

Crafting a Future-Ready Indian Handicrafts Ecosystem

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India's handicrafts sector, built on centuries of artisanal skill, generates US\$ 4 billion in annual exports - yet it now stands at a crossroads. The sector risks losing ground in the fast-evolving global market as its traditional product mix has hit a ceiling. Too much of India's offering remains trapped in the past - beautiful, decorative pieces that have scarcely evolved - while global consumers increasingly demand contemporary, and tech-friendly designs, functional products, and lifestyle pieces that blend tradition with modern aesthetics.

In contrast, Indian exports remain dominated by traditional woodware, metalware, embroidered goods, imitation jewellery, incense, and textiles - admired for their craftsmanship but often lacking the utility and modern appeal that today's markets demand. This disconnect explains why, despite an US\$ 800 billion global home and lifestyle market, India's share remains small and stagnant - while competitors like China, Vietnam and Thailand surge ahead with innovative, eco-friendly, design-led products that resonate with modern consumers. Without urgent reinvention, India's rich craft heritage could struggle to stay relevant in today's competitive world.

Changing Preferences

India's concentration in traditional, decorative items resulted in a narrow market profile: More than 75 percent of India's handicraft exports go to wealthy markets - the United States (41 percent), the European Union (26 percent), and Britain (7 percent). While buyers in these countries still value decorative items, demand is limited. India has little presence in emerging markets, where shoppers want affordable, functional, and innovative products. Even in the West, younger consumers - now the largest buying group - increasingly prefer sleek, modern designs and smart home goods, areas where China dominates.

How China Leads

China dominates global handicrafts exports - shipping over US\$ 120 billion worth of Handicraft goods globally. Its products are modern, functional, and constantly evolving. Chinese artisans and manufacturers have mastered the art of blending craftsmanship with innovation. Their minimalist porcelain tableware - ultra-light, sleek dinner sets - now dominate global home décor markets. They produce smart ceramic aroma diffusers, merging handcrafted pottery with modern ultrasonic mist technology. Bamboo fiber textiles - soft, durable, and eco-friendly - are now a staple in sustainable home goods. Laser-cut wooden lighting showcases

intricate craftsmanship using modern precision tools, while origami-inspired metal décor gives ancient folding art a contemporary metallic twist. China has worked assiduously to reach this point.

Behind this success is China's strong ecosystem of design studios, material research labs, and government-supported craft innovation centres that work closely with artisans and manufacturers. These studios constantly track global trends, collaborate with international designers, and rapidly prototype new products. Many Chinese cities - from Jingdezhen (porcelain) to Guangdong (furniture) - have dedicated clusters where designers, craftsmen, and export houses operate together, ensuring products are not only beautifully made but also aligned with contemporary global tastes. This seamless integration of design and manufacturing is what keeps China far ahead in the modern handicrafts market.

Thailand, Vietnam, Indonesia have rich tradition of handicraft, but each has reinvented to give their offering a modern flavor. Thailand's artisans transform invasive water hyacinth into beautiful, sustainable furniture - a brilliant example of eco-conscious innovation. Thai natural spa and wellness products - herbal massage balls, organic oils, and spa gift sets - combine traditional healing practices with chic, modern packaging. Lampshades made from handmade Saa paper (mulberry paper) bring elegant lighting options to modern homes around the world.

Vietnam too has surged ahead. Its bamboo and rattan furniture - light, sustainable, and stylish - is now sought after by European and American consumers alike. Vietnamese artisans produce modern hand-painted ceramic tiles that grace boutique hotels and designer homes worldwide. Their lacquerware, once limited to traditional motifs, is now crafted in sleek, minimalist styles perfect for luxury markets.

India Must Move Fast

India's artisans have extraordinary skills, but to compete in today's global lifestyle market, the country must act fast to modernize its handicraft sector. The challenge is to move beyond traditional decorative items and reposition Indian crafts via new product offerings as contemporary, functional products that fit seamlessly into modern homes around the world. This will require design innovation, branding, and institutional support.

India must launch a nationwide effort to reinvent its handicrafts - shifting from carved boxes and figurines to modern lighting,

Table - Indian and Chinese product offerings across key handicraft categories

Items	India's global exports - FY2025 (\$ mn)	Typical Indian Product Exported	Example of Innovative Chinese Products
Artmetal Wares	488.10	Brass statues, candle stands, religious figurines	Origami-inspired metal décor, laser-cut metal vases, modern planters
Woodwares	973.61	Hand-carved wooden boxes, photo frames, furniture	Laser-cut wooden lighting, modular shelving systems, minimalist wooden furniture
Handprinted Textiles & Scarves	376.71	Block-printed cotton scarves, handloom stoles	Bamboo fiber textiles, digitally printed eco-fabrics for fashion and home
Embroidered & Crocheted Goods	533.62	Traditional embroidered garments, home textiles	Contemporary embroidered fashion accessories, eco-conscious home textiles
Shawls As Artwares	0.28	Wool/silk blend shawls with ethnic patterns	Scarves and wraps with blended natural fibers and digital patterns
Zari & Zari Goods	6.98	Zari borders, sarees with zari work	Metallic thread used in modern apparel, minimalist metallic home textiles
Imitation Jewellery	157.13	Ethnic imitation jewellery sets, bangles, earrings	Contemporary design jewellery - 3D printed, resin-cast, sustainable materials
Agarbatties & Attars	184.73	Traditional incense sticks, attars in glass bottles	Smart aroma diffusers paired with natural essential oils
Misc. Handicrafts	1,177.31	Decorative items, festival décor, handicraft gifts	Smart home décor (diffusers, lighting), functional gift sets, eco-friendly packaging
Total	3898.46		

Source: DGCIS

minimalist block-printed textiles, eco-friendly bamboo furniture, contemporary ceramic dinnerware with Indian motifs, and sustainable gift packaging. Such innovation could unlock a fresh wave of global demand, but only if action is swift.

The first step is to establish a network of world-class craft museums that showcase not only the finest Indian handicrafts but also the best-selling and most innovative handicrafts from around the world. Each museum should be paired with a cutting-edge design centre, where students first study and replicate global bestsellers - learning what makes them succeed - and then develop improved versions. Over time, these centres should nurture the creation of original, contemporary Indian designs that blend traditional craftsmanship with modern functionality, materials, and aesthetics. To stay ahead of global trends, design students must also regularly attend major international handicraft fairs to absorb new ideas and market directions. EPCH must play a central role in driving this initiative -

curating museum collections, facilitating global exposure for designers, and forging partnerships with leading design institutes and international craft communities - to transform India's handicraft sector into a true global leader. If India moves boldly now, its handicrafts can thrive - not just as heritage pieces, but as essential elements of contemporary living worldwide.

The Time to Act is Now

India's handicrafts sector, rich in tradition and artisanal skill, supports seven million livelihoods. But without modernization, export growth will stall and even existing markets may be lost. The table above starkly illustrates how India lags behind China in product offerings across key handicraft categories - highlighting the urgent need for a bold reset. Last year, exports rose just 0.65% in rupee terms but declined 1.48% in dollar terms - a clear warning that India's traditional product mix has reached its limits. The time to act is now. ■