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Underground Gutka Trade Drains Karachi's Economy and Exposes Corruption

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The illegal gutka trade in Karachi isn't just a health risk; it's an economic liability. Rampant black-market activity, aided by institutional neglect and police complicity, is diverting billions from the legal economy while reinforcing organized criminal networks.

Karachi is facing a growing economic threat that has little to do with inflation or interest rates and everything to do with lawlessness. Despite being banned under the Sindh Prohibition of Preparation, Manufacturing, Storage, Sale and Use of Gutka and Manpuri Act,

2019, this chewable tobacco product is openly sold and consumed across the city, feeding a black-market economy that operates outside the tax net.

The issue took a serious turn recently when the Inspector General (IG) of Sindh Police issued a circular warning that many officers were themselves addicted to gutka. Rather than enforcing the law, elements of the police appear to be part of the problem. Rehabilitation orders were issued, with the threat of dismissal for non-compliance, though meaningful action remains unseen.

Karachi residents like Syed Atif Ali believe gutka is sold freely only because law enforcement turns a blind eye. “Even Indian gutka is available here,” he said, questioning how foreign contraband enters the market without institutional failure or complicity.

Financially, the illegal gutka industry costs the province billions annually in lost tax revenue. These funds instead enrich underground networks that also deal in water, land, and construction, well-known mafias operating openly in the city.

Taha Ahmed Khan, Deputy Parliamentary Leader of the Muttahida Qaumi Movement – Pakistan (MQM-P), put it bluntly: “There is no functioning government in Karachi. The mafia is in charge.”

Meanwhile, World Health Organization (WHO) data shows Pakistan ranks highest in the region for smokeless tobacco use, which contributes heavily to rising oral cancer rates and another strain on the public healthcare system.

Government representatives, including Sadia Javed of the Pakistan People’s Party (PPP), have promised stricter penalties and legal reforms. But until the law is applied evenly and without exception, the gutka trade will continue to erode Karachi’s economy and empower corruption.

What should be a public health issue has morphed into a full-scale economic and governance crisis, one that demands more than just legislation; it demands accountability.