

Tobacco sector major contributor to Indian economy, says Study

NEW DELHI: A recent study has shown that the tobacco sector is one of the highest contributors to the Indian economy with a total economic value generation of Rs 11,79,498 crore.

According to a study by the Thought Arbitrage Research Institute (TARI) shared with the industry body Assocham and released on Wednesday, "tobacco contributes a significant percentage of the total value of commercial crops in India, generating huge socio-economic benefits in terms of agricultural employment, farm incomes, revenue generation and foreign exchange earnings".

Around 4.57 crore people in India depend on the



tobacco sector for their livelihood which comprises 60 lakh farmers, two crore farm labourers, 40 lakh leaf pluckers, 85 lakh persons working in processing, manufacturing and exports and 72 lakh working in retailing and trading, said the report.

The evaluation was done through a new economic metric model unveiled by TARI to measure the total cumulative intrinsic economic value generated by a sector over the years.

"TARI today shared its study with Assocham, stating that as per an economic metric model it has measured the total cumulative intrinsic economic value generated by a sector over the years. This model is developed by combining financial reports, econometric and statistical methodologies," the institute said.

The study used a two-step approach to calculate the economic value generated by the tobacco sector in India. First, the total annual value generated by the tobacco sector in 2016-17 was computed. This was then extended to estimating the total cumulative value generated by the sector over the years to assess the overall contribution of the sector. IANS