Tobacco Research - Highest Priorities

• Recent work at WHO to identify tobacco control research priorities as part of WHO NCD strategy
  • Multiple meetings in Geneva
  • Multiple stakeholders
  • Many focused on economic issues
  • Most relevant to this region
Tobacco Research - Highest Priorities

• Research to estimate the impact of tax and price policies, including developing country-specific price elasticity estimates, differential impact, tax structure, and effective tax administration to curb tax avoidance and tax evasion

• Research to optimize cessation interventions, including adaptation of interventions effective in HICs to LMICs, identification of most cost-effective interventions for resource-constrained countries and integration of cessation into health systems

• Research to assess the economic impact of tobacco use and to evaluate the economic impact of tobacco control (e.g. on jobs, health care costs, and productivity)
Tobacco Research - Highest Priorities

• Research on the interrelationships between tobacco use and poverty, including the role of tobacco use in causing poverty and compromising other spending and the differential effect of tobacco control policies & programmes on the poor

• Research to develop messages effective in overcoming misinformation spread by tobacco companies, building/strengthening social norms against tobacco, and building support for tobacco control policies & programmes

• In countries highly dependent on tobacco, research on developing economically viable alternatives to tobacco growing and manufacturing
Tobacco Research – Related Issues

• Highest research priorities assume existence of comprehensive tobacco surveillance system that includes:
  • prevalence and intensity of use of all tobacco products (overall and in key populations)
  • contribution of tobacco use to NCDs and other health consequences, economic costs (overall, key populations)
  • tobacco product sales, tax revenues, extent of tax avoidance and tax evasion
  • tobacco company pricing, marketing, lobbying, other efforts
  • tobacco growing, manufacturing, other economic activities
  • tobacco control policies, implementation and compliance
  • tobacco-related knowledge/risk perceptions, attitudes, beliefs
  • social norms about tobacco use, tobacco control
  • social determinants of tobacco use
Tobacco Research - Highest Priorities

• Research to estimate the impact of tax and price policies, including developing country-specific price elasticity estimates, differential impact, tax structure, and effective tax administration to curb tax avoidance and tax evasion

• Few country specific studies of price elasticity from region
  • World Bank toolkit for estimating demand
  • WHO toolkit for economic analysis of GATS data

• Aggregate demand studies:
  • Monthly, quarterly or annual tax paid cigarettes sales (MoF)
  • Production + Imports - Exports
  • Cigarette prices (consumer price index)
  • Euromonitor and/or ERC data (sales by various characteristics, limited price data)
  • EIU cigarette prices (limited availability); Nielsen or IRI

• Regional studies
  • Price elasticity
  • Tax structure, tax administration
Tobacco Research - Highest Priorities

• Research to estimate the impact of tax and price policies, including developing country-specific price elasticity estimates, differential impact, tax structure, and effective tax administration to curb tax avoidance and tax evasion

  • Household demand studies:
    • Living Standards Measurement Study surveys (Guatemala, Nicaragua)
    • Others?

  • Individual demand studies:
    • Individual-level surveys with smoking prevalence, consumption
    • Local price data (CPI?)
Tobacco Research - Highest Priorities

• Research to assess the economic impact of tobacco use and to evaluate the economic impact of tobacco control (e.g. on jobs, health care costs, and productivity)
  • Economic costs of smoking study
    • Health care costs; Lost productivity
    • WHO Toolkit on estimating health care costs
  • Economic impact of tobacco control
    • Simple analysis of trends in jobs dependent on tobacco growing, manufacturing and role of industry in job losses
    • Simulation analysis of impact of reduced tobacco use on employment
      • World Bank toolkit on employment
  • Illicit trade in tobacco products
    • Develop estimates of extent of illicit trade and how it changes over time
    • Observational studies
      • Store/informal tobacco vendors
      • Littered packs
Tobacco Research - Highest Priorities

• Legal research on feasibility of an approaches to increasing tobacco taxes
  • Guatemala
    • Double taxation
    • Confiscatory taxes – can “costs” be defined to include total costs to society of tobacco (production costs, health care costs, lost productivity costs)?
    • Other constitutional issues?
  • Honduras
    • How to overcome 6% maximum increase in one year?
  • Others?
Tobacco Research - Highest Priorities

• Case studies to document successes in tobacco control
  • Role of civil society, NGOs
  • Strategic partnerships
    • World Bank (Roberto Iglesias), IMF, MoF, WHO/PAHO, UIC
  • Messaging
  • Role of research evidence
  • Accountability of policy makers
  • Interference from tobacco industry
  • Honduras, Costa Rica
    • Early evidence on effectiveness of policy changes, tax increases
Tobacco Research - Highest Priorities

• Impact of regional trade agreements
  • On cigarette prices, marketing
  • On tobacco-related employment
  • On tobacco use
Tobacco Research - Highest Priorities

• Public opinion polling (maybe)?
  • Support for tobacco tax increases
  • Importance of framing
    • To reduce youth uptake of tobacco
    • To promote public health
    • Use of revenues to support tobacco control
Tobacco Research – Related Issues

• Need for effective communications/dissemination plan
  • peer reviewed publications
    • Tobacco Control, N&TR supplement?
  • respected working paper series
  • white papers
  • policy/research briefs
  • stakeholder seminars
  • academic/non-academic presentations
  • press conferences, press/video-news releases, op-eds, letters to editors
  • one-on-one meetings with policy-makers, reporters
## Turkey - Simulation Analysis
### Smokers & Deaths

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>EFFECTIVE JAN 2010</th>
<th>GOING FORWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specific:</strong> 2.05YTL Ad valorem 58%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult Smokers (millions)</td>
<td>17.3</td>
<td>16.7</td>
<td>16.3</td>
</tr>
<tr>
<td>Deaths Caused by Smoking among Current Smokers (millions)</td>
<td>6.93</td>
<td>6.78</td>
<td>6.65</td>
</tr>
<tr>
<td>Reduction in Number of Adult Smokers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction in Deaths Caused by Smoking among Adults</td>
<td></td>
<td>165,377</td>
<td>272,385</td>
</tr>
<tr>
<td><strong>Specific:</strong> 2.65TL Ad valorem 63%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future Smokers among Current Youth Cohort (millions)</td>
<td>6.4</td>
<td>5.98</td>
<td>5.69</td>
</tr>
<tr>
<td>Deaths Caused by Smoking among Future Smokers (millions)</td>
<td>2.6</td>
<td>2.39</td>
<td>2.28</td>
</tr>
<tr>
<td>Reduction in Number of Future Smokers (thousands)</td>
<td></td>
<td>437,746</td>
<td>720,994</td>
</tr>
<tr>
<td>Reduction in Deaths among Future Smokers</td>
<td></td>
<td>175,099</td>
<td>288,398</td>
</tr>
<tr>
<td>Total Reduction in Deaths Caused by Smoking</td>
<td></td>
<td>340,475</td>
<td>560,783</td>
</tr>
<tr>
<td><strong>Specific:</strong> 3.10YTL: Ad valorem 68%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Yürekli, et al. 2010
# Turkey - Simulation Analysis
## Sales & Revenues

<table>
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<tr>
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<tbody>
<tr>
<td>Cigarettes Sales (Million Packs)</td>
<td>5,300</td>
<td>4,651</td>
<td>4,263</td>
</tr>
<tr>
<td>% change in sales</td>
<td></td>
<td><strong>-12.2%</strong></td>
<td>-19.6%</td>
</tr>
<tr>
<td>Average Retail Price/pack*</td>
<td>4.06</td>
<td>5.25</td>
<td>6.02</td>
</tr>
<tr>
<td>% change in Price</td>
<td></td>
<td>29%</td>
<td>48%</td>
</tr>
<tr>
<td>Average Total tax/pack**</td>
<td>3.01</td>
<td>4.13</td>
<td>4.85</td>
</tr>
<tr>
<td>Total Tax Incidence (%)***</td>
<td>74.1</td>
<td>78.7</td>
<td>80.1</td>
</tr>
<tr>
<td>Excise tax/pack**</td>
<td>2.39</td>
<td>3.33</td>
<td>3.93</td>
</tr>
<tr>
<td>Excise Incidence (%)***</td>
<td>58.8</td>
<td>63.4</td>
<td>65.4</td>
</tr>
<tr>
<td>Total revenue (Million YTL)</td>
<td>15,935</td>
<td><strong>19,223</strong></td>
<td>20,667</td>
</tr>
<tr>
<td>% change in total revenue</td>
<td></td>
<td><strong>20.6%</strong></td>
<td>29.7%</td>
</tr>
<tr>
<td>Excise revenue (Million YTL)</td>
<td>12,654</td>
<td>15,496</td>
<td>16,757</td>
</tr>
<tr>
<td>% change in excise revenue</td>
<td></td>
<td>22.5%</td>
<td>32.4%</td>
</tr>
</tbody>
</table>

Source: Yürekli, et al. 2010
Figure 5. Projected Impact of Cigarette and Bidi Tax Increases on Number of Adult Smokers

Future
- Cigarette Smokers: 0.8 crores reduced at suggested tax rates, 1.1 crores reduced at current tax rates
- Bidi Smokers: 1.7 crores reduced at suggested tax rates, 4.4 crores reduced at current tax rates

Current
- Cigarette Smokers: 1.9 crores reduced at suggested tax rates, 2.4 crores reduced at current tax rates
- Bidi Smokers: 7.3 crores reduced at suggested tax rates, 9.6 crores reduced at current tax rates

Source: John et al., 2010; 1 crore=10 million
Figure 6. Projected Impact of Cigarette and Bidi Tax Increases on Pre-mature Deaths

- **Future**
  - Cigarette Deaths: 0.45 deaths averted at suggested rates, 0.16 crores deaths averted at current rates.
  - Bidi Deaths: 0.67 deaths averted at suggested rates, 1.09 crores deaths averted at current rates.

- **Current**
  - Cigarette Deaths: 1.14 deaths averted at suggested rates, 0.18 crores deaths averted at current rates.
  - Bidi Deaths: 3.38 deaths averted at suggested rates, 0.46 crores deaths averted at current rates.

Source: John et al., 2010
# Revenue impact of higher taxes, India

<table>
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<tr>
<th>Outcome ↓</th>
<th>Bidis</th>
<th>Cigarettes</th>
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<tbody>
<tr>
<td>Tax as a % of Retail sales price →</td>
<td>9%</td>
<td>38%</td>
</tr>
<tr>
<td>Increase To</td>
<td>40%</td>
<td>76%</td>
</tr>
</tbody>
</table>

## Additional Tax Revenues (Rs. billions)

<table>
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<tr>
<th>Price Elasticities:</th>
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<th>Cigarettes</th>
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<tr>
<td></td>
<td>-0.855</td>
<td>-0.196</td>
<td>39.8</td>
<td>189.0</td>
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<td></td>
<td>-0.910</td>
<td>-0.257</td>
<td>36.9</td>
<td>146.3</td>
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<tr>
<td></td>
<td>-0.922</td>
<td>-0.338</td>
<td>36.3</td>
<td>89.7</td>
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## Additional Tax Revenues (US$ billions)

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<td>1.9</td>
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Source: John, et al., 2010