

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

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- 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

	2009	EFFECTIVE JAN 2010	GOING FORWARD
	Specific: 2.05YTL Ad valorem 58%	Specific: 2.65TL Ad valorem 63%	Specific: 3.10YTL: Ad valorem 68%
Adult Smokers (millions)	17.3	16.7	16.3
Deaths Caused by Smoking among Current Smokers (millions)	6.93	6.78	6.65
Reduction in Number of Adult Smokers		590,631	972,804
Reduction in Deaths Caused by Smoking among Adults		165,377	272,385
Future Smokers among Current Youth Cohort (millions)	6.4	5.98	5.69
Deaths Caused by Smoking among Future Smokers (millions)	2.6	2.39	2.28
Reduction in Number of Future Smokers (thousands)		437,746	720,994
Reduction in Deaths among Future Smokers		175,099	288,398
Total Reduction in Deaths Caused by Smoking		340,475	560,783

Source: Yürekli, et al. 2010

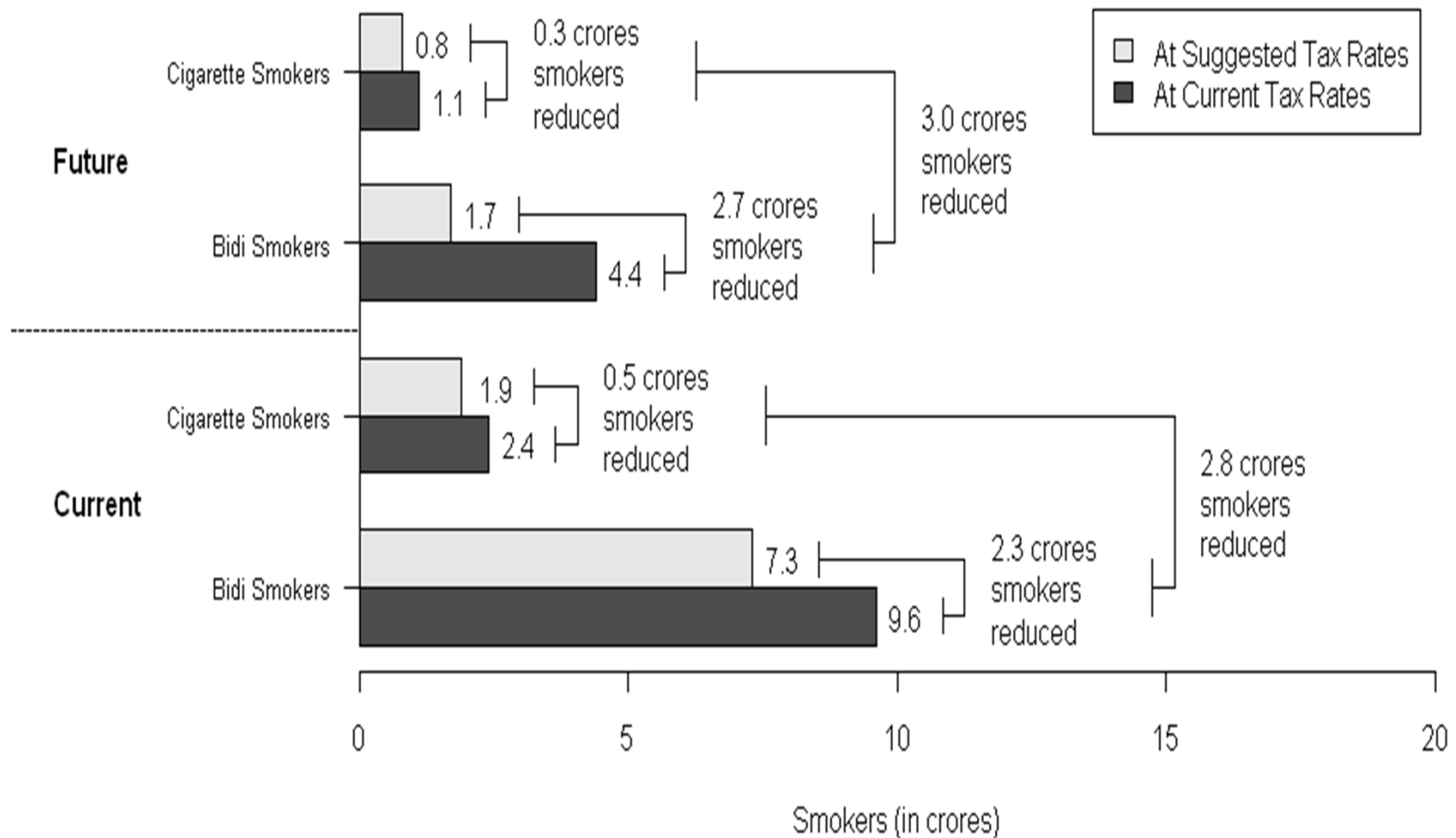
Turkey - Simulation Analysis

Sales & Revenues

	2009	EFFECTIVE JAN 2010	GOING FORWARD
	Specific: 2.05YT Ad valorem 58%	Specific: 2.65TL Ad valorem 63%	Specific: 3.10TL Ad valorem 65%
Cigarettes Sales (Million Packs)	5,300	4,651	4,263
% change in sales		-12.2%	-19.6%
Average Retail Price/pack*	4.06	5.25	6.02
% change in Price		29%	48%
Average Total tax/pack**	3.01	4.13	4.85
Total Tax Incidence (%)***	74.1	78.7	80.1
Excise tax/pack**	2.39	3.33	3.93
Excise Incidence (%)***	58.8	63.4	65.4
Total revenue (Million YTL)	15,935	19,223	20,667
% change in total revenue		20.6%	29.7%
Excise revenue (Million YTL)	12,654	15,496	16,757
% change in excise revenue		22.5%	32.4%

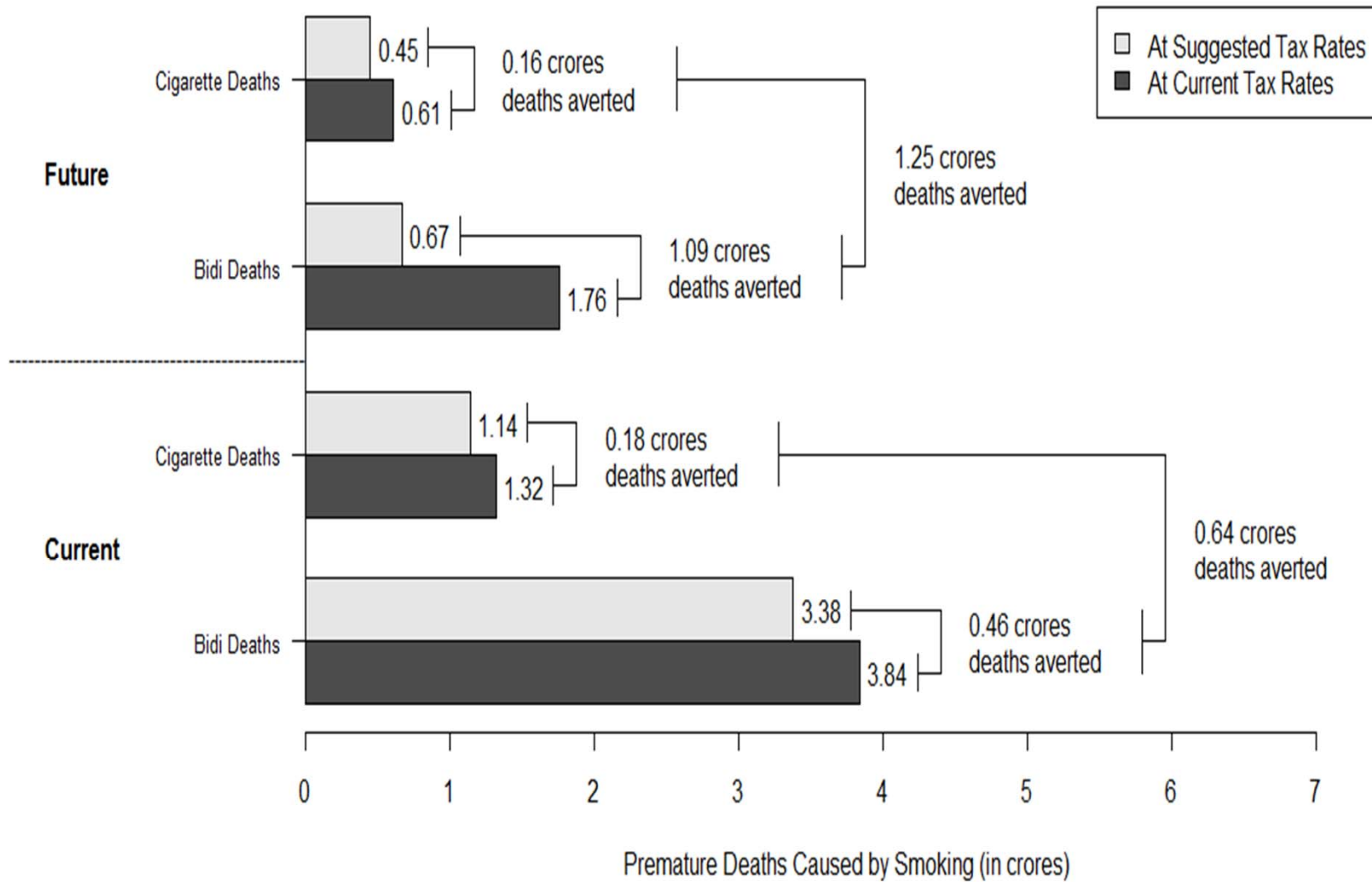
Source: Yürekli, et al. 2010

Figure 5. Projected Impact of Cigarette and Bidi Tax Increases on Number of Adult Smokers



Source: John et al., 2010; 1 crore=10 million

Figure 6. Projected Impact of Cigarette and Bidi Tax Increases on Pre-mature Deaths



Source: John et al., 2010

Revenue impact of higher taxes, India

	Bidis		Cigarettes	
	Current Level	Increase To	Current Level	Increase To
Tax as a % of Retail sales price → Outcome ↓	9%	40%	38%	76%
Additional Tax Revenues (Rs. billions)				
Price Elasticities:				
Bidis: -0.855 Cigarettes: -0.196		39.8		189.0
-0.910 -0.257		36.9		146.3
-0.922 -0.338		36.3		89.7
Additional Tax Revenues (US\$ billions)				
Price Elasticities:				
Bidis: -0.855 Cigarettes: -0.196		0.8		3.9
-0.910 -0.257		0.8		3.1
-0.922 -0.338		0.8		1.9