



## The Tobacco Epidemic

This editorial is based on [“Revive Tax Increases, Stub Out Tobacco Product Use”](#) which was published in The Hindu on 09/03/2022. It talks about the scenario of tobacco consumption in India.

**For Prelims:** Tobacco Consumption, Global Youth Tobacco Survey, WHO Framework Convention on Tobacco Control (WHO FCTC), Goods and Services Tax (GST), Cigarettes and Other Tobacco Products Act (COTPA), 2003

**For Mains:** Scenario of tobacco consumption in India and its impacts, Taxation of tobacco products - implications, Findings of Global Youth Tobacco Survey.

Despite a relatively high degree of societal attention, India reported to have lost half a million of its people to the pandemic over the past two years. Covid-19 is however not the only health issue that we are dealing with right now.

There also exists a silent killer in our midst that kills an estimated 1.35 million Indians every year - the use of **Tobacco**. As estimated by scientific studies, the consumption of tobacco results in the **death of more than 3,500 Indians every single day**.

### What is the Status of Tobacco Consumption in India?

- According to the [Global Youth Tobacco Survey](#), India has the **second largest number (268 million) of tobacco users in the world** and of these **13 lakh die every year** from tobacco-related diseases.
  - Ten lakh deaths are due to smoking, with over 2,00,000 due to second-hand smoke exposure, and over 35,000 are due to smokeless tobacco use.
- About 27 crore people above the age of 15 years and **8.5% of school-going children in the age group 13-15 years** use tobacco in some form in India.
  - India bears an **annual economic burden of over ₹1,77,340 crore** on account of tobacco use.
- Tobacco use is known to be a major risk factor for several [non-communicable diseases](#) such as cancer, cardiovascular disease, diabetes, and chronic lung diseases. **Nearly 27% of all cancers in India are due to tobacco usage.**

### What has India done to Control Tobacco Consumption?

- India adopted the tobacco control provisions under **WHO Framework Convention on Tobacco Control (WHO FCTC)**.
- The **Promulgation of the Prohibition of Electronic Cigarettes Ordinance, 2019** prohibits Production, Manufacture, Import, Export, Transport, Sale, Distribution, Storage and Advertisement

of e-Cigarettes.

- The Government of India launched the **National Tobacco Quitline Services (NTQLS)** which have the sole objective to provide telephone-based information, advice, support, and referrals for tobacco cessation.
- **mCessation Programme** is a similar initiative which uses mobile technology for tobacco cessation. It was launched in 2016 as part of the government's [Digital India initiative](#).

## What are the Implications of Imposing/Increasing Taxes on Tobacco?

- Although not a communicable disease like SARS-CoV-2, the tobacco epidemic — as the World Health Organisation characterises it — has some definitive solutions that can reduce the death toll.
  - Research from many countries around the world including India shows that a **price increase induces people to quit or reduce tobacco use** as well as discourages non-users from getting into the habit of tobacco use.
  - There is **overwhelming consensus** within the research community that **taxation is one of the most cost-effective measures** to reduce demand for tobacco products.
- As it hurts both revenue and profits, the **tobacco industry**, globally, is always devising tactics and narratives that will **preempt any kind of tax increases on tobacco products**.
  - High and **increasing tax rates provide a profitable opportunity for tax evasion** and **encourage growth in illegal trade**.

## What is the Taxation Scenario of Tobacco in India?

- Ever since the introduction of the [Goods and Services Tax \(GST\)](#) legislation in 2017, there has been no significant tax increase on any tobacco product.
  - There was **only a minor increase in the National Calamity Contingent Duty (NCCD)** during the Union Budget 2020-21 which only had the effect of increasing cigarette prices by roughly 5%.
- The **Union Budget 2022-23** was an **excellent but lost opportunity** for the Government of India to buck this trend and significantly increase either excise duties or NCCDs.
- No significant tax increase on any tobacco product for four years in a row has **made all tobacco products increasingly more affordable**.
  - More affordable tobacco products could **attract new users especially among the youth**.
  - It would also mean **foregone tax revenues for the Government** especially at a time when the Government of India is looking forward to increasing the share of public spending on health

## What Steps Can Be Taken?

- **Opportunities in Budget:** [Union Budget 2022-23](#) missed an opportunity, however, it is never too late for the right step. The government should take a considerate view of public health and **significantly increase excise taxes — either basic excise duty or National Calamity Contingent Duty (NCCD) — on all tobacco products**.
  - **Fixing an excise tax of at least ₹1 per stick of bidis** while aiming for a significant increase in the excise tax of cigarettes and smokeless tobacco products.
  - Taxation should **achieve a significant reduction in the affordability of tobacco products** to reduce tobacco use prevalence and facilitate India's march towards sustainable development goals.
- **Role of GST Council:** There is absolutely no public health rationale why a product as harmful as a bidi does not have a cess levied on it under the GST or why the specific cess applied on cigarettes has remained unchanged for four years in the face of increasing inflation.
  - GST Council meetings must strive to **keep public health ahead of the interests of the tobacco industry** and significantly **increase either the GST rates or the GST compensation cess** rates applied on all tobacco products.
  - The aim should be to arrest the increasing affordability of tobacco products in India and also rationalise tobacco taxation under the GST.
- **Tobacco Control Laws:** It is scientifically established that if a person is kept away from tobacco

till the age of 21 and above, there is a very **high probability that he/she will remain tobacco-free for the rest of their life.**

- The experts have urged the government to **increase the legal age of sale of tobacco products** from 18 to 21 by amending the [Cigarettes and Other Tobacco Products Act \(COTPA\), 2003.](#)
  - Also, imposing a comprehensive ban on tobacco advertising and banning sale of single sticks of cigarettes/bidis would go a long way in preventing children and youth from initiating tobacco use.
- At least 14 countries (Ethiopia, Guam, Honduras, Japan, Kuwait, Mongolia, Palau, Philippines, Samoa, Singapore, Sri Lanka, Thailand, Uganda, and the U.S.) have now increased the minimum age to 21 for buying tobacco products.
  - At least 86 countries have banned the sale of single stick cigarettes to control their easy accessibility and affordability to youth.
- **Educating Children:** The role of teachers is most crucial in **creating awareness among children and their parents** about harm due to tobacco use and for shaping the attitude of children in this regard.
  - The more and the sooner awareness is created among children about harms due to tobacco use, the better will be the outcomes in terms of reduction in prevalence of tobacco use among children and consequently among adults.
  - **Harmful effects of tobacco use should be incorporated in school curricula** at various levels starting right from the primary school level.

### ***Drishti Mains Question***

“Taxation is one of the most cost-effective measures to reduce demand for tobacco products”. Discuss.

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