

DIAGNOSTIC STUDY

REPORT: SILK CLUSTER

SRINAGAR

Description of the Project

With great potential and many artisans working in a concentrated manner for the production of silk products, Cluster-based development approach can be a boon to the Srinagar Silk Industry .

This approach is a proven solution for its sustainable competitiveness, employment generation and removal of poverty from the population.

The present diagnostic study is done mainly to *identify factors responsible for the limited growth of Srinagar Silk Cluster and suggest a suitable action plan to make the cluster sustainable.*

Activities performed

Primary Research -
Interviews, Focussed
group discussions

Secondary
Research -
Government Offices
and Support
Institutions

Status of Silk Cluster

There are small size units with an average turnover of Rs. 20 lakhs to Rs. 2 crores.

Annual turnover of the cluster is around Rs. 400 crores with an export of around Rs. 300 crores.

The cluster is famous for biovoltine mulberry silk produced by silkworm of the mulberry tree biologically known as *Bombyx Mori*.

The important marketing channels in the cluster are local traders, domestic traders and exporters.

The products produced in the cluster are Shawls, sarees, carpet , stoles and the embroidery work.

The process of costing is not scientific and requires small duration training of those who are involved in product costing process.

ISSUES FACED IN THE CLUSTER

Very few reeling units in the cluster.

Non-availability of common infrastructure.

Poor electricity supply for power looms.

Low level of design innovation and product diversification.

Unrest in the valley affecting tourism and thereby the market for silk products.

Limited marketing channels present in the cluster.

Absence of any silk industry focussed industry network.

Strong competition from the other clusters.

STRATEGY

To overcome these bottlenecks, development of the cluster with cluster based approach, appropriate BDS provisioning and development of common infrastructure, is the preferred way out.

This requires a proactive approach not only in terms of government support mechanism but also in the way silk and silk products are produced and business is transacted throughout the entire value chain.

PROPOSED INTERVENTION

- 1) Ensuring availability of sufficient and quality raw material**
- 2) Improvement in design and product diversification**
- 3) Social capital formation**

- 4) Awareness / exposure and training of manpower especially in reeling and rearing.
- 5) Strengthening of marketing linkages
- 6) Technical assistance for technology up-gradation

