

## ‘Cut cigarette taxes to pre-GST levels’

Special Correspondent CHANDIGARH, May 30, 2020

### **This will help to bring market share of smuggled foreign brands: FAIFA**

A body supporting farmers on Friday urged the Centre to be mindful of the financial distress of tobacco farmers amid the COVID pandemic and to reduce cigarette taxes to the pre-GST levels.

The Federation of All India Farmer Associations (FAIFA) said in a statement that the government should not follow the western countries in its tobacco control policies and instead adopt measures rooted in India’s tobacco consumption pattern. In keeping with Prime Minister Narendra Modi’s ‘Vocal for Local’ vision, it should bring cigarette taxes down to the pre-GST levels so that the market share of smuggled foreign brands could come down, to the benefit of Indian industry and farmers.

In the last few years, it said, the government had imposed harsh tobacco regulations, such as increasing the size of pictorial warnings and imposing punitive taxation on cigarettes, with the tax burden more than trebling since 2012-13. It had even withdrawn export benefits. All these measures had affected the livelihood of crores of Indians, who had no alternative livelihood opportunities, or farmers who could not grow any other remunerative crop in their arid regions, FAIFA president Javare Gowda said.

FAIFA general secretary Murali Babu appealed for “equality” in the taxation of all parts of tobacco consumption. The unorganised and untaxed segments could be taxed through a system of matching the input and output quantities.

The FAIFA said that as COVID-19 weakened the economy and caused more unemployment, the government should take no measure that would render farm prices unstable and affect the livelihood of Indian Flue-Cured Virginia tobacco farmers, who had already incurred huge losses because of the delay in marketing their crops.

**Source:** <https://www.thehindu.com/news/national/cut-cigarette-taxes-to-pre-gst-levels/article31706543.ece>