

Will take tobacco growers' delegation to PM, says Simha

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Mysuru: MP Pratap Simha said he will soon take a delegation of tobacco growers to Prime Minister Narendra Modi to apprise him of the challenges faced by the growers and find a solution.

Speaking at an award distribution ceremony organised by the Tobacco Institute of India (TII), the MP said over 10,000 growers in three taluks of the district are growing tobacco without licence. "I will try and ensure that all get licences. I will take a delegation to the Prime Minister to find solutions to the problems," he said.

He also allayed the fear that cultivation of tobacco will be banned. "It will not be banned in the future too," he added.

Institute director Syed Mahmood Ahmad said that illegal cigarette trade due to high taxes is causing a loss of Rs 13,000 crore to the government in the form of tax. He also said that any further tax increase on cigarettes will aggravate the situation of low-offtake of Indian tobaccos and increase the stress on earnings of domestic tobacco farmer. He observed that the government should adopt a consultative approach for policy development on tobacco so that livelihoods of farmers are protected.

"The legal cigarette industry in India came under huge stress on account of punitive taxation during the period 2012-13 to 2017-18, which has hurt farmers, sub-optimized revenue, provided im-



HONOURED: MP Pratap Simha felicitates tobacco growers at an event organised by the Tobacco Institute of India on Thursday

petus to the burgeoning illegal cigarette trade and affected the entire legal cigarette value chain," he said.

Ahmad further said, "High and escalating taxes on cigarettes provide a profitable arbitrage opportunity for tax evasion. Consequently, illegal trade in cigarettes in India has grown steadily over time. However, due to the particularly steep increases since 2012-13, there has been a 36% increase in illegal cigarette trade, increasing from 19.5 billion sticks in 2011 to 26.5 billion sticks in 2018, with its resulting debilitating im-

impact on the legal cigarette industry which shrunk by around 22% during the same period," he said.

"The legal cigarette industry in India accounts for a mere 9% of total tobacco consumption and yet is the major revenue contributor to the government, providing 80% of collections from tobacco. The balance 91% consumption is represented by traditional products like chewing tobacco, bidis, khaini etc. and illegal cigarettes," he added.

Around 17 tobacco growers were felicitated on the occasion.