

Incense exports, analysis of the period from 2019 to 2023

Exportação de incenso, análise do período de 2019 a 2023

Exportación de incienso, análisis de 2019 a 2023

José Abel de Andrade Baptista¹
abel@fatec.sp.gov.br

Rosana Aparecida Bueno de Novais¹
rosana.novais@fatec.sp.gov.br

Tainah Ariane Bueno Soares¹
tainah.soares@fatec.sp.gov.br

Alice Mendes da Silva¹
alice.silva17@fatec.sp.gov.br

Carolina Lopes Barreto¹
carolina.barreto@fatec.sp.gov.br

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Marcelo Micke Doti
Sebastiao Marcelo
Fernandes de
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Abstract:

Incense burning is an ancient tradition during different rituals in almost all religions. Some religions have their own beliefs behind the use of incense sticks. People have used incense since ancient times on different occasions and in different forms. The general objective is to understand the process of exporting Brazilian incense. The methodology used was bibliographic, exploratory and descriptive as it attempted to describe the characteristics of exports of the incense product NCM 33074100. The research showed that it was exported in the period from 2019 to 2023 to 62 countries, covering the 5 continents, according to data from Comexstat. The main exporter was the United States; Europe was the continent with the most countries that received the product.

Resumo:

A incensação (queima de incenso) é uma tradição antiga durante diferentes rituais em quase todas as religiões. Algumas religiões têm sua própria crença por trás do uso de incensos. As pessoas usam incensos desde os tempos antigos em diferentes ocasiões e em diferentes formas. O objetivo geral é compreender o processo de exportação do incenso brasileiro. A metodologia utilizada foi bibliográfica, exploratória e descritiva por tentar descrever as características das exportações do produto incenso NCM 33074100. A pesquisa demonstrou que foi exportado no período de 2019 a 2023 a 62 países, abrangendo os 5 continentes, pelos dados do Comexstat, o principal país exportador os Estados Unidos; a Europa foi o continente com mais países que receberam o produto.

Resumen:

El incienso (quemar incienso) es una antigua tradición durante diferentes rituales en casi todas las religiones. Algunas religiones tienen sus propias creencias detrás del uso del incienso. La gente ha utilizado el incienso desde la antigüedad en diferentes ocasiones y en diferentes formas. El objetivo general es comprender el proceso de exportación de incienso brasileño. La metodología utilizada fue bibliográfica, exploratoria y descriptiva ya que se intentó describir las características de las exportaciones del producto incienso NCM 33074100. La investigación demostró que se exportó en el período 2019 a 2023 a 62 países, abarcando los 5 continentes, según datos de Comexstat, principal país exportador Estados Unidos; Europa, por su parte, fue el continente con más países que recibieron el producto.

¹ Fatec Zona Leste

1. Introduction

With the increasing globalization of recent decades, new threats and opportunities have emerged for companies that need to operate in a global market. Internationalization to other countries has been the answer of some companies.

“internationalization” consists of the words “inter” and “nation”, that is, “*between countries*”, and ends in “... alization”, indicating a process. Welch and Luostarinen (1988) therefore propose the definition of internationalization as “[...] a process of increasing involvement in international operations”.

Exports broke a record, reaching US\$339.7 billion in 2023, the number is 1.7% compared to 2022, when exports reached US\$334.1 billion (CNN, 2024)

Since ancient times, fragrant materials have been precious substances commonly used in religious ceremonies, medicine, cooking, liturgies, and so on. At the Nativity, the three wise men of the East presented the baby Jesus with frankincense and myrrh, which were as valuable as gold and were symbols of honor and holiness; the ancient Egyptians used frankincense and myrrh to embalm corpses.

The word incense comes from the Latin *were incendere*, meaning “to burn”. Incense is an aromatic biological material that produces fragrant smoke when burned. Made from plant materials and essential oils, incense is used for ambiance, therapy, meditation, and many other uses (Tatomir, 2017).

The problem of this article is what is the level of exportation of Brazilian incense? The general objective is to understand the exportation process of Brazilian incense.

Incense is used not only in most of the world's religions for ceremonial rituals but also for therapeutic purposes. The development of several easily handled and transportable varieties of incense eventually established it as a product used routinely not only in places of worship but also in homes. Universal adherence to the use of incense among people of widely different cultures and tastes.

2. Theoretical Foundation

2.1. Internationalization

Internationalization can be defined as a growing process of involving operations that cross borders between different countries, or as the development of a network of commercial relationships in other countries through expansion, penetration and integration (Johanson and Vahlne, 1990).

Internationalization includes several economic activities that cross national borders and each of them plays a central role, such as exporting and importing goods, transferring capital and investment from one country to another. Starting to implement these internationalization activities and processes mentioned above is an investment that allows companies to enter foreign markets more efficiently (Zahra, 2005)

Companies that internationalize into new markets bring their goods or services to potentially millions of new buyers. These customers need the product or service in question, which is not available nationally or the price is too high (Magdin, 2021).

Internationalization requires a two-step procedure: firstly, the right market is selected, secondly, the central component of the internationalization concept, the entry mode and its strategy, are defined.

Internationalization has several advantages (Doz; Santos and Williamson, 2001; Cyrino and Barcellos, 2006):

- Gain international experience and learn more;
- Have access to cheaper resources in external markets, such as labor, technology or country-specific skills;

- Economies of scale resulting from a larger and more varied geographic presence, which give rise to the dilution of costs, particularly administration, research and development costs;
- Have the ability to control competitors, markets and profit opportunities on a global level;
- Have a better response capacity to international customers resulting from physical proximity, which favors logistical efficiency and provides better knowledge in terms of external markets or their local cultures.

According to Andersen (1997) an entry mode refers to the institutional arrangement for organizing and conducting international business transactions. Potential avenues for engaging in international operations include comprehensive modes such as exporting, licensing, franchising, foreign direct investment (FDI), joint ventures, and international strategic alliances/partnerships (Grant, 2018).

2.2. Exportation

Exporting refers to the activity in which goods and services are manufactured in one country and shipped to another to be sold to end users (Hill, 2021).

Exporting has traditionally been considered the first stage in entering international markets, serving as a platform for future international development (Kogut and Chang, 1996).

Exporting as a mode of operation is considered the least risky of the entry modes, as it does not require as large investments in the foreign country as other modes (Sharma and Erramilli, 2004).

Expansion into export markets can be slow and incremental, entering first into culturally close countries, then into other mature markets, and finally into less developed markets.

In direct exporting, the company brings the product or service directly to foreign customers individually or using intermediaries located in the destination country, such as distributors, retailers and wholesalers. In this mode of operation, it is important that the originating company has knowledge of the target market, as it has full control of operations. Having all the necessary resources in terms of know-how and finances related to the export process, companies can maximize their profits (Robinson and Lundstrom, 2003; Malhotra and Hinings, 2010).

Indirect export refers to exports in which the company uses a third party, an intermediary located in the domestic market, to manage its entire export process. These intermediaries can be middlemen such as agents and brokers or export traders such as trading companies. Indirect exporting allows companies without experience or information on how to run a business abroad to sell in another country (Blyde and Faggioni 2016; Malhotra and Hinings, 2010).

2.3. Incense

Incense and perfumes were well known to the ancient Egyptians, as described by Theophrastus (484–425 BC) and Pliny (AD 23–79). Theophrastus described the composition of Egyptian ointments, which were made from several ingredients, including cinnamon and myrrh (López-Sampson and Page, 2018).

The people of Ancient Greece may not have routinely used incense in their rituals (Groom 1981), but the practice was possibly adopted around the 6th century BC, as evidenced by the Greek philosopher Pythagoras' use of frankincense, apparently to aid him. prophesying Also around this time, the Pythagorean brotherhood, a secret religious, political, and educational society, burned incense their offerings to the gods. The Greeks also used incense at public festivals, during processions, and in oracle ceremonies (Groom, 1981; Dannaway, 2010).

Aromatics and spices have been a conspicuous element in many cultures and lifestyle practices for centuries and their rarity and inaccessibility have often given them a noble or mystical status. Aromatics and spices have been synonymous with wealth, exclusivity and luxury, although elites could justify their

use as necessary due to their religious, funerary, medical and culinary importance. Frankincense and myrrh are well-known examples of perfumed resin highly demanded and valued by the people of ancient Egypt, Mesopotamia, Greece, Rome, China, and India (Groom 1981; Cobb, 2013).

Incense is an aromatic biotic material that releases fragrant smoke when burning. Incense is accessible in different shapes and sizes around the globe. Incense is used in all religious sites, including churches, temples, mosques and other religious sites (YANG; LIN; CHANG, 2007).

There are various materials that have been used since ancient times, in combination or alone for incense. These types of materials are aromatic woods, herbs, resins and essential oils.

Incense traditionally comes from tree resins, but it can also be made from certain barks, flowers, seeds, and roots. There are two main types of incense: eastern and western. Western incense comes from the gum resins of tree bark, such as the sticky gum found on spruce trees. Oriental incense is produced from plants such as sandalwood, patchouli, agar wood, and vetiver (See and Balasubramanian, 2011).

Incense usually comes in two forms, indirect burning and direct burning. Indirect burning incense is a loose resin that requires a constant, separate heat source to keep the substance burning. Direct-burning incense is lit and spread shortly after to create a glowing ember that will slowly burn the incense stick, releasing aromatic smoke. Direct-burning incense is the most commonly used in contemporary environments. Direct-burning incense sticks are usually pressed into a shape such as a cone or block, or formed around another supporting material (Zohar and Lev, 2013).

3. Method

Bibliographic research covers all bibliography already made public in relation to the topic studied, from separate publications, bulletins, newspapers, magazines, books, research, monographs, theses, cartographic materials, Lakatos and Marconi (2001).

Welman, Kruger, and Mitchell (2005) explain that the main purpose of exploratory research projects is to establish whether a phenomenon exists and identify important information about that phenomenon.

A descriptive survey uses a set of scientific methods and procedures to collect raw data and create a data structure that describes the existing characteristics of a defined target population (Saunders; Lewis; Thornhill, 2010).

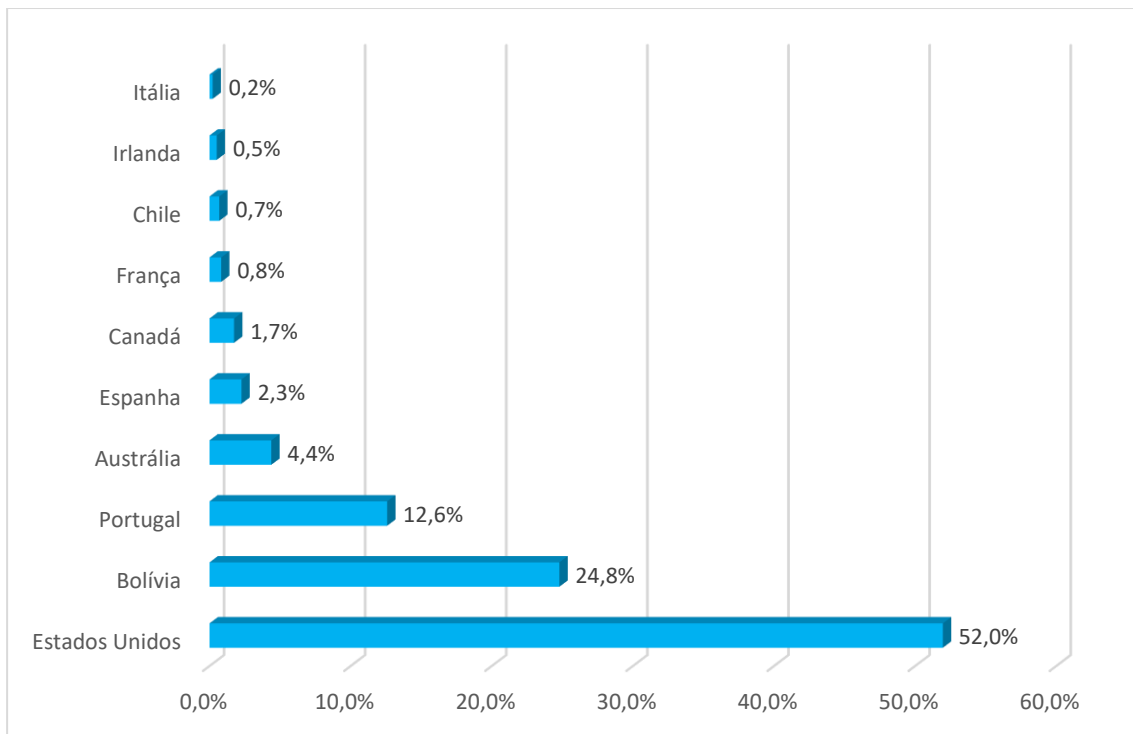
The article's research, therefore, is bibliographic, exploratory, and descriptive as it attempts to describe the characteristics of exports of the incense product, common Mercosur nomenclature 33074100 (Agarbate and other odoriferous preparations that act by combustion), using the Comexstat database for the period from 2019 to 2023.

4. Results and Discussions

To better demonstrate the aspects covered in this study on Brazilian incense exports, we present a series of graphs that provide a detailed analysis of export countries in the period from 2019 to 2023. The data in the graphs are based on information from ComexStat, they were listed only the 10 largest exporting countries per period.

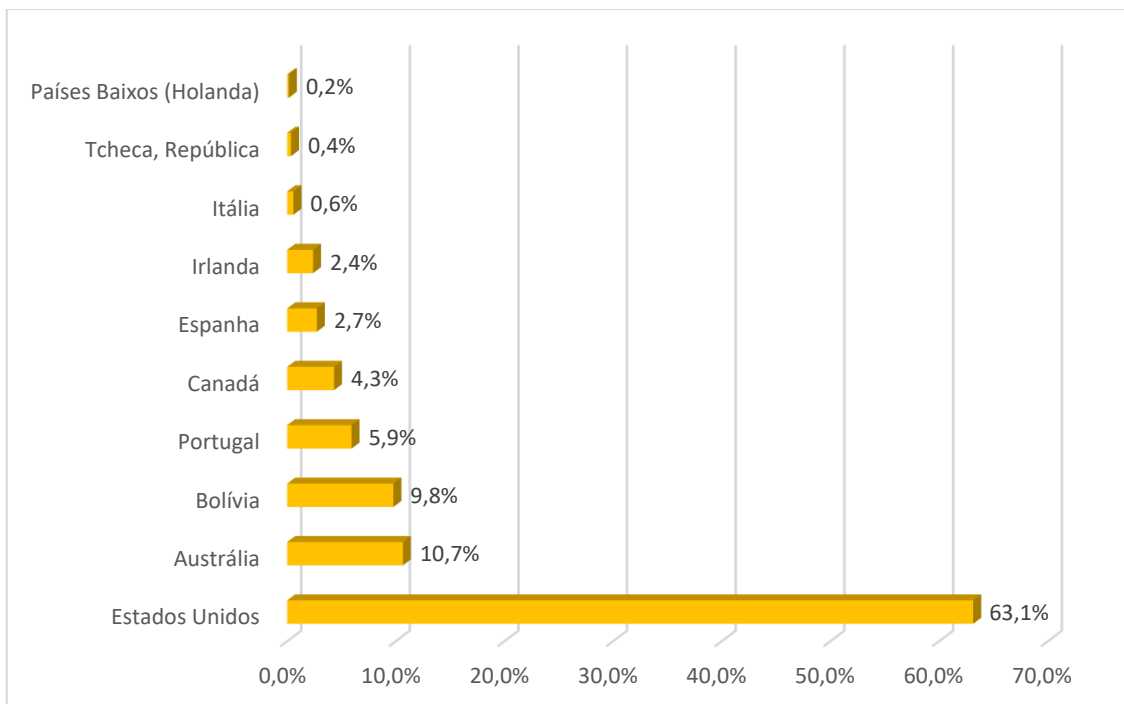
The performance of exports of the incense product in 2019, the United States with 52% with a Free On Board (FOB) value of U\$S 108,793, Bolivia 24.8% with a FOB value of U\$S 51,908 and Portugal 12.6% with a FOB value of U\$S 51,908. European countries are the main destination for incense products with 5 countries.

Chart 1 - Incense Exports in 2019



Source: Authors (2024)

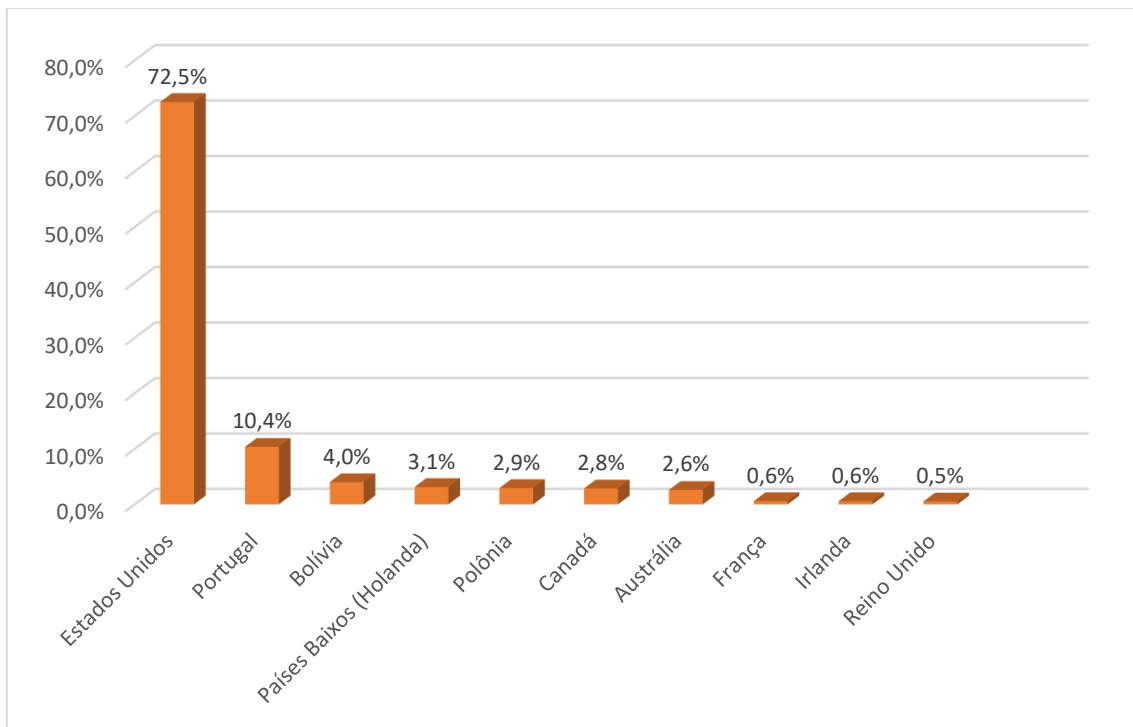
Chart 2 – Incense Exports in 2020



Source: Authors (2024)

Incense product exports in 2020, the United States with 63.1% with FOB value U\$S 136,716, Australia 10.7% with FOB value U\$S 23,072 and Bolivia 9.8% with FOB value U\$S 21.170 European countries are the main incense destination with 6 countries.

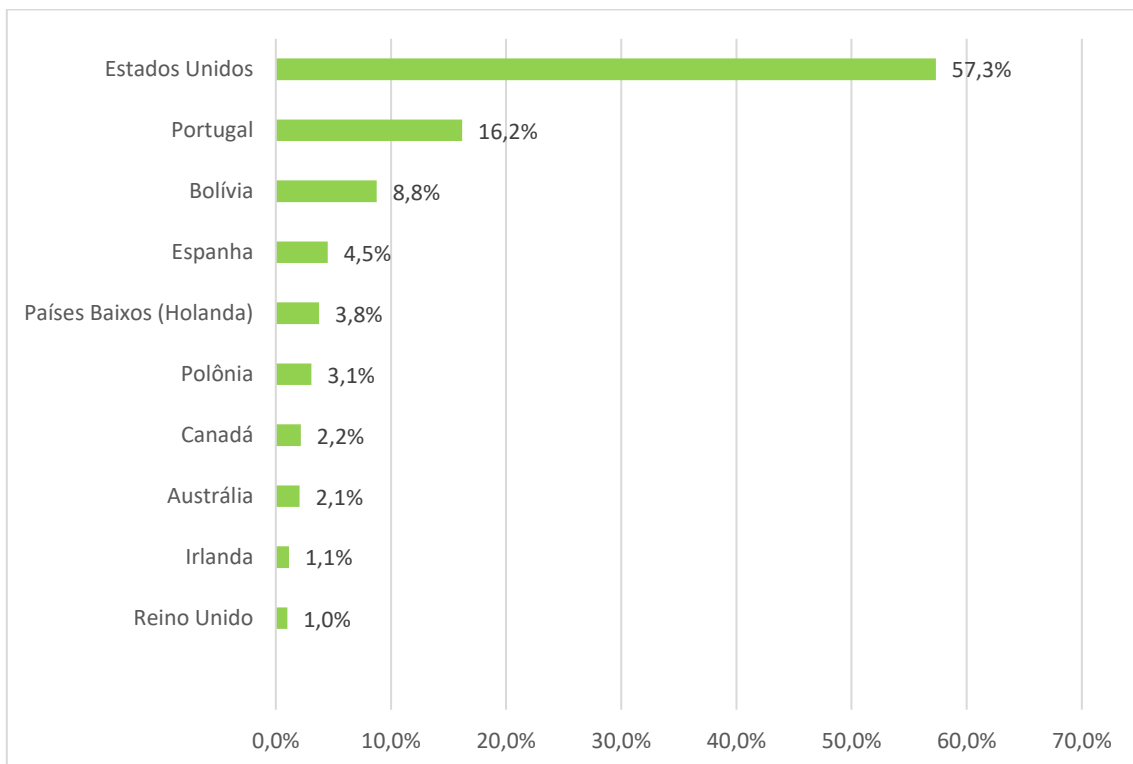
Chart 3 – Incense Exports in 2021



Source: Authors (2024)

Incense exports in 2021, with the United States accounting for 72.5% with a FOB value of U\$S 194,348, Portugal 10.4% with an FOB value of U\$S 27,756 and Bolivia 4% with a FOB value of U\$S 10,725. European countries are the main incense destination with 6 countries

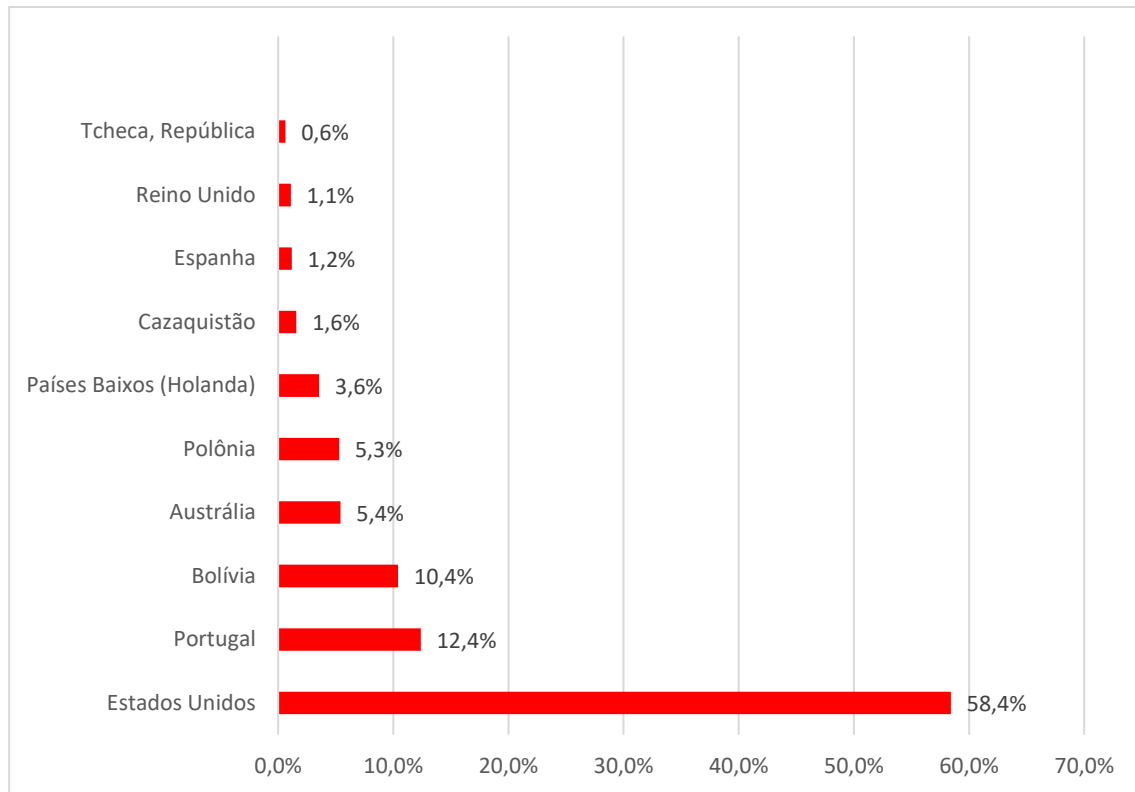
Graph 4 - Incense Exports in 2022



Source: Authors (2024)

Incense exports in the year 2022, United States with 57.3% with FOB value U\$S 131,738, Portugal 16.2% with FOB value U\$S 37,182 and Bolivia 8.8% with FOB value U\$S 20,124. European countries are the main incense destination with 6 countries.

Chart 5 – Incense Exports in 2023



Source: Authors (2024)

Incense exports in the year 2023, United States with 58.4% with FOB value U\$S 106,468, Portugal 12.4% with FOB value U\$S 22,575 and Bolivia 10.4% with FOB value U\$S 19,004; European countries are the main incense destination with 6 countries.

Observe in graphs 1 to 5, the predominance of countries in which the incense product is exported corresponds to Europe (9 countries), followed by North America (2 countries), South America (2 countries), Asia (1 country) and Oceania (1 nation). The main exporter of the incense product is the United States.

5. Final Considerations

It has been believed that the initial discovery of incense was accidental. Somewhere in the ancient world, men and women used twigs, leaves, and other parts of plants to light fires, and soon realized that different plants produced different scents when burned. In fact, some plants smelled really good when they burned. Over time, they began to use more pleasant-smelling plants, and mixed them in different combinations for different special occasions. This was the beginning of incense.

Burning incense and incense sticks is a common practice across the world. In different religions and parts of the world, incense and incense sticks are used in different forms i.e. varying from powder, cone, ropes, paper or sticks. Its size and shape may have varied from religion to religion and parts of the world, but the goal was to worship the deity, eliminate bad energy and fill the environment with positive energy.

The research showed that the incense product with NCM 33074100, was exported from 2019 to 2023 to 62 countries, covering the 5 continents, according to data from Comexstat, the main exporter was the United States, Europe was the continent with the most countries that were the product shipped

Internationalization requires a procedure with entry mode (export, licensing, franchising, foreign direct investment (FDI), joint ventures and international strategic alliances/partnerships) and its strategy so that we can expand the incense product in the international market.

For future work, it would be important to understand what entry mode organizations are using for the internationalization of the incense product.

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