

FAIFA urges FM Nirmala Sitharaman to withdraw duty hike on tobacco

Hence, they requested the Union Finance Minister Nirmala Sitharaman to reconsider the move and withdraw the duty hike.

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For representational purposes

By Express News Service

GUNTUR: Federation of All India Farmer Associations (FAIFA) claimed that the national calamity contingent duty (NCCD) hike is levied only on tobacco, which is in violation of the fundamental principles of Goods & Services Tax (GST).

Hence, they requested the Union Finance Minister Nirmala Sitharaman to reconsider the move and withdraw the duty hike.

FAIFA national spokesperson Ch Yeshwanth expressed displeasure with the Union Budget and stated that increase in taxation will cause economical and mental distress to tobacco farmers.

“After fighting torrential and unseasonal rains this year, farmers were expecting an unfavourable market. Nevertheless, we did not expect such a hike. Even after apprising the government of our situation our pleas went unheard.”

He also said that the Centre’s move to levy more taxes will sound a death knell for the industry.

“Tobacco Board chairperson Y Raghunadha Babu was apprised of the struggles of the farmers during their visit to farming regions of Andhra Pradesh, Telangana and Karnataka.”

He added no steps were taken to safeguard the interests of farmers. “Flue-Cured Virginia (FCV) tobacco production has come down from 325 million kg in 2013-14 to 210 million kg in 2019-20, resulting in a loss of more than `5,000 crore to the FCV tobacco farming community.”

According to FAIFA’s estimates, the Centre is missing out on `13,000 crore revenue per annum on account of illegal cigarette trade.

Sale of legally produced cigarettes have dropped by more than 25 per cent between 2012 and 2019.

Source: <https://www.newindianexpress.com/states/andhra-pradesh/2020/feb/03/faifa-urges-fm-nirmala-sitharaman-to-withdraw-duty-hike-on-tobacco-2098253.html>