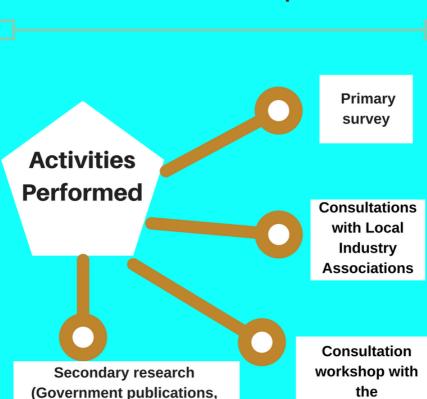
DIAGNOSTIC STUDY REPORT: SUALKUCHI SILK CLUSTER



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.



documents from local support institutions and research institutions)

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 - t*he 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.