

Draft Tobacco Bill 'Draconian', may Abet Illicit Trade: Industry

Writankar.Mukherjee
@timesgroup.com

Kolkata: The government's draft amendment bill to curb smoking in the country is "draconian" and a regulatory overreach that will impact the livelihood of millions of households and may end up abetting illicit trade, the tobacco industry has warned.

The draft Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) (Amendment) Bill, 2020, has proposed increasing the smoking age from 18 to 21 years, ban sale of loose cigarettes, do away with smoking rooms in airports and restaurants, and increase penalties for flouting public smoking rules.

"The draft bill has several provisions which are draconian and given that the country already has amongst the most stringent regulations globally, this kind of regulatory overreach is not warranted," said Sharad Tandan, director of industry body Tobacco Institute of India (TII).



"It is a well-known fact that excessive regulation pushes the trade underground and results in it being taken over by antisocial elements and criminals," he told ET in an emailed response. "The current regulatory environment has already made India the hot bed of illicit trade. India today is the fourth largest illicit market for cigarettes in the world and also the fastest growing market."

TII said the bill will have far reaching consequences for 45.7 million people whose livelihood is dependent on this industry. These include small retailers, traders, farmers, tribals and tendu leaf pickers.

The health ministry has put it up in the public domain, inviting suggestions till January 31.

Tandan said the industry expects that after stakeholder consultations, the government will take a balanced view before taking the draft bill to the Parliament. "The final provisions we believe will be in the interest of India and its citizens," TII said.

The organisation said illicit trade in cigarettes is controlled by criminal syndicates and terror groups—a fact already acknowledged by several organisations including World Health Organisation Framework Convention on Tobacco Control (FCTC) and US Homeland Security.

Share price of India's largest cigarette company ITC Ltd fell by 2.86% on Wednesday while those of its rivals Godfrey Phillips India and VST Industries slipped 1.43% and 1.37%, respectively. Benchmark Sensex slipped 0.54% on the day.