

**O**ur recent interactions with home industry players with focus on Indian market and exporters catering to rest of the world have been quite revealing. While most international players sounded confident and bullish about the future, domestic players expressed concern about sluggish and subdued Indian market conditions. This seems little strange considering that while the world markets are facing crisis like Brexit, India has been showing all signs of gaining strength on the world stage- economic and strategic.

In my opinion, in a market with India's profile, recessionary trends cannot be long lasting like in the Western developed countries. This is because the Indian economy is fundamentally robust with a healthy GDP growth of over 7.5% alongside a huge and young population with high propensity to spend and make new homes. It has a huge, upwardly mobile and aspirational consumer base, which will provide dream run to any marketer for the next two decades, irrespective of small pockets of short term hiccups due to transitional changes in the country's policy frame work to make India a more diversified economy.

Over the last two years, high pressure by the Indian Government to go after black money and hoarders on one hand and to regulate the housing & construction sectors in India on the other, have certainly caused turmoil in the Indian housing pushing down demand and prices in the short run. This obviously affected the demand for home textiles, home décor and houseware products adversely as the market here still largely depends on new homes. But, these moves in my opinion are blessings in disguise as the regulatory systems for housing sector and healthier tax systems are likely to bring more stable and long term, sustainable demand by the actual consumers.

Already, after six months of subdued activity on the retail, beginning with the last Diwali season in October 2015, the buying of home products by Indian consumers at retail level seems to be

picking up once again since April this year. This of course is a good news for the home textiles, furnishing and home decor industry, which has been reeling under the pressure of lack of demand during this period.

The current buoyancy is likely to only become stronger with the forecast of a good monsoon, which has already started proving right in different parts of India. While we must continue to make all efforts to become members of NSG and global missile clubs, which will certainly help, fact remains, that a good or poor monsoon still continues to affect our economy in the short run directly. Hence, going by current good rains, which is likely to be followed by a good agricultural output, we are going to see 2016-17 as a healthy year for business.

Interestingly, even during the last six months, most brands and retailers with innovative products and business ideas have reported healthy growth in their sales. This is a trend which will become stronger and stronger in India as consumers here are far more discerning than any other emerging economies.

*Arun Gupta*

