

Study calls for more tax, stronger regulations against beedi industry

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A study conducted by the School of Public Health at the All India Institute of Medical Sciences (AIIMS) in Jodhpur recommends increasing tax and regulations on the beedi industry to reduce consumption and associated mortalities. The study, conducted in collaboration with the International Union Against Tuberculosis and Lung Disease, found that the industry should lose its status as a "cottage industry." The report also suggests a ban on selling loose sticks to reduce black marketing and illegal ..

A recent study has recommended that enhanced tax and strengthened regulatory measures against the beedi industry, in line with other tobacco products, may lead to its reduced consumption and avert associated mortalities. The study was conducted by the School of Public Health at the All India Institute of Medical Sciences (AIIMS) in Jodhpur in collaboration with the International Union Against Tuberculosis and Lung Disease.



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The study report was released on Friday.

It recommended that considering the health, environmental and economic burden due to the beedi consumption to its users, the industry should lose the status of "cottage

industry".

The report, "Navigating the Implications of Beedi Regulation and Taxation", stated tax increase in base price drives the revenue gain, while increased MRP will determine the decrease in demand.

It presented three different projections -- firstly by increasing product regulations, secondly by increasing taxes and third by doing both simultaneously.

"Throughout the report, estimations suggest that using the currently under-utilised tool of taxation, manifold increase in revenue may be achieved coupled with tremendous aversion of disease and disability as a result of beedi consumption," it stated.

If beedi tax is raised making it equivalent to cigarettes, the government exchequer could raise more than 10 times revenue and nearly 50 lakh life-years could be saved, said Dr Pankaj Bhardwaj, Academic Head, School of Public Health, AIIMS Jodhpur.

"Currently, approximately, 20.6 per cent of the beedi industry is under regulation. Tax on beedi is as low as 22 per cent, in contrast to 52 per cent on cigarettes and 64 per cent on smokeless tobacco, while the WHO recommendation remains at 75 per cent," Dr Bhardwaj said.

The study emphasised on banning the sale of loose sticks and enforcement of tobacco vendor licensing norms to reduce black marketing and illegal circulation, so that 100 per cent regulation may be achieved in a longer run.

Dr Kuldeep Singh Sachdeva, Regional Director, the International Union Against Tuberculosis and Lung Disease, South East Asia, said that beedi smoking causes similar, if not more, detrimental effects on the health of its user, but the industry escapes many regulations and is subjected to far less taxation.

"Due to its treatment as a cottage industry, it is subjected to minimal taxation, and a huge segment goes unregulated and untaxed. In stark contradiction to the WHO FCTC recommendation of 75 per cent taxation of all tobacco products, beedi taxation reaches only 22 per cent while being enforced only on 20.6 per cent of the market share," Sachdeva added.

During the launch of the report, Union Health Secretary Rajesh Bhushan said that unlike a regulated industry, beedi is comparatively scattered because people who collect tendu leaves are a distinct set of people, who may or may not roll beedi.

"We also need to think that what are the alternative occupations that these tendu leaf gatherers can do, which are economically equivalent or more remunerative," Bhushan said while addressing the 2nd National Consultation on Beedi Lifecycle and Health and Economic Burden of Beedi Consumption in India here.

Another report, "Life Cycle Approach to Beedi Trade in India", which was released at the same event, has recommended that the Ministry of Health recognises beedi rolling as an occupational health hazard due to high and constant nicotine exposure.

Source: <https://economictimes.indiatimes.com/industry/cons-products/tobacco/study-calls-for-more-tax-stronger-regulations-against-beedi-industry/printarticle/100379438.cms>