

# DIAGNOSTIC STUDY REPORT: SUALKUCHI SILK CLUSTER

**ASSAM**

Sualkuchi (or Soalkuchi) is one of the world's largest weaving villages and a prominent center of silk production

## Description of the Project

The principal objective of this diagnostic study was to conduct an on-site analysis of the business dynamics and assessment of the Sualkuchi Silk cluster in order to do its gap analysis and finally work out an action plan to help enhance their cluster competitiveness.

### Activities Performed

Primary survey

Consultations with Local Industry Associations

Secondary research (Government publications, documents from local support institutions and research institutions)

Consultation workshop with the stakeholders

# STATUS OF THE SILK CLUSTER

- **Production estimate** - Sualkuchi's 17,000 looms produce about 31 lakh linear meters of handwoven silk fabrics worth about Rs 90crore every year.
- **Workforce and Employment** - Sualkuchi Cluster provides livelihood to around 27000 people in the cluster and 50000 people across the state
- Mainly **three types of silk fabrics** are weaved in Sualkuchi – tasar, mulberry, muga
- **Marketing channels**- Pvt. stores, Pvt. agents, Co-operative societies, yarn suppliers through subcontracting.
- **Products** – Sarees. Stoles, Shawls, gamochas, mekhela chador


## CHALLENGES

➔ Shortage of raw material


➔ Limited finance for business operations.

➔ Shortage of weavers

➔ Acute shortage of water and power



No proper marketing channel,  
unexplored export opportunities, sale  
of the same old product with limited  
market diversification



## STRENGTHS

*Rich and unique designs* make  
Sualkuchi products stand apart.

The *clusters historical lineage* - the  
latest visit by Dr. APJ Kalam gave tourism  
boost to the cluster.

The presence of around *17 to 18  
thousand looms* in the cluster is a big  
strength of the cluster, which can be  
exploited with a good strategy.

## WEAKNESSES

*Financial insecurity, unavailability of  
loans/credit*

*No technology development*

*No training centres*

*Poor infrastructure*

*Absence of social security*

*Catering only to local demands*

## OPPORTUNITIES

Silk being *natural and organic fibre*, it is highly in demand.

Due to its *unique designs* and motifs Assam silk is in great demand in Assam as well as other parts of the world; its uniqueness and beauty sets it apart from other silk products. A proper marketing strategy will give a boost to the sale of Sualkuchi products.

*Diversification and exquisite products* is need of the hour for the cluster. With the changing lifestyle and high prices of the products, emphasis on exquisite products can help the cluster boost its business

## THREATS

*Absence of testing laboratories*- There is no testing facility in the cluster to test the raw material or finished products for authenticity. Rejection rate is very high. There have been cases of impure raw material which is a blend with polyester.

*Increasing price of raw materials*- Due to the presence of middlemen involved in the process, the cluster has to pay a large amount for raw material procurement.

***Declining local demand*** - Changing trends are leading to people switching to modern lifestyle. Mekhela Chador which was worn by every woman in Assam in yesteryears is being replaced by Saris, leading to a decrease in local demand.

***Competition from Power loom*** - There has been agitation in the cluster due to selling of Banarasi products made on power looms in the name of Assamese silk , which not only puts a threat to prices but also to the credibility of the Assamese products.

***Weaver migration and unavailability-*** Labor is unstable and unreliable. Moreover government schemes like NREGA, etc. and job cards have influenced most of the weavers, due to which the cluster is facing acute shortage of weavers and in-active handlooms.

