

Andhra Pradesh: Tobacco Institute of India director calls for 'pragmatic' tax policies



S. Murali ONGOLE | AUGUST 26, 2022



Progressive tobacco farmers being felicitated by the New Delhi-based Tobacco Institute of India, in Ongole on Friday. | Photo Credit: BY ARRANGEMENT

New Delhi-based Tobacco Institute of India (TII) director Sharad Tandan has called for 'pragmatic tax policies' and concerted efforts to curb smuggling of cigarettes to protect the livelihood of lakhs of tobacco farmers and other stakeholders.

The TII is a representative body of farmers, manufacturers, exporters and ancillaries of the cigarettes' segment of the tobacco industry in India.

Taking part in the 22 nd edition of the Tobacco Farmers' Awards presentation ceremony here on Friday, Mr. Tandan called for a stable domestic legal cigarette market, saying that it could be achieved through 'balanced regulations and stability in taxes' with a view to increase offtake of locally grown crop.

He observed that the increase in taxes between 2010 and 2020 had made legal cigarettes in India the least affordable in the world even as the sector accounted for an annual foreign exchange earning of more than ₹6,500 crore.

"As a result, India has become the fourth largest market for illicit cigarettes in the world, resulting in an annual revenue loss of over ₹15,000 crore to the exchequer. It is also adversely affecting the earnings of tobacco farmers and legal cigarette industry," Mr. Tandan said.

The tobacco crop size has shrunk to an average of around 215 million kg per annum from 316 million kg in 2013-14 fiscal year, resulting in loss of over 35 million man-days of employment, he explained.

Exports earning

Even as India accounted for 13% of the world's tobacco production, its value share of USD 11 billion global tobacco leaf exports trade was only 5% because exportable varieties accounted for less than 30% of the country's leaf production. "There is an urgent need for aligning production pattern with global demand to raise the country's share of export earnings," said Mr. Tandan.

Participating in the programme, Ongole MP Magunta Srinivasulu Reddy promised to raise the concerns pertaining to the tobacco sector in the Parliament.

Tobacco Board member Mareddy Subramanyeswara Reddy urged the farmers to make constant efforts to cut costs to stay competitive in the global market.

Fifteen progressive tobacco farmers were felicitated on the occasion. D. Venkata Subba Rao from Devarampalli was presented with the lifetime achievement award.

Source: <https://www.thehindu.com/news/national/andhra-pradesh/andhra-pradesh-tobacco-institute-of-india-director-calls-for-pragmatic-taxation-policies/article65814489.ece>