Bidi smoking costs India annual INR 805.5 billion in ill health and early death

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The financial toll taken by bidi smoking in India has never been calculated. To try and put this right, the researcher drew on several sources of national and international data to estimate the direct and indirect costs of treating the ill health and early deaths attributable to the habit among 30-69 year olds in 2017.

His calculations revealed that bidi smoking cost India INR 805.5 billion (US$12.4 billion) in terms of ill health and early deaths.

Direct costs—tests, drugs, doctors’ fees, hospital stays, and transport—make up around a fifth of this total (just under 21%; INR 168.7 bn), with the remainder made up of indirect costs—accommodation for relatives/carers and loss of household income (INR 811.2 bn).

Given that around one in four 30 to 69 year old men smokes bidi, the habit takes a disproportionate toll on the nation's men, says the researcher.

These figures amount to around 0.5 per cent of the goods and services (GDP) India produces and more than 2 per cent of its total health spend, he calculates. Yet the tax revenue derived from bidi smoking came to just INR 4.17 billion in 2016-17.

Nearly one in five households in India faces "catastrophic expenditures" due to healthcare costs, the researcher points out, with more than 63 million people pushed into poverty, as a result.

"Diseases associated with bidi smoking add to this, potentially pushing more people into poverty," he writes, suggesting that about 15 million face poverty because of spending on tobacco and associated health costs.

"Expenditure on tobacco also crowds out expenditure on food and education in India, especially among the poor," he adds.
"Despite overwhelming evidence on the effectiveness of taxing tobacco products, taxation as a tool to regulate bidi smoking has been highly underutilised in India," he insists, calling for for a tax hike on bidi tobacco to halt its unfettered consumption.

"Allowing bidi consumption to continue unhindered would make income distribution even more regressive, as the poor will continue to bear a disproportionately large share of economic costs from bidi smoking due to their higher bidi smoking prevalence," he concludes.


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