



FEDERATION OF ALL INDIA FARMER ASSOCIATIONS

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To

Date: May 2, 2018

Shri. Jagat Prakash Nadda,
Hon'ble Minister of Health and Family Welfare,
Government of India,
New Delhi.

Respected Sir,

Sub : Protocol to Eliminate Illicit Trade in Tobacco Products

We the Federation of All India Farmer Associations (FAIFA), a non-profit organization representing the cause of millions of farmers (of commercial crops across the States) in India. FAIFA strives to project farmers' voice at regional, national and international levels and works towards ensuring sustenance of stable livelihood of farmers. One of the important issues that FAIFA is representing currently, is the cause of millions of tobacco farmers and farm workers in India, whose livelihoods are under serious threat.

We understand from press reports that the Government of India is considering to sign the Protocol to control illicit tobacco and smuggling. While this is a step in the right direction and support the same however, we could like to caution that **if adoption of the Protocol is not addressed appropriately we will cause further damage to our livelihood.**

India should agree to sign this protocol with a rider that this Protocol will be implemented simultaneously, for all tobacco products, across the globe. In case this Protocol is signed and implemented like the current FCTC, it will only boost smuggling in the country.

Currently, the large legal domestic players already have a track and trace system for the products manufactured by them. What needs to be stopped is cross border smuggling. Illicit trade would continue to originate from countries that have not implemented the Protocol and these countries will be used by unscrupulous elements to pump illicit cigarettes into highly taxed and excessively regulated countries like ours.

As you know smuggling in tobacco products is a huge challenge and needs to be reined in with right policy framework. As experienced in the past many countries have shied away from implementing WHO-FCTC thus allowing smugglers to take advantage of these lightly regulated countries to capture legal business in those countries, which have followed stricter rules on their tobacco products.



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India has been at the fore-front of anti-tobacco regulation and has outpaced itself as compared to the rest of the world. The primary reasons for steep increase in smuggling in tobacco products have been high taxation and excessive regulations. This increase has given rise to high tax arbitrage opportunities making smuggling more profitable. In addition, Graphical Health warnings have increased to 85% of the package, making them the 3rd largest in the world. It is pertinent to note that the global average of Health Warnings is merely 31%. Excessive warnings on legal tobacco products make the smuggled product, with milder or no warnings appear safer and hence more attractive.

This over regulation has resulted in increase in the over-all tobacco consumption, as consumption moves to illicit form or other forms of cheaper alternatives. Hence for this Protocol to be truly effective it must be applied simultaneously across the world with no exception and to all tobacco products.

Our sincere appeal is that India must adopt the Protocol with a condition that it must be implemented by all countries simultaneously. If this is not done illicit trade would only multiply manifold and Indian farmers, farm labourers, industry and Government Exchequer would lose substantially.

Thanking you Sir,

Yours Sincerely,

For Federation of All India Farmer Association [FAIFA]

P S Murali Babu,
General Secretary.