

Illegal sale of cigarettes go unchecked in Hyderabad

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HYDERABAD: At a time when legal sale of cigarettes is facing a sharp decline, cigarettes without any health warnings labels are sold illegally in the city.

The steady increase in the excise duty on tobacco is cited as the key reason behind smokers switching to cheap illegal cigarettes, says Tobacco Institute of India (TII).

“I buy cigarette packets from Begum Bazar mostly,” says Mukkram M, a pan shop seller at Panjagutta.

Last year a carton of 200 cigarettes used to be sold for Rs 250 but in January this year the prices have doubled to Rs 500 for a carton, he added.

There are many illegal cigarettes that are available in the market and none of them have the mandatory health warning labels on them. Many of these brands do not have the name of its manufacturer nor have any MRP rates on the packets. The other brands being sold illegally in the city include Djarum Black, Gudang Garam and Win among others.

“The legal cigarette industry has been suffering a significant 22 per cent loss in the last five years due to increase in tax much beyond the rate of inflation. In the same period, the government excise duty collections has witnessed a growth slump of 45 per cent as against an excise rate increase of 118 per cent,” said TII through an email response.

As much as one fifth of the cigarette industry in India comprise of smuggled and locally manufactured cigarettes that avoid paying taxes. India is the fourth largest market for these illegal cigarettes in the world, they added.

“People are buying these cigarettes because they are cheap. There has been a growing demand and generally after weekends I run because of them,” said a pan shop owner from BS Maqtha. There are teenagers who buy these cigarettes from me as this is what they can afford.

“Non-adherence of illegal cigarettes with regulations like pictorial warnings, lends an impression that they are safer alternatives to legal cigarettes,” claims TII.

Pictorial warnings covering as much as 85 per cent of a cigarette packet was made mandatory from April, 2016. The sale of illegal cigarettes has also contributed to a drop in the earnings of tobacco farmers.

The annual earnings of tobacco farmers have shrunk by more than Rs 1,500 crore since 2013.

Source: <http://www.newindianexpress.com/cities/hyderabad/2017/jan/30/illegal-sale-of-cigarettes-go-unchecked-in-hyderabad-1564905.html>