

Delegation of Indian Tobacco Exporters Visits China

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A delegation of six major tobacco exporters led by Ms. K Sunitha, Chairperson of Indian Tobacco Board under the Department of Commerce, Government of India, visited China from 24th to 28th June 2019. Representatives of ITC Ltd, Polisetty Somasundaram, Deccan Tobacco Company, Godfrey Phillips India Ltd, Premier Tobacco Packers Ltd and M L Exports representing more than 70% of tobacco exports from India were part of the delegation.

On 28th June, the delegation had a meeting with Chief Commissioner of STMA (State Tobacco Monopoly Administration), Mr. Zhang Jianmin. Ms. Sunitha highlighted the strengths of Indian tobacco during the meeting. She mentioned that Indian tobacco is of high quality, organically cultivated, and pesticide residue free. India is the only country in the world where tobacco is produced in two seasons. She also mentioned that India due to its proximity could bring down the logistic costs in exporting tobacco to China. India is the third largest producer and exporter of unmanufactured tobacco with exports more than Rs.5000 crores to more than 115 destinations, including the quality conscious markets like Japan and Europe. Chairperson of Indian Tobacco Board reiterated that India is well positioned to supply superior quality tobacco with consistency in price, volume, quality and compliance. However, exports of tobacco from India to China have been negligible. Recently, in January 2019, during the visit of Commerce Secretary Dr. Anup Wadhawan, the otherwise dormant protocol on the export of Indian tobacco leaves to China was extended for next five years removing a major technical barrier in exporting to China. Since then, the Embassy of India in Beijing worked intensively with the Chinese authorities like State Tobacco Monopoly Administration, Ministry of Commerce and other relevant organisations for promoting Indian tobacco.

Mr. Zhang Jianmin welcomed the delegation and appreciated efforts to promote Indian tobacco. While Indian tobacco may not be currently suitable for the Chinese market, he mentioned that in the backdrop of growing bilateral relations between India and China, STMA will be happy to work with the Indian Tobacco Board to further leverage complementarities. The Tobacco Board offered that with the production processes matching global standards, India will be able to produce and offer tobacco varieties which suit China. The Chief Commissioner promised that he will send a government and industry delegation to India to further explore the opportunities.

Mr Prashant Lokhande, Commercial Counsellor, while giving the background of growing commercial and economic relations with the trade moving to \$100 billion mark, emphasised on the need to address the trade deficit. He informed about the progress made post-Wuhan Summit and hoped that with the support of STMA and in the background of strengths of Indian tobacco on quality and price, it will find its place in the Chinese market.

Ambassador, Mr. Vikram Misri, briefed the delegation about the need for extensive engagement in this market to sustain the momentum.

The delegation also visited Yuxi Yanhe county in Yunnan and Tongxiang in Zhejiang province and interacted with the local tobacco production and trading agencies.

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