**Healthier Budgetary Options**

**One of the major impacts of imposing FED is the shrinkage of the formal packaged juice industry and a 40% drop in their production.**

[Dr Fauzia Waqar](https://www.nation.com.pk/reporter/dr-fauzia-waqar)

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Fruit juices offer substantial health benefits and are linked to a reduced rate of all-cause mortality. Fruit juices are rich in essential nutrients like vitamin C, carotenoids, and polyphenols, which contribute to overall well-being. Moreover, juicing has many benefits, including higher nutrient concentration per ounce, increased intake of fruits and vegetables, and better nutrient absorption. Moreover, it makes it easier for people who dislike the taste of fruits or vegetables to have their benefits.

While fresh juices undoubtedly offer numerous benefits, we must also recognize the advantages of packaged juices. Packaged fruit juices provide an easy way to increase fruit intake, which is particularly helpful for busy people who face common barriers to eating whole fruits. They have a longer shelf life and are protected from external contamination. Packaging also provides essential information, such as nutritional content, ingredients, and expiration dates, helping consumers make informed decisions. As fresh juice is more exposed to air, causing its vitamin C content to degrade quickly unless consumed immediately, even if stored in the fridge, packaged juices can overcome the issue with its standardized packing. Packaged food also contains extra antioxidants that help reduce stress and the risk of chronic diseases. Additionally, they are often fortified with nutritional supplements that keep the body hydrated, which is especially beneficial for those without access to clean drinking water throughout the day.

[Violent clashes erupt in parts of Sudan](https://www.nation.com.pk/03-Jun-2024/violent-clashes-erupt-in-parts-of-sudan)

Despite these benefits, the government has imposed a 20% federal excise duty (FED) in addition already levied 18% GST on the packaged juices during the last fiscal budget 2023-24. This additional high tax has multiple disadvantages, affecting both consumers and the government. The primary impact is unaffordability by a common man resulting in reduced sales and volumes, consequently impacting the low collection of revenues by the Government. Also, the action is creating space for untaxed and unregulated products, again impacting government revenue collection. The higher price also encourages the growth of low-quality, and unsafe products in the market without their registration with provincial and federal food and regulatory authorities. Consuming low-quality products subsequently impacts the population’s health, exacerbating existing health issues.

Above all, this policy has harmed the rural economy, particularly local fruit farmers involved in the juice supply chain. Limiting access to healthy beverage options has negatively impacted the rural economy. Farmers have seen a significant decline in fruit procurement for pulping purposes, consequently declining the packaged fruit juice industry because of tax stress. This vicious cycle has badly impacted farm economics resulting in an inefficient value chain that hinders the direction to maximize value-added fruit processing as in the developed world.

[Hundreds of vehicles impounded](https://www.nation.com.pk/03-Jun-2024/hundreds-of-vehicles-impounded)

While Pakistan’s fruit juice market has experienced rapid growth in the past, offering a wide range of ready-to-drink juices and nectars, the volumes sourced from local farmers have significantly decreased. According to the sources, at its peak, the formal juice industry sourced over 100,000 tons of fruit from local farmers mainly mangoes from Punjab in addition to apples, oranges, peaches, guava, etc from various provinces and geographical locations in the country. However, these volumes have now dropped substantially, largely due to the impact of the Federal Excise Duty (FED). Higher taxes have reduced farmers’ profits, limiting their ability to reinvest in their activities and personal needs. Increased taxes resulting in lower procurement by the fruit pulping industry also make it challenging for farmers to afford input resources such as fuel, machinery, or pesticides, leading to higher production costs. Overall, farmers are facing challenges and financial stress as a result of higher tax burdens, which could potentially lead to farm closures or downsizing.

[Hidden cameras found in Lahore girls’ hostel washrooms](https://www.nation.com.pk/03-Jun-2024/hidden-cameras-found-in-lahore-girls-hostel-washrooms)

One of the major impacts of imposing FED is the shrinkage of the formal packaged juice industry and a 40% drop in their production. Statistics show that the industry, which previously generated about Rs16 billion in tax revenues before March 2023, is negatively impacted by these conditions. Furthermore, to overcome the loss, industry has been inclined to downsizing their businesses, resulting in job loss of industrial workers within the sector. Considering the situation, the industry is demotivated to reinvest for coming years, and new product development and has no plans to contribute for the economic year of 2024-25.

All these direct or indirect factors congested the running flow of the economy at both provincial and national levels. It’s imperative for the ministry at federal level to sensitize concerned authorities and see Budget 2024-25 as an opportunity to take a far-reaching policy decision to deep dive and be sensitized about the long-term impacts of imposing an increased tax on the product which is beneficial in many terms entailing population health, agricultural economy especially fruit farmer’s livelihood and industry growth. Also, equally important for the first-time Chief Minister of Punjab to lead a policy dialogue and demand rationalizing of FED on packaged juices for protecting the livelihoods of the fruit growers, investments in pulp processing, and the packaged juice industry which has stayed in Punjab.

[PML-N, PPP at ‘odds’ over power-sharing formula in Punjab](https://www.nation.com.pk/03-Jun-2024/pml-n-ppp-at-odds-over-power-sharing-formula-in-punjab)

**Dr. Fauzia Waqar**
The writer is an MPH in public policy and leadership at the University of San Francisco, California. She can be reached at: fauziawaqar\_28@hotmail.com