

Building Exports from Jammu & Kashmir



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Building Exports from Jammu & Kashmir

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CONTENTS

	Page No.
List of Tables	v
List of Figures	vii
List of Boxes	ix
Executive Summary	1
1. Macroeconomic Profile	6
2. Jammu & Kashmir's Participation in International Trade	13
3. Trade Ecosystem and Policy Support	24
4. Strategies for Building Exports from Jammu & Kashmir	31
Appendix	45

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LIST OF TABLES

Table No.	Title	Page No.
1.1	Growth of GSDP of J&K at Constant Prices	7
1.2	Decadal Comparison of GSVA of J&K based on Sectors and Sub-sectors of Economic Activities (₹ billion)	9
1.3	GI-tagged Products of J&K	11
1.4	J&K's Fiscal Deficit (in ₹ crore)	12
2.1	Top 10 Merchandise Exports of J&K at 2-digit HS code level	14
2.2	Top Merchandise Exports of J&K at 6-digit HS code level	14
2.3	J&K's District-wise Exports in FY 2023-24	16
2.4	Top Exported Products from Top Exporting Districts in J&K	17
2.5	J&K's Top Exporting Countries with Top Commodities Exported in FY 2023-24	18
2.6	Port-Wise Exports from J&K in FY 2023-24	19
2.7	J&K's Product Classification	21
2.8	Select Product Champions Identified for J&K	22
2.9	Select Underachievers Identified for J&K	23
3.1	J&K's Performance in NITI Aayog's Export Preparedness Index	24
3.2	Comparison of J&K's Performance with Hilly States in NITI Aayog's Export Preparedness Index 2022	25
4.1	Exports from J&K Target (FY 2029-30)	31
4.2	Select Product Champions for Boosting J&K's Exports	32
4.3	AYUSH and Herbal Products Exports (US\$ thousand)	35
4.4	Select GI Tagged Products of J&K	39
4.5	Comparison of J&K's Ski Tourism with Leading Ski Destinations	43

LIST OF FIGURES

Figure No.	Title	Page No.
1.1	J&K's GSDP at Constant Prices	7
1.2	Comparison of J&K's GSDP (at Constant Prices) with India's Hilly States	8
1.3	Decadal Comparison of J&K's GSVA based on Economic Activities	8
1.4	Total Revenue of J&K	12
2.1	J&K's Export Performance	13
2.2	Composition of J&K's Exports in FY 2013-14 and FY 2023-24 (in US\$ million)	15
2.3	J&K's Top Export Destinations FY 2013-14 and FY 2023-24 (in US\$ million)	18
3.1	Scope of the Draft J&K Export Policy 2024	27
3.2	Identified Focus Sectors	27
3.3	Other Key Industrial Policies of J&K	30
4.1	Strategies for Building Exports from J&K	32
4.2	Top Pharmaceutical Exporting States in India vis-à-vis J&K in FY 2023-24	33
4.3	J&K as a Pharmaceutical and Healthcare Hub	34
4.4	Products with High Scope for Design Innovations	41

LIST OF ANNEXURES

Annexure No.	Title	Page No.
A1	List of Product Champions for J&K	45
A2	List of Underachievers for J&K	54

LIST OF BOXES

Box No.	Title	Page No.
1	Learning from the Success of Traditional Chinese Medicine	35
2	Resurgence of Kashmir Willow Bats: The Example of GR8 Sports Pvt. Ltd.	37
3	Indian Institute of Carpet Technology: Infusing Technology in Carpet Making	41
4	Srinagar being Recognised Globally for its Unique Crafts	43



Executive Summary

Jammu & Kashmir (J&K), a union territory (UT) in northern India, holds immense economic potential. The Gross State Domestic Product (GSDP) of J&K stood at ₹1384.2 billion in FY 2023-24, registering a growth rate of 7.3% y-o-y. However, the region contributes only 0.8% to India's GDP. J&K is primarily an agrarian region, with nearly 70% of the population engaged in agriculture and allied activities.

J&K is known for niche and quality products such as apples, walnuts, saffron, and pashmina wool. The industrial sector is characterised by traditional craftsmanship in handlooms and carpets, alongside industries such as pharmaceuticals, textiles and apparel, and cricket bats. Tourism plays a crucial role in the UT's economy, with J&K being a year-round tourist destination, known for its scenic landscapes.

J&K's Participation in International Trade

J&K's contribution to India's merchandise exports remains minimal, at 0.04% in FY 2023-24. The total merchandise exports in FY 2023-24 from J&K were estimated at US\$ 192.8 million, witnessing a decline of over 9% from the previous year. Over the past decade, exports peaked at US\$ 430 million in FY 2016-17 before experiencing sharp decline due to policy changes and external shocks.

The top exported product categories from J&K at the HS 2-digit level in FY 2023-24 were pharmaceuticals (30.3% share); apparel (17.4%); man-made staple fibres (16.3%); cotton (9.1%); and organic chemicals (5.6%). This is considerably different from the export composition a decade ago when dry fruits and carpets led the export basket. At a granular level (HS 6-digit), medicaments constituted 23.1% of J&K's total exports; followed by woollen shawls, scarves, and mufflers (11.3%); yarn of polyester staple fibres (8.4%); and synthetic staple fibres (5%).

The district-wise exports data sheds light on the disparate economic development across J&K's districts. The export concentration in J&K is staggeringly high with the top four districts (of the 20), namely, Kathua, Jammu, Srinagar, and Samba accounting for 99.3% of J&K's exports in FY 2023-24. Kathua was the top exporting district in FY 2023-24, with exports at US\$ 57.2 million, followed closely by Jammu (US\$ 54.5 million), Srinagar (US\$ 42.9 million), and Samba (US\$ 36.8 million).

Kathua has a strong industrial base and a reasonable export performance in textiles. Jammu fares well in exports of pharmaceuticals, basmati rice, and agrochemicals. Srinagar's exports are dominated by handloom products like shawls, carpets, and mufflers. Samba district has strong manufacturing and export presence in pharmaceuticals and other chemicals.

In FY 2023-24, the top five export destinations for J&K were Bangladesh with a share of 11.2% in total exports; the UAE (10.0%); Oman (8.8%); Myanmar (6.8%); and the Philippines (6.8%). The contribution of the above countries to J&K's exports equalled 43.6% during FY 2023-24.

J&K, being a landlocked UT, is highly dependent on Delhi Airport, Nhava Sheva Port and Srinagar Airport for export facilitation. Inland Container Depots (ICDs) also play an important role in transportation of goods for exports with about 9.8% of J&K's exported value in FY 2023-24 going through ICD Kila Raipur and about 6.7% through ICD Dhannad. Among land ports, Integrated Check Post (ICP) Petrapole and ICP Raxaul, act as important land ports, accounting for about 8.3% and 1.9% of exports from J&K, respectively, in FY 2023-24.

J&K, placed in the "UT/Small States" category in NITI Aayog's Export Preparedness Index (EPI) 2022, achieved an overall score of 47.79, ranking 17th among all the states and UTs in India. J&K was second to only Goa in the UT/Small states category. Notably, J&K showed an improvement from its performance in EPI 2021 wherein it ranked 23rd with a score of 30.06. In the Logistics Ease Across Different States (LEADS) report 2023, J&K is grouped in the "Aspirers" category.

Identifying J&K's Merchandise Export Competitiveness

This Study has undertaken an exercise to map the export competitiveness of J&K. Based on an analysis of 518 products exported by J&K in 2023 at HS 6-digit level, 158 "product champions" have been identified. These are the products in which J&K has exhibited high export competitiveness, and in which, global import demand is high. These products may be focused on to achieve higher export growth in the short to medium run.

Among the product champions identified, medicaments was the top exported product category with exports of about US\$ 47 million in 2023. The other top exported categories under product champions in 2023 were shawls, scarves, mufflers etc. of wool or fine animal hair (US\$ 25 million); yarn predominantly of polyester staple fibres mixed with artificial staple fibres (US\$ 15.8 million); multiple "folded" or cabled yarn majorly of polyester (US\$ 6.1 million); and yarn containing predominantly polyester staple fibres by weight, mixed with cotton (US\$ 4.3 million), among others.

The Study has also identified 266 "underachiever" products which are essentially the products in which J&K does not have comparative advantage even though the import demand for these products has shown positive growth during the last decade. J&K may work towards enhancing export competitiveness in these products.

The top exported underachiever products from J&K include plates, sheets and strips of aluminium alloys with an export value of US\$ 0.2 million in 2023; beauty or make-up preparations and preparations for the care of the skin (US\$ 0.2 million); articles of iron or steel (US\$ 0.2 million); acrylic polymers, in primary forms (US\$ 0.1 million); and mixtures of odoriferous substances (US\$ 0.1 million), among others.

Strategies for Building Exports from J&K

J&K targets to substantially accelerate its export growth in the next couple of years. Given the export target of ₹10,000 crore (US\$ 1207.9 million) by FY 2029-30, based on the recent draft Trade Policy, the exports would have to grow at a high CAGR of 35.8% during FY 2023-24 to FY 2029-30. Should the UT set an even more ambitious target to account for at least 0.5% of India's envisaged exports of US\$ 1 trillion by FY 2029-30, the

export target would be US\$ 5000 million, for which exports would have to grow at a CAGR of 72% during the period FY 2023-24-FY 2029-30.

Given the low base, the growth targets appear on the higher side. However, since J&K's export potential is immense, focused interventions and support could help the UT to achieve these targets. The Study herein proposes a select strategies towards achieving the same: -

- 1. Diversifying the Export Basket:** J&K's export base remains narrow, necessitating a strategic expansion into new product categories. The Study proposes building export capabilities in the 158 "product champions" identified, including pharmaceuticals, woollen garments, man-made fibres, carpets, organic chemicals, rice, and agrochemicals, among others. Besides, there is a huge demand in Western markets for locally made Christmas decorative items from papier-mâché, which the UT could further tap. Dedicated focus by the respective Export Promotion Councils the country, rigorous marketing and branding activities, and adequate infrastructural support may provide a huge impetus to exports.
- 2. Establishing J&K as a Pharmaceutical and Healthcare Hub:** Pharmaceuticals has emerged as J&K's top exported category, valued at US\$ 58.4 million in FY 2023-24. However, J&K contributes only 0.3% to India's pharmaceutical exports. J&K's unique climatic conditions, smooth availability of power, rich biodiversity, and abundant natural resources create a strong foundation for establishing J&K as a thriving pharmaceutical and healthcare hub.

Pharmaceuticals- Given India's high dependence on imports for bulk drugs/ Active Pharmaceutical Ingredients (APIs), J&K, particularly the southern districts like Jammu, Kathua, and Samba, may dedicate resources for building API parks. The Centre and J&K government may jointly devise a Bulk Drug Park Scheme for the UT, focused on development of large clusters that provide plug-and-play infrastructural support for manufacturing APIs.

AYUSH- For building a vibrant AYUSH industry, J&K may encourage large-scale cultivation of herbal plants; establish state-of-the-art AYUSH-focused industrial parks with advanced processing, testing, and packaging facilities certified to international standards; undertake extensive branding and marketing initiatives to promote its AYUSH products globally; and encourage participation in international expos, trade fairs, and B2B meetings.

Medical Devices- Medical devices clusters are not present in J&K despite presence of several pharma companies. J&K may avail incentives under schemes such as the 'Scheme for Strengthening the Medical Device Industry' for seeking support pertaining to medical clusters, common facilities, and investments for manufacturing key components and for capacity building and skill development.

Medical Tourism- J&K, in particular, Srinagar, Baramulla and Kupwara districts have immense potential to serve as global wellness hubs, both for traditional AYUSH treatments and allopathic treatments, through well-developed hospitals. Accordingly, the UT may invest in building world-class healthcare facilities equipped with advanced technologies and specialised services. Simultaneously, establishing well-regulated centers of excellence for AYUSH therapies with harmonised standards can create a unique offering in the global medical tourism market.

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3. **Promoting Exports of Kashmir Willow Bats:** Kashmir willow bats have gained international recognition, owing to their supreme performance at various cricket tournaments. However, the industry faces challenges such as inadequate marketing, lack of standardisation, and competition from English willow bats. Geographical Indication (GI) tagging; sustainable plantation of willow trees; building of more processing units for bats and equipping them with the latest capital equipment and technology; and focusing on brand building can help establish Kashmir willow bats as a premium product in global markets.
 4. **Boosting District-specific Product Exports:** To ensure balanced regional development, districts could build an export ecosystem in products that are unique to their areas, as recognised by the GI tags received by them, such as Rajouri Chikri Wood Craft from Rajauri, Poonch, and Reasi; Udhampur Kaladi; and Ramban Sulai Honey from Ramban, Doda, Kishtwar, Udhampur and Reasi. This would ensure that the aforementioned districts, which hitherto have had almost negligible exports, would be able to contribute to J&K's exports. To build exports of GI tagged products, it is vital that strict standardisation and certification processes are implemented at district-level, and strong branding in terms of product design, packaging, and advertising is undertaken through appointment of marketing companies by District Export Promotion Committees. Further, there is need to undertake initiatives towards according GI status to additional products which are already well-recognised, such as walnuts, almonds, and apples. Besides the GI tagged products, District Export Promotion Committees have identified additional products from each district with promising export potential. Export capabilities in these additional products may also be built through adequate training, adoption of latest production processes, and access to capital equipment and technology, among others.
 5. **Strengthening Trade Infrastructure:** J&K's export growth is constrained by limited trade infrastructure. Key recommendations include (i) upgrading air cargo hubs in Srinagar and Jammu for perishable exports; (ii) establishing ICDs in industrial hubs like Samba and Jammu, (iii) setting up Special Economic Zones to boost manufacturing and trade, and (iv) developing cold chain logistics to support agricultural exports.
 6. **Introducing Interventions in Traditional Sectors:** To make J&K's handloom sector export-ready, traditional artistry needs to be supplemented with innovation and technology. Advanced manufacturing and digital processes that enhance efficiency without compromising the essence of these crafts, may be encouraged. Accordingly, technologies for verification of authenticity of Kashmiri handicrafts and agricultural products may be introduced. These include QR code-based labelling mechanism and blockchain technologies for enhancing traceability. There is also a need to identify market gaps and introduce new design concepts for art forms like papier mâché, Walnut wood carvings, Sozani craft, and Khatamband, among others. To enhance the global appeal of J&K's handcrafted products, the products may be packaged suitably, keeping in view the sustainability, authenticity, and functionality aspects. Besides, given the transformative role that e-commerce can play in the handicrafts sector, the J&K government may undertake initiatives to get more artisans on e-commerce websites and enhance their digital presence.
 7. **Strengthening the Tourism Sector:** Despite its immense potential, tourism in J&K has not fully translated into an engine for sustained economic growth. Some of the niche areas to focus on include-

Building robust cable car infrastructure - J&K is popular for the cable infrastructure at Gulmarg. There remains potential to develop similar ones in other parts as well. Towards this end and to ensure to ensure the highest safety, design and technical standards, the J&K government may strive to enter into technical

assistance agreements with leading cable-car manufacturing companies in European countries such as Austria and Switzerland. The cooperation could ensure enhancement of existing ropeway standards for sustainable and safer transport. Projects may also be built in Public-Private Partnership mode, with adequate incentives.

Ski tourism - International air connectivity in the UT needs to be strengthened, road access needs to be enhanced, skiing skilling and accreditation courses could be developed and courses for training staff in international tourism standards need to be initiated. The Après-Ski culture at the ski circuits may also be enhanced.

Craft tourism - Introduction of immersive experiences by Department of Tourism, J&K, in collaboration with hotel chains, developing guided craft heritage trails in cities like Srinagar, organising periodical Craft and Culture Festivals akin to the Jaipur Literature Festival, and building museums and other permanent exhibits, that take the tourists through the journey of various craft forms, are some of the ways in which J&K could tap into its rich heritage to attract international tourists.

- 8. Tapping Power Capabilities:** J&K has significant hydropower potential which has not been fully exploited. Sectors like pharmaceuticals and allied product manufacturing and yarn/textile processing have high tendency to pollute. Given that J&K has high penetration of these industries with further potential for expansion, it may be ensured that hydropower is used in these industries to make their processes relatively cleaner. Besides, J&K's abundant availability of wind and sunshine needs to be leveraged by incentivising investments in the renewable energy sector.



Macroeconomic Profile

Jammu & Kashmir (J&K), located in the northernmost part of India, holds a unique place in India's economic, cultural, and geopolitical landscape. Its rich natural resources, varied topography, and strategic location have fostered a diverse economy driven by agriculture, horticulture, handicrafts, and tourism, among others. J&K is the second largest UT by area and population, home to 12.5 million people according to the 2011 Census.

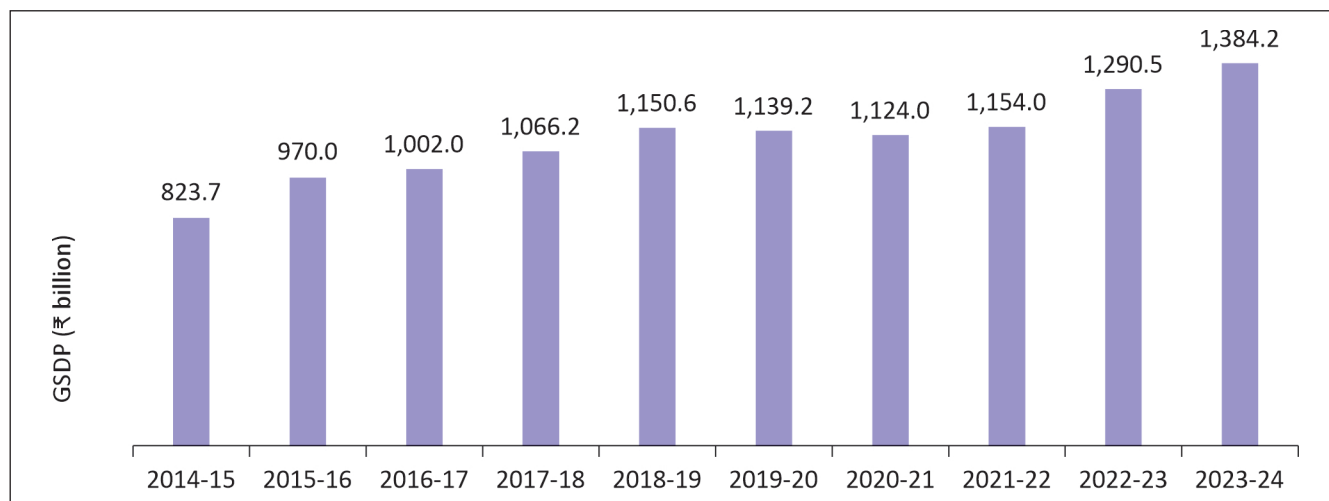
Jhelum is the main Himalayan River flowing through the Kashmir valley. The Chenab, Tawi, and Ravi are among the other important rivers in the Jammu region. The UT is classified into 20 districts. Jammu is the winter capital, and Srinagar is the summer capital of J&K.

Macroeconomic Profile

The Gross State Domestic Product (GSDP) is essential in determining a state's/UT's growth and economic development. It is equal to the income generated by the production of goods and services within the geographical boundaries of a region. Gross Value Added (GVA) is the estimate of the value that producers have added to the goods and services they have bought.

As per the Ministry of Statistics and Programme Implementation (MoSPI), the GSDP at constant prices of J&K was estimated at ₹1384.2 billion in FY 2023-24, which is a growth of 7.3% from the previous financial year. From FY 2014-15 to FY 2023-24, J&K's GSDP at constant prices grew at a Compound Annual Growth Rate (CAGR) of about 6.1%. For FY 2024-25, Department of Finance, J&K projects the GSDP at current prices to grow at 7.5%. It may be observed that, J&K contributes only about 0.8% to India's GDP.

Figure 1.1: J&K's GSDP at Constant Prices



Source: MoSPI

J&K saw a negative growth in its GSDP that dipped from US\$ 16.5 billion in FY 2018-19 to US\$ 16.1 billion in FY 2019-20, and further to US\$ 15.1 billion in FY 2020-21 owing to the impact of COVID-19.

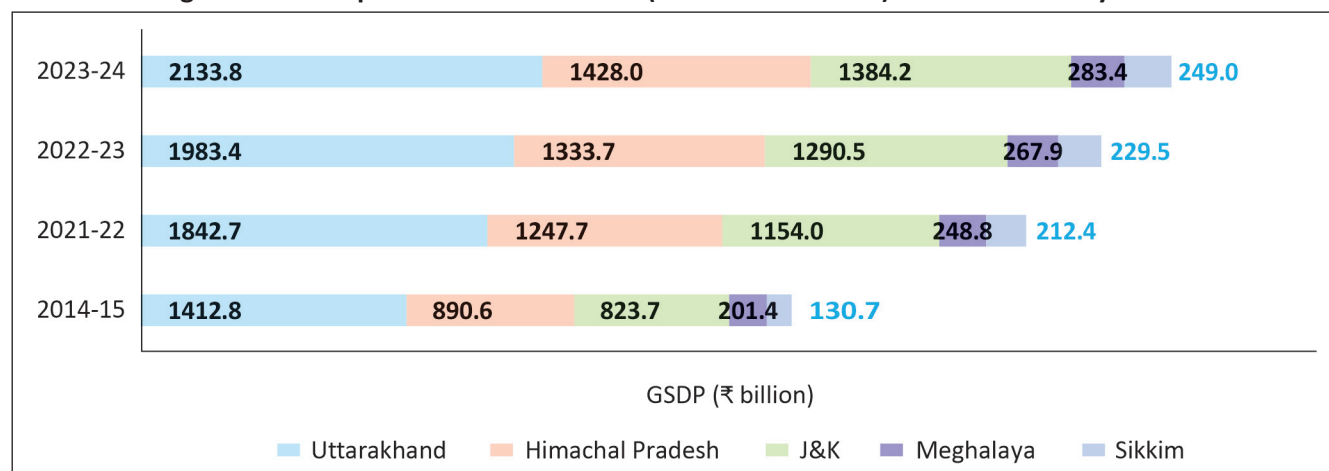
Table 1.1: Growth of GSDP of J&K at Constant Prices

Year	GSDP at Constant Prices (US\$ billion)	GSDP at Constant Prices	GSDP Growth (%)
		(₹ billion)	
2014-15	13.5	824	
2015-16	14.8	970	17.8%
2016-17	14.9	1002	3.3%
2017-18	16.5	1066	6.4%
2018-19	16.5	1151	7.9%
2019-20	16.1	1139	-1.0%
2020-21	15.1	1124	-1.3%
2021-22	15.5	1154	2.7%
2022-23	16.1	1291	11.8%
2023-24	16.7	1384	7.3%

Source: MoSPI; India Exim Bank Research

Among the hilly states, Uttarakhand boasts the highest GSDP, estimated at ₹2133.8 billion in FY 2023-24, followed by Himachal Pradesh (₹1428.0 billion). J&K ranked third in GSDP in the hilly region. While Uttarakhand's share in India's GDP was at 1.2% in FY 2023-24, J&K's and Himachal Pradesh's GSDPs were at 0.8% each, followed by Meghalaya (0.2%), and Sikkim (0.1%).

Figure 1.2: Comparison of J&K's GSDP (at Constant Prices) with India's Hilly States

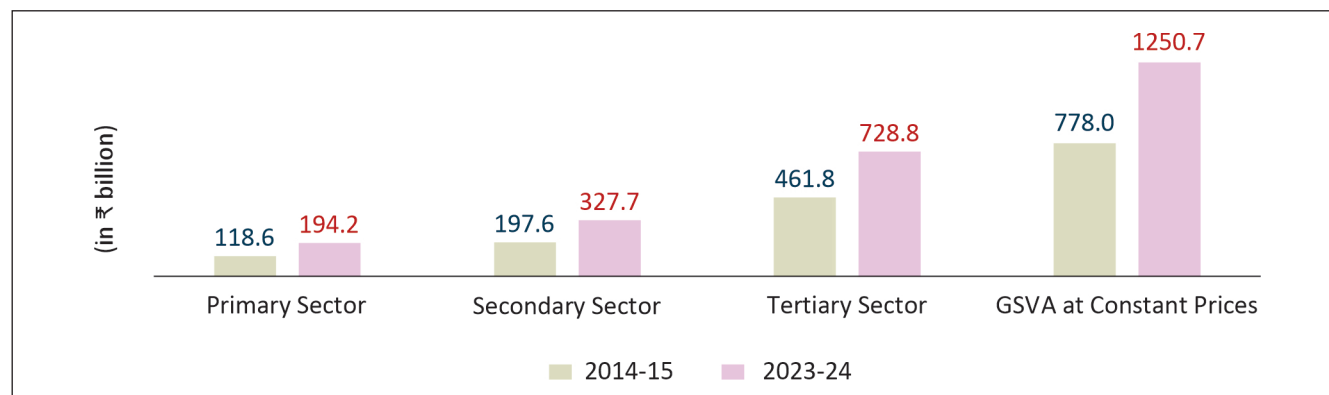


Source: MoSPI, J&K Government

Broad Economic Activities

The GSVA of J&K has shown significant growth across sectors, expanding from ₹778.0 billion in FY 2014-15 to ₹1250.7 billion in FY 2023-24, registering a CAGR of 5.4%. Tertiary sector had the highest contribution of 58.3% to J&K's GSVA in FY 2023-24, at ₹ 728.8 billion. Secondary sector and primary sector had a share of 26.2% and 15.5%, respectively in J&K's GSVA in FY 2023-24 (Figure 1.3).

Figure 1.3: Decadal Comparison of J&K's GSVA based on Economic Activities



Source: MoSPI

The primary sector, which grew at a CAGR of 5.6% during FY 2014-15 to FY 2023-24, is dominated by crops which accounted for 7.8% of GSVA in FY 2023-24 and livestock (5.1%). The secondary sector grew the fastest among all sectors, registering a CAGR of 5.8% during FY 2014-15 to FY 2023-24. Within the sector, electricity, gas, water supply and other utility services accounted for the highest share of 11% in J&K's GSVA in FY 2023-24 and also recorded a robust growth during the last decade. Manufacturing and construction grew at a slow rate during the period, relatively. In the tertiary sector, the highest contribution to GSVA is of public administration, at 18.9% in FY 2023-24, followed by real estate, ownership of dwelling & professional services (10.4%), and trade, repair, hotels and restaurants (9.4%). Among all the economic activities, mining and quarrying and railways recorded a de-growth of 1.9% and 3%, respectively during the last decade (Table 1.2).

Table 1.2: Decadal Comparison of GSVA of J&K based on Sectors and Sub-sectors of Economic Activities
(₹ billion)

Economic Activity	2014-15	2023-24	Share in GSVA in 2023-24	CAGR during 2014-15 - 2023-24
Agriculture, forestry and fishing	115.9	192.0	15.3%	5.8%
Crops	58.0	97.5	7.8%	5.9%
Livestock	39.6	64.4	5.1%	5.5%
Forestry and logging	15.0	25.4	2.0%	6.0%
Fishing and aquaculture	3.3	4.6	0.4%	3.9%
Mining and quarrying	2.7	2.3	0.2%	-1.9%
Primary	118.6	194.2	15.5%	5.6%
Manufacturing	78.4	95.3	7.6%	2.2%
Electricity, gas, water supply & other utility services	51.9	137.9	11.0%	11.5%
Construction	67.3	94.5	7.6%	3.8%
Secondary	197.6	327.7	26.2%	5.8%
Trade, repair, hotels and restaurants	76.6	118.2	9.4%	4.9%
Trade & repair services	69.9	107.5	8.6%	4.9%
Hotels & restaurants	6.7	10.7	0.9%	5.4%
Transport, storage, communication & services related to broadcasting	64.4	85.1	6.8%	3.1%
Railways	1.6	1.2	0.1%	-3.0%
Road transport	43.8	52.7	4.2%	2.1%
Air transport	1.7	2.8	0.2%	5.4%
Services incidental to transport	0.1	0.6	0.0%	25.2%
Communication & services related to broadcasting	17.3	27.9	2.2%	5.4%
Financial services	35.6	47.0	3.8%	3.1%
Real estate, ownership of dwelling & professional services	107.0	130.5	10.4%	2.2%
Public administration	105.5	236.1	18.9%	9.4%
Other services	72.7	111.9	8.9%	4.9%
Tertiary	461.8	728.8	58.3%	5.2%
Total GSVA at basic prices	778.0	1250.7	100.0%	5.4%

Source: MoSPI; India Exim Bank Research

Agriculture

J&K is predominately agrarian with nearly 70% of the population directly or indirectly engaged in agricultural and allied activities¹. In J&K, the cultivation of niche products such as apples, walnuts, almonds, cherries,

¹ J&K Economic Survey 2023-24

saffron, and mushrooms, as well as non-food commodities like silk and pashmina wool, is favoured by the climatic conditions. The area under major horticulture crops increased from 3.35 lakh hectares in FY 2020-21 to 3.45 lakh hectares in FY 2023-24, while the production of these crops rose from 22.30 lakh metric tonnes to 26.43 lakh metric tonnes during the same period².

There has been dedicated focus towards shifting to high-value crops, organic vegetables, spices, and exotic varieties such as broccoli and asparagus. The J&K Competitiveness Improvement of Agriculture & Allied Sectors Project (JKCIP) is a mission launched in 2024 by the J&K government in collaboration with the UN's International Fund for Agricultural Development (IFAD). JKCIP aims to benefit 15 lakh individuals across 90 blocks by focusing on climate-smart, market-led production, agribusiness ecosystem development etc. Complementing this, the Holistic Agriculture Development Plan (HADP) envisions transforming the agricultural economy of J&K through targeted investments in 29 projects that cover every aspect of agriculture. These initiatives mark a shift from subsistence farming to a market-oriented approach, emphasizing resilience, value addition, and rural entrepreneurship.

Industry

J&K's industrial sector is characterised by its unique blend of traditional craftsmanship and emerging industries. Key sectors include handicrafts and handlooms, renowned for products like Pashmina shawls and carpets, and sports goods manufacturing, particularly cricket bats crafted from Kashmiri willow. Horticulture-based industries such as apple and saffron processing, tourism-related manufacturing, and silk and wool production also play significant roles.

Handicrafts and Handloom: J&K is famous for the weaving of specialised fabrics like Pashmina Shawls, Kani Shawls, Raffle Shawls, Blankets, Lois, Chashme, Bulbul blankets, Arabian Rumals, Mufflers, Tweed Fabrics, and Linen Fabrics. The Handloom sector has a unique place in the socio-economic structure of J&K since it generates immense employment opportunities and thus is an integral part of the rural and semi-rural livelihood matrix. As per the J&K government, 40,000 weavers, including allied workers, earn their livelihood from the handloom sector. There are 571 weavers' cooperative societies with more than 15,000 members in J&K. Handlooms is a non-farm labour-intensive sector that contributes significantly to the UT's GSDP.

Sports Goods Manufacturing: J&K is a significant hub for sports goods manufacturing, particularly cricket bats crafted from the famous Kashmiri willow. This industry is concentrated in regions like Anantnag and Pulwama, supporting local economies and gaining prominence in both domestic and international markets. Efforts to modernise production processes and expand market access are helping this traditional industry thrive.

Food Processing: The region's abundant horticulture resources, including apples, walnuts, and saffron, make it competitive in agro-based industries. The focus on organic certification and global branding is positioning J&K as a premium supplier in international markets, further solidifying horticulture as a key driver of economic growth and rural development.

Recently, the Government of J&K, introduced the New J&K Industrial Policy 2021-30, followed by the New Central Sector Scheme for Industrial Development of J&K (NCSS 2021) by the Union Government. This has reinvigorated investors' interest in the region. Currently, there are 4,147 operational industrial units in J&K across 64 Industrial estates, employing 110,000 individuals³.

² J&K Economic Survey 2023-24

³ Ibid

GI Tagged Products

In recent years, states and UTs are increasingly leveraging the potential of their geographical indication (GI) tagged products. GIs are established to distinguish products with unique qualities resulting from environmental factors, processing methods, or manufacturing skills. J&K has 16 GI tagged products, of which five, namely, Sulai Honey, Bhaderwah Rajmash, Mushqbudji Rice, Udhampur Kaladi, and Ramban Anardana were certified in FY 2023-24. GI tagging enhances the export potential of products by guaranteeing authenticity and quality. GI tags also help in preserving traditional production methods and sustainable practices, which are key selling points in markets overseas.

Table 1.3: GI-tagged Products of J&K

Product	Category	Product	Category
Kani Shawl	Handicraft	Mushqbudji Rice	Agricultural
Saffron	Agricultural	Bhaderwah Rajmash	Agricultural
Basohli Painting	Handicraft	Ramban Anardana	Agricultural
Udhampur Kaladi	Food Stuff	Papier mâché	Handicraft
Basohli Pashmina	Handicraft	Walnut wood carving	Handicraft
Kashmir Pashmina	Handicraft	Kashmiri Hand hand-knotted carpet	Handicraft
Sozani Craft	Handicraft	Rajouri Chikri Wood Craft	Handicraft
Khatamband	Handicraft	Ramban Sulai Honey	Food Stuff

Source: Department for Promotion of Industry and Internal Trade, Ministry of Commerce

Services

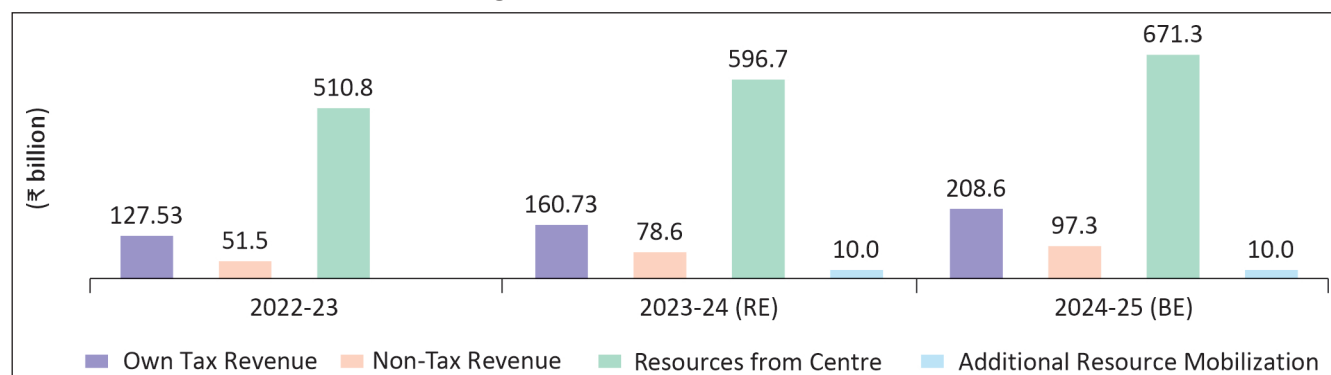
The service sector has emerged as the leading sector and driver of economic growth for J&K. The UT is implementing schemes for Digital Jammu & Kashmir, and Saksham Jammu & Kashmir. As an aspiring UT, J&K has identified focus areas and scheduled projects for Investments in IT/ITeS. The IT/ITeS sector requires innovation and capacity building. Government of J&K has launched the J&K Start-up Policy to encourage start-ups and innovation in the UT.

Tourism sector is the among the main drivers of J&K's economy as it provides jobs to a large number of people and catalyses a range of economic activities especially in the tertiary sectors. J&K is a year-round tourist destination, drawing visitors with its lush forests, picturesque landscapes, and spiritual destinations. The tourism sector facilitates employment across various sectors such as transport, hospitality, and local industries. The Government envisages expanding tourism infrastructure, developing off-beat destinations, promoting adventure and eco-tourism, and establishing world-class facilities to position J&K as a leading global destination.

Fiscal Scenario

J&K's total revenue stood at ₹596.7 billion in FY 2023-24 based on the revised estimates and is expected to rise to ₹671.3 billion during FY 2024-25. The major portion is contributed by the Centre, with tax and non-tax revenue being ₹160.7 billion and ₹78.6 billion, respectively during FY 2023-24.

Figure 1.4: Total Revenue of J&K



Source: Finance Department, Jammu & Kashmir

The fiscal deficit of J&K widened to ₹ 13,122 crore, equivalent to 5.4% of GSDP in FY 2023-24 as against the budget estimate of 1.6%. This breached the FRBM limit of 3%. For FY 2024-25, the fiscal deficit is targeted at 3% of GSDP, owing to special assistance provided by the Central Government. The reliance on central Government support remains a critical feature of its fiscal framework, underscoring the need for self-reliant revenue generation.

Table 1.4: Jammu & Kashmir's Fiscal Deficit (in ₹ crore)

	2022-23 (Pre Actuals)	2023-24 (RE)	2024-25 (BE)
Fiscal Deficit	5975	13122	7902
Fiscal Deficit as percentage of GSDP*	2.62	5.36	3.00

Source: Finance Department, Jammu & Kashmir

The 2024-25 Budget focuses on accelerating the economic growth of J&K by dedicating resources towards comprehensive support to agriculture, enhancing access to quality healthcare, furthering rural development, developing tourism infrastructure, building robust connectivity, and leveraging technology, among others.

Scope of the Study

J&K is a land of seasoned artisans, and with changing times, there are tremendous opportunities to explore. UT's natural conditions offer opportunities in a plethora of sectors like food processing, dairy products, horticulture, sericulture, pharmaceuticals, hydropower generation, construction, and tourism, amongst others. Against this backdrop, the Study analyses the current macroeconomic scenario and export potential of J&K and attempts to identify sectors with high export potential. The Study also suggests a set of strategies to tap the unrealised export opportunities and augment exports.

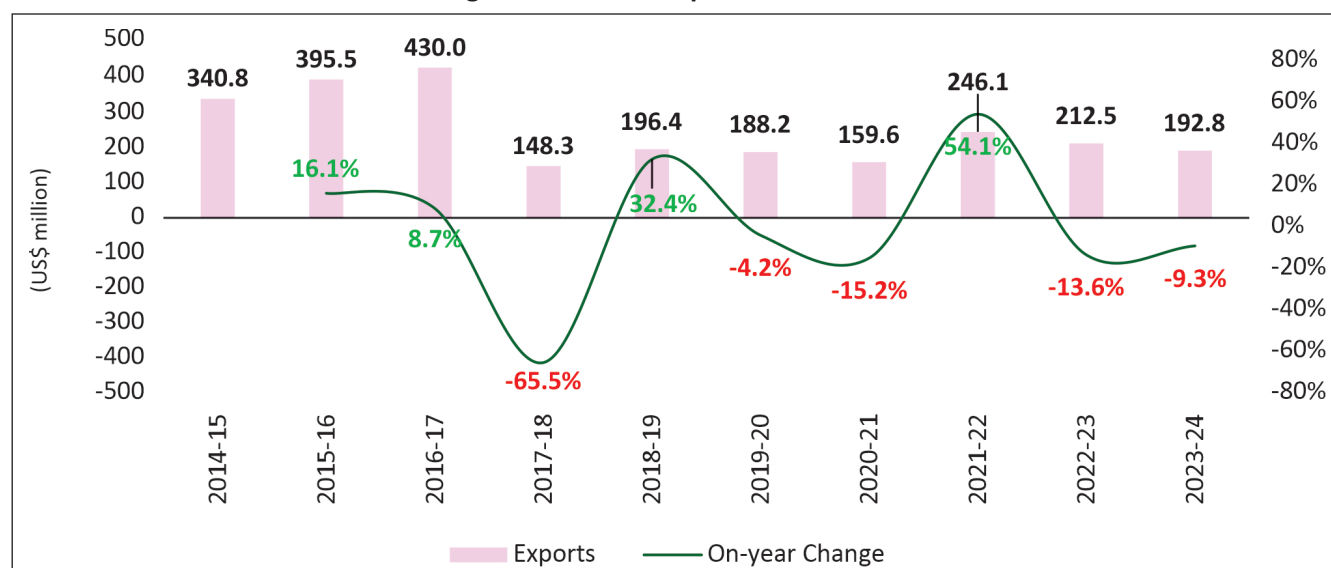


Jammu & Kashmir's Participation in International Trade

J&K envisages to transform into a competitive export-led economy with wider participation at both national and international level. J&K's contribution to India's merchandise exports remains low, – at 0.04% in FY 2023-24.

The UT's merchandise exports were estimated at US\$ 192.8 million in FY 2023-24, down by over 9% from the previous year (Figure 2.1). During the last decade, J&K's exports have fluctuated considerably and registered a negative CAGR of 5.1%. The exports had peaked in FY 2016-17, at US\$ 430 million. Subsequently, a sharp decline of 65% was seen in FY 2017-18. The exports were also hit by the COVID-19 shock in FY 2020-21, leading to a fall by 15% over the previous year.

Figure 2.1: J&K's Export Performance



Source: Directorate General of Commercial Intelligence and Statistics (DGCI&S); India Exim Bank Research

Composition of Exports

The top exported product categories of J&K at HS 2-digit level in FY 2023-24 were pharmaceuticals with a share of 30.3% in J&K's exports, apparel (17.4%), man-made staple fibres (16.3%), cotton (9.1%), and organic chemicals (5.0%), among others.

Table 2.1: Top 10 Merchandise Exports of J&K at 2-digit HS Code Level

Hs Code	Description	Exports in FY 2023-24 (US \$ million)	Share in Total Exports in FY 2023-24
30	Pharmaceutical products	58.45	30.3%
62	Articles of apparel & clothing accessories	33.57	17.4%
55	Man-made staple fibres	31.51	16.3%
52	Cotton	17.55	9.1%
29	Organic chemicals	10.77	5.0%
38	Miscellaneous chemical products	6.18	3.2%
78	Lead & articles	4.46	2.3%
57	Carpets and other textile floor coverings	4.42	2.3%
10	Cereals	4.21	2.2%
82	Tools and their parts of base metal	3.41	1.8%
Total (above)		174.53	90.5%

Source: DGCI&S; India Exim Bank Research

At a disaggregated level (HS 6-digit), J&K's top exported product in FY 2023-24 was medicaments (HS 300490), constituting a share of 23.1% in J&K's exports and registering a growth of 4.6% over FY 2022-23. Exports of shawls, scarves, mufflers, mantillas, veils and the like accounted for 11.3% of exports and witnessed an impressive growth of 33.1% over the previous year. Exports of yarn of polyester staple fibres accounted for 8.4% of the UT's exports. However, the exports witnessed a year-on-year decline of almost 16%. Similarly, synthetic staple fibres and other yarn of polyester staple fibres, accounting for 5% and 4.5% of J&K's exports in FY 2023-24, respectively, witnessed considerable y-o-y contraction in exports.

Table 2.2: Top Merchandise Exports of J&K at 6-digit HS Code Level

HS Code	Description	Exports in 2022-23 (US\$ million)	Exports in 2023-24 (US\$ million)	Y-o-Y Growth in 2023-24 (%)	Share in Exports in 2023-24 (%)
300490	Medicaments consisting of mixed or unmixed products put up in measured doses	44.6	46.7	4.6%	23.1%
621420	Shawls, scarves, mufflers, mantillas, veils and the like - of wool or fine animal hair	21.7	28.9	33.1%	11.3%
550951	Yarn, of polyester staple fibres: mixed mainly or solely with artificial staple fibres	16.2	13.6	-15.9%	8.4%
550921	Synthetic staple fibres, not put up for retail sale - containing 85% or more by weight of polyester staple fibres	9.7	4.5	-53.9%	5%
550953	Other yarn, of polyester staple fibres: mixed mainly or solely with cotton	8.6	4.5	-48.1%	4.5%

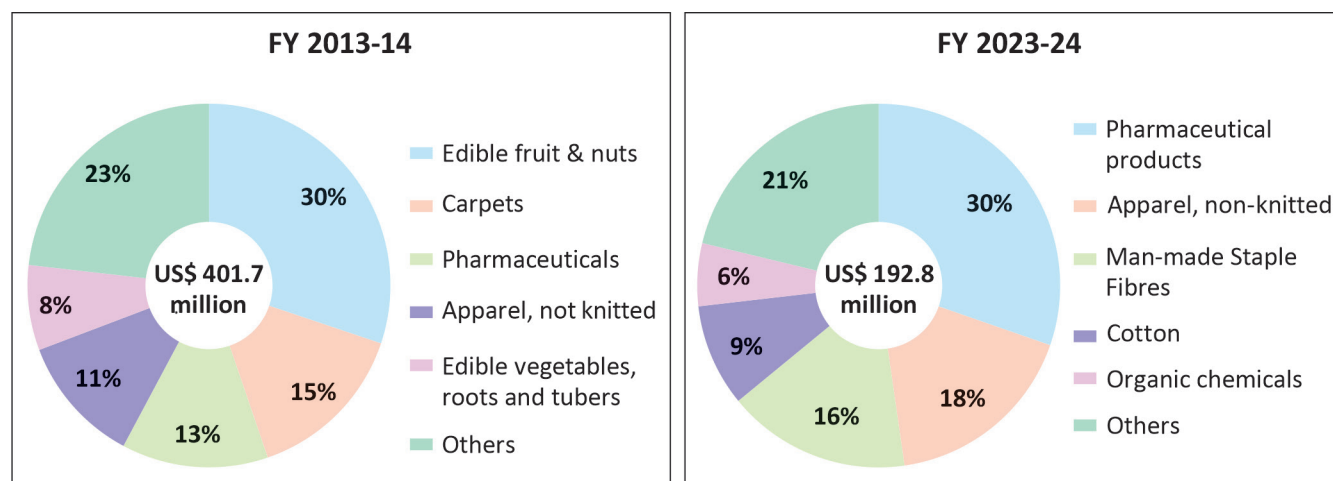
HS Code	Description	Exports in 2022-23 (US\$ million)	Exports in 2023-24 (US\$ million)	Y-o-Y Growth in 2023-24 (%)	Share in Exports in 2023-24 (%)
550922	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale	6.5	4.7	-28.3%	3.4%
300420	Other medicaments containing antibiotics	4.3	5.2	21.9%	2.2%
520544	Measuring per single yarn less than 192.31 decitex but not less than 125 decitex	3.9	5.0	29.4%	2%
293410	Compounds containing an unfused thiazole ring	3.8	4.7	25.1%	1.97%
100630	Semi-milled or wholly-milled rice, whether or not polished or glazed	2.7	4.0	47.7%	1.4%
520542	Measuring per single yarn less than 714.29 decitex but not less than 232.56 decitex	1.7	1.8	2.4%	0.9%
520543	Measuring per single yarn less than 232.56 decitex but not less than 192.31 decitex	0.2	0.2	-19.9%	0.1%

Source: DGCI&S; India Exim Bank Research

Decadal Change in the Composition of Exports

Over the past decade, J&K's export basket has changed considerably. While in FY 2013-14, dry fruits and carpets led the export basket, in FY 2023-24, pharmaceuticals emerged as the top exported commodity from J&K, with exports at US\$ 58.5 million, accounting for 30% of total exports. The export basket has evolved from primary resource-based products to manufacturing based products. However, the export basket remains concentrated with top five product categories comprising almost 80% of the exports in FY 2023-24.

Figure 2.2: Composition of J&K's Exports in FY 2013-14 and FY 2023-24



Source: DGCI&S; India Exim Bank Research

District-wise Exports

The district-wise exports data sheds light on the disparate economic development across J&K's districts. The export concentration in J&K is staggeringly high with the top four districts, namely, Kathua, Jammu, Srinagar, and Samba accounting for 99.3% of J&K's exports in FY 2023-24 (Table 2.3).

Table 2.3: J&K's District-wise Exports in FY 2023-24

District	Exports (in US\$ thousand)	Share in J&K's Exports
Kathua	57156.5	29.64%
Jammu	54474.3	28.25%
Srinagar	42901.0	22.25%
Samba	36826.9	19.10%
Budgam	848.4	0.44%
Pulwama	196.7	0.10%
Udhampur	173.2	0.09%
Anantnag	110.6	0.06%
Kupwara	48.4	0.03%
Ganderbal	38.3	0.02%
Ramban	17.0	0.01%
Baramulla	15.7	0.01%
Rajouri	7.6	0.00%
Kishtwar	6.8	0.00%
Doda	6.3	0.00%
Bandipora	0.1	0.00%
Poonch	0.1	0.00%

Source: Ministry of Commerce and Industry; India Exim Bank Research

Kathua was the top exporting district in FY 2023-24, with exports at US\$ 57.2 million, followed closely by Jammu (US\$ 54.5 million), Srinagar (US\$ 42.9 million), and Samba (US\$ 36.8 million).

Looking at the top exported items of the top exporting districts, it is inferred that Kathua has a strong industrial base and export performance in textiles manufacturing. Jammu fares well in exports of pharmaceuticals, Basmati rice and agrochemicals. Srinagar's exports are dominated by handloom products like shawls, carpets and mufflers. Samba district has strong manufacturing and export presence in pharmaceuticals and other chemicals (Table 2.4).

Table 2.4: Top Exported Products from Top Exporting Districts in J&K

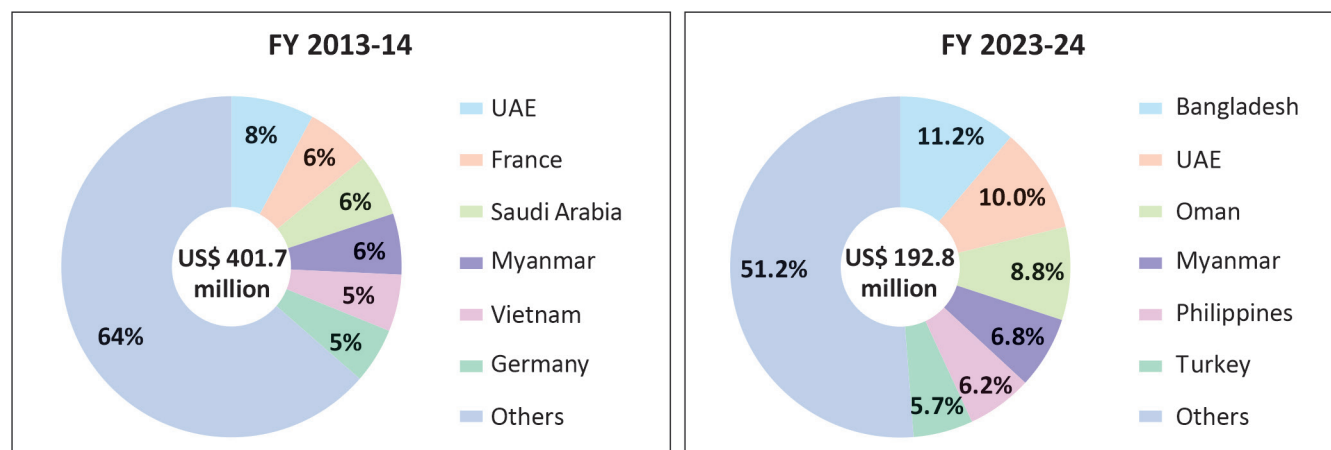
HS Code	Product	Exports (in US\$ thousand)	Share in District's Exports
	Kathua	57156.5	
55095100	Yarn of polyester staple fibres	13634.8	23.9%
52054490	Cotton yarn- single yarn of uncombed fibres	4990.2	8.7%
55092200	Multiple yarn of polyester staple fibres	4646.4	8.1%
55092100	Single yarn of polyester staple fibres	4482.1	7.8%
55095300	Other yarn of polyester staple fibres mixed with cotton	4413.3	7.7%
	Jammu	54474.3	
30049082	Antiepileptic drugs	3918.8	7.2%
10063020	Basmati rice	3240.6	5.9%
30049079	Antihypertensive drugs	2857.9	5.2%
38089290	Fungicides	2774.4	5.1%
30049072	Antihypertensive drugs: Verapamil, Nifedipine, Amlodipine and Lacidipine	2637.5	4.8%
	Srinagar	42901.0	
62142010	Woolen shawls	26912.4	62.7%
57019031	Hand-made carpets	2015.8	4.7%
62149069	Shawls mufflers etc. of manmade fibres	1248.0	2.9%
62149099	Shawls mufflers etc. of textile fibres	926.8	2.2%
95051000	Articles for Christmas festivities	778.1	1.8%
	Samba	36826.9	
30049099	Other medicines put up for retail sale	6221.8	16.9%
29341000	Compounds containing an unfused thiazole ring	4707.0	12.8%
30064000	Dental cements and other dental fillings	3349.4	9.1%
29333990	Other heterocyclic compounds containing unfused pyridine ring	3164.8	8.6%
30045020	Mineral and parenteral nutritional supplements	2050.2	5.6%

Source: Ministry of Commerce and Industry; India Exim Bank Research

Export Destinations

In FY 2023-24, the top five export destinations for J&K were Bangladesh with a share of 11.2% in total exports, the UAE (10.0%), Oman (8.8%), Myanmar (6.8%), and the Philippines (6.8%). The contribution of the above countries to J&K's exports equalled 43.6% during FY 2023-24. J&K's export destinations were more diversified a decade ago, with the top five export destinations accounting for 31.1% of exports in FY 2013-14.

Figure 2.3: J&K's Top Export Destinations in FY 2013-14 and FY 2023-24



Source: DGCI&S; India Exim Bank Research

The majority of J&K's exports to Bangladesh, which was the top export destination in FY 2023-24 were accounted for by cotton, followed by man-made fibres and organic chemicals. The Middle East has been a recipient of handloom items like shawls and carpets. The Southeast Asian countries including Myanmar and the Philippines were buyers of pharmaceuticals, chemicals, and fibres. Among the European nations, Turkey emerged as the largest export destination with imports of man-made staple fibres and pharmaceuticals.

Table 2.5: J&K's Top Exporting Countries with Top Commodities Exported in FY 2023-24

Top Export Destination	Top Commodities Exported by J&K (% share in J&K's Export to the Country)
Bangladesh	Cotton (61.5%)
	Man-made fibres (16.5%)
	Organic chemicals (13.1%)
UAE	Shawls (53.8%)
	Razor blades (16.9%)
	Lead alloy (8.7%)
Myanmar	Pharmaceuticals (99.3%)
	Cosmetics (0.7%)
Oman	Shawls (91.3%)
	Alcoholic drinks (4.3%)
	Rice (1.8%)
	Pharmaceuticals (1%)
	Carpets (0.7%)
Philippines	Pharmaceuticals (86.3%)
	Man-made staple fibres (11.5%)
	Cotton fibre (1.3%)

Source: DGCI&S; India Exim Bank Research

Port-wise Exports from J&K

J&K, being a landlocked UT, is highly dependent on Delhi Airport, Nhava Sheva Port and Srinagar Airport for export facilitation. Inland Container Depots (ICDs) also play an important role in transportation of good for exports with about 9.8% of J&K's exported value in FY 2023-24 going through ICD Kila Raipur and about 6.7% through ICD Dhannad. Among land ports, Integrated Check Post (ICP) Petrapole and ICP Raxaul act as important land ports, accounting for about 8.3% and 1.9% of exports from J&K, respectively, in FY 2023-24 (Table 2.6).

Most of J&K's pharmaceutical exports are exported from Delhi. Other items include dental cements, chemicals and carpets. Delhi has been a consistent supporting airport for J&K's exports to destinations such as Myanmar, Philippines, Bangladesh, Germany, and the UAE. Exports of J&K from Nhava Sheva Port include pharmaceuticals, chemicals, and fungicides, among others. Most of the trade with Europe is routed through this port.

Table 2.6: Port-Wise Exports from J&K in FY 2023-24

Port	Export Value (US \$ million)	Share in J&K's Exports (%)
Delhi Airport	35.7	18.5%
Nhava Sheva Sea	28.8	14.9%
Srinagar Airport	28.3	14.7%
ICD HTPL Kila Raipur	18.9	9.8%
ICP Petrapole	16.0	8.3%
Mundra Sea	15.4	8.0%
ICD Dhannad	13.1	6.7%
ICD Chow Payal	10.6	5.5%
ICD Delhi	7.8	4.0%
ICD Ludhiana	4.5	2.3%
ICP Raxaul	3.7	1.9%
ICD Sahnewal	2.2	1.2%
Others	8.2	4.3%

Source: DGCI&S; India Exim Bank Research

Revealed Comparative Advantage Analysis and J&K's Export Competitiveness

Revealed Comparative Indices are used to identify categories of exports in which an economy has a comparative advantage by way of comparison of the country's trade scenario with the world scenario. The basic assumption underlying the concept of revealed comparative advantage is that the trade profile reflects the inter-country differences in terms of relative costs as well as non-price aspects. As per Balassa's (1965) measure, index for country 'i', commodity 'j' is:

$$RCA_{ij} = \left(\frac{X_{ji}}{X_i} \right) / \left(\frac{X_{jw}}{X_w} \right)$$

Where,

X_{ji} = exports of commodity j from country 'i'

X_i = total exports from country 'i'

X_{jw} = total exports of commodity 'j' from the world

X_w = total exports from the world

Country i is said to have a revealed comparative advantage in commodity j if its ratio of exports of product j to its total exports of all products exceeds the same ratio for the world as a whole. The RCA index ranges from 0 to infinity, with 1 as the breakeven point. An RCA value of less than 1 means that the product does not have a comparative advantage, while a value above 1 indicates that the product has a comparative advantage. When a country has a revealed comparative advantage for a given product, it is inferred to be a competitive producer and exporter of that product relative to a country producing and exporting that product at or below the world average.

The Normalized Revealed Comparative Advantage (NRCA) index has been demonstrated capable of revealing the extent of comparative advantage that a country has in a product more precisely and consistently than other alternative RCA indices in the literature. NRCA can be defined in the following manner.

$$NRCA_{ij} = \frac{(RCA_{ij} - 1)}{(RCA_{ij} + 1)}$$

NRCA ranges from -1 to 1 with 0 as the breakeven point. That is, an NRCA value of less than 0 means that the product has no export comparative advantage, while a value above 0 indicates that the product has a comparative advantage. The extent of comparative advantage/disadvantage can be gauged from the proximity of the NRCA values to the extreme data points, viz. +1 and -1.

The unique topographical advantage of J&K enables it to export some unique products which may not be necessarily available in any other part of the globe. This section intends to identify the products J&K could focus on to realise higher export earnings.

Product Classification and Focus Products

An exercise has been performed to map the export competitiveness of J&K. The analysis considers two determinants for assessing J&K's export performance at a granular level, namely the NRCA for J&K's exports and the AAGR for global imports in the last five years (2019-2023). Based on the HS Code classifications of the products at HS 6-digit level, 518 products exported by J&K in 2023 have been divided into four categories:

1. *Product Champions (Product AAGR > 0; Positive NRCA)*

These are the products which exhibited positive export growth over the last five years (2019-2023) and in which J&K demonstrated high export competitiveness. These products have the maximum export potential. Expanding the export capacities in these products in the short run would lead to high export gains. 158 such product champions have been identified. They represent an export value of US\$ 160.2 million, i.e. 82.4% of J&K's exports in 2023 (Table A1). It is worthwhile to note that given that majority of J&K's exports already

exhibit export competitiveness, building further capacities in these products would lead to higher export earnings quickly.

2. Underachievers (Product AAGR > 0; Negative NRCA)

This category includes products which have demonstrated positive global import growth during 2019-2023 but in which J&K has low export competitiveness. Thus, although their global import demand is high, J&K does not have competitiveness in these products. The UT can strive towards building export capabilities in these product categories. A total of 266 products with an export value of US\$ 2.8 million have been identified as underachievers for J&K (Table A2).

3. Achievers in Weak Markets (Product AAGR < 0; Positive NRCA)

These are the products in which although J&K has export competitiveness but their global demand has witnessed a declining trend over the years. 51 such products with a combined export value of US\$ 31.3 million in 2023 have been identified.

4. Declining Markets (Product AAGR < 0; Negative NRCA)

This category includes products in which neither J&K has export competitiveness nor there is robust global import growth during the period under consideration. 43 such products with an export value of US\$ 0.2 million have been identified under this category.

Table 2.7: J&K's Product Classification

Product Category	Number of Products	Combined Export Value in 2023 (in US\$ million)	% Share in J&K's Exports	World Exports in 2023 (in US\$ million)
Product Champions	158	160.2	82.4%	826726.2
Underachievers	266	2.8	1.4%	3182752.9
Achievers in Weak Markets	51	31.3	16.1%	114101.3
Declining markets	43	0.2	0.1%	97140.0
Total Products	518	194.5	100.0%	

Source: DGCI&S; ITC Trade Map; India Exim Bank Research

Among the 158 product champions identified, medicaments was the top exported product category with exports of about US\$ 47 million in 2023. The other top exported items under product champions in 2023 were shawls, scarves, mufflers etc. of wool or fine animal hair (US\$ 25 million), yarn predominantly of polyester staple fibres mixed with artificial staple fibres (US\$ 15.8 million), multiple “folded” or cabled yarn majorly of polyester (US\$ 6.1 million), and yarn containing predominantly polyester staple fibres by weight mixed with cotton (US\$ 4.3 million), among others.

Table 2.8: Select Product Champions Identified for J&K

HS Code	Commodity	J&K's Exports in 2023 (US\$ million)	World Exports in 2023 (US\$ million)	Share in Global Exports
300490	Medicaments consisting of mixed or unmixed products	47.0	365145.3	0.01%
621420	Shawls, scarves, mufflers, mantillas, veils etc. of wool or fine animal hair	25.0	1278.3	1.96%
550951	Yarn containing predominantly polyester staple fibres by weight mixed with artificial staple fibres	15.8	379.3	4.16%
550922	Multiple "folded" or cabled yarn containing >= 85% polyester staple fibres by weight	6.1	576.5	1.07%
550953	Yarn containing predominantly polyester staple fibres by weight mixed with cotton	4.3	1033.4	0.42%
570190	Carpets and other textile floor coverings, of textile materials	4.1	292.3	1.41%
293410	Heterocyclic compounds containing an unfused thiazole ring	3.6	2889.0	0.13%
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	3.5	28079.1	0.01%
380892	Fungicides products	3.5	10213.5	0.03%
300640	Dental cements and other dental fillings; bone reconstruction cements	3.4	3195.1	0.11%
293339	Heterocyclic compounds with nitrogen hetero-atom[s] only	3.1	15499.3	0.02%
520523	Single cotton yarn, of combed fibres, containing >= 85% cotton by weight	2.5	1906.3	0.13%

Source: DGCI&S; ITC Trade Map; India Exim Bank Research

266 of J&K's exported products in 2023 have been identified as underachievers. The top exported underachiever products from J&K include plates, sheets and strips of aluminium alloys with an export value of US\$ 0.2 million in 2023, beauty or make-up preparations and preparations for the care of the skin (US\$ 0.2 million), articles of iron or steel (US\$ 0.2 million), acrylic polymers, in primary forms (US\$ 0.1 million), and mixtures of odoriferous substances (US\$ 0.1 million), among others. Given that the export values are low, focussed interventions are required in these segments for strengthening export capabilities and tapping the growing global import demand in these segments.

Table 2.9: Select Underachievers Identified for J&K

Hs Code	Commodity	J&K's Exports in 2023 (US\$ million)	World Exports in 2023 (US\$ million)
760612	Plates, sheets and strip, of aluminium alloys	0.2	31927.3
330499	Beauty or make-up preparations and preparations for the care of the skin	0.2	59578.8
732690	Articles of iron or steel	0.2	59521.5
390690	Acrylic polymers, in primary forms (excl. poly"methyl methacrylate")	0.1	16884.1
330210	Mixtures of odoriferous substances and mixtures, including alcoholic solutions	0.1	20450.1
842952	Self-propelled mechanical shovels, excavators and shovel loaders etc.	0.1	36630.5
220299	Non-alcoholic beverages (excl. water, fruit or vegetable juices, milk and beer)	0.1	13038.2
902750	Instruments and apparatus for physical or chemical analysis	0.1	11573.8
940360	Wooden furniture (excl. for offices, kitchens and bedrooms, and seats)	0.1	29803.2
300432	Medicaments containing corticosteroid hormones, their derivatives	0.1	11526.7
382219	Diagnostic or laboratory reagents	0.1	38108.3
420222	Handbags with outer surface of sheeting of plastics or of textile materials	0.1	17815.8

Source: DGCI&S; ITC Trade Map; India Exim Bank Research

Summing Up

J&K's participation in international trade underscores the potential it holds in becoming a competitive export-driven economy. While the UT has made strides in diversifying its export basket in, inter alia, pharmaceuticals, textiles, and handloom products, its overall contribution to India's merchandise exports remains minimal. With changing times, vibrant opportunities are emerging for J&K to facilitate investments, build robust industrial infrastructure, and expand its trade horizons. By leveraging its comparative advantages, fostering innovation, and ensuring equitable development across districts, J&K can position itself as a key player in India's international trade landscape, unlocking economic growth and prosperity for the region.



Trade Ecosystem and Policy Support

J&K is situated far from the coastline of India which restricts direct coastal trade. This makes it all the more important to strengthen J&K's trade ecosystem so that movement of goods and services is done in a cost-effective manner. Its export infrastructure and state of connectivity may be analysed by gathering insights from NITI Aayog's Export Preparedness Index (EPI) and the Logistics Ease Across Different State (LEADS) reports, among others.

Export Preparedness

J&K, placed in the "UT/Small States" category in EPI 2022, achieved an overall score of 47.79, ranking 17th among all the states and UTs in India. J&K was second to only Goa in the UT/Small states category. Notably, J&K showed an improvement from its performance in EPI 2021 wherein it ranked 23rd with a score of 30.06 among all states and UTs (Table 3.1).

Table 3.1: J&K's Performance in NITI Aayog's Export Preparedness Index

	EPI 2021	EPI 2022
Overall		
Rank	23	17
Score	30.06	47.79
Business Ecosystem		
Rank	23	22
Score	36.61	34.72
Export Ecosystem		
Rank	28	18
Score	12.24	44.56
Policy		
Rank	20	8
Score	56.99	99.52
Export Performance		
Rank	24	25
Score	7.87	19.39

Source: NITI Aayog export Preparedness Index report 2021, 2022; India Exim Bank Research

J&K has fared the best in policy pillar owing to the strong policy initiatives of the government with the UT ranking 8th in the pillar with a high score of 99.52. The improvement in the policy score is attributed to the policy developments such as rolling out of the J&K Industrial Policy (2021-30) and J&K Trade policy (2018-28). However, the scores in business and export ecosystem pillars are low at 34.72 and 44.56, respectively, pointing at the high scope for improvement.

Table 3.2: Comparison of J&K's Performance with Hilly States in NITI Aayog's Export Preparedness Index 2022

	J & K	Himachal Pradesh	Uttarakhand	Sikkim	Meghalaya
Overall	47.79	52.25	59.13	36.86	24.24
Business Environment	55.37	56.00	59.46	17.22	50.62
Ease of Doing Business Index	25.00	75.00	75.00	0.00	25.00
Power cost	77.39	47.11	51.14	26.24	69.99
Single Window Clearance	100.00	100.00	100.00	100.00	100.00
Infrastructure	29.85	39.21	46.80	53.30	20.04
Power availability	71.07	80.89	80.89	80.89	80.89
Internet facilities	24.30	57.27	47.83	66.20	12.09
Cluster strength	24.71	0.00	20.00	15.29	1.18
Number of industrial parks	1.08	0.46	0.00	0.00	0.00
Transport Connectivity	21.73	34.24	43.04	0.00	11.38
Cold storage facilities - Capacity	0.62	0.90	1.27	0.00	0.05
ICDs-area coverage	0.00	2.50	13.60	0.00	0.00
Warehouse facilities - Capacity	0.00	0.66	0.57	0.00	0.09
Operational Air Cargo Terminals	33.33	33.33	55.56	0.00	0.00
Export Infrastructure	69.15	81.68	91.79	62.98	44.89
Area under Export promotion industrial parks	0.00	0.15	0.28	0.04	0.00
Number of Agro Export Zones	25.00	12.50	50.00	25.00	0.00
Presence of Knowledge and information portal for exporters	100.00	100.00	100.00	100.00	100.00
Total area under trade exhibition centres	16.36	3.64	21.82	0.00	0.00
Trade guide	100.00	100.00	100.00	0.00	0.00
Trade Support	47.21	38.10	48.34	37.08	0.06
Capacity Building/Orientation workshops	0.93	1.87	1.56	2.49	0.16
Number of Trade Fairs conducted by Government Departments	16.36	3.64	21.82	4.55	0.00
Projects approved under TIES	0.00	25.00	0.00	0.00	0.00
R&D Infrastructure	17.32	24.47	26.19	14.24	21.55
Number of NABL Labs	8.21	8.44	11.30	0.00	2.36
Research Institutes	5.38	16.86	2.45	0.00	7.63
GI Products	19.05	23.81	19.05	2.38	4.76
Export Growth in three years	38.81	45.86	28.57	57.50	0.00

Source: NITI Aayog Export Preparedness Index Report 2022; India Exim Bank Research

When comparing the performances of hilly states and J&K in the EPI, we see that J&K lies below Uttarakhand and Himachal Pradesh in the overall scores but above the Northeastern states – Sikkim and Meghalaya. It is also evident that it has export infrastructure that has been underutilised. According to EPI 2022, J&K lacks in industrial parks, SEZs and trade fairs. J&K also lacks proper transport connectivity as compared to Northern hilly states. As per the Ministry of Power, J&K is home to one of the cheapest electricity sources. One of the most important factors pulling J&K down is the non-availability of internet. Another factor is the lack of research institutes and NABL labs which has lowered the UT's R&D infrastructure score.

LEADS Report

The Logistics Ease Across Different States (LEADS) initiative, spearheaded by the Government of India, serves as a crucial framework for evaluating the logistics ecosystem across various Indian states and UTs. The LEADS report categorises the states and UTs into “Achievers”, “Fast Movers”, and “Aspirers” based upon their performance. J&K is grouped in the “Aspirers” category in the LEADS report published in 2023.

Logistics Infrastructure

While the user perception performance assessment for the two indicators viz. quality & adequacy of rail infrastructure, and availability of warehouse infrastructure, for J&K, is above average of the infrastructure pillar within UTs, the user perception for rest of the indicators, viz. first/last mile connectivity, terminals, road, and packaging infrastructure is below average.

Logistics Services

Among the indicators which include timeliness, skilled manpower, safety and security, terminal, track and trace, transport, and cost/pricing of logistics, only cost/pricing of logistics fares above the UTs average based on the user perception.

Operating & Regulatory Environment

Other than grievance addressal, all indicators, namely government facilitation, warehousing approvals, and ease of entry are below the average of UTs based on user perception performance assessment.

There is thus huge scope for improvements in the logistics infrastructure in the UT. A few recent developments are steps in the right direction. For instance, the setting up of the international cargo terminal facility at Srinagar airport serves as a boost to exports, particularly of horticultural produce and handicrafts. Development of Controlled Atmosphere Storage Facilities is also gradually taking place in the UT. With dedicated steps, J&K may rapidly strengthen the logistics infrastructure for exports.

Policy Support

● J&K Trade Policy (2018-28)

The J&K government finalised its Trade Policy in 2018, set for a 10-year period with the vision of attaining economic development through export led revenue growth. The trade policy focuses on enhancing domestic trade volume by five times from the level in 2018 in the next 10 years. It also aims at raising the share of J&K in India's exports to 2% by 2028. In FY 2023-24, the share was about 0.04%.

The Trade Policy emphasises raising efficiency and widening linkages in domestic production and building a diversified competitive export sector. Measures have been initiated to create product awareness about ‘Brand Kashmir’ in new markets beyond the traditional regions. The policy envisages periodical export marketing and management workshops and seminars; establishment of warehouses and logistics Parks by means of allocation of land and incentives for such activities; and functionalisation of the Inland Container Depot and Air Cargo Complexes at Jammu, Srinagar and Leh alongside multimodal Logistics Parks and Dry Ports in collaboration with Local, National and International Companies, among others. Besides, the policy promotes ease of doing business through streamlined procedures and digital platforms, supports SMEs with financial aid and technology, and encourages skill development to create a skilled workforce.

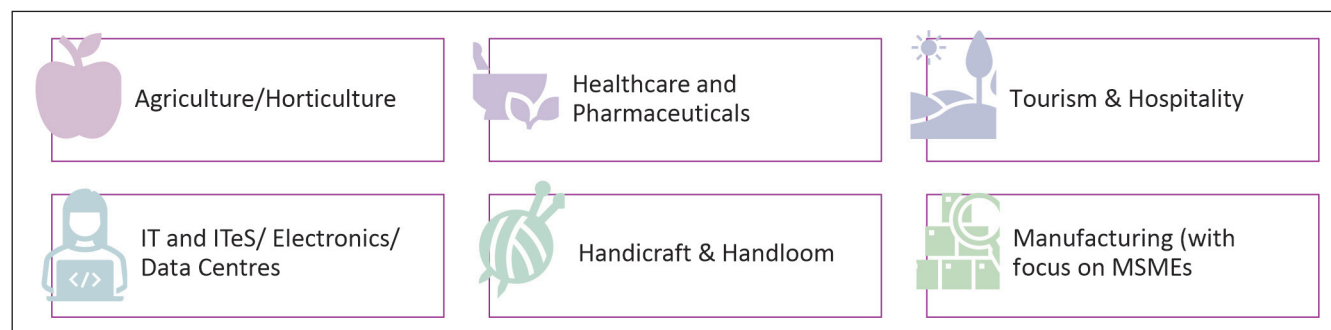
● Draft J&K Export Policy 2024

Recently, Industry and Commerce Department, Government of J&K, released the draft J&K Export Policy 2024. The policy envisions harnessing the export potential of J&K based on its strengths and transforming the economy into a competitive export led entity, thereby making J&K a “haven for exports”. The policy has set an export target of ₹100 billion in the next five years.

Figure 3.1: Scope of the Draft J&K Export Policy 2024

Building Market Linkages	Publicity and Promotion	Packaging of ODOP	Capacity Building
<ul style="list-style-type: none"> Digital partnerships International events ODOP festivals 	<ul style="list-style-type: none"> Social media marketing Content marketing Email marketing Influencer collaborations Data analytics 	<ul style="list-style-type: none"> Uniform packing standards Eco-friendly packaging solutions Quality assurance labels Packaging workshops and training sessions 	<ul style="list-style-type: none"> Skill development programs for local artisans Workshops on modern production techniques

Figure 3.2: Identified Focus Sectors



Source: Draft J&K Export Policy 2024

Furthermore, an “Export Promotion Board” at UT level has been constituted under the chairmanship of Hon’ble Lieutenant Governor of J&K to select and manage the areas to be declared as Export Promotion Hubs in J&K, finalise the Export Policy, and approve measures for facilitating Ease of Doing Business, among others.

The apex Export Promotion Committee & District Export Promotion Committee have also been constituted to coordinate with the district administrations for promoting the District as Export Hubs (DEH) initiative, conduct outreach programmes with exporters on FTAs, review key infrastructure projects pertaining to exports, etc.

Incentives Proposed: -

1. **Market Development Assistance Scheme (MAI):** In addition to the assistance provided by the Central Government under the MAI scheme to artisans, weavers, cooperative societies, and manufacturers of handicrafts and handloom, the J&K Government shall extend additional assistance to exporters for participation in approved national/ international trade fairs, buyer-seller meets organised by foreign Agencies/ ITPO/ EPCs/ Commodity Boards, etc. Up to 75% of stall charges with ceiling of ₹1,50,000 and up to 70% of air fare with a ceiling of ₹50,000 shall be covered for MSME exporters registered with concerned DIC/ Handloom Handicraft Exporters/ JKTPO/ other departments of J&K government/ J&K exporters registered with DGFT for international exhibitions held in India or overseas. For women exporters, the exemption is up to 90% of stall charges with a ceiling of ₹2,00,000 and 90% of air fare with ceiling of ₹60,000.
2. **Technical Patent Subsidy:** To encourage innovation, a subsidy of 50% of the expenditure incurred in obtaining a patent shall be provided with a ceiling of ₹2 lakh for successful registration and approval of a national patent, and ₹10 lakh for an international patent.
3. **Export Subsidy:** Subsidies on substantial growth of exports value over the previous year shall be provided for GI tagged products and ODOP products, among others.
4. **Gateway Port Scheme:** Financial assistance up to 25% of the total inland freight charges with maximum ceiling of ₹8000/- for 20" and ₹15000/- for 40" per container up to maximum ₹10 lakh (per exporting unit) in a financial year, shall be admissible to exporters for sending their goods to the Gateway Port.
5. **Air Freight Rationalization Scheme:** Financial assistance of up to ₹50 per kilogram or 20% of value of the airway bill, (whichever is lower) up to a maximum of ₹5 lakh per year per exporting unit shall be provided for sending export consignments from air cargo complexes.
6. **Export Infrastructure:** Setting up or upgradation of export related infrastructure like Multi Modal Logistic Parks (MMLP), ICDs, Container Freight Stations (CFS), air cargo facilities, common facility centres, pack houses, integrated cold chain facilities, vapor heat treatment facilities, quality testing centres, trade facilitation centres, industrial parks, among others, shall be prioritised. Besides, trade- promoting infrastructure shall be set up at the two notified towns of excellence- Srinagar and Anantnag- and more such towns shall be identified.
7. **Other Incentives:** Other incentives proposed include partial refund of certification charges, Market Research Fund with JKTPO with an allocation of ₹1 crore per year under, 'Best Exporter Awards', and creation of Nodal Department and Facilitation Cells for each GI.

- **J&K Industrial Policy (2021-30)**

The J&K Industrial Policy aims at creating a sustainable, balanced, progressive, and competitive ecosystem in the UT. The sectors identified with high potential under the policy include: -

- Food Processing
- Healthcare and Pharmaceuticals
- Herbal and Medicinal Plants
- Milk Poultry and Wool Production
- High Grade Raw Silk
- Electronics
- Information Technology
- Renewable energy
- Education and Skill Development
- Handloom and Handicrafts
- Tourism
- Health

Under the policy, monetary benefits are being offered which include exemption from stamp duty, subsidies on electrical power supply installation, procurement of quality certificate, automation, pollution control devices, installation of green equipment, and incentives on turnover, among others. Besides, support for marketing and entrepreneurship is being provided along with emphasis on enhancing ease of doing business in the UT. Entrepreneur skill development fund has been created to ensure skill and training of the entrepreneurs. Besides, marketing support is being provided by organising trade fairs, buyer-seller meets and listing on the GeM portal. Other benefits include the Ease of Doing Business single window clearing system, creation of Investment Facilitation Cell, and District Industries Centres functioning as Information Hubs.

- **New Central Scheme for Industrial Development of J&K**

The scheme, effective from April 1, 2021, to March 31, 2037, offers a range of incentives to promote industrial growth and economic development in J&K. The major incentives offered include:-

- **Capital Investment Incentive:** A subsidy at the rate of 30% in Zone A and 50% in Zone B on investment made in plant & machinery in manufacturing or construction of building and other durable physical assets in service sector is available. Units with an investment up to ₹50 crore will be eligible to avail this incentive. Maximum limit of incentive is ₹5 crore and ₹7.5 crore in Zone A & Zone B respectively.
- **Capital Interest Subvention:** Interest subvention at the annual rate of interest of 6% for maximum seven years on loan amount up to ₹500 crore for investment in plant and machinery in manufacturing) sector or for construction of building and all other durable physical assets in service sector is being offered.

- **GST Linked Incentive:** Incentive up to 300% of the eligible value of investment made in plant and machinery or other durable physical assets to be provided for ten years.
- **Working Capital Interest Incentive:** Interest subvention at the annual rate of 5% for maximum 5 years with an upper limit of ₹1 crore is offered.

Figure 3.3: Other Key Industrial Policies of J&K

J&K IT/ITEs Policy 2020	<ul style="list-style-type: none"> • Relaxation of Floor Area Ratio (FAR) up to 50% • Reimbursement of 50% cost of technology aquisition, max ₹1 crore • 25% bandwidth subsidy, max ₹2 lakh per year
J&K Wool Processing, Handloom, Handicrafts Policy 2020	<ul style="list-style-type: none"> • Establishment of raw material banks • Establishment of Urban & Rural Haats • Export Subsidy @ 10% • Support to entrepreneurs for leveraging e-commerce platforms
J&K Poultry Policy 2020	<ul style="list-style-type: none"> • Capital Investment Incentive for access to credit @ 30% max up to ₹50 lakhs • 100% subsidy on DG sets max up to ₹4.5 lakhs • Interest Incentive @3% on working capital for 5 years
J&K Industrial Land Allotment Policy 2021	<ul style="list-style-type: none"> • Industrial land available in different industrial estates through Single Window Portal • Land to be initially allotted on lease for 40 years, extendible to 99 years • Online allotment time period is 75 days
J&K Film Policy 2021	<ul style="list-style-type: none"> • Fiscal incentive for film/ TV show/ web series/ documentary up to ₹2 crore • Additional subsidy of ₹50 lakh for a film with cast of minimum 5 primary local artists • Film sector accorded the status of Industry • Subsidy on accommodation

J&K's strategic approach to enhancing trade infrastructure and policy support highlights its commitment to overcoming geographical and logistical challenges. While significant progress has been made, as evidenced by improvements in the Export Preparedness Index and the introduction of robust trade and industrial policies, there remain areas demanding focused interventions, especially in trade facilitating infrastructure, R&D infrastructure, and capacity building. Through sustained investment in multimodal logistics, digital connectivity, industrial development and capacity building, J&K is poised to become a competitive export hub.



Strategies for Building Exports from Jammu & Kashmir

J&K targets to substantially accelerate its export growth in the next couple of years. J&K Trade Policy 2018-2028 envisages enhancing J&K's contribution to India's exports to 2% from 0.04% in FY 2023-24 and increasing domestic trade volume by five times by 2028. The draft J&K Policy 2024 also aims at achieving an export target of ₹10,000 crore (approx. US\$ 1207.9 million) in the next five years. Considering J&K's vision, this Exim Bank Study explores the course of J&K's exports up to FY 2029-30, the year by which India aims to achieve merchandise and services exports of US\$ 1 trillion each.

Under the first scenario, based on the recent draft trade policy target of ₹10,000 crore in the next five years, the Study estimates that to reach an export value of US\$ 1207.9 million⁴ by FY 2029-30, the exports would have to grow at a CAGR of 35.8% during FY 2023-24 to FY 2029-30. Under a more ambitious scenario, assuming that J&K would account for at least 0.5% of India's envisaged exports of US\$ 1 trillion by FY 2029-30, the export target would be US\$ 5000 million, for which exports would have to grow at a CAGR of 72% during the period FY 2023-24-FY 2029-30.

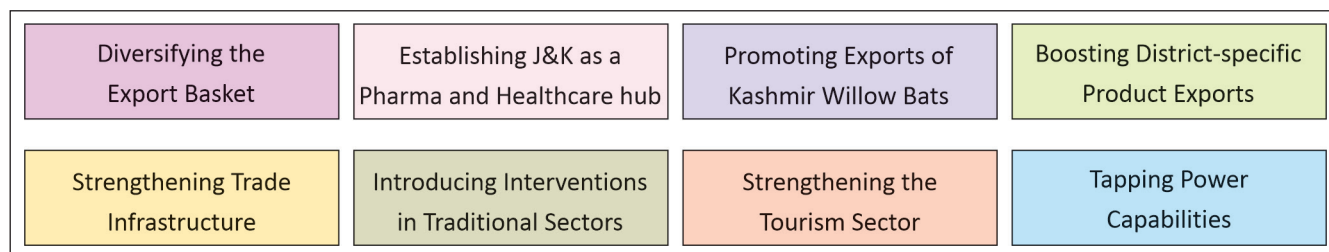
Table 4.1: Exports from J&K: Target (FY 2029-30)

Possible Scenarios	Merchandise Exports	
	Export Value US\$ million (in 2029-30)	Growth Required (CAGR 2023-24 to 2029-30)
Exports in FY 2023-24: US\$ 192.8 million		
J&K's exports reach a value of ₹10,000 crore	1207.9	35.8%
J&K's exports account for at least 0.5% of India's merchandise export target	5000.0	72.0%

Source: DGCI&S; India Exim Bank Research

Given the low base, the growth targets appear on the higher side. However, since J&K's export potential is immense, focused interventions and support could help the UT to achieve these targets. The Study herein proposes a select strategies towards achieving achieving the same :-

⁴ Exchange rate of ₹82.79 per US\$ considered for FY 2023-24

Figure 4.1: Strategies for Building Exports from J&K

1. Diversifying the Export Basket

There is considerable scope for diversifying J&K's export basket as well as further strengthening exports of products in which J&K is competitive. In the short to medium run, focusing on product champions which include the products that have exhibited high export competitiveness as well as high global import demand would yield substantial results. The Study has identified 158 such products. Among those, the top 12 products with the highest global demand in 2023 (as indicated by their exports) have been given in Table 4.2. Given that the UT has a paltry share in global exports of these high-demand products, focusing on enhancing export capabilities in these products would help reap considerable benefits.

Table 4.2: Select Product Champions for Boosting J&K's Exports

HS Code	Commodity	J&K 's Exports in 2023 (US\$ million)	Global Exports in 2023 (US\$ million)	Share in Global Exports
300490	Medicaments consisting of mixed or unmixed products	47.0	365145.3	0.01%
621420	Shawls, scarves, mufflers, mantillas, veils etc. of wool or fine animal hair	25.0	1278.3	1.96%
550951	Yarn containing predominantly polyester staple fibres by weight mixed with artificial staple fibres	15.8	379.3	4.16%
550922	Multiple "folded" or cabled yarn containing $\geq 85\%$ polyester staple fibres by weight	6.1	576.5	1.07%
550953	Yarn containing predominantly polyester staple fibres by weight mixed with cotton	4.3	1033.4	0.42%
570190	Carpets and other textile floor coverings, of textile materials	4.1	292.3	1.41%
293410	Heterocyclic compounds containing an unfused thiazole ring	3.6	2889.0	0.13%
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	3.5	28079.1	0.01%
380892	Fungicides products	3.5	10213.5	0.03%
300640	Dental cements and other dental fillings; bone reconstruction cements	3.4	3195.1	0.11%
293339	Heterocyclic compounds with nitrogen hetero-atom[s] only	3.1	15499.3	0.02%
520523	Single cotton yarn, of combed fibres, containing $\geq 85\%$ cotton by weight	2.5	1906.3	0.13%

Source: DGCI&S; ITC Trade Map; India Exim Bank Research

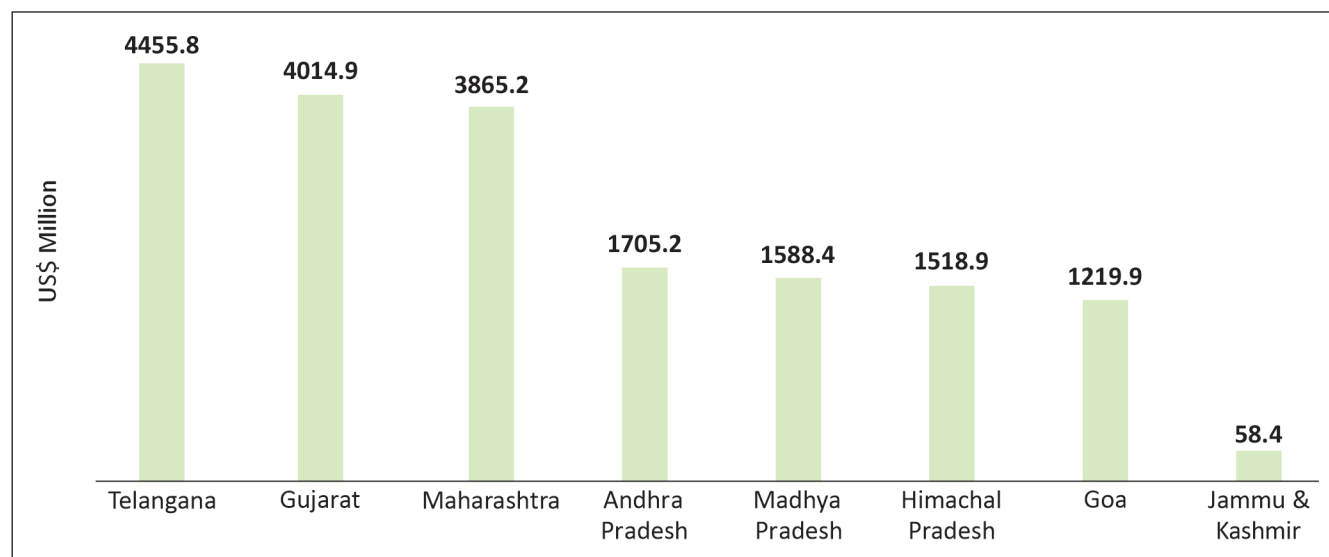
The products identified above, belong to the categories of pharmaceuticals; woollen garments; man-made fibres; carpets; organic chemicals; rice; and agrochemicals among others. Notably a few of J&K's product champions like woollen shawls, scarves, mufflers etc.; yarn containing polyester staple fibres; and carpets have established a decent global presence. The exports of these products can be strengthened rapidly by focusing on branding and marketing. Dedicated focus by the respective Export Promotion Councils, rigorous marketing and branding activities and adequate infrastructural support may provide a huge impetus to the exports.

Another item within the product champions category that may be focused on, is Christmas decorative items such as balls, bells, crescents, and Santa miniatures. Made using papier-mâché, a renowned traditional art form of J&K, the products are seeing growing demand in the United States, Canada, European and Middle Eastern countries, among others. To boost global demand for decorative items made using papier mâché from J&K, the Government may focus on effective marketing of the products.

2. Establishing J&K as a Pharma and Healthcare hub

J&K is host to several leading pharmaceutical manufacturing companies. Pharmaceuticals were in fact J&K's top exported product category in FY 2023-24, with exports of US\$ 58.4 million. However, when compared with the top exporting pharmaceutical states in India, J&K's exports are much lower, contributing a mere 0.3% of India's exports.

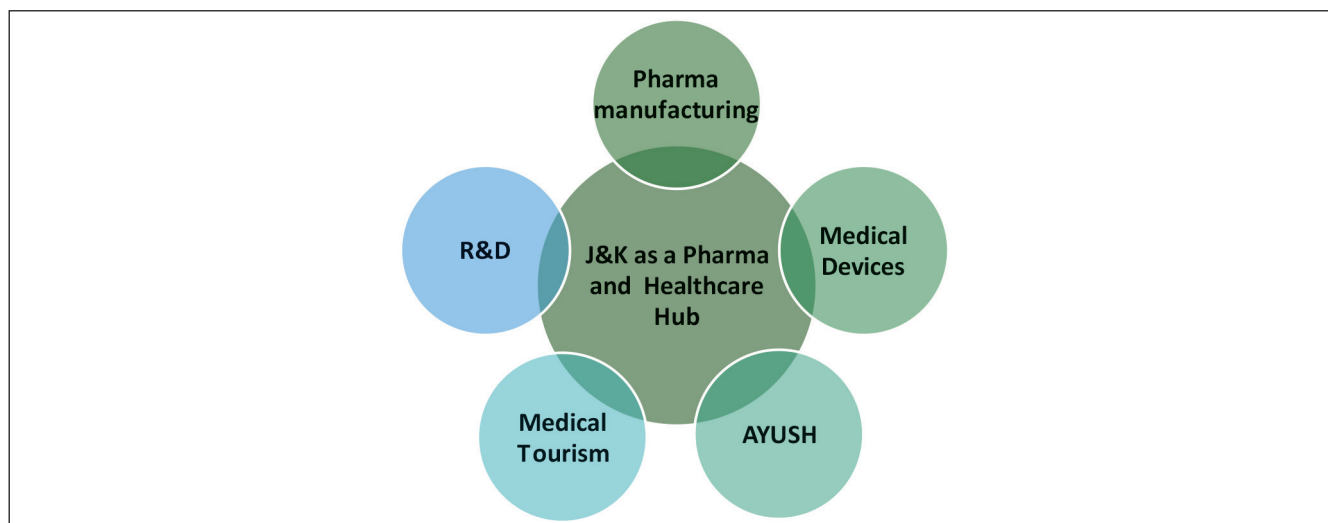
Figure 4.2: Top Pharmaceutical Exporting States in India vis- à -vis J&K in FY 2023-24



Source: DGCI&S; India Exim Bank Research

J&K's unique climatic conditions, smooth availability of power, rich biodiversity, and abundant natural resources create a strong foundation for establishing J&K as a thriving pharmaceutical and healthcare hub. These factors not only support large-scale pharmaceutical manufacturing but also open avenues for the development of allied sectors such as Ayurvedic and herbal medicines under the AYUSH framework, manufacturing of medical devices, wellness tourism, and healthcare services.

Figure 4.3: J&K as a Pharmaceutical and Healthcare Hub



- **Pharma Manufacturing**

Districts in J&K such as Jammu and Samba have a fair presence of units manufacturing antibiotics like anti-epileptic and anti-hypertensive drugs. However, the manufacturing and exports remain majorly limited to drug formulations. In FY 2023-24, exports of drug formulations and biologicals from J&K stood at US\$ 58.3 million while exports of bulk drugs and drug intermediates were a paltry US\$ 1.3 million.

Given India's high dependence on imports for bulk drugs/ Active Pharmaceutical Ingredients (APIs), J&K, particularly the southern districts like Jammu, Kathua, and Samba may dedicate resources for building API parks. It may be noted that under the Promotion of Bulk Drugs Park Scheme, Ministry of Pharmaceuticals and Fertilisers is facilitating building of common infrastructure facilities for bulk drug units to bring down the manufacturing costs. The grant-in-aid proposed for J&K under the Scheme is 90% of the cost of common infrastructure facilities. However, 'in principle' approval has been accorded to only three states, viz. Gujarat, Himachal Pradesh, and Andhra Pradesh.

Given the catalytic role of these common facility centres, the Centre and J&K government may jointly devise a Bulk Drug Park Scheme for the UT, focused on development of large clusters that provide plug-and-play infrastructural support for manufacturing APIs. Synergies may also be built, for instance, by building linkages between the proposed bulk drug parks and the upcoming Biotechnology Park in Kathua to accelerate manufacturing growth in pharmaceuticals.

- **AYUSH**

With growing global interest in indigenous medicine, India's rich heritage in Vedic pharmacology and Yoga Shastra presents lucrative opportunities. The demand for organic farmed products and herbs has never been higher. As per a report⁵, the market size of the AYUSH industry in India has grown rapidly, and was estimated at US\$ 18.1 billion in 2020, considerably up from US\$ 2.85 billion in FY 2014-15.

The exports of AYUSH and herbal products from India have risen from US\$ 428.1 million in FY 2019-20 to US\$ 651.2 million in FY 2023-24, registering a CAGR of 11.1%. Over half of the exports in FY 2023-24 were from Gujarat, followed by Rajasthan, and Maharashtra. J&K, despite being a traditional centre for AYUSH and

⁵ Forum on Indian Traditional Medicine (FITM), Research and Information System for Developing Countries (RIS), and Ministry of AYUSH

having favourable agro-climatic conditions, has a negligible share in India's AYUSH exports. Its exports were estimated at US\$ 84.3 thousand in FY 2023-24, accounting for 0.01% of India's AYUSH exports.

Table 4.3: AYUSH and Herbal Products Exports (US\$ thousand)

	2019-20	2020-21	2021-22	2022-23	2023-24	Share in 2023-24
India	428075.0	539878.0	612124.8	628541.7	651172.5	
Gujarat	186588.5	246780.0	286947.7	308833.1	339832.4	52.2%
Rajasthan	34168.1	55190.3	71566.5	67825.5	67825.5	10.4%
Maharashtra	62930.9	71815.5	61941.4	61170.9	50973.4	7.8%
J&K	87.4	25.3	543.2	438.7	84.3	0.0%

Source: DGCI&S; India Exim Bank Research

J&K is home to more than 300 medical plants besides a network of 31 AYUSH units, 571 Indian System of Medicines (ISM) dispensaries, 2 AYUSH hospitals and 2 AYUSH medical colleges. The UT possesses lucrative investment opportunities across the entire AYUSH segment including deepening of herbal medicine manufacturing, herbal tourism, herbal agricultural farms for herbs with high commercial value, alternate medicine hospitals, yoga centres, and retreats.

Box 1: Learning from the Success of Traditional Chinese Medicine

Traditional Chinese Medicine (TCM) is one of the most ancient living pharmacology and lifestyle traditions. Given the high price of medicines, their enhanced side effects and lack of treatment for chronic disease, the demand for traditional and alternate medicine is higher than ever. The growing popularity of TCM is credited to the rapid increase of licenced Chinese medicine providers across the world. Alongside, the Chinese government eyes creating several TCM-oriented export giants by the next decade.

Similarities between TCM and TIM: Unlike modern medicine, both the TCM and Traditional Indian Medicine (TIM) were developed with a focus on patients and not on the disease. The Chinese and Indian practices have five distinct elements; where the Chinese follow Water, Fire, Earth, Metal and Wood; the Indian practice includes Air and Space instead of Metal and Wood. The approach of both of these ancient practices is to treat the root cause of the disease.

Wide acceptance of TCM over TIM: Ayurveda has blessed India for over five thousand years but it is only in the recent decades that it has received international attention. TCM is recognised in over 70 countries whereas TIM is recognised in over 30 countries. Studies have shown that TCM is far more integrated with modern medicine in Chinese hospitals as compared to Ayurveda in Indian hospitals. India houses one of the largest herbal industries in the world but is not able to match the Chinese progress. The Chinese government has recognised TCM as part of their "Healthy China 2030" project, whereas the Indian government has only recently started to recognise the power of Ayurveda and other alternative treatments through the ministry of AYUSH. In addition, Chinese medicine is widely accepted in China despite the rise of Western medicine. However, the situation is not the same in India, where people tend to prefer western medicine to TIM.

J&K may capitalise on its unique advantages and on the growing government support to establish a vibrant AYUSH industry. Firstly, J&K may encourage large-scale cultivation of herbal plants like saffron, lavender, lemon

grass, and citronella, among others, through adequate training efforts and by providing financial assistance to farmers for adopting sustainable and organic farming practices. Secondly, J&K may enhance the infrastructure in the UT by establishing state-of-the-art AYUSH-focused industrial parks with advanced processing, testing, and packaging facilities paired with quality testing laboratories certified to international standards.

Thirdly, J&K may undertake extensive branding and marketing initiatives to promote its AYUSH products globally. This may be done by developing a regional brand for AYUSH products, linking them to the unique heritage and climate purity of J&K. Active participation in international expos, trade fairs, and B2B meetings is also required for showcasing AYUSH products to global buyers. J&K may also collaborate with international organisations and institutions to promote scientific validation and acceptance of AYUSH practices and products. Furthermore, the UT may build an online marketplace for J&K's AYUSH products to reach global consumers directly and enhance visibility.

- **Medical Devices**

Medical devices has been recognised as a priority sector under the 'Make in India' initiative. Based on the survey of Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India, as of February 2023, there were about 21 medical devices clusters in the country spanning 9 states. The highest number of medical clusters (6) are in Uttar Pradesh, followed by 4 each in Maharashtra and Haryana, 2 in Karnataka, and one each in Andhra Pradesh, Gujarat, Rajasthan, Tamil Nadu, and Telangana. Since medical devices clusters are not present in J&K despite presence of several pharma companies, building of medical device clusters in the UT needs to be prioritised.

The Government of India, through a slew of initiatives such as the 'Scheme for Strengthening the Medical Device Industry' is providing comprehensive support to medical clusters, including common facilities, investment support for manufacturing key components, capacity building, skill development, and assistance in global outreach, among others. Such benefits may be availed to reduce the cost burden and build a thriving medical device production ecosystem.

- **Medical Tourism**

J&K, in particular, the Srinagar, Baramulla and Kupwara districts have immense potential to serve as global wellness hubs both for traditional AYUSH treatments and modern allopathic treatments through well-equipped hospitals. Accordingly, the UT may invest in world-class healthcare facilities equipped with advanced technologies and specialised services. Upgrading existing hospitals and establishing new multispecialty medical centers in the districts would attract patients seeking high-quality and affordable medical care. Furthermore, fostering collaborations with renowned national and international healthcare providers can enhance credibility and service standards.

Simultaneously, J&K's rich tradition of AYUSH practices can be a cornerstone of its medical tourism strategy. The region's natural beauty and pollution-free environment make it an ideal location for wellness retreats offering therapeutic treatments. Establishing well-regulated centers of excellence for AYUSH therapies with harmonised standards can create a unique offering in the global medical tourism market.

To attract international patients, dedicated medical tourism facilitation centers at airports and hospitals may be set up to provide end-to-end support, including language assistance, accommodation arrangements, and post-treatment care coordination. Developing affordable medical packages that include travel, treatment, and recovery costs can also appeal to a broader audience. Since marketing and branding play a key role, a

well-targeted campaign emphasising the region's unique blend of world-class medical care, traditional healing practices, and serene natural surroundings can position J&K as a holistic destination for health and wellness. Partnerships with travel agencies, medical tourism facilitators, and international health insurance providers can further expand its global reach.

Skilling the local community is also important for the sustainable development of medical tourism. Vocational training programs in healthcare and hospitality may be initiated to equip residents with the skills needed to support the industry while generating employment opportunities. By adopting this multifaceted approach, J&K can transform into a leading destination for medical tourism, contributing significantly to the region's economic growth and global reputation.

3. Promoting Exports of Kashmir Willow Bats

Kashmir willow bats are crafted from the wood of willow trees found in the Kashmir region. These bats are known for their toughness, balance and power that it can generate. The bats are widely used across Asia for their low price as compared to English willow bats. The Kashmir willow has the same tree DNA as the English willows as they come from the same tree, *Salix alba* but the physical properties of the wood vary depending on where it is grown. The Kashmir willow offers a higher density wood and is marginally heavier than the English willow. Due to the higher density wood, the Kashmir willow has a longevity advantage over the English willow and can last upto five seasons longer. The English willow bats are slightly whiter than Kashmir willow, but this difference is often non-existent among the highest grades of both the willows.

Box 2: Resurgence of Kashmir Willow Bats: The Example of GR8 Sports Pvt. Ltd.

Previously used by the greats of the sport – Sir Vivian Richards and Sachin Tendulkar, in 2023, ODI Cricket World Cup players of Afghanistan, Sri Lanka, Bangladesh, West Indies, Oman, and the UAE wielded the Kashmir willow bats. Earlier, in the 2022 T20 World Cup, a UAE player, Junaid Siddiqui hit the longest six (109 m) of the tournament to a well-experienced bowler Dushmanta Chameera of Sri Lanka, using a bat made in Kashmir. These events gave a huge popularity boost to Kashmir Willow bats and their demand surged from 500 bats in regular seasons to more than 1500 bats during the World Cup, as reported by the manufacturers.

Prospering in this success is GR8 Sports India Private Limited, a J&K based bat manufacturing company. It is now generating more than ₹ 300 crore in revenue from the bat making industry and perhaps is the only brand from J&K to receive ICC approval for Kashmir made bats. As per F. Kabir, the director of GR8 Sports, the number of bats exported was zero in 2021 but amid the World Cup in October 2023, the number neared the two-lakh unit mark.

The example of GR8 Sports is a landmark worthy of emulation by manufacturers across J&K in order to make the Kashmir willow bats a global name, that they deserve. However, this requires adequate technology support, attractive labelling and formulation of comprehensive marketing strategies that will enhance the exports and garner global fame for the bats.

Despite its recent resurgence and success, the bat industry in J&K faces numerous challenges. The reason for English willow's global demand is due to the standardisation of the industry in England, which was not there in India till recently. With the Kashmir willow bats being recently brought under the Bureau of Indian Standards' ISI mark (IS828), quality assurance in the global markets is expected to be enhanced.

However, challenges are faced in product marketing, transportation, access to machinery, and training in small-scale firms, among others. The bat making industry in J&K mostly acts as a backward linkage to Jalandhar's bat labelling industry. Punjab-based firms use the Kashmir willows as the principal material and label the products under their brand for further sales and exports.

To develop a robust export ecosystem for Kashmir Willow bats, the Study suggests the following measures-

- **GI Tagging of Kashmir Willow Bats:** Despite being the only region across Asia where cricket bats made of Salix Alba willow are manufactured, the Kashmir Willow bats have not yet received a Geographical Indication (GI) Tag. Due to inadequate marketing, the price of the bats has also been adversely impacted - where an English willow fetches a retail price of up to US\$ 450 per unit, a Kashmir willow bat fetches barely US\$ 50 per unit⁶. GI tagging of Kashmir Willow bats would ensure more recognition, competitive pricing, and better marketing. Provision of GI tag would also attract domestic and international players' attention towards sponsorship deals and would help in boosting exports.
- **Sustainable Plantation and Increase in Processing Units:** One of the major issues in the production of Kashmir Willow bats is low plantation of willow trees. With the rise of the pencil industry, the planters are more interested in Poplar trees due to their faster maturity period (5-7 years) than willow trees (10-13 years). The Government of J&K may thus look at facilitating large scale plantation of willow trees and distributing saplings to farmers at subsidised costs. Besides, there is a shortage of advanced processing units in J&K which results in the logs being supplied to other states like Punjab for further processing. Since a significant part of the willow production shifts outside J&K due to lack of processing facilities, the government of J&K may support building of more processing units and equipping them with the latest capital equipment and technology.
- **Focusing on Brand Building:** GR8 Sports Pvt. Ltd. has set a landmark in the J&K bat manufacturing industry. By securing sponsorship deals with four players from the UAE, an emerging T20 cricket-playing nation, GR8 Sports has carved a name for itself globally. Similarly, manufacturers from Kashmir may be encouraged and supported to devise adequate marketing strategies such as sponsoring low-cost players and new teams across global leagues to build a strong brand. The recent inclusion of Kashmir Willow bats in the notified list of handicrafts is a positive step as bat-makers can now benefit from schemes and welfare measures under the National Handicraft Development Programme (NHDP) and the Comprehensive Handicrafts Cluster Development Scheme (CHCDS). Incentives such as financial assistance for international marketing events, support in receiving trainings globally and participation in buyer-seller meets, among others, may be adequately availed to achieve a better export orientation in the industry.

4. Boosting District-specific Product Exports

As discussed in Chapter 2, the export concentration in J&K is staggeringly high with the top four districts, namely, Kathua, Jammu, Srinagar, and Samba accounting for 99.3% of J&K's exports in FY 2023-24. For equitable socio-economic development alongside robust export revenues, it is vital that the other districts also contribute to the UT's exports.

To start with, the districts could build an export ecosystem in products that are unique to their areas, as recognised by the GI tags received by them. Table 4.4 maps select GI tagged products of J&K with the districts where they are exclusively grown/made. J&K boasts a rich variety of such products which already

⁶ Mongabay. (2024). Kashmiri willow steps up to the crease and swings for recognition

have a niche market globally. By effectively branding these products for the global markets, exports can considerably rise.

Table 4.4: Select GI Tagged Products of J&K

Product	Category	District
Kani Shawl	Handicraft	Budgam
Saffron	Agricultural	Pulwama, Budgam, Srinagar, Kishtwar
Basohli Painting	Handicraft	Kathua
Udhampur Kaladi	Food Stuff	Udhampur
Basohli Pashmina	Handicraft	Kathua
Khatamband	Handicraft	Srinagar
Mushqbudji Rice	Agricultural	Anantnag and Budgam
Bhaderwah Rajma	Agricultural	Ramban, Doda, Kishtwar, Kathua
Ramban Anardana	Agricultural	Ramban, Rajouri, Doda, Udhampur
Papier Mâché	Handicraft	Srinagar
Walnut Wood Carving	Handicraft	Srinagar, Anantnag, Shopian, Budgam
Rajouri Chikri Wood Craft	Handicraft	Rajauri, Punch, Reasi
Ramban Sulai Honey	Food Stuff	Ramban, Doda, Kishtwar, Udhampur, Reasi

Source: Intellectual Property India

For instance, by focusing on building export linkages for agricultural products like Bhaderwah Rajma, Ramban Anardana, and Ramban Sulai Honey and handicrafts like Chikri wood craft, districts including Ramban, Doda, Kishtwar, Udhampur, and Reasi which hitherto have had almost negligible exports would be able to contribute to J&K's exports.

To leverage these GI tagged products and build their exports, it is vital that strict standardisation and certification processes are implemented at district-level. To further ensure authenticity and traceability, the exported products may be packed with QR codes which contain information about the origin of the products and about the artisans or farmers who produced the products. The GI tagged products also need to have strong branding in terms of product design, packaging, advertising etc. Since the artisans may lack marketing expertise, the District Export Promotion Committees may appoint marketing companies or develop an in-house marketing group to establish strong brand positioning for the products.

Initiatives are also needed for according GI status to additional products which are already well-recognised. For instance, J&K despite being a renowned hub for dry fruits, faces stiff global competition. Kashmiri walnuts and almonds face stiff competition from their American counterparts. Due to their non-GI tagging, they have not garnered enough global recognition and trust. On the other hand, California almonds and walnuts, owing to their vigorous marketing strategies have penetrated global markets. Similarly Kashmiri apples face tough competition from countries like the USA and Iran. GI tagging of Kashmiri apples will provide an identity to the fruit and subsequently government may take suitable measures towards developing exports.

Besides the GI tagged products, District Export Promotion Committees have identified additional products from each district with promising export potential. Export capabilities in these additional products may also

be built through adequate training, adoption of latest production processes, and access to capital equipment and technology, among others.

5. Strengthening Trade Infrastructure

For exports to flow from J&K, presence of adequate trade enabling infrastructure is vital. Firstly, since J&K has high export potential for agricultural produce, upgradation of air cargo hubs at the Srinagar and Jammu hubs is important. The cargo infrastructure at the Srinagar airport may be upgraded for handling larger volumes of goods. The warehousing capacity and temperature-controlled storage may be enhanced. At the Jammu Airport, since cargo facilities are limited, a dedicated cargo terminal may be established. Given that Jammu is increasingly becoming an industrial hub, a well-equipped cargo terminal with cold storage units, customs clearance facilities, and warehousing and handling systems is essential for supporting trade.

Besides, cold chain infrastructure may be established in all the districts. Integrated packhouses may also be set up for grading, sorting, and packaging agricultural produce to meet global export standards. Furthermore, given that J&K doesn't have any Special Economic Zone (SEZ), SEZs may be established in the UT as they provide the benefits of a free trade zone, export processing, and other fiscal benefits which hugely benefit the exporters. Development of an SEZ, the first in the UT, will not only boost the manufacturing capabilities of the industries but also generate local employment.

Inland Container Depots (ICD) are container storage facilities situated away from the seaports. The ICDs are used to store and move shipping containers before and after transporting them to the seaport. ICDs can also be used for custom clearance services and other paperwork related to trade. Despite the heavy potential in exports, J&K lacks ICDs due to which the logistics cost of storing, segregating and transportation increases. The government may thus expedite the development of ICDs at key industrial hubs like Samba and Jammu. Operationalisation of ICDs would enable the manufacturers and artisans in J&K to directly export their goods instead of supplying them to middlemen who have access to customs clearance services.

6. Introducing Interventions in Traditional Sectors

To make J&K's handloom sector export-ready, traditional artistry needs to be supplemented with innovation and technology. Advanced manufacturing and digital processes that enhance efficiency without compromising the essence of these crafts may be encouraged. By empowering artisans through innovation, the pervasive network of middlemen that erodes the profits of artisans and farmers could be considerably minimised.

Some of the crafts that would benefit immensely from such interventions include carpets, papier mâché products, Pashmina and Kani shawls, walnut wood carvings, agricultural products such as saffron, almonds, walnuts etc. Given below are a few interventions that may be undertaken to strengthen the position of J&K's handicrafts sector globally:-

- **Technologies for verification of authenticity:** Mixing of authentic Kashmiri handicrafts, handloom and agricultural products with counterfeit or imported products has become a common practice in J&K, leading to a trust deficit among the consumers, which then hampers sales. It is therefore required to introduce practices, backed by technology that make it easy to distinguish genuine products of J&K from machine-made products.

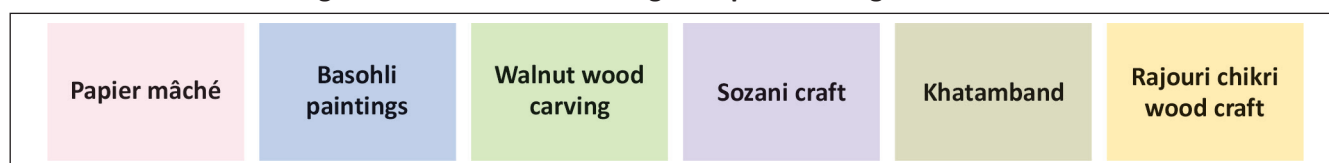
Notably, J&K has introduced a QR code-based labelling mechanism for 13 registered crafts to authenticate the origin and quality of the crafts and ensure quality assurance in both national and overseas markets.

The products included are Kashmir Pashmina, Kashmir Sozni, Kani Shawl, Papier Mâché, Khatamband, and Kashmir Walnut Wood Carving among the GI tagged products and Namdah, Crewel, Chain-Stitch, Silverware, Filigree, Copperware, and Willow Wicker among the non-GI tagged products.

Implementation of the labelling mechanism across other craft forms for both domestic and international sales may be expedited. Blockchain technologies may also be leveraged to enhance traceability of agricultural products. Besides, verification mechanism for saffron may be devised to ensure non-adulteration.

- **Innovations in design:** For the crafts sector in J&K to thrive, innovations in designs as well as the design making process are required. There is a need to identify market gaps and introduce new design concepts. To update the artisans with the latest trends, regular design workshops, exhibitions, and buyer-artisan interactions may be organised. Design studios may also be established in the UT for creating contemporary designs that cater to global demand. For instance, the art of papier mâché in the valley has been packaged in innovative ways to meet the requirements of consumers. Papier mâché is being used to create Christmas decorative products which are gradually being exported to several Western countries. Artisans are also making panels for home décor out of papier mâché, which hold high export potential. Accordingly, design studios may study the global design trends, identify opportunities, create designs, and provide training to the artisans for carrying out innovations in different crafts.

Figure 4.4: Products with High Scope for Design Innovations



Box 3: Indian Institute of Carpet Technology: Infusing Technology in Carpet Making

The Indian Institute of Carpet Technology (IICT), Srinagar is playing a pivotal role in the introduction of new technologies which support the manufacturing process of carpets. IICT has Introduced a Design Software for creation of carpet designs. This has considerably eased design work as earlier it used to take months together for a group of persons to make carpet design of standard size manually and transfer it to coded design scripts known as Taleem in the local language. Now, the complete design of the carpet prior to its weaving can be made within minutes, which was not possible before the introduction of Design Software. As many as 2288 carpet and 449 Kani shawl designs have been developed in the digital format.

IICT has also created a digital Design Bank for carpet crafts to preserve old/traditional carpet designs, which are available in the form of manually written Taleem papers. With the application of existing Design Software, the digitisation of Taleem papers of more than 556 old/traditional carpet designs, has been completed. These designs are available with the Institute in the soft form and they can now be recreated as per the prevalent market trends in terms of motifs, patterns, colour combinations, size etc.

Source: Indian Institute of Carpet Technology

The success of digital design software in carpets may be extended to other crafts to standardise and modernise design processes, thereby reducing the time required in manual design development.

- **Enhanced packaging:** To enhance the global appeal of J&K's handcrafted products, the products may be packaged suitably, keeping in view the sustainability, authenticity, and functionality aspects. The packaging may also incorporate elements that serve as marketing tools, narrating stories about the region's rich heritage. To assist with the packaging, common packaging centres may be established in the districts. The centres may provide access to biodegradable, plastic-free materials to the artisans as well as the knowhow for effective packaging techniques.
- **Selling via e-commerce:** E-commerce can play a transformative role for J&K's handicrafts sector. As seen in many of the cases, artisans do not sell their products directly but through middlemen, which affects their profits. e-commerce websites and social media platforms can considerably bolster the sales of J&K's handloom sector. The J&K government may therefore undertake initiatives to get more artisans on E-commerce websites and enhance their digital presence. The J&K Government's association with Flipkart for on-boarding artisans is a welcome move. More such initiatives may be designed with other e-commerce firms.

7. Strengthening the Tourism Sector

J&K's breathtaking landscapes, rich cultural heritage and its warm hospitality make it one of India's most promising tourism destinations. However, despite the immense potential, tourism in J&K has not fully translated into an engine for sustained economic growth. By working in the niche areas identified below, J&K may be able to strengthen the global appeal of its tourism sector.

- **Building robust cable car infrastructure**

J&K's cable car infrastructure is increasingly being focused on for enhancing connectivity and promoting tourism. Notably, after Gulmarg, Pahalgam is the next tourist destination to be equipped with Gondola service. There is tremendous scope for building ropeway connectivity at many other destinations in J&K. However, to ensure the highest safety, design and technical standards, the J&K government may strive to enter into technical assistance agreements with leading cable-car manufacturing companies in European countries such as Austria and Switzerland. The cooperation may ensure enhancement of existing ropeway standards for sustainable and safer transport. Projects may also be built in Public-Private Partnership mode, with adequate incentives.

- **Ski tourism**

Ski tourism in J&K is relatively well-developed, with Gulmarg being the most renowned destination. However, despite its natural advantages viz. abundant snowfall, excellent slopes, and picturesque landscapes, the sector is yet to reach its full potential in J&K, compared to global ski hubs like Switzerland, Canada, or Japan. For developing ski tourism in the UT, the Directorate of Youth Services & Sports, J&K, may identify skiing circuits and incentivise establishing state-of-the-art infrastructure at these places. As part of these circuits, emphasis may be laid on developing high potential but hitherto less developed places such as Doodhpathri in Budgam district and Guldana in Doda district.

Table 4.5: Comparison of J&K's Ski Tourism with Leading Ski Destinations

Feature	J&K	Top Ski Destinations	Proposed Improvements for J&K
Infrastructure	Basic gondola, few lifts	Advanced ski lifts, high-speed trains	Upgrade ski lifts, develop premium hotels, improve roads
Après-Ski Culture ⁷	Limited	Entertainment activities	Develop local entertainment, promote Kashmiri cuisine & culture
Marketing & Branding	Limited global visibility	Luxury tourism branding	Global promotions, hosting international ski events
Training & Services	Limited trained instructors	Well trained certified instructors	Establish ski training schools, partner with global experts

Source: India Exim Bank Research

To establish J&K as a world class ski destination, international air connectivity in the UT needs to be strengthened and road access needs to be enhanced. Furthermore, skiing skilling and accreditation courses need to be intensified to expand the pool of professional ski instructors in the UT, besides initiating hospitality courses for training staff in international tourism standards. Furthermore, the Directorate of Youth Services & Sports and the Department of Tourism, J&K, may launch large scale marketing campaigns looping in popular international personalities for global branding and may organise international ski festivals periodically. The Après-Ski Culture at the ski circuits may also be enhanced.

Box 4: Srinagar being Recognised Globally for its Unique Crafts

Srinagar was selected by UNESCO to join its 'Creative City Network' in 2021. The UNESCO Creative Cities Network (UCCN) promotes cooperation with and among cities that have identified creativity as a strategic factor for sustainable urban development. The UCCN covers seven creative fields: Crafts and Folk Arts, Design, Film, Gastronomy, Literature, Media Arts, and Music, providing a platform for reflection on the role of creativity as a lever for sustainable development. The 350 cities which currently make up this network, work together towards a common objective- placing creativity and cultural industries at the heart of their development plans at the local level and cooperating actively at the international level.

Srinagar's rich legacy in arts and crafts and its strong artisan base has set it apart globally. The handicrafts sector in the city has developed into an essential local source of income generation and economic growth, contributing significantly to its overall development. The UNSECO proposes that the city work towards "improving the local living environment and working infrastructure for the creative field concerned; integrating a special focus on local craftspeople for sustainable development; encouraging different groups, notably young people and, women and vulnerable groups to develop their skills in crafts and folk art; and promoting knowledge exchange, innovation and information dissemination in the creative field of crafts."

Furthermore, in 2024, the World Crafts Council, AISBL, designated Srinagar as a WCC - World Craft City. Srinagar's recognition as a WCC-World Craft City is a testament to the city's rich cultural heritage and the exceptional craftsmanship of its artisans. This would give the city international recognition, besides setting the stage for further global engagement and collaboration in the world of crafts.

Source: UNESCO; World Crafts Council AISBL

⁷ The period of relaxation that follows skiing.

● Craft tourism

J&K, despite being increasingly recognised globally for its centuries old crafts, has not optimally leveraged them for boosting tourism. There lie tremendous opportunities for J&K to tap into its rich heritage to attract international tourists as well as reinvigorate many of the waning crafts in the UT.

Some of the strategies that may help in development of craft tourism in J&K include-

- Introduction of immersive experiences by Department of Tourism, J&K, in collaboration with hotel chains to facilitate interaction of artisans with tourists, meaningful experiences, and assurance of authenticity of the handicrafts for buying purposes.
- Developing guided craft heritage trails in cities like Srinagar
- Organising periodical Craft and Culture Festivals akin to the Jaipur Literature Festival
- Building museums and other permanent exhibits that take the tourists through the journey of various craft forms

8. Tapping Power Capabilities

J&K has significant hydropower potential which has not been fully exploited. As per Central Electricity Authority, the estimated hydro power potential of the UT is 12264.5 megawatts, out of which projects with capacity of 3360 MW and 3051.5 MW are in operation and under construction, respectively. The unrealised potential needs to be rapidly tapped in sectors where the power demand is high.

Sectors like pharmaceutical and allied product manufacturing and yarn/textile processing have high tendency to pollute. The J&K Pollution Control Committee has classified these industries in the “Red” category. Given that J&K has high penetration of these industries with further potential for expansion, it may be ensured that hydropower is used in these industries to make their processes relatively cleaner.

Besides, the uptake of renewable energy in J&K has been slow. J&K’s installed capacity for renewable energy, other than hydropower, equalled 317.88 MW as on December 31, 2024, much lower than 969.13 MW in Uttarakhand and 1173.42 MW in Himachal Pradesh. J&K’s abundant availability of wind and sunshine needs to be leveraged. The Government may accordingly incentivise investments in the renewable energy sector

Summing Up

J&K stands at a critical juncture in its export journey, with ambitious targets set for the coming years. By strategically leveraging its unique strengths—ranging from high-value agricultural products, traditional handicrafts, and pharmaceuticals to wellness sectors like AYUSH, and medical tourism—J&K can significantly enhance its global trade footprint. Strengthening trade infrastructure, fostering innovation in traditional industries, and promoting brand-building efforts will be key to unlocking the region’s export potential. With sustained policy support, investment in enabling ecosystems, and active participation in global markets, J&K has the opportunity to emerge as a dynamic player in India’s export landscape, driving economic growth and inclusive development for the region.

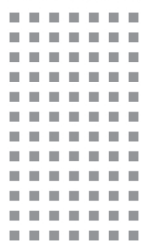


Table A1: List of Product Champions for J&K

HS Code	Commodity	J&K's Exports (in US\$ million)	World Exports (in US\$ million)	J&K's Share in World Exports
300490	Medicaments consisting of mixed or unmixed products	47.0	365145.3	0.01%
621420	Shawls, scarves, mufflers, mantillas, veils and similar articles of wool or fine animal hair	25.0	1278.3	1.96%
550951	Yarn containing predominantly polyester staple fibres by weight mixed with artificial staple fibres	15.8	379.3	4.16%
550922	Multiple "folded" or cabled yarn containing \geq 85% polyester staple fibres by weight	6.1	576.5	1.07%
550953	Yarn containing predominantly polyester staple fibres by weight mixed with cotton	4.3	1033.4	0.42%
570190	Carpets and other textile floor coverings, of textile materials	4.1	292.3	1.41%
293410	Heterocyclic compounds containing an unfused thiazole ring	3.6	2889.0	0.13%
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	3.5	28079.1	0.01%
380892	Fungicides, put up in forms or packings for retail sale or as preparations or articles	3.5	10213.5	0.03%
300640	Dental cements and other dental fillings; bone reconstruction cements	3.4	3195.1	0.11%
293339	Heterocyclic compounds with nitrogen hetero-atom[s] only, containing an unfused pyridine ring	3.1	15499.3	0.02%
520523	Single cotton yarn, of combed fibres, containing \geq 85% cotton by weight	2.5	1906.3	0.13%
780199	Unwrought lead	2.5	1809.7	0.14%

HS Code	Commodity	J&K's Exports (in US\$ million)	World Exports (in US\$ million)	J&K's Share in World Exports
300450	Medicaments containing provitamins, vitamins, incl. natural concentrates and derivatives thereof	2.4	5068.7	0.05%
550962	Yarn containing predominantly, but < 85% acrylic or modacrylic staple fibres by weight	1.9	103.4	1.87%
520622	Single cotton yarn containing predominantly, but < 85% cotton by weight	1.6	167.5	0.97%
380891	Insecticides, put up in forms or packings for retail sale or as preparations or articles	1.5	10654.8	0.01%
392390	Articles for the conveyance or packaging of goods, of plastics	1.4	10969.0	0.01%
520522	Single cotton yarn, of combed fibres, containing >= 85% cotton by weight	1.3	990.8	0.13%
220830	Whiskies	1.1	15013.8	0.01%
520623	Single cotton yarn containing predominantly, but < 85% cotton by weight, of combed fibres and ...	1.1	303.9	0.35%
520524	Single cotton yarn, of combed fibres, containing >= 85% cotton by weight and with a linear ...	1.0	1428.4	0.07%
380893	Herbicides, anti-sprouting products and plant-growth regulators	0.9	16085.4	0.01%
294200	Separate chemically defined organic compounds, n.e.s.	0.9	2369.4	0.04%
850213	Generating sets with compression-ignition internal combustion piston engine	0.9	6301.5	0.01%
482370	Moulded or pressed articles of paper pulp, n.e.s.	0.9	1579.7	0.05%
520512	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight	0.8	3354.2	0.02%
950510	Christmas articles (excl. candles and electric lighting sets, natural Christmas trees)	0.8	6870.4	0.01%
330720	Personal deodorants and antiperspirants	0.7	5039.0	0.01%
620349	Men's or boys' trousers, bib and brace overalls, breeches and shorts of textile materials	0.7	2153.9	0.03%
380899	Rodenticides and other plant protection products put up for retail sale	0.7	1806.8	0.04%

HS Code	Commodity	J&K's Exports (in US\$ million)	World Exports (in US\$ million)	J&K's Share in World Exports
220300	Beer made from malt	0.7	17256.7	0.00%
848210	Ball bearings	0.7	14461.6	0.00%
630492	Articles for interior furnishing, of cotton	0.6	1189.6	0.05%
520624	Single cotton yarn containing predominantly, but < 85% cotton by weight, of combed fibres	0.6	163.1	0.34%
520513	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight	0.5	1035.2	0.05%
293332	Piperidine and its salts	0.5	55.3	0.93%
520514	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight	0.5	790.8	0.06%
780110	Unwrought lead, refined	0.5	4768.0	0.01%
80390	Fresh or dried bananas (excl. plantains)	0.4	13696.5	0.00%
570110	Carpets and other textile floor coverings, of wool or fine animal hair	0.4	628.3	0.07%
292429	Cyclic amides, incl. cyclic carbamates, and their derivatives; salts thereof	0.4	6057.6	0.01%
550932	Multiple "folded" or cabled yarn containing >= 85% acrylic or modacrylic staple fibres	0.4	538.9	0.08%
252010	Gypsum; anhydrite	0.3	790.2	0.04%
621410	Shawls, scarves, mufflers, mantillas, veils and similar articles of silk or silk waste	0.3	763.0	0.04%
100710	Grain sorghum, for sowing	0.3	125.2	0.22%
570232	Carpets and other floor coverings, of man-made textile materials, woven, not tufted or flocked	0.3	367.7	0.07%
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	0.3	14143.8	0.00%
520543	Multiple "folded" or cabled cotton yarn, of combed fibres, containing >= 85% cotton by weight	0.3	82.3	0.32%
570500	Carpets and other textile floor coverings, whether or not made up	0.3	2731.9	0.01%
281122	Silicon dioxide	0.2	3200.9	0.01%
520532	Multiple "folded" or cabled cotton yarn, of uncombed fibres, containing >= 85% cotton by weight	0.2	250.3	0.09%
320500	Colour lakes (other than Chinese or Japanese lacquer and paints)	0.2	310.6	0.07%

HS Code	Commodity	J&K's Exports (in US\$ million)	World Exports (in US\$ million)	J&K's Share in World Exports
850433	Transformers having a power handling capacity > 16 kVA but <= 500 kVA (excl. liquid dielectric ...	0.2	1597.0	0.01%
530929	Woven fabrics of flax, containing predominantly, but < 85% flax by weight	0.2	755.7	0.03%
252020	Plasters consisting of calcined gypsum or calcium sulphate, whether or not coloured	0.2	653.7	0.03%
392061	Plates, sheets, film, foil and strip, of non-cellular polycarbonates, not reinforced, laminated	0.2	1535.2	0.01%
340700	Modelling pastes, incl. those put up for children's amusement	0.2	1236.8	0.02%
392010	Plates, sheets, film, foil and strip, of non-cellular polymers of ethylene,	0.2	19739.2	0.00%
392350	Stoppers, lids, caps and other closures, of plastics	0.2	10494.6	0.00%
230990	Preparations of a kind used in animal feeding (excl. dog or cat food put up for retail sale)	0.2	21273.3	0.00%
91020	Saffron	0.2	408.9	0.04%
481690	Copying or transfer papers, in rolls of a width of <= 36 cm or in rectangular or square sheets	0.2	244.8	0.07%
482390	Paper, paperboard, cellulose wadding and webs of cellulose fibres, in strips or rolls	0.1	6038.0	0.00%
841989	Machinery, plant or laboratory equipment, whether or not electrically heated	0.1	10422.6	0.00%
621142	Women's or girls' tracksuits and other garments, n.e.s. of cotton (excl. knitted or crocheted)	0.1	1785.7	0.01%
300410	Medicaments containing penicillins or derivatives thereof with a penicillanic acid structure	0.1	4094.6	0.00%
550959	Yarn containing predominantly, but < 85% polyester staple fibres by weight	0.1	103.0	0.13%
530919	Woven fabrics of flax, containing >= 85% flax by weight, dyed, made of yarn of different colours	0.1	828.7	0.02%
390591	Copolymers of vinyl, in primary forms (excl. vinyl chloride-vinyl acetate copolymers)	0.1	1655.8	0.01%

HS Code	Commodity	J&K's Exports (in US\$ million)	World Exports (in US\$ million)	J&K's Share in World Exports
732393	Table, kitchen or other household articles, and parts thereof, of stainless steel	0.1	9439.6	0.00%
620822	Women's or girls' nightdresses and pyjamas of man-made fibres	0.1	747.6	0.02%
850212	Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel"	0.1	2301.0	0.00%
902789	Instruments and apparatus for physical or chemical analysis, or for measuring or checking viscosity	0.1	10737.8	0.00%
620439	Women's or girls' jackets and blazers of textile materials	0.1	1437.6	0.01%
570299	Carpets and other floor coverings, of vegetable textile materials or coarse animal hair	0.1	309.9	0.03%
293319	Heterocyclic compounds with nitrogen hetero-atom[s] only, containing an unfused pyrazole ring	0.1	6963.2	0.00%
847940	Rope or cable-making machines (excl. twisting machines of the type used in spinning mills)	0.1	982.2	0.01%
321290	Pigments, incl. metallic powders and flakes, dispersed in non-aqueous media, in liquid or paste	0.1	1479.5	0.01%
841451	Table, floor, wall, window, ceiling or roof fans, with a self-contained electric motor	0.1	7263.5	0.00%
390422	Plasticised poly"vinyl chloride", in primary forms, mixed with other substances	0.1	2298.1	0.00%
100620	Husked or brown rice	0.1	1560.2	0.01%
842940	Self-propelled tamping machines and roadrollers	0.1	2894.3	0.00%
620442	Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats)	0.1	5218.2	0.00%
620899	Women's or girls' singlets and other vests, briefs, panties, négligés, bathrobes	0.1	249.5	0.03%
570310	Carpets and other floor coverings, of wool or fine animal hair, tufted "needle punched", whether ...	0.1	560.2	0.01%
520644	Multiple "folded" or cabled cotton yarn containing predominantly, but < 85% cotton by weight	0.1	26.8	0.29%

HS Code	Commodity	J&K's Exports (in US\$ million)	World Exports (in US\$ million)	J&K's Share in World Exports
620829	Women's or girls' nightdresses and pyjamas of textile materials	0.1	174.9	0.04%
732394	Table, kitchen or other household articles, and parts thereof, of iron other than cast iron	0.1	747.8	0.01%
630291	Toilet linen and kitchen linen of cotton (excl. of terry fabrics, floorcloths, polishing cloths)	0.1	480.0	0.01%
482110	Paper or paperboard labels of all kinds, printed	0.1	4283.2	0.00%
91091	Mixtures of different types of spices	0.1	574.2	0.01%
711620	Articles of precious or semi-precious stones "natural, synthetic or reconstructed", n.e.s.	0.1	3002.0	0.00%
842511	Pulley tackle and hoists, powered by electric motor	0.1	1309.1	0.00%
300449	Medicaments containing alkaloids or derivatives thereof	0.1	4580.6	0.00%
121190	Plants, parts of plants, incl. seeds and fruits, used primarily in perfumery and pharmacy	0.1	3838.7	0.00%
620431	Women's or girls' jackets and blazers of wool or fine animal hair	0.1	851.5	0.01%
630499	Articles for interior furnishing, of textile materials	0.1	396.8	0.01%
800110	Unwrought tin, not alloyed	0.1	5151.2	0.00%
392610	Office or school supplies, of plastics, n.e.s.	0.0	2974.5	0.00%
760719	Aluminium foil, not backed, rolled and further worked, of a thickness of <= 2 mm	0.0	3881.8	0.00%
950590	Festival, carnival or other entertainment articles	0.0	4833.4	0.00%
621143	Women's or girls' tracksuits and other garments, n.e.s. of man-made fibres (excl. knitted or ...	0.0	5055.5	0.00%
330790	Depilatories and other perfumery, toilet or cosmetic preparations, n.e.s.	0.0	4600.2	0.00%
731029	Tanks, casks, drums, cans, boxes and similar containers, of iron or steel, for any material	0.0	2709.6	0.00%
620630	Women's or girls' blouses, shirts and shirt-blouses of cotton	0.0	3940.2	0.00%

HS Code	Commodity	J&K's Exports (in US\$ million)	World Exports (in US\$ million)	J&K's Share in World Exports
392049	Plates, sheets, film, foil and strip, of non-cellular polymers of vinyl chloride	0.0	3937.0	0.00%
621149	Women's or girls' tracksuits and other garments, n.e.s. of textile materials	0.0	1842.4	0.00%
220840	Rum and other spirits obtained by distilling fermented sugar-cane products	0.0	1843.6	0.00%
830520	Staples in strips, of base metal	0.0	447.2	0.01%
731414	Woven cloth, incl. endless bands, of stainless steel wire	0.0	704.1	0.00%
520613	Single cotton yarn containing predominantly, but < 85% cotton by weight, of uncombed fibres	0.0	67.0	0.04%
570220	Floor coverings of coconut fibres "coir", woven, whether or not made up	0.0	63.2	0.05%
291812	Tartaric acid	0.0	242.1	0.01%
320641	Ultramarine and preparations based thereon of a kind used for colouring any material or produce	0.0	169.7	0.02%
511211	Woven fabrics containing >= 85% combed wool or combed fine animal hair by weight	0.0	983.7	0.00%
392092	Plates, sheets, film, foil and strip, of non-cellular polyamides, not reinforced, laminated	0.0	889.5	0.00%
620892	Women's or girls' singlets and other vests, briefs, panties, négligés, bathrobes	0.0	529.0	0.00%
320300	Colouring matter of vegetable or animal origin, incl. dye extracts	0.0	1724.8	0.00%
90422	Fruits of the genus Capsicum or of the genus Pimenta, crushed or ground	0.0	1588.6	0.00%
620821	Women's or girls' nightdresses and pyjamas of cotton	0.0	517.5	0.00%
620419	Women's or girls' suits of textile materials	0.0	808.8	0.00%
442090	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles	0.0	1082.1	0.00%
630210	Bedlinen, knitted or crocheted	0.0	1622.0	0.00%
91030	Turmeric "curcuma"	0.0	336.7	0.00%
390490	Polymers of vinyl chloride or other halogenated olefins, in primary forms	0.0	477.0	0.00%

HS Code	Commodity	J&K's Exports (in US\$ million)	World Exports (in US\$ million)	J&K's Share in World Exports
520821	Plain woven fabrics of cotton, containing >= 85% cotton by weight and weighing <= 200 g/m ²	0.0	280.7	0.01%
620719	Men's or boys' underpants and briefs of textile materials (excl. cotton and knitted or crocheted)	0.0	102.5	0.01%
550931	Single yarn containing >= 85% acrylic or modacrylic staple fibres by weight	0.0	151.9	0.01%
761210	Collapsible tubular containers, of aluminium	0.0	535.2	0.00%
420299	Travelling-bags, shopping or tool bags, jewellery boxes, cutlery cases and similar, with outer ...	0.0	1190.6	0.00%
81210	Cherries, provisionally preserved, e.g. by sulphur dioxide gas, in brine, in sulphur water	0.0	108.0	0.01%
420229	Handbags, whether or not with shoulder strap, incl. those without handle	0.0	1159.4	0.00%
520612	Single cotton yarn containing predominantly, but < 85% cotton by weight, of uncombed fibres	0.0	347.0	0.00%
511219	Woven fabrics containing >= 85% combed wool or combed fine animal hair by weight	0.0	525.5	0.00%
90831	Cardamoms, neither crushed nor ground	0.0	761.5	0.00%
151491	High erucic acid rape or colza oil "fixed oil which has an erucic acid content of >= 2%	0.0	600.4	0.00%
820520	Hammers and sledge hammers with working parts of base metal	0.0	525.4	0.00%
200860	Cherries, prepared or preserved, whether or not containing added sugar or other sweetening	0.0	300.5	0.00%
630539	Sacks and bags, for the packing of goods, of man-made textile materials	0.0	589.4	0.00%
590500	Textile wallcoverings	0.0	151.4	0.00%
570249	Carpets and other floor coverings, of vegetable textile materials or coarse animal hair	0.0	150.1	0.00%
280512	Calcium	0.0	107.9	0.01%
611599	Full-length or knee-length stockings, socks and other hosiery, incl. footwear	0.0	506.7	0.00%

HS Code	Commodity	J&K's Exports (in US\$ million)	World Exports (in US\$ million)	J&K's Share in World Exports
811010	Unwrought antimony; antimony powders	0.0	224.0	0.00%
830610	Bells, gongs and the like, non-electric, of base metal (excl. musical instruments)	0.0	189.1	0.00%
620413	Women's or girls' suits of synthetic fibres (excl. knitted or crocheted, ski overalls and swimwear)	0.0	180.5	0.00%
741810	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring	0.0	120.1	0.00%
520831	Plain woven fabrics of cotton, containing >= 85% cotton by weight and weighing <= 100 g/m ² , ...	0.0	283.2	0.00%
550952	Yarn containing > 50% to < 85% polyester staple fibres by weight	0.0	90.7	0.00%
420239	Wallets, purses, key-cases, cigarette-cases, tobacco-pouches and similar articles	0.0	252.8	0.00%
511290	Woven fabrics containing predominantly, but < 85% combed wool or combed fine animal hair	0.0	158.3	0.00%
480210	Handmade paper and paperboard of any size or shape	0.0	103.8	0.00%
440111	Fuel wood, in logs, billets, twigs, faggots or similar forms, coniferous	0.0	181.7	0.00%
480840	Kraft paper, creped or crinkled, whether or not embossed or perforated	0.0	168.9	0.00%
511190	Woven fabrics containing predominantly, but < 85% carded wool or carded fine animal hair	0.0	46.7	0.00%
280480	Arsenic	0.0	14.7	0.01%
842111	Centrifugal cream separators	0.0	54.7	0.00%
	Total	160.2	826726.2	0.02%

Source: ITC Trade Map; DGCI&S; India Exim Bank Research

Table A2: List of Underachievers for J&K

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
760612	Plates, sheets and strip, of aluminium alloys, of a thickness of > 0,2 mm, square or rectangular	235632.0	31927265	0.74%
330499	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments)	164136.0	59578751	0.28%
732690	Articles of iron or steel, nes (excl cast articles or articles of iron or steel wire)	154067.0	59521488	0.26%
390690	Acrylic polymers, in primary forms (excl poly"methyl methacrylate")	114996.0	16884121	0.68%
330210	Mixtures of odoriferous substances and mixtures, incl alcoholic solutions	114851.0	20450094	0.56%
842952	Self-propelled mechanical shovels, excavators and shovel loaders	111942.0	36630501	0.31%
220299	Non-alcoholic beverages (excl water, fruit or vegetable juices, milk and beer)	84662.0	13038151	0.65%
902750	Instruments and apparatus for physical or chemical analysis, using UV, visible or IR optical	73719.0	11573813	0.64%
940360	Wooden furniture (excl for offices, kitchens and bedrooms, and seats)	71175.0	29803229	0.24%
300432	Medicaments containing corticosteroid hormones, their derivatives or structural analogues but	66898.0	11526656	0.58%
382219	Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents	62106.0	38108320	0.16%
420222	Handbags, whether or not with shoulder straps, incl those without handles, with outer surface	59091.0	17815807	0.33%
330590	Preparations for use on the hair (excl shampoos, preparations for permanent waving or straightening	55851.0	10385824	0.54%
710239	Diamonds, worked, but not mounted or set (excl industrial diamonds)	46287.0	75609036	0.06%
442199	Articles of wood, nes	45118.0	6454865	0.70%
80610	Fresh grapes	42753.0	9414979	0.45%
392190	Plates, sheets, film, foil and strip, of plastics, reinforced, laminated, supported or similarly	42232.0	17036540	0.25%
847780	Machinery for working rubber or plastics or for the manufacture of products from these materials,	40036.0	8342531	0.48%
480255	Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes,	39627.0	4895347	0.81%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
253090	Arsenic sulfides, alunite, pozzuolana, earth colours and other mineral substances, nes	36831.0	16206001	0.23%
293090	Organo-sulphur compounds (excl thiocarbamates and dithiocarbamates	35524.0	5583629	0.64%
902290	X-ray generators other than X-ray tubes, high tension generators, control panels and desks	34798.0	7994902	0.44%
842123	Oil or petrol-filters for internal combustion engines	34229.0	8889177	0.39%
842129	Machinery and apparatus for filtering or purifying liquids (excl such machinery and apparatus	3301.0	12864719	0.03%
321590	Ink, whether or not concentrated or solid (excl printing ink)	31483.0	4676684	0.67%
711319	Articles of jewellery and parts thereof, of precious metal other than silver, whether or not	29903.0	127985701	0.02%
80510	Fresh or dried oranges	29132.0	5362507	0.54%
732399	Table, kitchen or other household articles, and parts thereof, of iron other than cast iron	2877.0	4736999	0.06%
260700	Lead ores and concentrates	27231.0	6135004	0.44%
392020	Plates, sheets, film, foil and strip, of non-cellular polymers of ethylene, not reinforced	25877.0	10703383	0.24%
80450	Fresh or dried guavas, mangoes and mangosteens	24285.0	3855263	0.63%
382290	Certified reference materials	23411.0	4419731	0.53%
330300	Perfumes and toilet waters (excl aftershave lotions, personal deodorants and hair lotions)	22164.0	29646174	0.07%
81090	Fresh tamarinds, cashew apples, jackfruit, lychees, sapodillo plums, passion fruit, carambola,	22048.0	3739233	0.59%
854460	Electric conductors, for a voltage > 1000 V, insulated, nes	21168.0	11422268	0.19%
390799	Saturated polyesters in primary forms (excl polycarbonates, alkyd resins, poly"ethylene terephthalate"	21146.0	10422254	0.20%
870310	Vehicles for the transport of	20588.0	3874588	0.53%
70960	Fresh or chilled fruits of the genus Capsicum or Pimenta	19898.0	7180928	0.28%
821210	Non-electric razors of base metal	18489.0	2409161	0.77%
392330	Carboys, bottles, flasks and similar articles for the conveyance or packaging of goods, of	17555.0	11269185	0.16%
950699	Articles and equipment for sport and outdoor games nes; swimming and paddling pools	16727.0	7100554	0.24%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
902790	Microtomes; parts and accessories of instruments and apparatus for physical or chemical analysis,	15563.0	14665846	0.11%
390950	Polyurethanes, in primary forms	15434.0	7834808	0.20%
210690	Food preparations, nes	13037.0	57194797	0.02%
340111	Soap and organic surface-active products and preparations, in the form of bars, cakes, moulded	12639.0	4042375	0.31%
292529	Imines and their derivatives; salts thereof (excl chlordimeform [ISO])	12377.0	1665783	0.74%
901890	Instruments and appliances used in medical, surgical or veterinary sciences, nes	12218.0	73332245	0.02%
853710	Boards, cabinets and similar combinations of apparatus for electric control or the distribution	12075.0	83539871	0.01%
250700	Kaolin and other kaolinic clays, whether or not calcined	11687.0	1669756	0.70%
180632	Chocolate and other preparations containing cocoa, in blocks, slabs or bars of <= 2 kg (excl	10989.0	6467571	0.17%
620469	Women's or girls' trousers, bib and brace overalls, breeches and shorts of textile materials	10787.0	4775851	0.23%
830120	Locks used for motor vehicles, of base metal	10785.0	3460770	0.31%
850211	Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel	10426.0	2861293	0.36%
481910	Cartons, boxes and cases, of corrugated paper or paperboard	10339.0	10791100	0.10%
620433	Women's or girls' jackets and blazers of synthetic fibres (excl knitted or crocheted, wind-jackets	10267.0	5530505	0.19%
620449	Women's or girls' dresses of textile materials	1002.0	2598053	0.04%
570339	Carpets and other floor coverings, of man-made textile materials, tufted "needle punched",	9865.0	2388288	0.41%
741980	Articles of copper, nes	9716.0	3628034	0.27%
441510	Cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood	9561.0	1183396	0.81%
621132	Men's or boys' tracksuits and other garments, nes of cotton (excl knitted or crocheted)	9084.0	1290116	0.70%
420221	Handbags, whether or not with shoulder straps, incl those without handles, with outer surface	8985.0	19578386	0.05%
620443	Women's or girls' dresses of synthetic fibres (excl knitted or crocheted and petticoats)	8214.0	9309047	0.09%
621710	Made-up clothing accessories, of all types of textile materials, nes	8047.0	1499137	0.54%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
940399	Parts of furniture, not of wood, nes (excl of seats or medical, surgical, dental or veterinary	8005.0	9158753	0.09%
848310	Transmission shafts, incl cam shafts and crank shafts, and cranks	7964.0	13870805	0.06%
711790	Imitation jewellery (excl jewellery, of base metal, whether or not clad with silver, gold)	7795.0	2541611	0.31%
130219	Vegetable saps and extracts (excl liquorice, hops, opium and ephedra)	7343.0	3928909	0.19%
731816	Nuts of iron or steel	716.0	7585240	0.01%
291614	Esters of methacrylic acid	6798.0	2305736	0.29%
702000	Articles of glass, nes	6725.0	3711655	0.18%
851220	Electrical lighting or visual signalling equipment for motor vehicles (excl lamps of heading	6666.0	25331588	0.03%
711719	Imitation jewellery, of base metal, whether or not plated with precious metal	6664.0	7338438	0.09%
870899	Parts and accessories, for tractors, motor vehicles for the transport of ten or more persons,	6635.0	106840676	0.01%
940169	Seats, with wooden frames (excl upholstered)	6586.0	3124765	0.21%
420100	Saddlery and harness for any animal, incl traces, leads, knee pads, muzzles, saddle cloths,	6499.0	2541000	0.26%
847982	Mixing, kneading, crushing, grinding, screening, sifting, homogenising, emulsifying or stirring	6491.0	6720199	0.10%
902730	Spectrometers, spectrophotometers and spectrographs using optical radiations, such as UV, visible,	6463.0	4992957	0.13%
70200	Tomatoes, fresh or chilled	6243.0	11952543	0.05%
761699	Articles of aluminium, nes	6026.0	22463766	0.03%
843860	Machinery for the industrial preparation of fruits, nuts or vegetables	5849.0	883670	0.66%
620339	Men's or boys' jackets and blazers of textile materials (excl of wool, fine animal hair, cotton	581.0	918042	0.06%
850440	Static converters	5801.0	102502519	0.01%
940391	Parts of furniture, of wood, nes (excl of seats or medical, surgical, dental or veterinary	549.0	7433688	0.01%
80430	Fresh or dried pineapples	5225.0	2400643	0.22%
620331	Men's or boys' jackets and blazers of wool or fine animal hair (excl knitted or crocheted,	516.0	1549236	0.03%
731511	Roller chain of iron or steel	5138.0	2421608	0.21%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
300610	Sterile surgical catgut, similar sterile suture materials, incl sterile absorbable surgical	4931.0	5354021	0.09%
330749	Preparations for perfuming or deodorising rooms, incl odoriferous preparations used during	4887.0	3562864	0.14%
330610	Dentifrices, incl those used by dental practitioners	4857.0	4510229	0.11%
701399	Glassware of a kind used for toilet, office, indoor decoration or similar purposes (excl glassware	4711.0	2416624	0.19%
540419	Synthetic monofilament of >= 67 decitex and with a cross sectional dimension of <= 1 mm (excl	4634.0	877734	0.53%
711311	Articles of jewellery and parts thereof, of silver, whether or not plated or clad with other	4536.0	8278059	0.05%
611011	Jerseys, pullovers, cardigans, waistcoats and similar articles, of wool, knitted or crocheted	4433.0	4778020	0.09%
940310	Metal furniture for offices (excl seats)	4278.0	3731488	0.11%
851110	Sparking plugs of a kind used for spark-ignition or compression-ignition internal combustion	3916.0	3823626	0.10%
60290	Live plants, incl their roots, and mushroom spawn (excl bulbs, tubers, tuberous roots, corms,	3798.0	9760128	0.04%
620459	Women's or girls' skirts and divided skirts of textile materials (excl of wool, fine animal	3757.0	1011837	0.37%
330510	Shampoos	3713.0	6496923	0.06%
620453	Women's or girls' skirts and divided skirts of synthetic fibres (excl knitted or crocheted	3528.0	2608842	0.14%
691190	Household and toilet articles, of porcelain or china (excl tableware and kitchenware, baths,	3483.0	587968	0.59%
731010	Tanks, casks, drums, cans, boxes and similar containers, of iron or steel, for any material,	3462.0	2071932	0.17%
620891	Women's or girls' singlets and other vests, briefs, panties, négligés, bathrobes, dressing	3402.0	519604	0.65%
382499	Chemical products and preparations of the chemical or allied industries, incl those consisting	324.0	44604140	0.00%
442019	Statuettes and other ornaments, of wood (excl of tropical wood, and wood marquetry and inlaid	3142.0	953229	0.33%
390190	Polymers of ethylene, in primary forms (excl polyethylene and ethylene-vinyl acetate copolymers)	3084.0	5907708	0.05%
80252	Fresh or dried pistachios, shelled	3017.0	906486	0.33%
620432	Women's or girls' jackets and blazers of cotton	3017.0	3514336	0.09%
830210	Hinges of all kinds, of base metal	2869.0	6338764	0.05%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
401699	Articles of vulcanised rubber (excl hard rubber), nes	2655.0	15673027	0.02%
701337	Drinking glasses (excl glasses of glass ceramics or of lead crystal and stemware)	2629.0	3215153	0.08%
611490	Special garments for professional, sporting or other purposes, nes, of textile materials,	2627.0	2533660	0.10%
610510	Men's or boys' shirts of cotton, knitted or crocheted	2387.0	5796333	0.04%
722211	Bars and rods of stainless steel, only hot-rolled, only hot-drawn or only hot-extruded, of	2322.0	1341809	0.17%
850490	Parts of electrical transformers and inductors, nes	2279.0	15292441	0.01%
842199	Parts of machinery and apparatus for filtering or purifying liquids or gases, nes	225.0	17913333	0.00%
570390	Carpet tiles of vegetable textile materials or coarse animal hair, tufted "needle punched",	2224.0	523264	0.43%
220850	Gin and Geneva	2115.0	1534081	0.14%
392690	Articles of plastics and articles of other materials of heading 3901 to 3914, nes (excl	2068.0	81705498	0.00%
330741	"Agarbatti" and other odoriferous preparations which operate by burning	2054.0	559741	0.37%
482010	Registers, account books, notebooks, order books, receipt books, letter pads, memorandum pads,	1987.0	3350854	0.06%
950619	Ski equipment for winter sports (other than skis and ski-fastenings [ski-bindings])	1875.0	469269	0.40%
701328	Drinking glasses, stemware (excl of glass ceramics or of lead crystal)	1831.0	1332372	0.14%
441490	Wooden frames for paintings, photographs, mirrors or similar objects (excl of tropical wood)	1763.0	837420	0.21%
620220	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl ski jackets, wind-cheaters,	171.0	2020645	0.01%
420291	Travelling-bags, insulated food or beverage bags, toilet bags, rucksacks, shopping-bags, map-cases,	1708.0	1854503	0.09%
853641	Relays for a voltage <= 60 V	1685.0	5104518	0.03%
520811	Plain woven fabrics of cotton, containing >= 85% cotton by weight and weighing <= 100 g/m ² ,	1668.0	239909	0.70%
621112	Women's or girls' swimwear (excl knitted or crocheted)	164.0	314406	0.05%
482290	Bobbins, spools, cops and similar supports of paper pulp, paper or paperboard, whether or not	1594.0	484086	0.33%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
950629	Water-skis, surfboards and other water-sport equipment (other than sailboards)	1588.0	2027410	0.08%
910299	Pocket-watches and the like, incl stop-watches, with hand or automatic winding	1563.0	507524	0.31%
640419	Footwear with outer soles of rubber or plastics and uppers of textile materials	1537.0	27545571	0.01%
970390	Original sculptures and statuary, in any material (excl over 100 years old)	1533.0	4421787	0.03%
680299	Monumental or building stone, in any form, polished, decorated or otherwise worked (excl calcareous)	1507.0	1144541	0.13%
842131	Intake air filters for internal combustion engines	1504.0	4399067	0.03%
940529	Electric table, desk, bedside or floor-standing luminaires (excl those solely for light-emitting	1477.0	3182782	0.05%
620240	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl ski jackets, wind-cheaters,	1434.0	15676376	0.01%
520511	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight and with a linear	1395.0	645733	0.22%
482369	Trays, dishes, plates, cups and the like, of paper or paperboard	1385.0	4227754	0.03%
401693	Gaskets, washers and other seals, of vulcanised rubber (excl hard rubber and those of cellular	1344.0	13283195	0.01%
620690	Women's or girls' blouses, shirts and shirt-blouses of textile materials	1323.0	1504200	0.09%
620441	Women's or girls' dresses of wool or fine animal hair (excl knitted or crocheted and petticoats)	1266.0	274942	0.46%
854420	Coaxial cable and other coaxial electric conductors, insulated	1204.0	6841345	0.02%
90240	Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings	119.0	3722786	0.00%
630312	Curtains, incl drapes, and interior blinds, curtain or bed valances of synthetic fibres, knitted	1187.0	458182	0.26%
620799	Men's or boys' singlets and other vests, bathrobes and dressing gowns of textile materials	1181.0	266130	0.44%
701090	Carboys, bottles, flasks, jars, pots, phials and other containers, of glass, of a kind used	1167.0	15808420	0.01%
392310	Boxes, cases, crates and similar articles for the conveyance or packaging of goods, of plastics	1105.0	15416272	0.01%
80420	Fresh or dried figs	1064.0	781760	0.14%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
630520	Sacks and bags, for the packing of goods, of cotton	1054.0	240407	0.44%
854370	Electrical machines and apparatus, having individual functions, nes in chapter 85	1041.0	40951169	0.00%
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excl cotton)	103.0	16133591	0.00%
732619	Articles of iron or steel, forged or stamped, but not further worked, nes (excl grinding	1012.0	4796184	0.02%
292419	Acyclic amides, incl acyclic carbamates, and their derivatives, and salts thereof	99.0	2549291	0.00%
284910	Carbides of calcium, whether or not chemically defined	972.0	241040	0.40%
400911	Tubes, pipes and hoses, of vulcanised rubber (excl hard rubber), not reinforced or otherwise	948.0	1195235	0.08%
140490	Vegetable products nes	942.0	1550402	0.06%
630120	Blankets and travelling rugs of wool or fine animal hair	933.0	338169	0.28%
700992	Glass mirrors, framed (excl rear-view mirrors for vehicles, optical mirrors, optically processed,	906.0	2879390	0.03%
610469	Women's or girls' trousers, bib and brace overalls, breeches and shorts of textile materials,	874.0	1669839	0.05%
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel,	866.0	564432618	0.00%
330119	Essential oils of citrus fruit, whether or not terpeneless, incl concretes and absolutes	851.0	585472	0.15%
680221	Marble, travertine and alabaster articles thereof, simply cut or sawn, with a flat or even	846.0	1898527	0.04%
870893	Clutches and parts thereof, for tractors, motor vehicles for the transport of ten or more persons,	824.0	12591284	0.01%
842290	Parts of dishwashing machines, packing or wrapping machinery and other machinery and apparatus	812.0	7864161	0.01%
920600	Percussion musical instruments, eg drums, xylophones, cymbals, castanets, maracas	798.0	594318	0.13%
852380	Media for the recording of sound or of other phenomena, whether or not recorded, incl matrices	794.0	1674264	0.05%
620319	Men's or boys' suits of textile materials (excl of wool, fine animal hair or synthetic fibres,	778.0	487784	0.16%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
970199	Collages and similar decorative plaques (excl over 100 years old, and mosaics)	778.0	646901	0.12%
691490	Ceramic articles, nes (excl of porcelain or china)	759.0	1754709	0.04%
390761	Poly"ethylene terephthalate", in primary forms, having a viscosity number of >= 78 ml/g	755.0	12337627	0.01%
960719	Slide fasteners (excl fitted with chain scoops of base metal)	744.0	1657250	0.04%
950490	Tables for casino games, automatic bowling alley equipment, and other funfair, table or parlour	731.0	4859941	0.02%
621133	Men's or boys' tracksuits and other garments, nes of man-made fibres (excl knitted or	686.0	3271505	0.02%
300439	Medicaments containing hormones or steroids used as hormones but not antibiotics, put up in	68.0	29395322	0.00%
481940	Sacks and bags, incl cones, of paper, paperboard, cellulose wadding or webs of cellulose fibres	669.0	5625749	0.01%
620230	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl ski jackets, wind-cheaters	667.0	1995267	0.03%
481950	Packing containers, incl record sleeves, of paper, paperboard, cellulose wadding or webs of	637.0	2774071	0.02%
940161	Upholstered seats, with wooden frames (excl convertible into beds)	631.0	20928690	0.00%
620461	Women's or girls' trousers, bib and brace overalls, breeches and shorts of wool or fine animal	61.0	419371	0.01%
841459	Fans (excl table, floor, wall, window, ceiling or roof fans, with a self-contained electric	597.0	16450397	0.00%
621139	Men's or boys' tracksuits and other garments, nes of textile materials (excl of cotton	593.0	649425	0.09%
853650	Switches for a voltage <= 1000 V (excl relays and automatic circuit breakers)	544.0	21475325	0.00%
630411	Knitted or crocheted bedspreads (excl bedlinen, quilts and eiderdowns)	54.0	167258	0.03%
630259	Table linen of textile materials (excl of cotton or man-made fibres, knitted or crocheted)	537.0	159335	0.34%
442110	Clothes hangers of wood	502.0	413912	0.12%
621790	Parts of garments or clothing accessories, of all types of textile materials, nes	479.0	1405700	0.03%
482090	Blotting pads and similar articles of stationery, of paper and paperboard, and book covers	455.0	275604	0.17%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
660199	Umbrellas and sun umbrellas, incl walking-stick umbrellas	443.0	1150198	0.04%
581091	Embroidery of cotton on a textile fabric ground, in the piece, in strips or in motifs	427.0	436128	0.10%
847330	Parts and accessories of automatic data-processing machines or for other machines of heading	412.0	119534544	0.00%
620429	Women's or girls' ensembles of textile materials	404.0	473351	0.09%
761510	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring	404.0	5815499	0.01%
620412	Women's or girls' suits of cotton (excl knitted or crocheted, ski overalls and swimwear)	393.0	151212	0.26%
392321	Sacks and bags, incl cones, of polymers of ethylene	379.0	13243071	0.00%
630510	Sacks and bags, for the packing of goods, of jute or other textile bast fibres of heading 5303	355.0	275971	0.13%
300460	Medicaments containing any of the following antimalarial active principles: artemisinin "INN"	341.0	391245	0.09%
760529	Wire, of aluminium alloys, having a maximum cross-sectional dimension of <= 7 mm	34.0	354282	0.01%
850152	AC motors, multi-phase, of an output > 750 W but <= 75 kW	297.0	10388282	0.00%
710410	Quartz, piezoelectric, of synthetic or reconstructed stone whether or not worked or graded	291.0	88366	0.33%
300510	Adhesive dressings and other articles having an adhesive layer	284.0	5286152	0.01%
741920	Articles of copper, cast, moulded, stamped or forged, but not further worked, nes	284.0	484946	0.06%
610190	Overcoats, car coats, capes, cloaks, anoraks, incl ski jackets, windcheaters, wind-jackets	281.0	338796	0.08%
630533	Sacks and bags, for the packing of goods, of polyethylene or polypropylene strip or the like	274.0	2059766	0.01%
420330	Belts and bandoliers, of leather or composition leather	256.0	2675206	0.01%
620290	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl ski jackets, wind-cheaters	238.0	948489	0.03%
620423	Women's or girls' ensembles of synthetic fibres	228.0	951619	0.02%
620422	Women's or girls' ensembles of cotton (excl knitted or crocheted, ski overalls and swimwear)	224.0	422702	0.05%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
870810	Bumpers and parts thereof for tractors, motor vehicles for the transport of ten or more persons	205.0	9298817	0.00%
481920	Folding cartons, boxes and cases, of non-corrugated paper or paperboard	202.0	10874016	0.00%
850590	Electromagnets and electromagnetic lifting heads, and their parts	2.0	3312050	0.00%
610442	Women's or girls' dresses of cotton, knitted or crocheted (excl petticoats)	198.0	3075569	0.01%
441990	Tableware and kitchenware, of wood	196.0	1068168	0.02%
940120	Seats for motor vehicles	194.0	3601231	0.01%
300670	Gel preparations designed to be used in human or veterinary medicine as a lubricant for parts	18.0	426087	0.00%
970310	Original sculptures and statuary, in any material, over 100 years old	177.0	580102	0.03%
630710	Floorcloths, dishcloths, dusters and similar cleaning cloths, of all types of textile materials	173.0	2983288	0.01%
732090	Springs and leaves for springs, of iron or steel, incl flat spiral springs (excl helical	173.0	2007714	0.01%
830629	Statuettes and other ornaments, of base metal, not plated with precious metal	167.0	2256007	0.01%
841490	Parts of: air or vacuum pumps, air or other gas compressors, fans and ventilating or recycling	159.0	17886907	0.00%
401490	Hygienic or pharmaceutical articles, incl teats, of vulcanised rubber (excl hard rubber),	146.0	628350	0.02%
482320	Filter paper and paperboard, in strips or rolls of a width <= 36 cm, in rectangular or square	146.0	955890	0.02%
611420	Special garments for professional, sporting or other purposes, nes, of cotton, knitted or	144.0	3743185	0.00%
441194	Fibreboard of wood or other ligneous materials, whether or not agglomerated with resins or	139.0	431440	0.03%
902480	Machines and appliances for testing the mechanical properties of materials (excl metals)	139.0	1353170	0.01%
440420	Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise;	137.0	87558	0.16%
610310	Men's or boys' suits of textile materials, knitted or crocheted (excl tracksuits, ski suits	137.0	155742	0.09%
732611	Grinding balls and similar articles for mills, of iron or steel, forged or stamped	135.0	1237561	0.01%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
630140	Blankets and travelling rugs of synthetic fibres (excl electric, table covers, bedspreads)	13.0	4180941	0.00%
441919	Tableware and kitchenware, of bamboo (excl chopsticks, bread boards, chopping boards and similar)	115.0	359111	0.03%
851130	Distributors and ignition coils of a kind used for spark-ignition or compression-ignition internal	106.0	2098824	0.01%
291590	Saturated acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids;	98.0	3528952	0.00%
630399	Curtains, incl drapes, and interior blinds, curtain or bed valances of textile materials (excl	97.0	314674	0.03%
481710	Envelopes of paper or paperboard (excl letter cards)	94.0	878393	0.01%
732010	Leaf-springs and leaves therefor, of iron or steel (excl clock and watch springs and shock	89.0	2218356	0.00%
620590	Men's or boys' shirts of textile materials (excl of cotton or man-made fibres)	88.0	1696386	0.01%
190190	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing	85.0	10133731	0.00%
901812	Ultrasonic scanning apparatus	84.0	5587932	0.00%
854430	Ignition wiring sets and other wiring sets for vehicles, aircraft or ships	79.0	49852386	0.00%
382440	Prepared additives for cements, mortars or concretes	73.0	1907553	0.00%
630590	Sacks and bags, for the packing of goods, of textile materials (excl man-made, cotton, jute	64.0	214229	0.03%
284444	Radioactive residues	62.0	27082	0.23%
650100	Hat-forms, hat bodies and hoods of felt, neither blocked to shape nor with made brims; plateaux	59.0	149177	0.04%
900580	Monoculars, astronomical and other optical telescopes and other astronomical instruments	54.0	733361	0.01%
960820	Felt-tipped and other porous-tipped pens and markers	49.0	2695977	0.00%
740829	Wire of copper alloys (other than copper-zinc alloys [brass], copper-nickel alloys [cupro-nickel]	41.0	745428	0.01%
392329	Sacks and bags, incl cones, of plastics (excl those of polymers of ethylene)	37.0	6862857	0.00%
392490	Household articles and toilet articles, of plastics (excl tableware, kitchenware, baths, shower-baths)	3.0	11732331	0.00%

HS Code	Commodity	J&K's Exports (in US\$ Thousand)	World Exports (in US\$ Thousand)	J&K' Share in World Exports
732620	Articles of iron or steel wire, nes	3.0	4333225	0.00%
901819	Electro-diagnostic apparatus, incl apparatus for functional exploratory examination or for	3.0	18680158	0.00%
293399	Heterocyclic compounds with nitrogen hetero-atom[s] only	27.0	29463507	0.00%
761610	Nails, tacks, staples, screws, bolts, nuts, screw hooks, rivets, cotters, cotter pins, washers	26.0	1107301	0.00%
300259	Cell cultures, whether or not modified (excl cell therapy products)	23.0	451393	0.01%
940599	Parts of lamps and lighting fittings, illuminated signs and nameplates and the like, nes	21.0	5478007	0.00%
300249	Toxins, cultures of micro-organisms and similar products, eg plasmodia	18.0	10556742	0.00%
300693	Placebos and blinded or double-blinded clinical trial kits for a recognised clinical trial	18.0	959961	0.00%
821599	Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs	16.0	2018640	0.00%
730120	Angles, shapes and sections, of iron or steel, welded	12.0	610978	0.00%
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	11.0	36839788	0.00%
902110	Orthopaedic or fracture appliances	11.0	11882276	0.00%
691200	Tableware, kitchenware, other household articles and toilet articles, of ceramics	1.0	2353312	0.00%
291260	Paraformaldehyde	9.0	120008	0.01%
392410	Tableware and kitchenware, of plastics	6.0	15079591	0.00%
870894	Steering wheels, steering columns and steering boxes, and parts thereof	6.0	23021639	0.00%
611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres	2.0	27359966	0.00%
292800	Organic derivatives of hydrazine or of hydroxylamine	0.0	1602442	0.00%
	Total	2786.4	3182752.9	

Source: ITC Trade Map; DGCI&S; India Exim Bank Research

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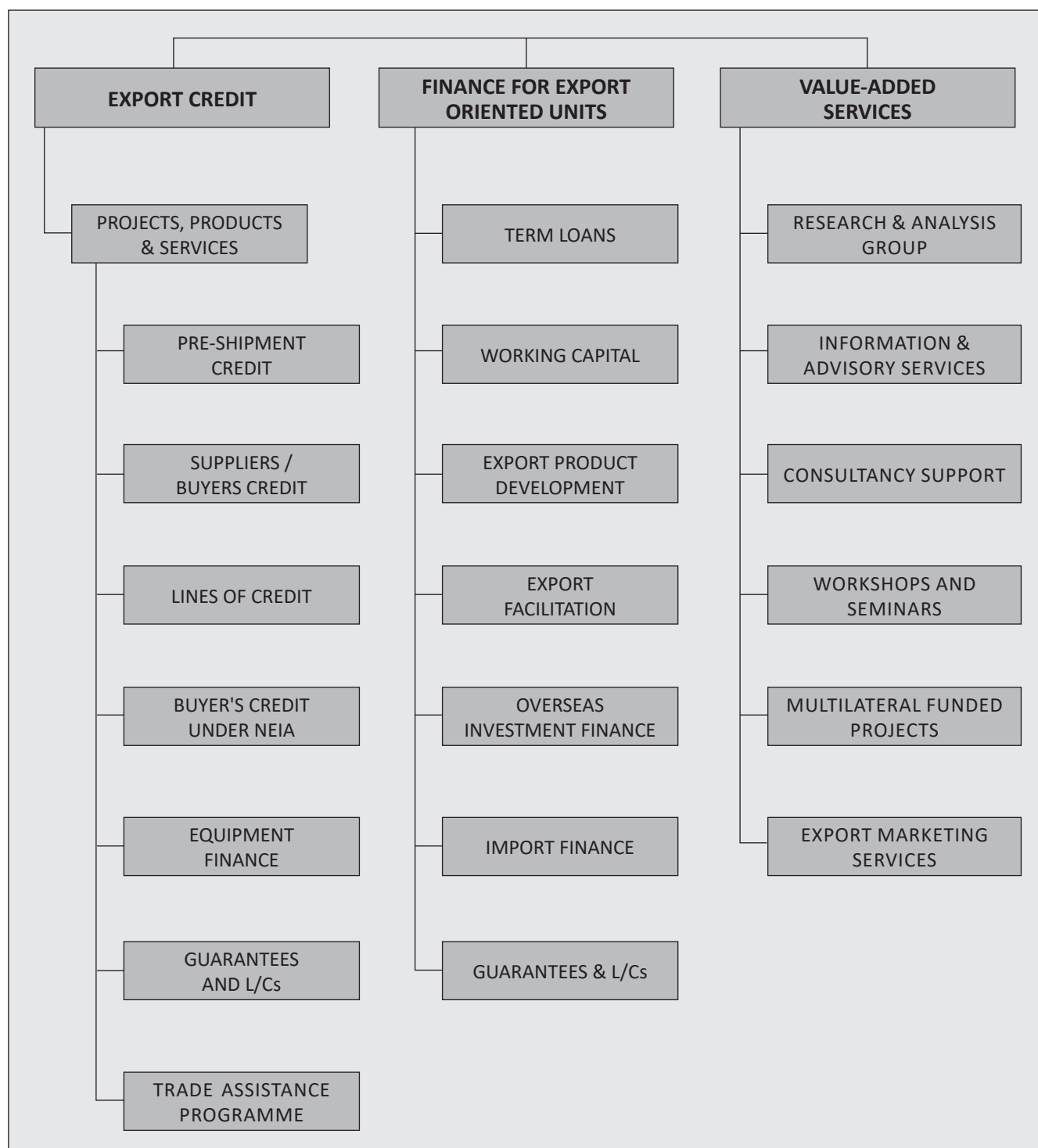
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