

# A STUDY ON EXPORTS OF HANDMADE PAPER INDUSTRY FROM INDIA

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## INTRODUCTION

Handmade paper industry is considered to be a conventional industry in India which produces via bamboo or wood grass or rice or jute or rags. Handmade paper used as a drawing paper or greeting cards or flip covers and the list keep goes on . The industry was very wealthy at the time of 7<sup>th</sup> century but it got affected because of emergence of paper mills during the Mughal period. Emergence of British rule affected numerous industries in India in which Handmade paper industry was one of it. But after independence, the industry started its plunge because it was re-energized by KVIC, 2009 which gave numerous employment prospects to rural people, enrich the lives of many people who were doing things innovatively in India. The industry requires low level of investment and hence it upsurge local entrepreneurs in an environment friendly way. Government upsurses the industries through KVIC who had an association with banks offer loans to many people who indulge in industry. Even a small quantity of production of handmade papers exported to various countries like USA along with Europe as well as Italy and then Thailand, UK and so on **Babu (2016-2017)** in which the export potential for this industry keep fluctuations from the past 10 years. Hence, the researcher make an effort in investigating how one of the Indian traditional industry has its export performance in India.

## AIM OF THE STUDY

The primary objective is to assess the exports performance of handmade paper industry from India and how the industry has its influence over GDP of India.

## SCOPE OF THE STUDY

The scope of the study is limited to handmade paper industry from India. An in-depth investigation benefited the producers to know the prospects available for the industry and at the same time it assisted the government to recognize the present situation of the industry. Finally it intimate the each and every person who involve in this industry find out a fresh way of identifying innovative ways in boost up the handmade exports for the future.

## DATA

The present study gathered data from Ministry of commerce and industry also acquired from various other journals as well as magazines and reports. The study investigated with the help of statistical tools like growth rate, compound growth rate and curve fit estimation

## REVIEW OF LITERATURE

**Jain, et al., (2017)** has represented in their study that how Sanganeri Handmade paper industry performed in India. Handmade paper industry was an art of India in which the industry got its benefits and training from KVIC that gave numerous employment opportunities to people in India. Though there were certain benefits, still the industry faced threats like lack of rawmaterial, irregular power supply and scarcity of funds. This significantly affected the performance of Sanganeri Handmade paper industry in India.

**Subramanian & Dr.Kumar, (1995)** has stated in the article that how Indian paper industry offered numerous prospects for those who came up with the innovative ideas. The industry has its prerequisites in the form of unique market segments for environment friendly way. In India, there was a huge number of threats like lack

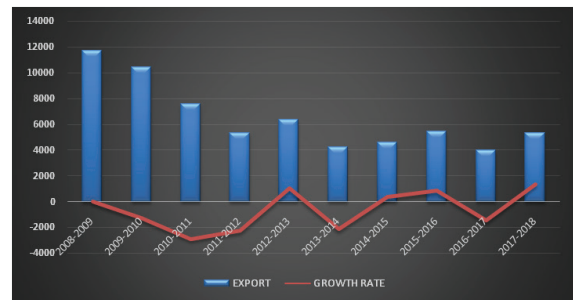
of raw material, capital which affected the demand for the products in the market. It was primary to overcome such threats, applied some innovative technology to capture whole markets.

**DATA ANALYSIS AND INTERPRETATION**

**Exports of handmade paper in quantities**

Year	Export	Growth rate
2008-2009	11709.44	0
2009-2010	10425.87	-11%
2010-2011	7567.42	-27%
2011-2012	5326.84	-30%
2012-2013	6356.11	19%
2013-2014	4240.15	-33%
2014-2015	4596.11	8%
2015-2016	5441.79	18%
2016-2017	3967.35	-27%
2017-2018	5340.69	35%
<b>AAGR</b>		<b>-5%</b>

Handmade paper industry is cottage industry in India with full of creative along with innovative and thought provoking ideas which had a high amount of exports in the year 2008 to 2010 and then from the year 2010 to 2018, frequent fluctuations notified which clearly explained via above table. The growth rate of handmade paper industry observed for the last 10 years depicts many ups and downs. This is clearly explained by conducting Annual average growth rate is -43.63. There is a chance of getting negative value of AAGR primarily because of the fact that India is not take serious steps in upgrading the industry and hence the industry still now continues with struggle in contradiction of bureaucratic apathy.

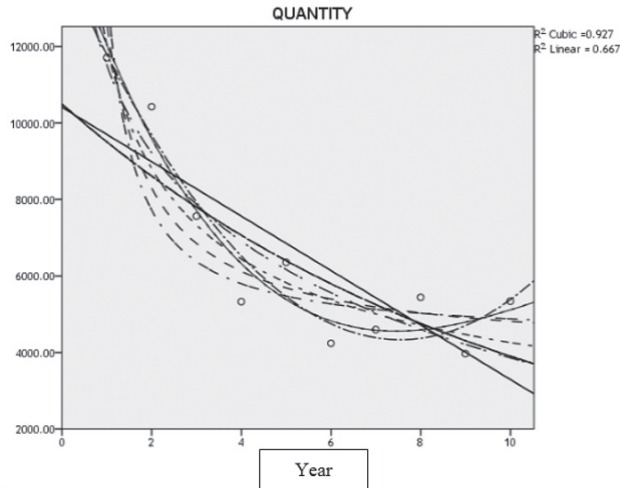


**Export performance – Trend analysis**

Particulars	R <sup>2</sup>	Degree of freedom	F	Sig	B0	B1	B2
LIN	0.667	8	16.016	0.004	10412.667 (9.434)	-711.907 (-4.002)	
QUA	0.922	7	41.216	0.000	<b>14329.677</b> <b>(14.460)</b>	<b>-2645.412</b> <b>(-6.383)</b>	<b>173.955</b> <b>(4.774)</b>
EXP	0.669	8	16.166	0.004	10495.759 (6.594)	-0.099 (-4.021)	
LOG	0.856	8	47.550	0.000	11528.947 (14.352)	-3331.324 (-6.896)	

From the above table, it makes crystal clear that linear along with quadratic as well as exponential and logarithmic trend models applied. Among the four models, quadratic and logarithmic found to be significant considering both R square and F statistic. Results exhibit that more than 92 percent of variations notified in India’s handmade pa-

per export. The trend curves of India Handmade paper exports diagrammatically represented below. The quadratic curves fit well and the R<sup>2</sup> value is 0.922 whereas logarithmic trend models estimated India Handmade paper exports to be growth of 14329.677 kg followed by sudden decline to -2645.412 and then it increased to 173.955



**Compound growth rate**

Source	Constant	Reg. Coefficient B	T Value	R <sup>2</sup>	F value	Average CGR
Handmade paper	10495.759	0.441	6.549	0.669	16.166	81.8

From the Compound growth rate calculation, it identified that b coefficient and t values were significant in the case of India’s export of handmade paper industry. It was observed that the goodness of fit was accelerated and compound growth rate was 81.8% which was significant at 5% level of probability. Hence the export of handmade paper showed F value as 16.166 and Average CGR to be 81.8% at 5 percent level of significance.

**Granger causality test**

Particulars	Obs	F-statistic	Prob
Export does not Granger Cause GDP	8	0.51136	0.6440
GDP does not Granger Cause Export	8	0.00559	0.9944
Import does not Granger Cause GDP	8	0.30709	0.7563
GDP does not Granger Cause Import	8	5.24173	0.1049
Import does not Granger Cause Export	8	0.68878	0.5673
Export does not Granger Cause Import	8	0.65020	0.5827

Source: Calculation by using E-views

It makes crystal clear from the above table that there existed bidirectional causality between Export of Handmade paper and GDP of India. Better export performance has an influence over GDP of India. But there existed unidirectional causality between imports and GDP. If India focuses on importing more number of handmade paper products from other countries has affected the GDP of India. Finally, there exists bidirectional causality between imports and exports of handmade paper in India. This is mainly due to the fact that better imports has an effect on exports of handmade paper industry from India.

**CONCLUSION**

The study considered certain tools like AAGR, Compound growth rate, curve fit estimation and granger causality test. From the test, it identified that AAGR declined to 5% which is noticeable that one of the traditional industries declined due to lack of support provided by the Government. It is well known that handmade paper industries will get significant growth in future because the demand for the industry is accelerated. This is mainly due to the fact that each and every country starts giving importance to use environment friendly products. In the present situation, Government acknowledge only limited products as handicraft status but producers expect to recognize whole products to give handicraft status to avail benefits from Government. Recently, Government launched a programme to enrich the status of handmade paper units in all states but they are giving less importance to this field. It is advisable for the producers to utilize the prospects available in global market and to produce the product to meet international demand. Finally, government starts giving lesser importance to handmade paper industry which does not provide subsidies or training to the artisans as per changing business situation and thus it leads to loosen the whole market share of handmade paper market in the global market.

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