

Market Update Web Series by HGH India for the Republic of Turkey, Ministry of Trade.

(Synopsis of the presentation)

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## “Home and Kitchen Market of India”

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How to raise awareness of Turkish companies in the Indian Market, the country's leading marketer, importer and retailer share their viewpoint.

India is the youngest economy in the world with an expected GDP growth of **11%** in 2021, heading for a V shaped recovery post pandemic. Long Term Projection is **+7 to 8% growth YOY** over the next decade. The country with **17% of world population** is targeting to become a **USD 5 trillion** economy by 2024.

India and Turkey are **natural allies** with a similarity in cuisine, language, hospitality, people, music and Bollywood. Turkey's major global exports includes **home textiles, furniture, mattresses, home décor, glassware, houseware, kitchenware and cookware** among others, however India does not import much of these categories from Turkey except machine made carpets. **Turkey** accounts for **65%** of global machine-made carpet production, out of which **60%** of Turkey's carpets are produced in **Gaziantep**, also known as **City of Carpets**.

In order to understand the Indian market correctly, it should be treated like **a continent** as EU and **not just a single country**. The market needs **diverse niche products** to meet consumer's demand who are well travelled internationally, **influencing their choice** of home décor & furnishings from global trends. Millennials of the country, especially, are driving retail growth across all price segments.

Home as a category is expected to witness a boom in the next 5 years as 590 million Indians will reside in cities by 2030. India is in a similar market situation as China was 10 years ago where the domestic retail market expanded. With a lifestyle change more in favor of household products, Indians are willing to pay the price if they see value.

In the **bed linen category** earlier which was bought like a commodity is now treated as a lifestyle product. Moving to another category, **furniture** there is a big emphasis on buying readymade **accent & small furniture** as consumers and interior designers seek **quick change** in interiors at **low cost**.

For **carpets** category, **Obsessions**, a successful importer of carpets from Turkey has product reach across India. Turkish carpets have good acceptance across country. Northern India consumes most carpets although now southern India also buys carpets as part of fashion in home décor. Rugs in India are changed in 3-4 years of time.

A retailer's experience, **Home centre** with **54 stores** in more than **20 cities** across India. It caters to all home needs from furnishings to modular furniture to houseware. Products sourced currently by Home centre from Turkey would include **coloured glassware, plastics** and **clear glass**.

Factors in favor of sourcing from Turkey would include same freight and import duties as from China; and lead time also similar to China. Factors against sourcing from Turkey would include lack of design customization to suit the Indian market; similar products imported from ASEAN countries under the Indian Free Trade Agreement, which lay zero import duty for India; and also similar products are “Made in India” in lesser cost.

**Categories with huge opportunity from Turkey include Furniture** such as sofa cum beds and bedroom furniture; **Houseware** such as plastics and glassware (immense import opportunity in glassware for Turkey since no glassware factory operates in India); **Textiles** such as towels & bedding; and **Carpets & Rugs** such as broadlooms, tiles, wall to wall carpets and other floor coverings.

A **diligent manufacturer** should be present in India through **unconventional routes** like **own office, own bonded warehouse, joint venture partner or joint manufacturing with a long term perspective**. While **e-commerce and modern retail** remains the quickest route for entry in the Indian market, but they account for approx. **14%** of total retail sales. Therefore, one must find experienced multiple distribution partners to reach out to **traditional retailers** who command approx. **86%** of total retail sales. **India has no anti-dumping duties or trade restrictions** on imports from Turkey for **Carpets, Glass Items, Floor Coverings and Kitchenware**. In order to increase exports to India one must understand Indian requirements. **Tap Indian market** through joint ventures and customised products. **Participate** more often at **Indian exhibitions** to showcase the offerings.