

Safe period is every woman's health right: VAT, TAX a barrier to access and affordability

Background

Women and girls have been subject to discrimination almost in all space and time over the history of mankind. Even in today's progressive world the social norms, structured mindset on gender aspects and predominant patriarchy belief have put the burden on women and girls strong enough to create barriers in unleashing their full potentials and exercising their fundamental rights.

An equitable world requires all sort of barriers eliminated for all people regardless race, gender, sex, age, ethnicity and religion. Eliminating the barriers requires a proper understanding on what the barriers are which hinders progress and equality. While we live in a world where discrimination is still a reality we also see efforts to challenging these ideas with what is right and just.

The case of Tax and VAT on the necessary feminine hygiene products like sanitary napkins have a direct impact on women wellbeing, work, dignity and nurtures gender discrimination, while deserving attention for it to be quelled to provide rights and dignity to women and girls.

The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), adopted by the United Nations General Assembly in 1979, article 1 states:

[A]ny distinction, exclusion or restriction [A] made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field.¹

The parties signed to the agreement agreed to "take all appropriate measures, including legislation, to modify or abolish existing laws, regulations, customs and practices which constitute discrimination against women."²

A woman's right to be free from discrimination is violated when menstrual hygiene products are subject to all sort of tax when there are no similar products that men must use because of an involuntary, biological monthly occurrence, and when the closest analogous products used primarily by men are not subject to taxation. Taxing products used primarily, or even exclusively, by women is to tax them on the basis of their sex, something which is prohibited by international human rights norms.³

Therefore, the issue of VAT and tax on sanitary napkins are a concerning matter which requires immediate attention, a concerted effort and repeal campaign to provide enabling environment for work, health, and dignity to all women and girls.

Taxing period - global trends

A global wave of repealing taxes on hygiene products like tampons and sanitary napkins are underway. In 2015, Canada government repealed all taxes related to feminine hygiene

¹ G.A. Res. 34/180, annex, *supra* note 140, at art. 1.

² G.A. Res. 34/180, annex, *supra* note 140, at art. 2(f).

³ Bridget J. Crawford & Carla Spivack, Tampon Taxes, Discrimination, and Human Rights, 2017 Wis. L. Rev. 491, <http://digitalcommons.pace.edu/lawfaculty/1070/>.

products.⁴ In 2018 Australia⁵ and India⁶ along with many states in the US have scrapped taxes which was largely seen as luxury products.

The campaigns like “Don’t Tax my period”, “Bloody Disgrace”, and “Blood Tax” fired up due to lack of acknowledgement of the biological necessity of women and girls and involuntary bleeding which is in many countries like Pakistan, Nepal, India and Bangladesh is a taboo to even discuss.

Women and girls in Bangladesh

Bangladesh is a leading role model on many development aspect, while there are many positive trends in providing opportunities for women and girls with an equitable environment to flourish in economy like less loan interest, opportunities to grow business and eliminating child marriages and the like. There remain many challenges yet to overcome in relations to inclusive environment for women and girls specially around water, sanitation and hygiene issues.

Ensuring menstrual health and hygiene is key to the reproductive health and rights of adolescent girls and women. Out of the 160 million population 46.8% is female. Around 39 million are in the 15-49 age group⁷. 8.74 million female students are studying in secondary schools and above⁸ in the country. More than 8.26 million women between the age of 15-35 are engaged in different professions⁹.

These numbers paint a picture of a large population of women and girls of menstruating age, many of whom also spend a significant amount of time in schools and workplaces.

Evidences and stark reality for women/ Tax on sanitary napkins an invisible discrimination tool against women

Evidence indicate that many women and girls are far behind when it comes to safe hygiene. Millions still cannot practice proper menstrual hygiene management. The National Hygiene Baseline Survey found that the vast majority of menstruating women using old cloth as menstrual absorbent could not wash their cloth in clean water with soap, and dry it in sunlight, which is the recommended practice to ensure the cloth is safe for reuse.

Though sanitary napkins or pads offer a safe, easy-to-use alternative to cloth, but it is estimated that only about 5.9 million females use disposable sanitary¹⁰ napkin as means of safe menstruation during period, a very low proportion of the country’s female population.

India’s success on tax exemption from sanitary pads:

India has recently achieved success in exempting all sort of taxes from sanitary pads available in the markets of the country. Ministry of Finance, Government of India has excluded sanitary pads from Goods and Services Tax (GST) list, as per decided in a meeting in GST Council. 12% of tax as mentioned in GST list, will no longer be applicable for sanitary napkins. An amendment notice [Notification No.20/2018 – Integrated Tax (Rate)] from Ministry of Finance, Government of India, on existing Gazette for Tax (below link):

[http://egazette.nic.in/\(S\(uxr34s4jjxivtsnxliobwhm\)\)/default.aspx?AcceptsCookies=yes](http://egazette.nic.in/(S(uxr34s4jjxivtsnxliobwhm))/default.aspx?AcceptsCookies=yes)

mentioning sanitary napkins exemption from GST has recently been published.

⁴ <https://www.cbc.ca/news/politics/tampon-tax-will-end-july-1-1.3091533>

⁵ <https://www.nytimes.com/2018/10/03/world/australia/tampons-tax.html>

⁶ <https://www.bbc.com/news/world-asia-india-44912742>

⁷ (BBS 2017, BDHS 2011)

⁸ (BANBEIS 2015)

⁹ (Population Monograph, BBS Vol. 1 2015)

¹⁰ NHSB 2014

The access barrier to improved feminine hygiene products for large female population of Bangladesh is the affordability and the price factor. Compounded by heavy tax the prices of these necessity create low uptake of sanitary napkins by a majority of the population who are also poor, especially, in the rural and slum areas.

A market survey showed the price of sanitary napkin ranges from TK 5 to TK 15 per piece. Companies and private sector businesses indicated that the added imposition of tax on raw materials used in the production of sanitary napkins, local vat on production and in some cases sales tax are the major reasons for such high price of marketed products.

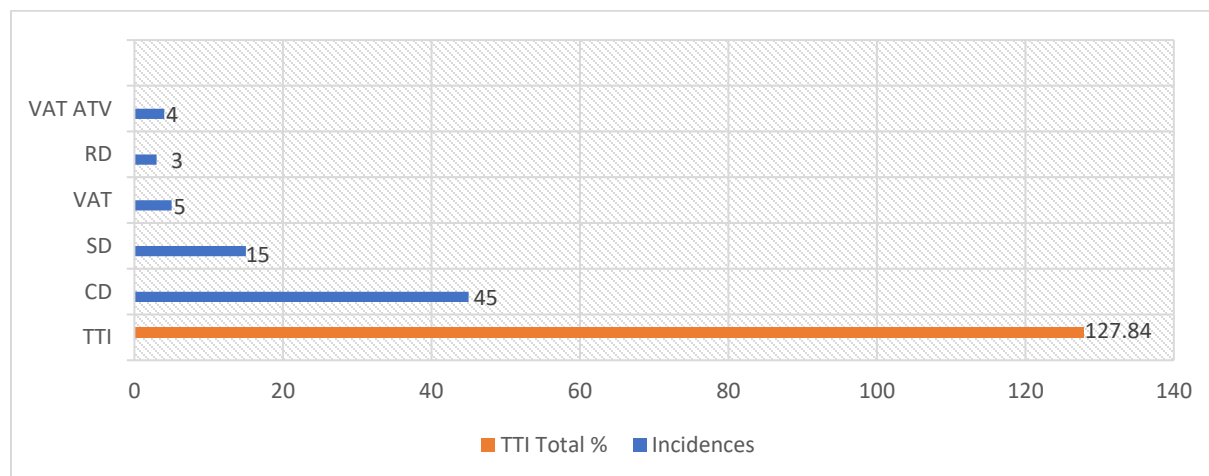
If these feminine hygiene products were made more affordable, millions of girls and woman in Bangladesh would be able to choose safe sanitary options over hand washed cloth or other absorbents. Any sort of VAT and Taxes on any stage of the product makes it very difficult for them to practice safe menstrual hygiene.

Poor hygiene may cause adverse physical health consequences, such as an increase in urogenital infections like bacterial vaginal infections¹¹ and vulva vaginal candidiasis.

The burden of tax on sanitary napkin price

Repealing of all sort of taxes on sanitary napkin will benefit adolescent girls and adult women who cannot afford these products at the current prices. WaterAid's analysis shows that there are strong grounds for repealing tax on disposable sanitary napkin manufacturing in order to ensure better menstrual health and hygiene for millions of women and girls across the country.

Most sanitary napkins available in the market are produced locally using 12-14 kinds of imported raw materials and chemicals. Many of these raw materials are taxed at varying rates.



The total tax incidence (TTI) of a sanitary pad/napkin is staggering 127.84% at the maximum, as per the present proposed tariff structure by National Board of Revenue (NBR). TTI is based on Assessable Value (AV) of goods that includes 25% of customs duty, 45% supplementary duty, 15% value added tax (VAT), 5% advance income tax, 3% regulatory duty and 4% advance trend VAT (ATV). The manufacturers incur all of the above taxes, local vat on production and along with their profit sets the market retail price. (See Appendices 1 for Tax Structure on Sanitary Napkin).

¹¹ Padma Das et al., Menstrual Hygiene Practices, WASH Access and the Risk of Urogenital Infection in Women from Odisha, India, 10 PLOS ONE (June 30, 2015), <http://journals.plos.org/plosone/article?id=10.1371/journal.pone.0130777> [<https://perma.cc/U4WJ-FPHJ>].

The total tax collected in FY 2017-18 based on AV of 605.35 million was 738.65 million according to NBR, meaning that tax collected was about 122% of AV. The price of which was paid by women and girls due to having periods a matter which they have no control over.

Rights of women and girls to affordable sanitary napkins

WaterAid has been assessed the current vat and tax structure and analysed the scenario in following way:

1. Two scenario of tax reduction has been found form the assessment in Tax incidence on imported materials:
 - Among all the tax categories applicable during importing the raw materials, if CD, AIT and VAT were deducted, keeping SD, RD and ATV as it is, then the entire TTI would reduce to 56% from 127.93%.
 - Fluff pulp, one of the major raw materials to produce sanitary napkin, is taxed at the rate of 4% for ATV, with CD, SD, VAT, AIT, and RD at 0%. If all other raw materials were taxed similar to fluff pulp, the entire TTI would reduce to 5% from 127.93%.
2. 15% additional local VAT is being added on the entire sanitary napkin production.
3. There is another provision of tax that is applicable only on the sanitary napkins available in super shops. This tax is addressed as Sales tax which is about 5% added with the given price by the manufacturing companies.

Policy Recommendation

However based on the rationales of human rights, economic burden of poor people and facilitating every access to safe menstrual sanitary products WaterAid strongly recommends that there should be Zero tax and vat on IIT of sanitary napkins because the product cannot be treated as any other product and should not be taxed because it is the biological needs of women and girls in our country.

Income tax slab for women a great example

The government of Bangladesh through NBR has already demonstrated many women friendly examples including encouraging more women in mainstream workforce through reduced income taxes slabs starting from BDT 300,000 instead of BDT 250,000 in case of male counterparts. This showcases the positive attitude of NBR towards more woman friendly approaches.

Bangladesh can be a global role model through repealing all taxes and vats on sanitary napkins

If tax exemptions on manufacturing were reflected in retail price, the price of each unit of sanitary napkin could be reduced by almost 50%, if tax is exempted. As a result, women and girls, especially from low income groups, would be able to afford sanitary napkins, ensuring proper menstrual hygiene management across a much larger group of people.

The Hon'ble Prime Minister of Bangladesh is renowned globally for her courageous initiatives in providing best opportunities for women and girls. The repealing of taxes is the demand of the people and will be a praiseworthy initiative towards achieving SDG goals.

Appendices 1: Tax Structure on materials imported for production of Sanitary Napkin

Sl No	Raw Materials/Chemicals	H.S.Code	Present Customs Tax Structure
1	Fluff Pulp	4703.21.00	CD-0%, VAT-0% and AIT-0%
2	Mirror-Surface Latex	4002.11.00	CD-5%, VAT-15% and AIT-5%
3	Water Gum/Aqua keep SA60/ Dispersant/ Super Absorbent Polymer/ Acrylic Polymer	3906.90.00	CD-10%, VAT-15% and AIT-5%
4	Non-Oven Air through Bonded (ADL	5603.11.10	CD-10%, VAT-15% and AIT-5%
5	Performance Tape/ Closure /Side Tape/Re-pulpable both side tape	3919.90.20	CD-25%, VAT-15% and AIT-5%
6	Laminated/Perforated Film/PE Film/PE Foil	3920.10.20	CD-10%, VAT-15% and AIT-5%
7	Color Tape	3919.90.91	CD-15%, VAT-15% and AIT-5%
8	Throw Tape	3919.90.91	CD-15%, VAT-15% and AIT-5%
9	Hot Melt Glue/Ribbon Glue/Structure Glue/ Adhesive/Construction Glue	3506.91.10	CD-10%, VAT-15% and AIT-5%
10	Customized Loop White	6307.90.00	CD-25%, RD-3%, VAT-15% and AIT-5%
11	Adhesive/Glue (Solvicol GP45 Plus)	3505.20.00	CD-15%, VAT-15% and AIT-5%
12	Leg Cuff/Elastic/Back Ribbon	5402.44.00	CD-5%, VAT-15% and AIT-5%
13	Composite Backsheet	3920.99.90	CD-25%, RD-5%, SD-20%, VAT-15% and AIT-5%
14	Back Release Paper (Wings)	4811.90.90	CD-25%, RD-3%, SD-0, VAT-15% and AIT-5%