

India aims to reduce import dependence in Agarbatti sector

India has a trade surplus in Agarbatti or incense sticks as the country exports USD 105 million worth of this product compared to import of USD 41 million. This trade surplus has been growing since 2014-15 from USD 47 million to USD 64 million as can be seen from the following table. India exports Agarbatti to USA, Nigeria, UAE, UK, Mauritius, Malaysia and other countries.

India's trade in Agarbatti (USD million)			
Year	Import	Export	Trade surplus
2019-2020	41.05	105.57	64.52
2018-2019	83.58	101.21	17.63
2017-2018	84.95	122.68	37.73
2016-2017	74.05	107.19	33.14
2015-2016	67.2	100.02	32.82
2014-2015	62.87	110	47.13

Source: Ministry of Commerce & Industry, GoI

However, the country still depends on imports to the extent of USD 41 million as domestic production is not sufficient to meet demand. According to official data, India daily consumes around 1490 MT of Agarbatti, which is almost double the rate of daily domestic production - 760 MT. On July 30, Government of India announced four pilot projects to enhance Agarbatti production in India, while also training and building capacity of the local Agarbatti industry.

Under these pilot projects, the government will provide to each of the four identified Agarbatti clusters about 50 Automatic Agarbatti making machines and 10 Mixing machines. One of these clusters is in North Eastern India. Accordingly, a total of 200 Automatic Agarbatti making machines and 40 Mixing machines will be provided to the artisans.

The project, under 'Gramodyog Vikas Yojana', aims to enhance Agarbatti manufacturing in villages and small towns, thereby generating a minimum of about 500 additional jobs.

The move follows the recent government decision to restrict import of Agarbatti and raise the import duty on 'round bamboo sticks' used for manufacturing of Agarbatti from 10% to 25%. These measures are aimed at reducing import dependence for Agarbatti and also generate employment in this sector.

Notifications

Press Information Bureau, Government of India

Minister launches new scheme to become self-sufficient in Agarbatti Production

<https://pib.gov.in/PressReleasePage.aspx?PRID=1643012>

Daily Bulletin on COVID 19

<https://pib.gov.in/PressReleasePage.aspx?PRID=1643066>

PLI scheme to enhance production and export of mobile phones

<https://pib.gov.in/PressReleasePage.aspx?PRID=1642823>

Minister launches Khadi's Gift Box of Silk Mask

<https://pib.gov.in/PressReleasePage.aspx?PRID=1642829>

High Level Group of 15th FC submits report on agriculture exports

<https://pib.gov.in/PressReleasePage.aspx?PRID=1642591>

Government working with RBI on industry's need for loan restructuring

<https://pib.gov.in/PressReleasePage.aspx?PRID=1642579>

CBIC

Notification on Sea Cargo Manifest and Transhipment Regulations

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt66-2020.pdf>

Tariff notification

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt65-2020.pdf>

Amendment under Electronic Cargo Tracking System Regulations

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt64-2020.pdf>

DGFT

Issuance of Preferential Certificate of Origin for exports to Thailand

<https://content.dgft.gov.in/Website/dgftprod/1bd2f586-1519-4fbc-a9d2-6be3e1090468/Trade%20Notice%2023%20e-COO%20Thailand.pdf>