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# FIRDOUS COLD STORE

SAIDA SHARIF,  
TEH. PHALIA, DISTT. M.B.DIN.

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Date. \_\_\_\_\_

Tobacco Free Initiative  
WORLD HEALTH ORGANIZATION  
Avenue Appia, CH-1211, Geneva 27,  
Switzerland

Mandi Bahauddin  
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## ROLE OF TOBACCO IN THE ECONOMY OF PAKISTAN

### **Introduction:**

On behalf of the tobacco growers of Pakistan I would like to point out a number of facts that we believe will be detrimental to our livelihoods and therefore the economy of the NWFP in particular. This is of course if you decide to implement legislation based on the WHO TFI and its FCT. The tobacco industry makes a significant contribution to all sectors of the Pakistan economy, from farming through manufacturing to retailing. The industry is also a major purchaser of supplies from other industries; therefore, tobacco's contribution is more widespread than it appears.

The tobacco industry generates 312,500 jobs (full time equivalent), 28 billion value added (contribution to GDP) and about 18 billion rupees tax revenue.

Tobacco is one of the most productive and high yielding crops in Pakistan and the yield per hectare ranks alongside the USA and other more developed nations of the world. The lessons learnt from the introduction of modern agricultural technology in the field of tobacco has provided us the tools to similarly make advances in other crops grown in Pakistan.

### tobacco and its benefits to agriculture:

Tobacco growing is highly concentrated in the NWFP where approximately two thirds, by volume, of all leaf is produced, Punjab 26%, Sindh and Balochistan, the remaining 6%. The crop is usually grown on mixed-use farms where the farmer will produce at least one other crop. It is truly a cash crop in the real sense of the word – for example this year the NWFP will, through the sale of tobacco, receive over 2.5 billion rupees in a period of eight to ten weeks.

The tobacco industry has been instrumental in encouraging the farmers to develop superior farming techniques and business methods and they have achieved this through the following measures:

- The provision of fertilisers and advice on their most efficient use – this has led to higher yields and other crops have also benefited from the fertiliser residual. An example is the per hectare yield has gone up from 800 kg (1948) to the yield of 2,400 kg per hectare this year.
- The introduction of new technology; many modern farming techniques which are employed were introduced first in tobacco growing (e.g. the use of plastic sheeting, diesel operated lift pumps for improved irrigation, tractor based ridge farming and bullock drawn cultivators.
- The introduction of contract farming; many farmers have a contract with manufacturers which specifies the amount of tobacco which we aim to supply with assured payment, thus reducing the uncertainty and risk associated with tobacco farming.
- Environmental awareness initiatives such as afforestation; we are often supplied with saplings free of charge, which we take the responsibility for planting.