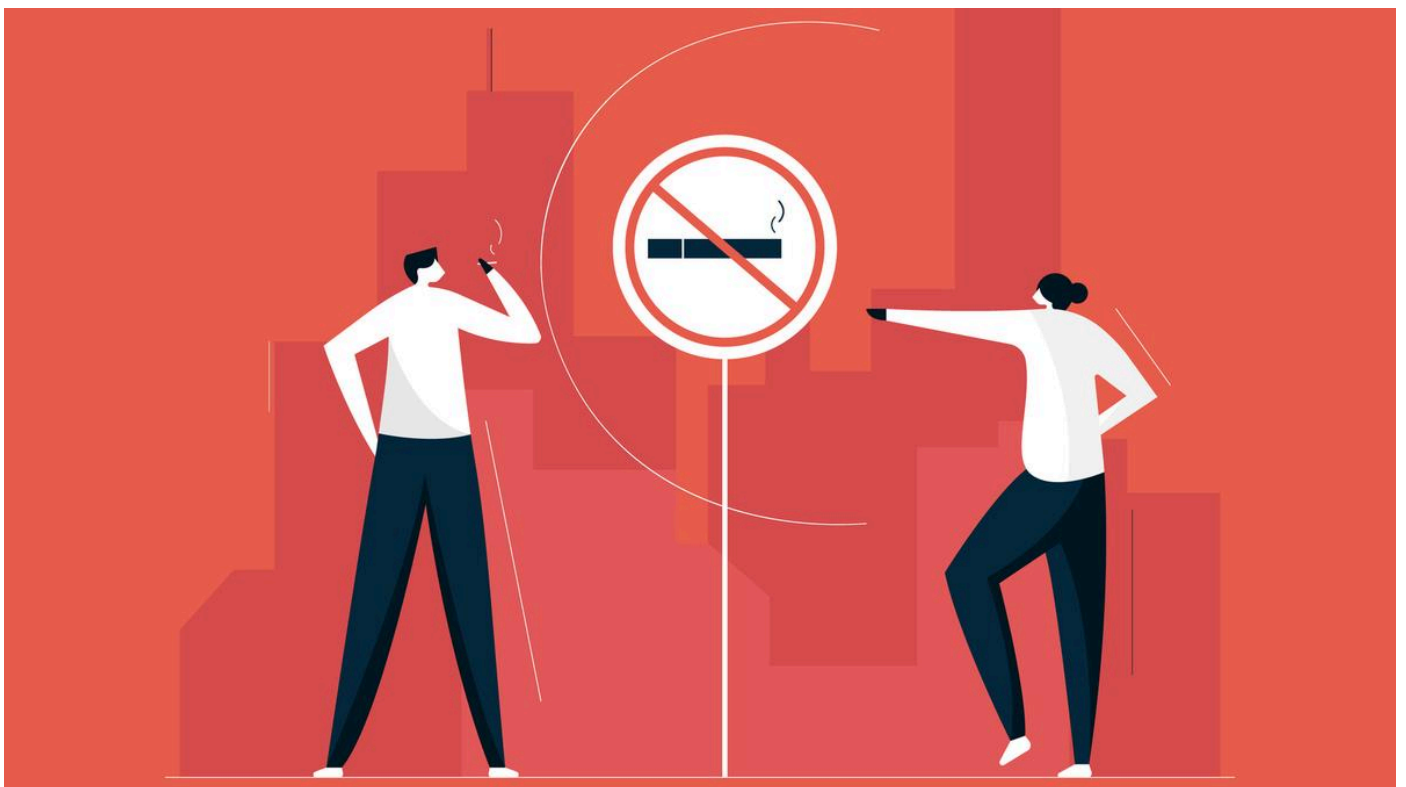


The tobacco epidemic in India

Tobacco causes a wide range of diseases and affects those consuming it as well as those cultivating it. There is a need for up-to-date data to understand trends in tobacco use to tackle the tobacco industry

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For representative purposes. | Photo Credit: iStockphoto

Tobacco is the most widely recognised preventable cause of disease and death in the world. It causes a wide range of diseases and affects those consuming it as well as those cultivating it. After China, India has the world's highest number of tobacco consumers — nearly 26 crore, according to an estimate in 2016-2017. Additionally, the health of more than 60 lakh people employed in the tobacco industry is also placed at risk because of the absorption of tobacco through the skin, which can cause various diseases.

Tobacco's deleterious influence extends beyond human health. It is a highly erosive crop that rapidly depletes soil nutrients. This requires more fertilizers to be used which

further worsens soil quality. The plant is also a major contributor to deforestation. Up to 5.4 kg of wood is required to process 1 kg of tobacco. The production and consumption of tobacco generates nearly 1.7 lakh tonnes of waste every year in India. Therefore, tobacco production and use impose a heavy economic burden on India. A 2021 study estimated that the country incurred a loss exceeding ₹1.7 lakh crore as a result of tobacco's effects on the health of its consumers in the fiscal year 2017-2018. To compare, the Union Budget allocated for health in the same year was ₹48,000 crore. In addition, cleaning up tobacco waste has been estimated to cost close to ₹6,367 crore a year. These estimates exclude the costs due to soil erosion and deforestation.

The status of tobacco use in India

The Global Adult Tobacco Survey (GATS), the Global Youth Tobacco Survey (GYTS), and India's National Family Health Survey (NFHS) capture the status of tobacco use in India. GYTS assesses tobacco use in students between the ages of 13 and 15 years and GATS and NFHS in people above 15 years of age.

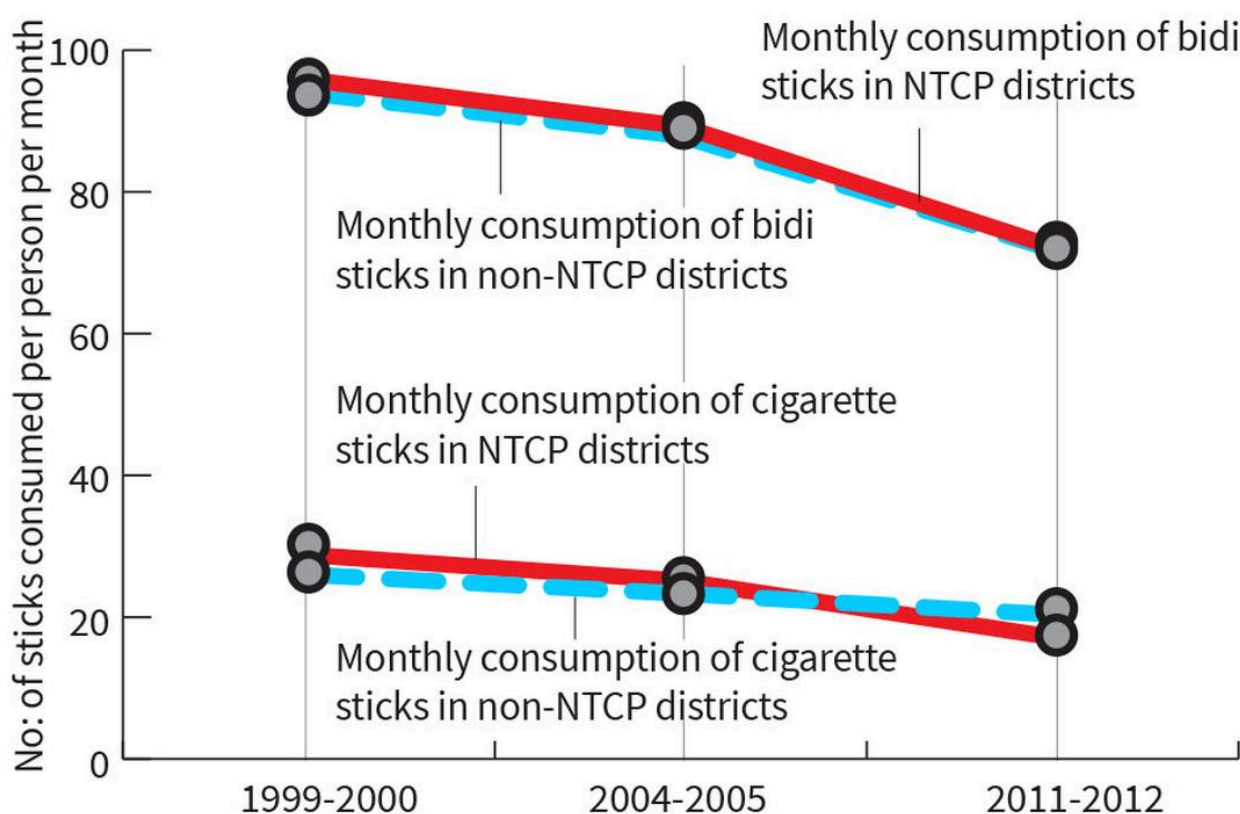
Overall, the results of these surveys have been promising: tobacco use has gone down in the population groups studied by these surveys. An exception to this is tobacco use in women, which went up by 2.1% between 2015-2016 and NFHS 2019-2021. This said, a major caveat is that no survey has been conducted since the COVID-19 pandemic.

Awareness and control programmes

India is one of the 168 signatories of the WHO's Framework Convention on Tobacco Control (FCTC), launched in 2005. It aims to reduce tobacco usage worldwide by helping countries develop demand and supply reduction strategies. A law to govern tobacco sales in India has existed since 1975 and was amended in 2003. The Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply, and Distribution) Act (COTPA) 2003 has 33 sections governing the production, advertisement, distribution, and consumption of tobacco.

India also launched the National Tobacco Control Program (NTCP) in 2007. NTCP is designed to improve the implementation of COTPA and FCTC, improve awareness about the harms of tobacco use, and help people quit it. Apart from these interventions, tobacco taxation — a globally accepted method to effectively control tobacco use — is also applied in India.

Chart 1: Comparison of monthly consumption of bidi and cigarettes between National Tobacco Control Program (NTCP) districts and non-NTCP districts



However, **existing measures are poorly implemented. Smokeless tobacco products (SLTs) have predominantly been non-compliant with COTPA packaging guidelines.** Smuggled tobacco products — both smoked and smokeless forms — have also been badly regulated. To make matters worse, the fines for violating COTPA regulations have not been updated since 2003. For instance, a tobacco company is fined a maximum of only ₹5,000 for violating packaging restrictions for the first time.

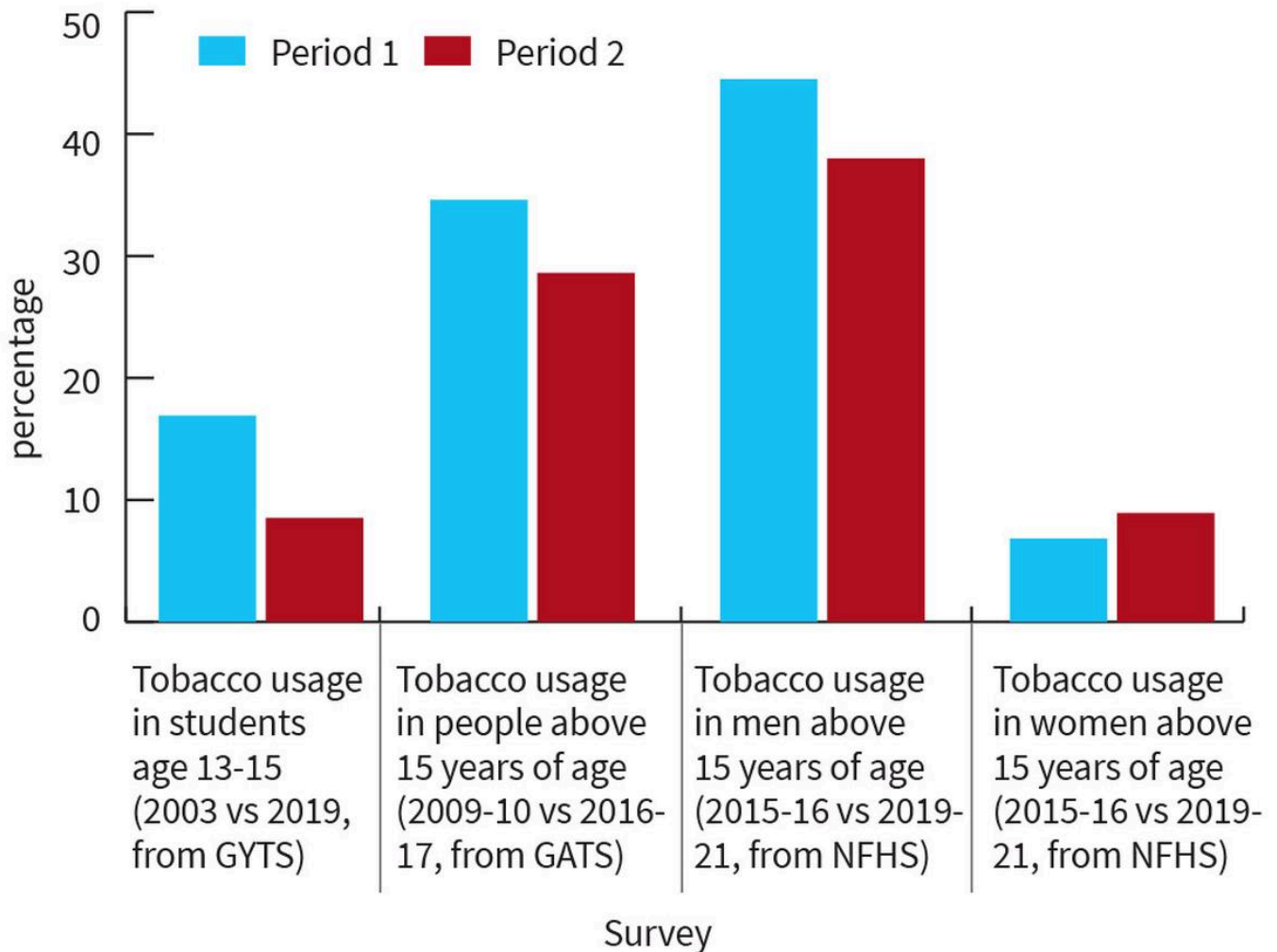
Further, while the **COTPA bans direct advertisements, the position on indirect advertisements is unclear, which has allowed surrogate advertisements: they popularise the brand using a proxy product like elaichi, to promote tobacco manufactured by the same brand. The ICC Men's Cricket World Cup 2023 displayed surrogate advertisements for at least two tobacco brands, which were endorsed by famous cricketers. These advertisements are problematic as they indirectly promote tobacco use.**

Becoming more affordable

Amendments to COTPA had been proposed in 2015 and 2020. The changes suggested in 2015 included regulations on surrogate advertisements, inclusion of films and video games in the definition of 'advertisement', and increasing the fines for violation of

advertisement norms by a factor of 10. The amendment proposed in 2020 would have made licensing necessary for the production, supply, and distribution of tobacco products. But neither Bill was passed.

Chart 2: Trends in tobacco usage in different population groups



The NTCP’s effectiveness has also come into question. A 2018 study in the journal BMJ Tobacco Control reported no significant difference in the reduction of bidi or cigarette consumption between NTCP and non-NTCP districts. Possible reasons for this included insufficient staffing, resource allocation, and utilisation, and lack of effective monitoring mechanisms.

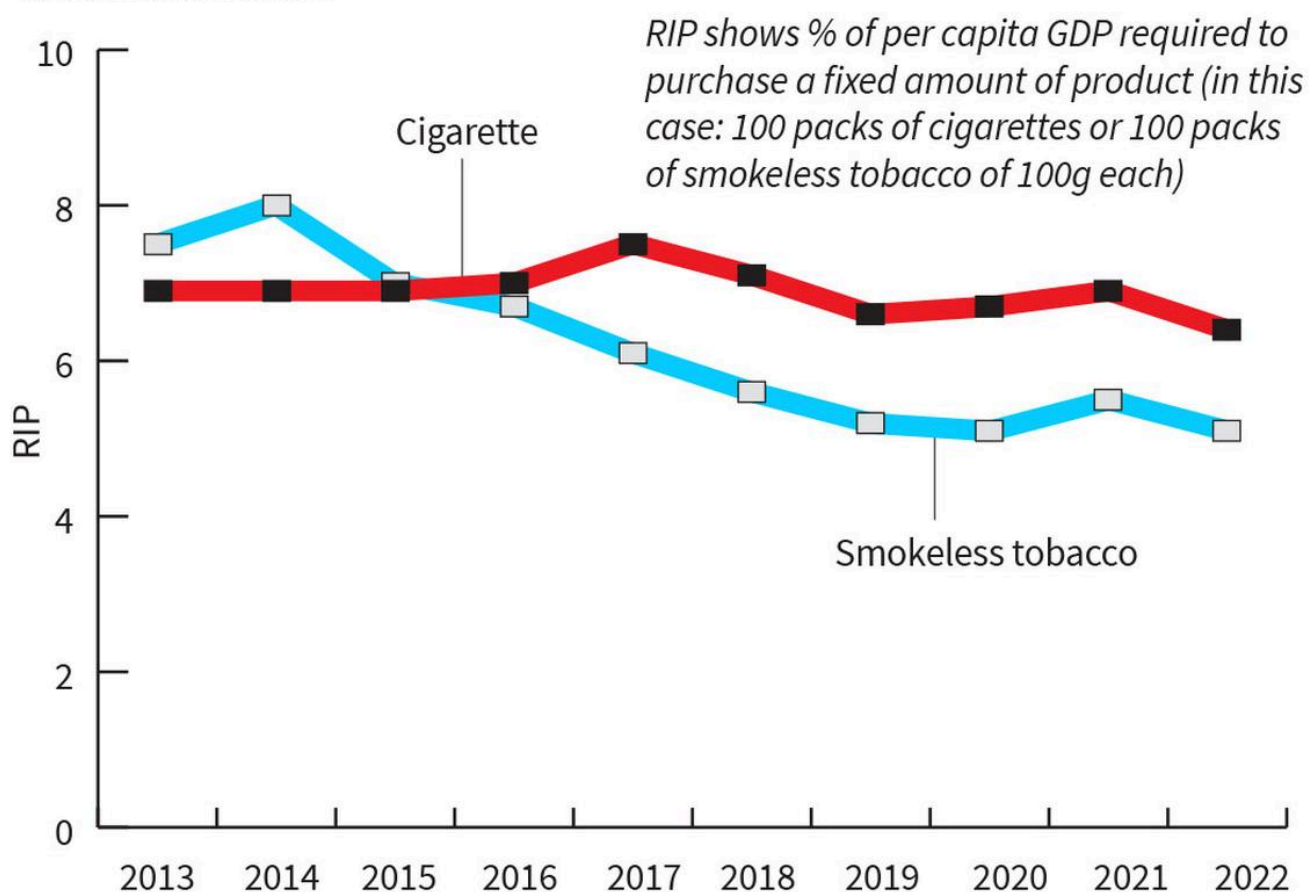
The Indian government’s efforts to levy excise duty on tobacco have also been marred by tax evasion, such as by purchasing tobacco products in lower tax jurisdictions, and illegal methods such as smuggling, illicit manufacturing, and counterfeiting. Low tobacco taxes in India, which have not matched the rise in people’s income, have kept tobacco affordable over the years. A 2021 study in BMJ Tobacco Control reported that cigarettes, bidis, and SLTs had become more affordable in the preceding 10 years, and

that transitioning to the Goods and Services Tax regime had rendered cigarettes and SLTs more affordable.

Tax measures and lobbying

Rijo M. John, an economist and tobacco policy analyst, estimated the tax burden to be 51% for cigarettes, 22% for bidis, and 64% for SLTs, much lower than the FCTC's recommendation of at least 75% tax. The tobacco lobby often argues that high taxes on tobacco lead to tax evasion. However, non-tax factors are equally, if not more, important. These factors include weak governance, high levels of corruption, poor government commitment to tackling illicit tobacco, ineffective customs and tax administration, and informal distribution channels for tobacco products.

Chart 3: Trends in Relative Income Price (RIP) for cigarettes and smokeless tobacco



In a progressive move, the Prohibition of Electronic Cigarette Act (PECA), 2019 banned e-cigarettes in India — yet they continue to remain a major public health challenge in the country. (The safe amount of tobacco is zero, and e-cigarettes' usefulness in de-addiction has been questioned.) In one online survey completed by 840 adults, 23% reported having used e-cigarettes and 8% reported daily use.

Finally, the role of lobbying by the tobacco industry can't be understated. Effective lobbying has led to the exemption of cess on bidis and smaller tobacco manufacturers to be continuously extended. It is public knowledge that government officials, both in-service and retired, engage with the tobacco industry. For example, a retired Indian Administrative Services officer joined the board of Godfrey Phillips as an independent director in 2022. Moreover, the Central government holds a 7.8% stake in ITC Ltd., India's largest tobacco company. India's score on the tobacco interference index — which calculates the degree of interference by the tobacco industry in governance — has also worsened since 2021.

Catching up with industry

COTPA, PECA, and NTCP provide a strong framework to successfully control tobacco production and use in India. But they need to be implemented more stringently. In addition, the tax on tobacco products also needs to be increased in line with the recommendations of the FCTC, inflation, and GDP growth.

With government support, it is also possible to help tobacco farmers switch to farming alternate crops, avoiding loss of livelihood, as shown by multiple studies conducted by the Central Tobacco Research Institute. In fact, for large-scale tobacco farmers, the net return per rupee of investment in jowar cultivation (1.84) is higher than tobacco (1.48). There is also a need for up-to-date data to understand trends in tobacco use to tackle the tobacco industry, which modifies its sales strategies based on readily available sales trends. Without such data, we will always remain a step behind the industry, and effective tobacco control will remain nothing but a pipe dream.

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