

nominated inspectors pointed out several shortcomings in the infrastructure and operational systems of the units.

(c) Yes.

Low rate of tax on tobacco products in the country

1498. SHRIMATI SHOBHANA BHARTIA: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state :

(a) whether taxes on tobacco products in India are much lower than the World Health Organisation's recommendation as per the retail price of a tobacco product;

(b) if so, the reasons therefor;

(c) whether Government proposes to raise taxation on tobacco products; and

(d) the steps, if any, that are being taken to discourage the use of tobacco products by the youth?

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI S. GANDHISELVAN) : (a) and (b) As per the WHO Technical Manual on Tobacco Tax Administration, 2010, the total tax as a percentage of price in 2008 for India was estimated at 55.09% for 2008, as compared to World Bank's recommendation of 67% - 80% of the final retail price of Cigarettes.

Cigarettes are the primary contributor to the total tax collected on tobacco products with comparatively small contribution by bidis and other products.

Currently, the incidence of Central Excise duty on major brands of Cigarettes calculated on the MRP of the product ranges from 28% to 69%. The incidence would be even higher when calculated on factory gate prices. In addition, Cigarettes bear State taxes such as VAT, Octroi etc. Bidi taxes currently average 9% of retail price, with excise and custom duty between Rs. 14/1000 to Rs. 26/1000 sticks.

The general rate of basic excise duty for chewing tobacco is 60% ad valorem. However for chewing tobacco which is manufactured with the aid of packing machine and packed in pouches is subject to compounded levy scheme where in the rates of duty are based on the number of operating packing machines installed in the factory premises.

(c) There is currently no proposal to raise taxes on tobacco products.

(d) The Government of India has notified Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, (COTPA) 2003, to protect citizens, with special attention to groups at risk such as pregnant women and children, from involuntary exposure to tobacco smoke, and to discourage consumption of cigarettes and other tobacco products by imposing various regulatory measures. The salient features of the Act are as under :-

- i. Ban on smoking in public places (Section-4).
- ii. Ban on direct/indirect advertisement of tobacco products (Section-5).
- iii. Ban on sale of tobacco products to children below 18 year & ban on sale of tobacco products within 100 yards of educational institutions (Section-6).
- iv. Specified health warnings on tobacco products (Section-7).

In order to effectively implement the tobacco control Act/Rules, as also to create awareness about the ill effects of tobacco, the National Tobacco Control Programme has been launched in 42 Districts of 21 States. The programme broadly envisages:

National level

- i. Public awareness/mass media campaigns for awareness building & for behavioral change.
- ii. Establishment of tobacco product testing laboratories, to build regulatory capacity, as required under COTPA, 2003.
- iii. Mainstreaming the program components as a part of the health delivery mechanism under the NRHM framework.
- iv. Mainstream Research & Training - on alternate crops and livelihoods with other nodal Ministries.
- v. Monitoring and Evaluation including surveillance e.g. Adult Tobacco Survey.

State level

- i. Dedicated tobacco control cells for effective implementation and monitoring of Anti Tobacco Initiatives.

C. District level

- i. Training of health and social workers, NGOs, school teachers etc.
- ii. Local IEC activities.