



# **WELCOME**

**All the Delegates to**

## **SMART LOGISTICS SUMMIT**



**K.SUNITHA, I.A.S.**  
**EXECUTIVE DIRECTOR**  
**TOBACCO BOARD**

**(Ministry of Commerce & Industry, Dept. of Commerce, Govt. of India)**  
**Guntur – Andhra Pradesh – 522 004.**  
**[www.tobaccoboard.com](http://www.tobaccoboard.com)**



# **Building an Ecosystem for Global Logistics Hub**

# Tobacco industry Source of Livelihood



**45.7 Million**  
People



**6 Million**  
Farmers



**24 Million**  
Farm Labour



**15.7 Million**  
Processing, Manufacturing,  
Retailing, Exports

“Flue Cured Virginia (FCV) Tobacco is the most remunerative crop for tobacco farmers since there is no comparatively remunerative crop”  
Lifeline for rural women, tribals and other weaker sections of the society

# Indian Tobacco in the World

India accounts for  
13% of the World Tobacco production

3<sup>rd</sup>

Largest producer of All  
Tobaccos - 760 M.Kgs.

Largest Exporter of All  
Tobaccos - 265 M.Kgs, (G.Wt)

3<sup>rd</sup>

4<sup>th</sup>

Largest producer of FCV  
Tobacco – 239 M.Kgs.

Largest Exporter of FCV  
Tobacco – 180 M.Kgs. (G.Wt)

3<sup>rd</sup>

No. of Countries Exports

113



# Indian Tobacco in the World

- ❖ India is the 3<sup>rd</sup> largest producer of unmanufactured tobacco globally (About 760 M.Kgs in green weight) next only to China and Brazil.
- ❖ India is the 3<sup>rd</sup> largest exporter of unmanufactured tobacco globally (About 273 M.Kgs in green weight) next only to Brazil and China.
- ❖ India is the 4<sup>th</sup> largest global producer (Next to China, Brazil & Zimbabwe) and 3<sup>rd</sup> largest exporter of Flue Cured Virginia tobacco (FCV), the main exportable type tobacco (Next only to Brazil & China).
- ❖ India's exports of tobacco & tobacco products have recorded the highest peak of US\$ 1007 million in 2013-14 due to global shortages and the same have declined to US\$ 859.45 million during 2017-18 due to reduction in domestic crop size coupled with international demand-supply mismatch.
- ❖ India is implementing a unique model of E-auction system for domestic sale of FCV tobacco.
- ❖ India produces all types of tobaccos except flavourful tobacco (i.e., semi-flavourful, neutral filler and filler types).
- ❖ Indian tobaccos are popular for Value for Money (VFM) factor.
- ❖ India is exporting tobacco & tobacco products to over 113 countries.
- ❖ Tobacco industry is providing employment to an estimated 45.7 million people in India.
- ❖ Indian tobacco industry contributes Rs.5539.94 crores to the Indian exchequer besides significant excise duties (Approximately Rs.23000 crores).



## Industry infrastructure at Primary processing level:

- ❖ Tobacco industry is blessed with a production infrastructure at farm level to produce an annual crop of 300+ M.Kgs annually.
- ❖ The tobacco industry infrastructure at primary processing level and storage is more than adequate for the present needs and in fact it is underutilized due to supply side constraints.
- ❖ At present, there are 17 Threshing plants and 5 redrying factories established by the Tobacco Trade for primary processing of tobacco with an installed capacity of 144 Metric Tons per hour which translates into 4,32,000 M.Tons per annum. Out of this only about 50% is utilized at present.
- ❖ Tobacco industry at present have a builtup warehouse capacity for storage of more than 3 lakh metric tons which is more than adequate for the present and future needs.

### ❖ **Port facilities;**

- ❖ Out of the total unmanufactured tobacco exports of about 185000 tons from India annually, about 55% and 35% volumes are shipped through Krishnapatnam port and the Chennai (Chennai & Kattupalem) ports respectively.



## Role of Tobacco Board in Export promotion:

- ❖ As part of Brand building for Indian tobaccos & tobacco products, Tobacco Board participates in tobacco exclusive international Exhibitions/Tradefairs and also facilitates Buyer-seller interaction at the venue.
- ❖ Tobacco Board undertake Trade delegations to existing markets and potential new markets to sustain the present level of exports and to improve upon the volumes of export. The Board is also inviting Trade delegations from the above target countries.
- ❖ Efforts are on to revive tobacco exports to China which is a promising high volume destination for Indian tobaccos.
- ❖ Tobacco Board is taking up with all the Government agencies concerned, various issues represented by the Trade coming in the way of exports.
- ❖ Tobacco Board is also facilitating exports by issuing RCMC to the exporters and timely issue of various Certificates of Origin.

- ❖ Tobacco Trade is not getting any export incentives under Foreign Trade Policy 2015-2020 unlike other agri commodities as tobacco is not included under MEIS scheme. This is eroding exporter's competitiveness as compared to other competing producers like Zimbabwe, Tanzania and Malawi which have negligible or zero tariffs being LDCs for their exports to various destinations. This was represented to the Government of India and we hope the same will be considered favourably.
- ❖ Global anti-tobacco sentiments and efforts for reduction in tobacco consumption leading to reduced production is the biggest challenge facing the Tobacco industry and Tobacco Board need to keep this in view in formulating future policies.
- ❖ Tobacco Board also took up with the Govt. of India for renewal of Phytosanitary protocol with China paving way for revival of tobacco exports to China.

- ❖ Mega warehouses with state of the art facilities close to Krishnapatnam port would help exporters minimize time and cost of shipments.
- ❖ Shipping lines need to maintain sufficient equipment at ports to facilitate timely shipments.
- ❖ More coordinated approach of all partner Govt. agencies such as Plant Quarantine, Food Safety and Standards Authority of India(FSSAI), Drug Controller etc., is required to minimize swell time of import consignments.
- ❖ A Centre of Excellence(CoE) to be setup to assist and guide exporters on international trade.



**Thank you**