

AGARBATHI /INCENSE INDUSTRY IN INDIA

The Indian incense sticks are commonly known as Agarbathies/Agarbatti. The world over, Incense in its different forms has been used from time immemorial in religious ceremonies. India is often considered the home of incense; it is eulogized in the Vedas, back in the era 5000 B.C. Ancient Sanskrit texts contain many beautiful descriptions of festive occasions when incense was burned in the homes. In India, incense is classified a cottage industry and is under the Ministry of Textiles and Handicrafts and is considered a handicraft and is represented internationally by the Export Promotion Council of Handicrafts (EPCH).

Large-scale rural employment is created to generate self-employment and increase standard of living among the rural communities and economically weaker sections of the Society such as tribal, uneducated populace and the under privileged. The industry has tremendous potential and is creating livelihood opportunities for rural women in India.

Incense making uses traditional skills and renewable sources of natural materials harvested from forests. International Network for Bamboo and Rattan (INBAR) estimates that about 90% of the workforce employed consists of women who could be at least a hundred thousand in number. These women work from home, balancing their household chores with making Incenses, contributing to the meager income levels of their spouses who are farm hands and unskilled laborers.

Bamboo sticks, charcoal, wood powder and a natural adhesive material made of resinous wood are the raw materials for making the incense sticks. All these are brought from the forests and processed in houses. The entire industry is estimated to employ around hundred and fifty thousand and has remained a house hold industry in India. Bamboo poles are transported for over 200 kilometers over roads and rivers. Supplying of bamboo poles is a source of income for the tribal people of the bamboo growing regions who harvest and supply it for further processing. The poles are later bought by the village community and converted into sticks suitable for making Incenses by small clusters of artisans.

A fine paste made of the charcoal, wood powder and adhesive. This paste is applied onto the bamboo sticks by hand rolling to make the raw incense sticks. Incense companies work with NGOs, village panchayats, rural upliftment programs etc. conduct training programs in Incense making very proactively and create Incense making clusters in rural India. Raw materials are supplied to these clusters and then raw incense sticks are collected for fragrance application. Fragrance material is applied onto the raw incense sticks manually by semi-skilled work force consisting mainly of women.

The fragrance material, also called as agarbatti masala in India, is a blend of perfumery materials made with traditional wisdom and experience. This know how is passed on from generation to generation among the entrepreneurs.

The fragranced incense sticks are then packed manually in small community homes. Finished Goods are then sold in the market place. The packing industry and the work of packaging provide employment to an additional hundred and fifty thousand workers and housewives. It should be noted that most of the industry is based from tier II and III towns and villages such as Patna, Mysore, Coimbatore, Kanpur, Raipur, Hindupur, Pune, Ahmedabad, Cuttack, Bhopal etc.

Although the product is widely produced in India, it is a low value high volume product with no economies of scale advantages and with minimal entry barriers. The cost of raw incense sticks and packaging represents about 15% and 35% respectively of the finished product and the wages of labor constitutes of about 40% of the value of the product.

In conclusion, the industry of making Incenses has remained a bread winner for thousands of households. The state governments in India have kept a zero percent commercial tax on this commodity in view of this. Many microfinance companies fund the clusters that pursue the Incense production as their means of earning a livelihood.

It will be our humble request to classify Indian Incense under the U.S. Generalized System of Preferences.