Main industry of Lakshadweep is coconut fiber extraction and production of fiber items. The government of India runs coir fiber factories. These units produce coir fiber, coir yarn, curled-fiber and corridor matting.

The Andaman-Nicobar group has some small-scale, village and handicrafts units. Apart from this, there are shell and wood-based handicraft units. Small Scale Industrial units are engaged in a variety of activities, such as production of polythene bags, paints and varnish, shell crafts the only airport etc.

Though isolated from Mainland India, this group of islands is well connected by airways and waterways. Amati aerodrome is the only airport in Lakshadweep. It is well connected to Kochi on the mainland. The other linked by the helicopter or boat service.

The city of Andaman-Nicobar islands is Port Blair which is well connected to Chennai, Visakhapatnam and Kolkata. Mercantile ship service operates from these centers to Mainland India.