

Tobacco Institute of India demands export incentives for tobacco

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VIJAYAWADA: Strongly advocating the grant of export incentives for tobacco products, the Tobacco Institute of India (TII) has urged the Centre to take stringent measures to prevent the influx of illegal cigarettes into the Indian market. TII observed that many nations are offering export incentives on tobacco, while India is discouraging the crop, leaving several million farmers in distress. TII felicitated the best tobacco farmers on Tuesday for their remarkable performance in utilizing modern, innovative, and sustainable farming practices to enhance farm productivity and yield. The awards ceremony was held in Periyapatna, Mysore, and was attended by Karnataka's Minister of Animal Husbandry and Sericulture, K. Venkatesh, MLC A. H. Vishwanath, MLAs A. Manju, Anil Kumar Chikkamadu, Ravishankar, tobacco board members Vikram Raj Gowda and Dinesh, as well as the principal scientist-head of ICAR-CTRI research station at Hunsur.



Speaking at the ceremony, TII Director Sharad Tandan said that India is the second-largest producer and a leading exporter of tobacco in the world. Tobacco provides livelihoods to more than 4.5 crore individuals, including farmers and farm laborers. “India is the third largest producer of FCV tobacco in the world, with FCV being the most remunerative variety with significant export demand. Importantly, FCV tobacco accounts for only around 25% of the country’s total tobacco production but contributes around 70% of India’s overall leaf tobacco exports in terms of value. We can achieve new heights in tobacco exports if we harness the tremendous export potential of tobacco by aligning our exports with global demand,” said Tandan.

According to reports, India’s leaf tobacco exports reached a record high during 2022-23 in both volume and value terms. India exported tobacco and tobacco products worth Rs. 9,740 crore. India holds around 13% share of the world’s tobacco production. However, it accounts for only 5% of the global tobacco leaf exports in terms of value. It exports only around 30% of the tobacco produced in the country, whereas other leading tobacco-growing countries like Brazil, the USA, and Zimbabwe export between 60-90% of their production. This highlights the significant potential to increase India’s share in global tobacco exports and assert its rightful position in world trade.

“To achieve this, the Indian government should provide export incentives similar to what other large tobacco producing/exporting countries like Zimbabwe and Malawi offer to the

tobacco sector. This would improve the price competitiveness of Indian tobacco in the world market, help tap the export potential of the tobacco sector, and benefit the domestic tobacco farmers in the country,” contended Tandan.

“The WHO FCTC is holding the 10th Session of the Conference of the Parties (COP10) later this year, which poses a fresh threat to the tobacco sector. It is highly likely that this bi-annual meeting will come up with harsh and impractical policy measures without understanding the ground realities of the tobacco sector. Extreme policy recommendations by FCTC, seeking excessive cigarette taxation, large pictorial warnings, etc., have already resulted in adverse consequences for the legal cigarette industry and the farming community in the country. We hope the COP10 meeting does not come up with ill-conceived policy measures on issues like tobacco crop diversification, which will have a devastating impact on India’s export performance and on the livelihoods of millions of farmers, farm workers, and their families,” TII director said.

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