691	11,400	11.9%	
970190	Collages and similar decorative plaques	9,220	19,821	13,095	39,301	9,017	9.4%	
961400	Smoking pipes, incl. pipe bowls, cigar or cigarette holders, and parts thereof, n.e.s.	5,080	6,850	7,141	10,354	9,015	9.4%	

Morocco has an increasing demand for smoking pipes and bowls (HS code 961400) among all the countries in the African region. MFN duty of 2.5% is applied here.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
South Africa	46816	122725	381	-28
Algeria	8706	463	18822	N/A
Egypt	8112	1661	4883	27
Morocco	5553	793	7003	-3
Central African Republic	3335	0		N/A
Ghana	3251	277	11736	-22
Tunisia	3094	154	20091	1
Nigeria	2540	420	6048	7
Sudan	1748	163	10715	N/A
Mauritius	1243	30167	41	-82

- A **sebsi** or **sibsi** is a traditional Moroccan cannabis pipe with a narrow clay bowl called a skuff (or shkaff), with a fine metal screen. To this a hardwood stem is attached, which may be up to 46 cm (18 in) long.
- Usually the pipe is made of olive wood, but this pipe is made from apricot wood, which gives the smoker a slightly sweeter and more pleasant taste in the mouth.

Cigars and pipe tobacco mainly purchased by more affluent consumers Cigarillos remained a negligible category in Morocco in 2019, with such products sold only in a few tobacco specialists. Cigars are sold through specialist cigar retailers, mainly in the four large cities of Casablanca, Rabat, Marrakech, and Tanger. These products are often smoked as a way to display status. (Euromonitor International)

Regulations - Morocco affirmatively finalizes the safeguard measures for imported welded steel pipes and proposes to impose an additional tariff of 25 per cent on the products involved, which will be reduced by 1 per cent year by year and valid for three years, and the measures will take effect the day after the announcement is published in the official Gazette. Products imported from mainland China, Taiwan and the Macao Special Administrative region are not subject to taxation.

ASEAN

Import Trends of paintings and manufactured artwork items in the African region has been found to be the highest in HS code 970110 (paintings) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 961400 i.e smoking pipes and pipe bowls as it has a better RCA amongst all products.

ASEAN	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Art Work	381,037	521,864	737,985	358,928	399,496		
970110	Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by ...	208,977	414,345	465,221	240,139	304,075	76.1%	
970300	Original sculptures and statuary, in any material	121,292	59,587	105,459	72,113	48,988	12.3%	
960200	Worked vegetable or mineral carving material and articles of these materials n.e.s.; moulded ...	44,274	38,443	49,011	39,511	38,707	9.7%	
970190	Collages and similar decorative plaques	5,081	7,955	117,122	5,650	5,574	1.4%	
961400	Smoking pipes, incl. pipe bowls, cigar or cigarette holders, and parts thereof, n.e.s.	1,413	1,534	1,172	1,515	2,152	0.5%	

Malaysia registered a growth of 99% in the paintings and manufactured artwork category in the last year, and has an increasing demand for smoking pipes and bowls (HS code 961400) among all the countries in the ASEAN region. Though the MFN duty is very high at 30%, but India avails the preferential tariff of 0% under the India – ASEAN trade agreement.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Singapore	320223	0		8
Malaysia	33014	3039641	11	99
Thailand	17489	84162	208	-10
Philippines	10586	845	12528	-21
Viet Nam	7994	177	45060	0
Indonesia	7445	656	11349	57
Cambodia	1547	138	11210	238
Myanmar	710	10999	65	27
Brunei Darussalam	294	101654	2.89	242
Lao People's Democratic Republic	194	21	9238	-52



WOODEN WORKS

The global handicrafts market has experienced a shift from ethnic designs to contemporary patterns coupled with the increasing adoption of handicrafts by the elite society. One of the primary factors catalyzing the growth of the market is a strong demand from offices, hospitals, and hotels. Moreover, the market is also influenced by the rise in travel and tourism as tourists often collect souvenirs, particularly handicrafts, from the places they have visited. Further, due to the low capital investment involved, the handicraft market is thriving across developing nations such as India, China, Afghanistan, etc. The global handicrafts market reached a value of US\$ 526.5 Billion in 2017. Looking forward, the market value is projected to reach approximately US\$ 984.8 Billion by 2023, expanding at a CAGR of more than 11% during 2018-2023.

WHERE DOES INDIAN STAND IN THE WOODEN HANDICRAFTS MARKET?

The export revenue share of the wooden-based handicraft is close to 40% of the total handicraft industry (US\$2 billion) in India. The Indian wooden handicraft sector is the second-largest employment provider after agriculture. The exported wooden articles market in India has a varied range of products including small gifts and decoratives, toys, statues, ornately carved suave and simple masterpieces, furniture, and household products. The main countries where Indian wooden handicrafts are exported are the USA, UK, Sweden, Singapore, Canada, Greece, and Portugal. Woodwares market stands at US\$ 420.45 million.

PROSPECTS FOR INDIAN WOODEN WORKS ACROSS GLOBAL MARKETS

UNITED STATES OF AMERICA

Import Trends of wooden articles in the USA region have been found to be the highest in HS code 950300 (tricycles, dolls, etc.) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 441990 i.e tableware and kitchenware of wood as it has a better RCA amongst all products.

USA	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Wooden	14235412	14596371	15125194	14937088	15586522		
'950300	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; ...	14235412	14596371	14968627	14757792	15387286	98.72%	
'441990	Tableware and kitchenware, of wood other than bamboo (excl. interior fittings, ornaments, coopers' ...	0	0	156567	179296	199236	1.28%	

The avg tariff for the Indian product is 5.3% which is as same as China which is the biggest importer of tableware products.



In the USA, people love to have wooden kitchenware in houses and it is very popular among the new generations about 81% of the household had woodenware in houses.

Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %	Average tariff (estimated) applied by the country (%)
China	13086309	N/A	N/A	4	5.3
Viet Nam	745968	N/A	N/A	39	5.3
Mexico	515876			-17	0
Indonesia	278657	N/A	N/A	26	0
Taipei, Chinese	146779	N/A	N/A	-16	5.3
Thailand	121916	N/A	N/A	33	0
India	105660	N/A	N/A	22	5.3

As is indicated in the table above, China is largest exporter for HS code 441990 with a tariff of 5.3% in MFN. Vietnam is the closest competitor. For India here has tariff 5.3% and to perform better in market India need to have competitive advantage in future too.

EUROPEAN UNION

Import Trends of wooden articles in the EU region have been found to be the highest in HS code 950300 (tricycles, dolls, etc.) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 441990 i.e tableware and kitchenware of wood as it has a better RCA amongst all products.

EU	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Wooden	16012590	16933087	18029350	18973019	19098495		
'950300	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; ...	16012590	16933087	17730895	18636003	18729944	98.07%	
'441990	Tableware and kitchenware, of wood other than bamboo (excl. interior fittings, ornaments, cooper's' ...	0	0	298455	337016	368551	1.93%	

Germany registered the highest growth in the Tableware and kitchenware category in the last year and has an increasing demand for tableware of wood (HS code 44-1990) among all the countries in the EU region. MFN duty of 8% is applied. People in Germany are not very social. They do not like to interact with others I like to live alone in peace. So a huge number of people like cooking and many are creative they love to decorate their house especially the kitchen. They are also a very font of beautiful cutlery. So wooden cutlery will be a great choice for them.

Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %
European Union (EU 28) Aggregation	19098495	1740233	10975	N/A
Germany	3423262	257636	13287	0
United Kingdom	2794954	281850	9916	-2
France	2291512	196754	11647	3
Netherlands	1343101	134604	9978	6
Italy	1211487	98373	12315	-4
Czech Republic	1135022	143628	7903	2
Spain	1119308	108205	10344	5
Poland	1113511	98063	11355	-3
Belgium	1038416	112686	9215	-3
Austria	500184	33542	14912	-2
Denmark	402035	26635	15094	21

Germany has an increasing demand for Wooden product (HS code 441990) i.e., 0% among all the countries in the European Union.

JAPAN

Import trends of wooden articles in the African region have been found to be the highest in HS code 950300 (tricycles, dolls, etc.) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 441990 i.e tableware and kitchenware of wood as it has a better RCA amongst all products.

JAPAN	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Wooden	1915683	2000005	2304620	2459209	2459397		
'950300	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; ...	1915683	2000005	2127142	2286518	2296681	93.38%	
'441990	Tableware and kitchenware, of wood other than bamboo (excl. interior fittings, ornaments, cooper's ...	0	0	177478	172691	162716	6.62%	

JAPAN HAS A RICH HERITAGE OF WOOD USE.

Since early times, back to the Jomon era, most temples, houses, handcrafts, and industrial arts have been based on wood. Wood is obtained from two sources: native forests and plantations. Of the total forested area in Japan, approximately 50% is occupied by natural forests and 40% by managed plantations. A further 10% is under bamboo forest. Coniferous trees, including Japanese Cedar and Cypress, are grown in managed plantations. Old-growth native wood is rarely available nowadays due to government regulations imposed on felling. It takes 60 - 80 years for conifers, Cedar and Cypress, to reach maturity, 150 - 200 years for broadleaf trees.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



Furo, or the more common and polite form ofuro , is a Japanese bath and/or bathroom. Specifically, it is a type of bath that originated as a short, steep-sided wooden bathtub. Baths of this type are found all over Japan in houses, apartments, and traditional Japanese inns but are now usually made out of plastic or stainless steel. A furo differs from a conventional Western bathtub by being of a deeper construction, typically in the region of 0.6 m (25 inches). The sides are generally square rather than being sloped. They generally have no overflow drainage. Traditional pot-shaped cast iron furo was heated by a wood-burning stove built-in below them.

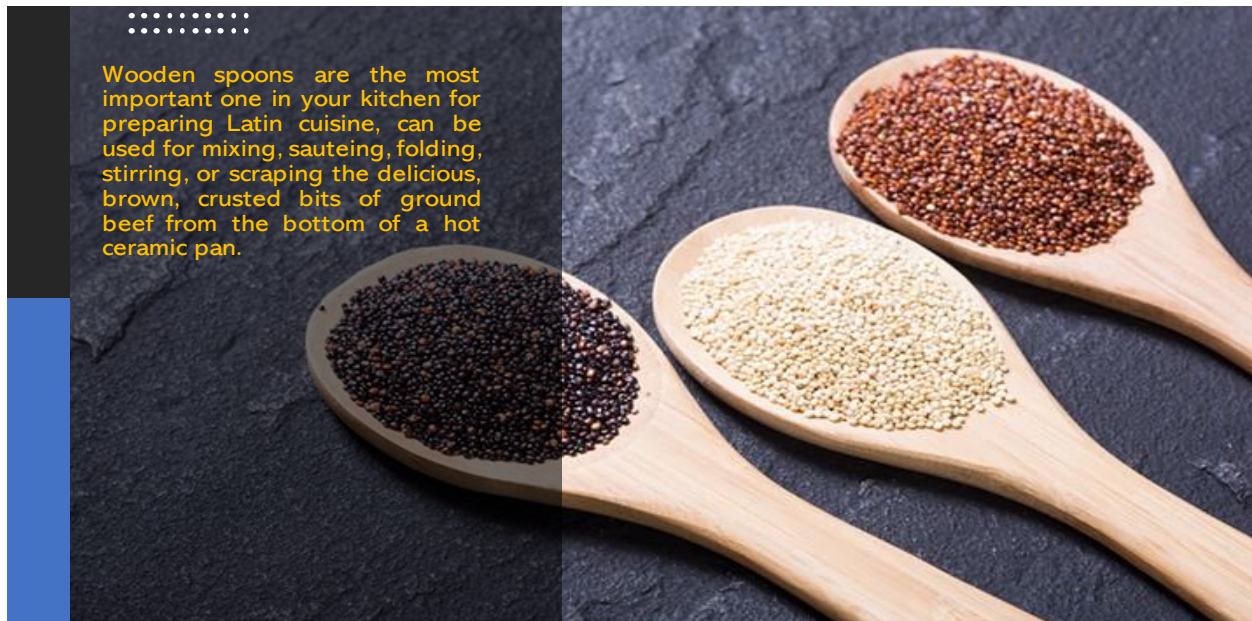
Importers	Value imported in 2019(US \$ Thousand)	Quantity imported in 2019, Tons	Unit Value (USD tons)	Annual growth in value between 2018-2019, %	Average tariff (estimated) applied by the country (%)
China	1941527	154495	12567	-1	4.7
Viet Nam	269331	25605	10519	9	0
Thailand	65219	5276	12361	2	0
Philippines	38348	2182	17575	5	0
Taipei, Chinese	30831	1508	20445	-3	4.7
Indonesia	19481	1185	16440	2	0
Republic of Korea,	13668	449	30441	25	4.7

As is indicated in the table above, China is largest exporter for HS code 441990 with a tariff of 4.7%in MFN. Vietnam is the closest competitor. For India here has Preferential tariff is 0% and to perform better in market India need to have competitive advantage in future too.

LATIN AMERICA

Import trends of wooden articles in the LAC region has been found to be the highest in HS code 950300 (tricycles, dolls etc.) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 441990 i.e tableware and kitchenware of wood as it has a better RCA amongst all products.

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES



BRAZIL



Brazilians use cutlery for eating everything. Brazilians rarely use their hands to eat certain foods as it is considered unhygienic. All type of food is cut with a fork and knife.



Citizens of São Paulo once took a different approach—and elected an animal: a Rhino



As of October 2019, Mexico was considered the country with the highest annual per capita consumption of beer among a selection of Latin American countries. During that period, it was estimated that Mexicans consumed an average of 68.8 liters of beer per person each year.

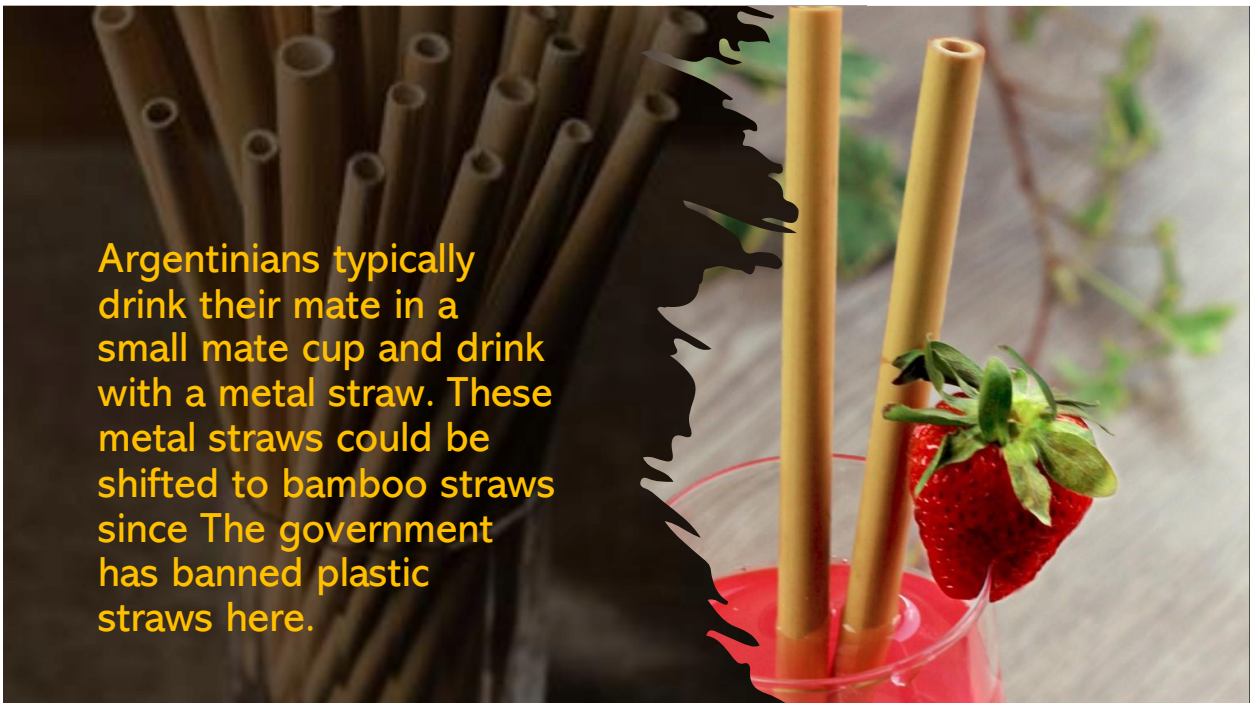


Mexico was considered the country with the highest annual per capita consumption of beer among a selection of Latin American countries.

ARGENTINA



A wooden yerba mate gourd is the perfect vessel for drinking mate the traditional way. Mate is a traditional South American caffeine-rich infused drink and the national drink of Argentina. Mate cups made with wood can be produced with different types of wood, such as rosewood, algarrobo, oak, orange tree, etc. It is then cut, dried, carved and finished to be fit for drinking.



Argentines typically drink their mate in a small mate cup and drink with a metal straw. These metal straws could be shifted to bamboo straws since The government has banned plastic straws here.



LAC	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Wooden	2,291,467	2,180,906	2,387,036	2,516,342	2,468,165		
950300	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; ...	2,291,467	2,180,893	2,378,734	2,506,530	2,456,384	99.5%	
441990	Tableware and kitchenware, of wood other than bamboo (excl. interior fittings, ornaments, ...)		13	8,302	9,812	11,781	0.5%	

Chile has an increasing demand for tableware of wood other than bamboo (HS code 441990) among all the countries in the ASEAN region. Though the MFN duty is 6%, but India avails a preferential tariff of 48% under the India-Chile trade agreement.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Mexico	991,484	-	-	9
Brazil	287,376	53,725	5,349	-1
Chile	232,230	299,418	776	-9
Peru	168,357	38,114	4,417	0
Panama	137,718	-	2,416,105	N/A
Colombia	118,760	26,156	4,540	-5
Argentina	108,705	13,869	7,838	-39
Guatemala	64,885	16,947	3,829	7
Ecuador	58,955	10,455	5,639	-30
Costa Rica	53,222	8,074	6,592	-3




MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES

The Andes House is a group of Chilean designers who develop furniture, lighting, accessories, and architectural products. Released as prototypes last year, this series of plates, dishes and mugs are each made from a single pieces of wood by Mapuche artisans. The interiors of the pieces are cut using a CNC machine, merging tradition with modern craft.

CIS

Import trends of wooden articles in the CIS region has been found to be the highest in HS code 950300 (tricycles, dolls etc.) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 441990 i.e tableware and kitchenware of wood as it has a better RCA amongst all products.

CIS	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Wooden	1,064,692	1,306,161	1,572,004	1,768,544	1,919,226		
950300	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; ...	1,064,692	1,306,160	1,565,229	1,760,529	1,909,608	99.5%	
441990	Tableware and kitchenware, of wood other than bamboo (excl. interior fittings, ornaments, ...)		1	6,775	8,015	9,618	0.5%	

Russian Federation registered a growth of 2% in the paintings and manufactured artwork category in the last year, and has an increasing demand for tableware of wood (HS code 441990) among all the countries in the CIS region. MFN duty of 8% is applied.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Unit Value (USD/ton)	Annual growth in value between 2018 & 2019 (%)
Russian Federation	1323578	155,322	8522	2
Ukraine	211947	27,633	7670	15
Kazakhstan	202147	48,736	4148	66
Belarus	88291	16,230	5440	21
Moldova, Republic of	23912	3,068	7794	3
Georgia	19906	3,848	5173	-6
Azerbaijan	17852	4,418	4041	4
Armenia	11166	2,900	3850	9

MOVING FROM HS CODE TO NTL: COUNTRY CASE STUDIES

There are two wooden souvenirs that can be found in almost every tourist's suitcase returning home from Russia: one is a the matryoshka doll. Matryoshka dolls babushka dolls, stacking dolls, nesting dolls, Russian tea dolls, or Russian dolls are a set of wooden dolls of decreasing size placed one inside another.



Channapatnam toys of India can be developed similar to Russian Matryoshka dolls

The other is a piece of khokhloma which is the name of a Russian wood painting handicraft style and national ornament, known for its curved and vivid mostly

flower, berry and leaf patterns. Often Firebird, the figure from the Russian fairytale, is also depicted.

Khokhloma painting is the name of a Russian wood painting handicraft style and national ornament, known for its curved and vivid mostly flower, berry and leaf patterns. For Russians, golden leaves and flowers symbolize a happy life and are believed to bring light and wealth.



AFRICA

Import trends of wooden articles in the African region has been found to be the highest in HS code 950300 (tricycles, dolls etc.) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 441990 i.e tableware and kitchenware of wood as it has a better RCA amongst all products.

Africa	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Wooden	383,336	341,317	368,028	446,399	508,042		
950300	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other	383,305	341,258	362,563	439,901	484,197	95.3%	
441990	Tableware and kitchenware, of wood other than bamboo (excl. interior fittings, ornaments)	31	59	5,465	6,498	23,845	4.7%	

Ghana registered a growth of 295% in the paintings and manufactured artwork category in the last year, and has an increasing demand for tableware of wood (HS code 441990) among all the countries in the African region. A very high MFN duty of 20% is applied because India does not has any trade agreement here.




Importers	2015	2016	2017	2018	2019	Annual growth in value between 2018 & 2019 (%)	Trend
South Africa	175789	162624	173532	183424	165065	-10	
Egypt	47072	23242	19623	44832	51917	16	
Algeria	25158	25476	28858	45010	49258	N/A	
Morocco	35938	40735	41763	42817	43224	1	
Libya, State of		0		0	40054	N/A	
Ghana	8753	2836	4178	4693	18516	295	
Sudan	4144	2625	3536	1226	16918	N/A	
Cameroon	3792	2435	3392	16192	9883	N/A	
Djibouti	1154	2527	7040	7154	9731	N/A	
Tunisia	8482	7925	8157	11591	9209	-21	

Wooden food contact materials serve important functions in every aspect of food preparations and, collectively, constitute the most frequently utilized cookwares in the Ghanaian home. Ghana has a rich variety of trees whose wood possess unique structural, physical and mechanical properties that allows for the manufacture of different wood based food contact materials including mortar, pestle, grinding bowl, grinding pestle, roller, chopping board, banku ladle and wooden spoon.

Opportunity For India - The Ghanaian people is heavily dependent on the wood produced in their country, since 60 % of the population is in some way related to the wood industry. And it is not only for export, wood is used for cooking, furniture, buildings, tools and handicraft and providing shadow for coca plants and is hereby an integrated part of everyday life in Ghana. And IF wood is cut continually in the speed as today, then Ghana will be without a tree in ten years.

ASEAN

Import trends of wooden articles in the ASEAN region has been found to be the highest in HS code 950300 (tricycles, dolls etc.) but its RCA is poor. Amongst the product categories imported in this category, Indian exporters have a huge potential for HS code 441990 i.e tableware and kitchenware of wood as it has a better RCA amongst all products.

ASEAN	Product Label	2015	2016	2017	2018	2019	Share in Imports	Trend
	Wooden	555,181	630,474	727,388	1,020,478	1,049,414		
950300	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other	555,181	630,474	722,693	1,011,056	1,041,276	99.2%	
441990	Tableware and kitchenware, of wood other than bamboo (excl. interior fittings, ornaments,			4,695	9,422	8,138	0.8%	

Indonesia has an increasing demand for tableware of wood other than bamboo (HS code 441990) among all the countries in the ASEAN region. Though the MFN duty is high at 15%, but India avails the preferential tariff of 5% under the India – ASEAN trade agreement.

Country	Value imported in 2019 (US \$ thousand)	Quantity imported in 2019	Annual growth in value between 2018 & 2019 (%)
Singapore	209475	0	-8
Indonesia	204495	45,276	0
Philippines	175179	68,934	8
Malaysia	170940	0	6
Thailand	129219	0	3
Viet Nam	90120	7,040	32
Cambodia	48232	14,755	-2
Myanmar	12524	14,331	2
Brunei Darussalam	6493	1,083	-9
Lao	2737	448	19