

# ROAD MAP OF ROUND BAMBOO STICKS

SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL

Ministry of Commerce and Industry, Government of India

- Nodal agency for Non Forest Timber Produce including Bamboo.
- In October 2007, SHEFEXIL was declared as the nodal EPC for NE region to facilitate all exports from the states of Assam, Arunachal Pradesh, Manipur, Nagaland, Meghalaya, Tripura, Mizoram and Sikkim.

# ROAD MAP OF ROUND BAMBOO STICKS

- i. Round bamboo sticks mostly used for manufacturing agarbatti. Annual demand estimated at about 60,000 tons per annum for manufacturing approximately 2,00,000 tons raw agarbatti.
- ii. Domestic production about 3,000 tons mostly in the NE region by micro and small enterprises. Balance being imported from China and Vietnam
- iii. Also used for bar-be-que skewers and window blinds.
- iv. Currently round bamboo sticks are being traded between Rs110 to Rs120 per kg. 1 kg carries approximately 3,600 numbers of 8inches length/1.3mm diameter. Price per stick about 3.35 paise. Small part of agarbatti value chain as compared to 50 paise to 65 paise per agarbatti stick.
- v. There is huge potential for 100% import substitution of round bamboo sticks if the industry challenges are addressed. The industry has set a target of 100% substitution in the next 3 years.

# ROAD MAP OF ROUND BAMBOO STICKS

## CHALLENGES BEING FACED BY THE ROUND BAMBOO STICKS INDUSTRIES

1. The yield of round bamboo sticks from bamboo culms varies between 6% to 12%. SME's don't have facilities for waste utilization resulting in bamboo input price ranging between Rs25,000 to Rs40,000 per tons as against the bamboo price of Rs2,500 to Rs4,000 per ton.
2. Though bamboo price in China is Rs10,000 to Rs12,000 per ton, their bamboo input price is in the range of Rs12,000 to Rs15,000 per ton owing to 100% utilization of bamboo culms by making value added products from the bamboo waste.
3. Present units being SME's, they are unable to invest in the infrastructure required for waste bamboo utilization.

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## CHALLENGES BEING FACED BY THE ROUND BAMBOO STICKS INDUSTRIES

- iv. Non availability of stable and uninterrupted power supply in the NER.
- v. Higher cost of production compared to import from China and Vietnam on account of high incidence of embedded taxes.
- vi. High cost of logistics due to hilly terrain and remote location.
- vii. Lack of proper bamboo supply chain owing to small demand/ small production capacities of the MSE's.
- viii. Concessional import tariff of 25% as compared to 30% Basic Customs Duty provided in the Customs Tariff.

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STEPS NEEDED DEVELOPING A ROBUST BAMBOO INDUSTRY FOR 100% IMPORT SUBSTITUTION OF ROUND BAMBOO STICKS.

1. Cluster approach – The round bamboo sticks industry is a medium scale industry where as currently all the units are micro and small units. Common Facility Centres are needed for providing blanching and seasoning facilities, manufacture of charcoal, pulverization of dust, energy pallets and briquettes.
2. MSE – CDP scheme and Mini Technology Centre scheme are being implemented by the Ministry of MSME. These can largely address the issue of setting up of common facilities, however the respective state governments need to provide their share of land and building for implementation of the schemes.

# National Transit Pass System – ntps.nic.in

- a. Online application for NOC is introduced with regard to Species grown on private land and which are exempted from transit pass regime. Bamboo is included.
- b. Under the GST regime, traceability is available as each vendor is required to upload procurement invoices. Besides E-way bill is required for movement of goods under GST.
- c. In view of the above, Bamboo grown on private land may be exempted from the provision of NOC under NTPS.
- d. Small Farmers, small traders and MSE's shall be assured of ***ease of doing business*** by exempting Bamboo from the NOC requirement. Amendment in the Indian Forest Act has been done specifically to address this issue

# Removal of Prohibition on Export of Bamboo Charcoal and Fresh Bamboo Shoots

- i. A lot of bamboo waste is generated in the primary processing and secondary processing of bamboo. Yield of round bamboo sticks varies between 6% to 12%.
- ii. Currently most of the bamboo waste is not utilized and thus the incidence of bamboo raw material cost is over 3 times higher as compared to China and Vietnam.
- iii. Bamboo Charcoal has a good potential for exports with a high and is most suited for waste bamboo utilization. China is a major exporter. Bamboo charcoal price varies between Rs25 to Rs30 per kg.
- iv. Free export for bamboo charcoal shall ensure proper bamboo waste utilization resulting in lower production cost for the Indian Bamboo Enterprises.

THANK YOU

