



## PRESS RELEASE

8 October 2021, Kathmandu

### UKaid सीप and Label STEP Showcase New Success Model for Expanded Jobs and Inclusive Growth of the Nepali Carpet Industry

Today, UKaid [Skills for Employment](#) (सीप) Programme and [Label STEP](#), commemorated the innovations and impacts that are unfolding from their enterprise-driven partnership with diverse carpet industry actors, both national and international. This partnership, since 2019, has set in motion the decentralization of Nepal's carpet industry—adding Sarlahi in Province 2 in addition to Kathmandu—to support and strengthen availability of skilled and productive weavers for sustainability and growth of the artisans and entrepreneurs associated with the sector.

Hand-woven carpets are an important export product and a vital source of foreign exchange earnings, as well as employment creation in Nepal. UKaid सीप's partnership with Label STEP, has led to the establishment of seven weaving workshops across Sarlahi—all designed and organized in compliance with STEP's [fair trade standards](#), and already benefitting over 400 weavers. “With catalytic support from UKaid सीप, Label STEP and a few pioneering carpet exporters and international buyers embarked on a journey to create a new success model—addressing critical skills, labor, and production bottlenecks—for the Nepali carpet industry,” explained Baljit Vohra, Team Leader, of UKaid सीप.

“The once-thriving handmade carpet industry in Nepal has become increasingly fragile,” shared Reto Aschwanden, Managing Director, Label STEP. “This new skilling and sustainability model introduced through our partnership has established Artisan Villages in rural Sarlahi, where many weavers already live, to revitalize the industry.” By taking workshops to the origin area of weavers, this partnership has demonstrated that production needs of industries can be met by highly motivated and skilled weavers, mostly women, who are living and working closer to home in more affordable rural areas, while also expanding reliable well-paying local jobs—in economically disadvantaged regions of the country.

During the event, Nathanael Bevan, Development Director, British Embassy in Nepal remarked, “With Nepali handmade rugs already holding a niche in the high-end luxury crafts market, this sector holds an immense possibility for inclusive growth and job creation. The British Government is proud to be part of this initiative.” At the event, सीप and STEP also launched a Virtual Rug Gallery <[app.virtualrugexhibition.com/?page=labelstep](http://app.virtualrugexhibition.com/?page=labelstep)>, featuring rugs produced by artisans from Sarlahi and showcasing the unique capacities for customization, for expanded promotion of hand-woven carpets in emerging national and international markets. An on-site exhibition of carpets will be open to the public on 9 October 2021 at the Hotel Crowne Imperial, Ravi Bhawan, Kathmandu.

#### Note to the editor:

#### About UKaid सीप

Funded by the UK Government, UKaid सीप, is brokering transformational partnerships with the private and public sector to propel growth of employment and entrepreneurial opportunities in priority sectors – commercial agriculture, light manufacturing, tourism, ICT, and construction – primarily in Province 2 and Lumbini Province. SEP uses an innovative Challenge Fund to expand market-aligned skilling, affordable financial products, and ethical migration services linked to gainful livelihoods for Nepalis and transformation and growth within industries.

UKaid सीप's partnership with Label STEP has worked to revitalize Nepal's high-value carpet industry by taking the carpet manufacturing hub from Kathmandu to an underserved geographic area—Sarlahi in Province 2 that has traditionally served as the origin of Nepal's weaving community. With investments and interventions from leading national and international carpet manufacturers' and designers, since September 2019, this partnerships has helped



establish seven fair-trade weaving workshops in Sarlahi where local women, primarily from migrant households and disadvantaged groups, are skilled and placed—using international-quality competency standard and industry-led skills training and certification to ensure availability of qualified and committed weavers. UKaid श्रीप - STEP, along with their consortium partners, are also laying the foundation for migrants to invest their hard-earned remittance productively by setting up weaving workshops, independently or in collaboration with Kathmandu-based exporters/investors at Sarlahi. [Learn more about this partnership here.](#)

### About Label STEP

Label STEP is the fair-trade non-profit organization committed to the well-being of weavers and workers in the handmade carpet industry. The Swiss organization's comprehensive fair-trade standards encompass universal human rights, including the prohibition of child labour; working conditions; fair wages and eco-friendly production. Certified STEP Fair Trade Partners commit to independent audits throughout their supply chain. STEP actively supports producer improvements while empowering weavers and workers through educational programs that cover such topics as health and safety and financial literacy. Through these combined efforts, STEP reinforces industry sustainability and helps preserve centuries-old artisanal skills. STEP is the only non-governmental organization of its kind working in all major handmade rug and carpet producing countries. Visit Label STEP's dedicated Artisan Villages webpage: <https://label-step.org/artisan-villages/>

### CONSORTIUM PARTNERS

