



FAIFA raises alarms over the growing illicit tobacco market, calls for urgent government action

The taxation policies aimed at curbing tobacco consumption have inadvertently fuelled the illicit trade, which now accounts for one-third of legal cigarette volumes, president of the farmers' body said

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Illicit market in tobacco is not only a threat to public health due to the lack of regulation but also results in significant revenue loss for the government, say farmers. | Photo Credit: BY ARRANGEMENT

The Federation of All India Farmers' Associations (FAIFA) has expressed serious concerns over the alarming growth of the illicit tobacco market in India, which has surged by 17.7% from ₹25,495 crore in 2018-19 to ₹30,012 crore in 2022-23. FAIFA, which represents tobacco farmers in various States highlighted how this illegal trade is severely impacting the livelihoods of legitimate tobacco farmers.

In a press release here on Saturday, president of FAIFA Javare Gowda said that the taxation policies aimed at curbing tobacco consumption have inadvertently fueled the illicit trade, which now accounts for one-third of legal cigarette volumes. These smuggled cigarettes often bypass the use of Indian-grown tobacco, further reducing demand for local produce and hurting farmers' incomes.

The rise in the illicit market is not only a threat to public health due to the lack of regulation but also results in significant revenue loss for the government, with annual tobacco-related tax revenues amounting to over ₹ 72,000 crore, observed FAIFA general secretary P. S. Murali Babu. He urged policymakers to strike a balance between reducing tobacco consumption and safeguarding farmers' livelihoods. He called for urgent government action, including deploying dedicated teams to combat smuggling and supporting farmers in an increasingly competitive global market.

Source: <https://www.thehindu.com/news/national/andhra-pradesh/faifa-raises-alarms-over-the-growing-illicit-tobacco-market-calls-for-urgent-government-action/article68694222.ece>