


# Markets of Smokeless Tobacco Products: Challenges and Way Forward

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The philosopher and world famous traveler Ibn Battuta wrote his book "The Traveler of Ibn Battuta" regarding the tradition of consuming betel leaf in this subcontinent. But he did not mention about the use of tobacco with the betel leaf in his book. However, the use of *Zarda*, *Gul*, *Sadapata*, *Khaini*, were part of the social ritual, but in last few decades these products have been proved as harmful ones for health and thus emerge the necessity to work for controlling these items.

According to Global Adult Tobacco Survey (GATS) 2017, 20.6% of adult men (22 million) use smokeless tobacco in Bangladesh, of which 16.2% are male and 24.8% are female. 18.7% of adult men (20 million) use *Zarda*, of which 14.3% are male and 23% female; and 3.6% of adult man (3.9 million) use *gul*, of which 3.1% are male and 4.1% women. In addition, Global Youth Tobacco Survey (GYTS) 2013, a study was conducted with 3245 high school students (class nine) from 50 schools across the country. It was found 4.5% students use smokeless tobacco, among them 5.9% are male and 2.0% are female adolescents. Despite the uncontrolled use of tobacco, due to several issues, proper steps are yet to be taken to control the consumption.



*“Smokeless tobacco product factories are difficult to find, but the market of these products is well organized and conducted in a well-structured mechanism, so strengthening the market monitoring system can reduce tax evasion and implementation of Graphic health Warning with ease”.*

## Laws and Policies for the Control of Smokeless Tobacco

Smokeless tobacco has been defined in the Smoking and Tobacco Use (Control) Act 2005 (Amendment in 2013). It is possible to implement graphic health warnings and to ban the sale to minors through this Act. Recently, the National Tobacco Control Cell has created a strategy paper on smokeless tobacco control. Besides, tax on smokeless tobacco products is imposed through the Finance Act and VAT Act. However, due to the lack of sufficient information about smokeless tobacco producing companies, it is not possible to take necessary measures.

## Revenue from Smokeless Tobacco

Total 486.5 million BDT revenue was received from smokeless tobacco products during the last 2017-2018 fiscal years. Of this, the revenue came from *Zarda*, was 470.1 million BDT and the revenue from *Gul* was 16.4 million BDT. If all smokeless tobacco companies are brought under proper taxation system, the revenue generated will be increase several hundred times. But in Bangladesh there are hundreds of *Zarda* and *Gul* producing companies, which are still outside the tax base.

## Smokeless Tobacco has a Specific Market System: TCRC Report

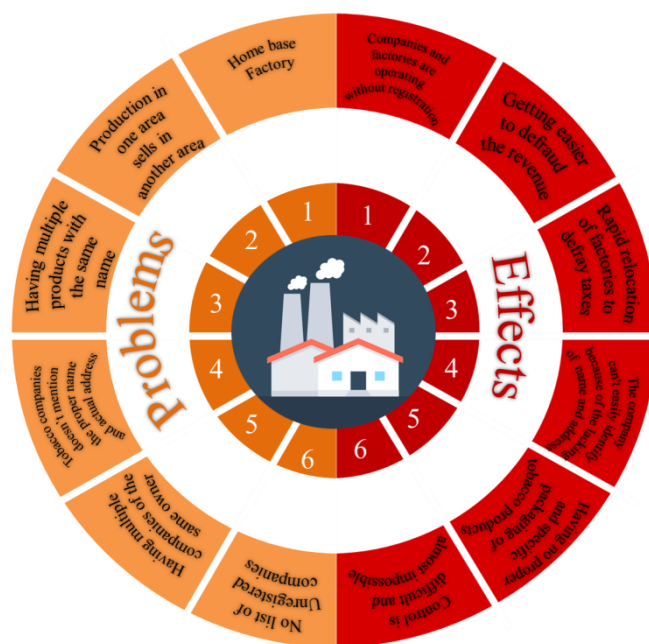
Smokeless tobacco production is small and unorganized, majority of the companies are not registered legally. So it is difficult to find these factories. Factory owners adopt several unfair means to defraud the revenue and laws. These include setting up factories in the household levels, not registering companies and factories, selling of products to other regions then the area of production, transferring the factory for tax evasion, not having the proper name and address of the tobacco company, having multiple products in the same name, having multiple companies under same ownership, inserting false addresses, false VAT registration, trademark and use of fabricated BSTI logos. However, no strong steps has been taken, so far to bring the companies under strong regulation. The government of Bangladesh has made it mandatory to provide graphic health warnings on all tobacco products packages in 2016. Tobacco Control and Research Cell (TCRC) of Dhaka International University adopted a number of activities aimed at implementing the law in order to ensure the graphic health warnings under the auspices of Bloomberg Initiative with the technical assistance of the Union. Under

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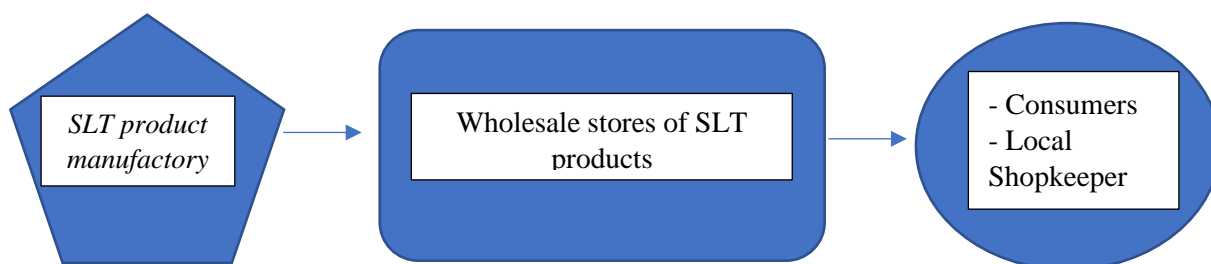
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this program, TCRC monitored the implementation of graphic health warnings on tobacco product packets from 2017 to 2019 in 265 wholesale markets of smokeless tobacco from all 64 districts and one sub-district from each district of Bangladesh. Trained researchers conducted the research using a mobile app, across the country.

The study conducted by TCRC reveals, smokeless tobacco manufacturers are largely dependent on specific wholesale shops in various markets of the country for the sale of their products. They mainly deliver their products to buyers through these particular shops. Monitoring arrangements can be strengthened in all these shops so that tax evasion of smokeless tobacco products can be stopped.



SLT monitoring system centered to the factory or production



## Smokeless Tobacco Brands, Companies and Research in Bangladesh:

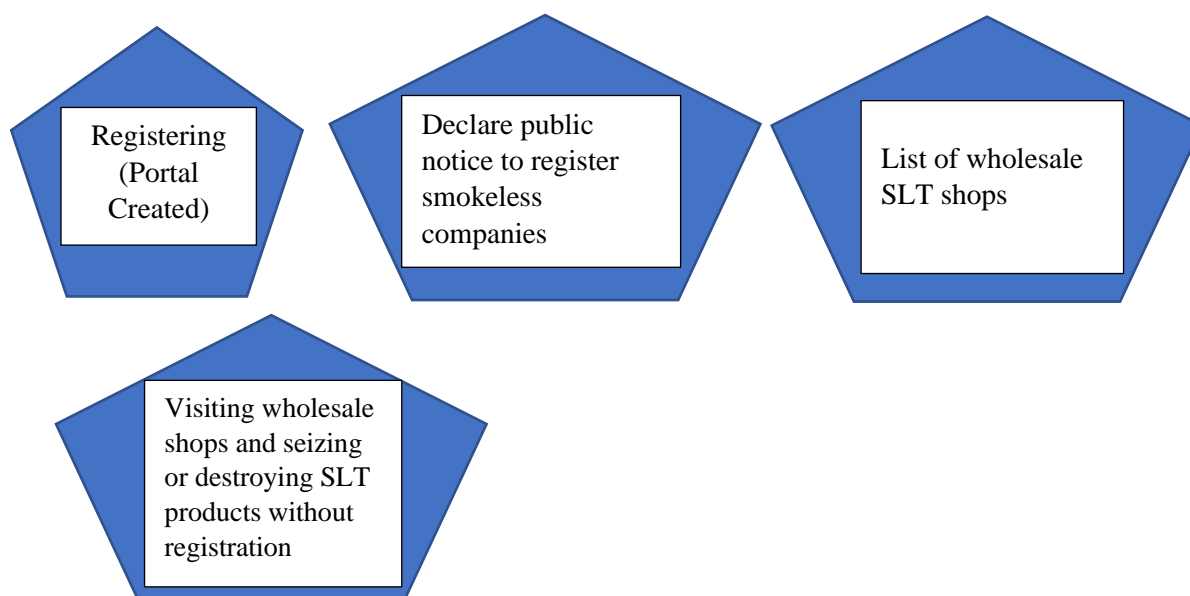
Zarda and Gul are two types of smokeless tobacco used mainly in Bangladesh. The research cell of Dhaka International University, Tobacco Control and Research Cell (TCRC), conducted a study from March 2016 to July 2019. Total 788 brands of SLT were collected from 265 wholesale markets of smokeless tobacco from all 64 districts and one sub-district under of each districts of Bangladesh. Among these 730 brands of Zarda and 58 brands were of Gul.

Total 347 Zarda companies and 40 Gul companies were found through this study. 676 brands of Zarda and 48 brands of Gul were found containing names of the company on their packets. On the other hand 36 brands of Zarda and 10 brands of Gul have no name and address on the packets. Apart from this, there are 18 other brands of Zarda are available in the markets, which are brought into market from India. A few of the notable brands of Zarda found in the country, those have similar wrappers to foreign brands, quite resemble some of the Indian brands. A number of SLT users are fascinated about the Indian brands, that result into fabrication of local products as foreign ones and making it easier for tax evasion by the producing companies. According to the findings of the TCRC study, the list of Zarda and Gul companies in Bangladesh is given in Table-1.

**Table – 1: Companies and brands of Zarda and Gul according to research conducted by TCRC**

Type	Zarda	Gul	Total
Total tobacco companies	347	40	<b>387</b>
Number of brands of tobacco products with company name	676	48	<b>724</b>
Number of unnamed tobacco product brands	36	10	<b>46</b>
Number of foreign tobacco brand	18	0	<b>18</b>
Number of brands of total tobacco products	730	58	788

## Monitoring the smokeless tobacco market and preventing tax evasion



1. To create a registration portal for tobacco producing companies.
2. To make registration compulsory for all tobacco producing companies.
3. To include owner's name, voter ID, company name, address, logo, trademark, VAT number in the field of registration.
4. To coordinate with the local government to create a list of wholesale shops of registered tobacco products.
5. To make standard packet of chewable tobacco in coordination with the National Tobacco Control Cell.
6. To upgrade tax band roll system including barcodes.
7. Visiting wholesale tobacco product shops with regular interval after registration and to destroy and confiscate all non-registered tobacco products.