Accelerating Progress on Tobacco Taxation in Low- and Middle-Income Countries

Frank J. Chaloupka, University of Illinois at Chicago
World Bank Poverty and Equity Global Practice
Washington DC, 23 May 2019
Overview

• Impact of Tobacco Taxes on Use and Consequences of Tobacco Use

• Tax Structure, Tax Revenues & Earmarking

• Myths and Facts About Economic Impact of Taxes

• UIC/Bloomberg Tobacco Tax Initiative

www.tobacconomics.org
Taxes, Prices & Tobacco Use
"Sugar, rum, and tobacco, are commodities which are nowhere necessaries of life, which are become objects of almost universal consumption, and which are therefore extremely proper subjects of taxation."
Cigarette Sales and Prices
Philippines, 2002-2016, Inflation Adjusted

Million Cigarettes

Pesos per Pack (2016 pesos)

Sources: Euromonitor, World Bank, and Authors’ Calculations
Adult Smoking Prevalence and Price
Brazil, 2006-2016, inflation adjusted

Source: Ribeiro and Pinto, 2019

Source: www.tobacconomics.org
Monthly Quit Line Calls, United States
11/04-11/09

4/1/09 Federal Tax Increase
1/1/08 WI Tax Increase

@tobacconomics
Cigarette Prices and Cessation
US States, 2009

\[ y = 0.0283x + 43.083 \]
\[ R^2 = 0.371 \]

Source: BRFSS, *Tax Burden on Tobacco*, 2010, and author’s calculations

@tobacconomics
Cigarette Price & Youth Smoking Prevalence
Chile, 2000-2015

Source: Paraje, 2017

www.tobacconomics.org
Affordability & Tobacco Use
Adult Smoking Prevalence, Indonesia, 2001-2014

Sources: Euromonitor, EIU, World Bank, and Authors’ Calculations
France: smoking, tax and male lung cancer, 1980-2010

Lung cancer death rates per 100,000 (divided by four): men age 35-44

Source: Jha, in progress

www.tobacconomics.org
A substantial body of research, which has accumulated over many decades and from many countries, shows that significantly increasing the excise tax and price of tobacco products is the single most consistently effective tool for reducing tobacco use.
Tax Structure, Tax Revenues & Earmarking Tax Revenues
Excise tax structure: Specific and mixed relying more on the specific component tend to lead to higher prices

<table>
<thead>
<tr>
<th>Specific excise</th>
<th>Mixed system</th>
<th>Mixed system (all)</th>
<th>Ad valorem excise</th>
<th>Mixed system</th>
<th>No excise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relying more on specific excise</td>
<td>Relying more on ad valorem excise</td>
<td>No excise</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.91</td>
<td>5.46</td>
<td>4.57</td>
<td>4.25</td>
<td>4.08</td>
<td>3.98</td>
</tr>
</tbody>
</table>

Source: WHO 2017 GTCR data; unpublished figure.
Notes: Averages are weighted by WHO estimates of number of current cigarette smokers ages 15+ in each country in 2015; Prices are expressed in Purchasing Power Parity (PPP) adjusted dollars or international dollars to account for differences in the purchasing power across countries. Based on prices as of July 2016 for 53 high-income, 100 middle-income and 27 low-income countries with data on prices of most sold brand, excise and other taxes, and PPP conversion factors.
Tobacco Taxes and Revenues

South Africa, 1961-2012

Excise tax revenue (Billions of 2012 Rands)

Excise tax per pack (constant 2012 Rands)

www.tobacconomics.org
Cigarette Tax and Tax Revenues
Ukraine: 2008-2015

Average excise rate for cigarettes – increased 10-fold
Cigarette Tax Revenue – increased 6-fold

Source: Syvak and Krasovsky, 2017
State Tobacco Control Program Funding and Youth Smoking Prevalence, United States, 1991-2009

Total State Program Funding and Percent Current Smoking in High School, United States, 1991-2009

- Total state program funding
- High school prevalence

Source: ImpacTeen Project, UIC; YRBS

www.tobacconomics.org
Tobacco Taxes and Revenues

• The Addis Ababa Action Agenda states:

“… price and tax measures on tobacco can be an effective and important means to reduce tobacco consumption and health-care costs, and represent a revenue stream for financing development in many countries”
Oppositional Arguments
Cigarette Taxes as Percent of Retail Price
July 2016

WHO, 2017

@tobacconomics
Tax Avoidance & Evasion
Tax Avoidance & Evasion Do NOT Eliminate Health Impact of Higher Taxes

NYC Smoking Prevalence Declined as Price Increased

Source: Schroth, 2014

@tobacconomics
Tax Avoidance & Evasion Do NOT Eliminate Revenue Impact of Higher Taxes

Cook County Cigarette Tax and Tax Revenues - FY01-FY06

www.tobacconomics.org
Illicit Cigarette Market Share & Cigarette Prices, 2012

Sources: Euromonitor, WHO

$y = -0.0076x + 0.1752$
$R^2 = 0.0496$
Smuggling and Corruption, 2011

y = -0.0131x + 0.2028
R² = 0.0815

Sources: Euromonitor, Transparency International

www.tobacconomics.org

Source: HM Revenue & Customs, 2014

@tobacconomics
Combating Illicit Tobacco Trade

• Illicit trade protocol to the WHO FCTC
  – Entered into force September 2018
  – Provisions calling for:
  – Strong tax administration
    • Prominent, high-tech tax stamps and other pack markings
    • Licensing of manufacturers, exporters, distributors, retailers
    • Export bonds
    • Unique identification codes on packages
  – Better enforcement
    • Increased resources
    • Focus on large scale smuggling
  – Swift, severe penalties
  – Multilateral/intersectoral cooperation

www.tobacconomics.org
Impact on the Poor
Tobacco & Poverty

Vicious Cycle of Tobacco and Poverty

Forgone Income 1:
More money spent on tobacco: high opportunity cost. Less money spent on education, nutrition, etc.

Breadwinner gets sick due to tobacco use

Forgone Income 2:
Due to treatment cost and loss of work days

Youth and women start smoking and men smoke more

Income increases

Forgone Income 3:
Due to premature death

Higher prevalence and consumption level

Family falls into poverty

Source: NCI & WHO 2016

www.tobacconomics.org
Impact on the Poor

• Concerns about the regressivity of higher alcohol & tobacco taxes, food/beverage taxes
  • Most excise taxes are regressive, but tax increases can be progressive
    • Greater price sensitivity of poor – relatively large reductions in use among lowest income populations, small reductions among higher income populations
  • Health benefits that result from tax increase are progressive
    • Reduced health care spending, increased productivity, higher incomes

www.tobacconomics.org
Who Pays & Who Benefits
Turkey, 25% Tax Increase

Change in Consumption  Change in Taxes Paid

Poorest: -35.3%  -2.2%
Middle: -20.4%  8.5%
Richest: -18.5%  9.7%

Source: Adapted from Önder & Yürekli, 2014
Who Pays & Who Benefits
Chile, 25% Tax Increase

Figure 6: Total Income Effect: Direct and Indirect Effect of Taxes
(tobacco price increase, medical expenditure and working years gained)

Source: Fuchs, et al., 2017

Source: Author's estimation using a price shock of 25%

www.tobacconomics.org
Impact on the Poor

Need to consider overall fiscal system

- Key issue with taxes is what’s done with the revenues generated by the tax

- Net financial impact on low income households can be positive when taxes are used to support programs targeting the poor

- Concerns about regressivity offset by use of revenues for programs directed to poor
Incremental Revenues for Health and the Poor, Philippines, 2001-2016

Source: Adapted from Jeremias Paul, 2017
Impact on the Economy
Excise Taxes and Jobs

Industry-sponsored studies tell only part of story:

• Focus on the gross impact:
  • New tax or tax increase will lead to decreased consumption of taxed product
  • Results in loss of some jobs dependent on production of taxed product

• Ignore the net impact:
  • Money not spent on taxed product will be spent on other goods and services
  • New/increased tax revenues spent by government
    • Offsetting job gains in other sectors
Tobacco Taxes and Jobs

- Many published studies assess impact of reductions in tobacco use from tax increases and/or other tobacco control measures:
  - Variety of high, middle, and low income countries
  - Use alternative methodologies
- Generally find that employment losses in tobacco sector more than offset by gains in other sectors
Tobacco Taxes and Jobs

Concerns about job losses in tobacco sector have been addressed using new tax revenues:

- Turkey, Philippines among countries that have allocated tobacco tax revenues to helping tobacco farmers and/or those employed in tobacco manufacturing make transition to other livelihoods
  - Crop substitution programs, retraining programs

@tobacconomics
Summary
Global Evidence - Summary

• Higher tobacco taxes significantly reduce consumption and raise new revenue

• Reduced consumption leads to fewer cases of cancer, cardiovascular disease, diabetes, and other diseases, reducing health care and other economic costs of NCDs

• Counterarguments about negative economic impact false or greatly overstated

• Tobacco tax increases considered one of the “best buys” in NCD prevention

www.tobacconomics.org
Accelerating Progress on Effective Tobacco Tax Policies in Low- and Middle-Income Countries
Bloomberg Philanthropies has committed nearly $1 billion since 2007 to combat tobacco use worldwide. The Bloomberg Initiative to Reduce Tobacco Use aims to reduce the global demand for tobacco through a comprehensive, proven approach that combines policy change with increased public awareness. Key strategies of this approach include creating smoke-free public places, banning tobacco advertising, increasing tax on tobacco products, requiring graphic pack warnings and supporting hard-hitting mass media campaigns.
Effective tobacco control measures gain momentum

- Monitor tobacco use and prevention policies
- Protect people from tobacco smoke
- Offer help to quit tobacco use
- Warn about the dangers of tobacco
- Enforce bans on tobacco advertising, promotion and sponsorship
- Raise taxes on tobacco
Nearly two thirds of countries – comprising 63% of the world’s population – have now at least one MPOWER measure in place at the highest level of achievement.

SHARE OF THE WORLD POPULATION COVERED BY SELECTED TOBACCO CONTROL POLICIES, 2016
Project Plan

• Build capacity of ‘think tanks’ in selected priority countries/regions to provide in country support for tobacco tax reform and tax increases

• Strategic engagement with policy makers to build technical capacity for tobacco tax policy

• Develop/disseminate resources (policy briefs, white papers, etc.) on tobacco taxation to build knowledge and support for tobacco tax policy
Finding Partners: What We Look For

- Established independent/credible organization with strong links to MoFs and other relevant government agencies/officials
- Focus on economic issues that could include tobacco control
- Capacity to conduct rapid response, policy relevant research to support efforts to tax increases/reforms
- Track record of working on economic policy issues and influencing political decision makers
- Ability to work collaboratively with existing civil society organizations
- Independence from tobacco industry and its allies
- Ability to help organize/host local/regional strategic engagement events with policy makers and other key audiences

@tobacconomics
Capacity Building Model

• Partnerships:
  1. Capacity Building for research and dissemination—
     • Technical Assistance and training for project implementation (in person or webinar)
     • Toolkits, webinars, in person training, etc. on core competencies of economic analysis
     • Assistance in strategic research translation and dissemination in academic and policy forums
  2. Grants Management—
     • Scoping/selection of potential partners
     • Contract development and maintenance, implementation monitoring, financial/narrative reporting, auditing and evaluation
Core Competencies

• Advancing economic arguments for tax increases:
  • Demand elasticity estimations using Household Expenditure survey data; and/or time series data
  • Simulation modeling of alternative tax structures/rates on revenues and public health impacts
  • Measuring distributional impacts of tax increases
  • Quantifying economic costs (direct and indirect) of tobacco use and how tobacco taxes can address these costs

• Countering economic arguments against tax increases:
  • Macroeconomic impacts of tax increases, e.g., employment, economic growth, supply chain analysis, etc. through I/O, CGE, and other models
  • Understanding the dynamics of illicit trade by quantifying levels of illicit trade, measuring trends, geographical areas of leakage, etc. using primary and secondary data sources

• Development of Evidence Matrices
UIC Think Tank Partnerships 2017-2018
Featured Country Work: Pakistan

• Partners:
  – Social Policy & Development Centre, Karachi
  – Pakistan Institute for Development Economics, Islamabad

• Why?
  – Both groups have high research capacity in economics and fiscal policy as well as dissemination experience; only specialized training required

• How?
  – Remote scoping with BI Partner consultation and Skype interviews with 12 organizations (Sept 2017)
  – In person interviews with 5 organizations and BI Partner consultation in Karachi, Lahore, Islamabad (Oct 2017)
  – Three organizations invited to submit proposals; two selected
  – Grant start dates for SPDC and PIDE: February 1, 2018
Featured Country Work: Pakistan

• What?
  – Research protocol design and approval (April 2018)
  – Data acquisition (May 2018)
  – Quality assurance on key messages, policy briefs and report drafts (July-December 2018)
    • In-person meetings: July 2018, October 2018, December 2018
    • TA calls and emails: on-going
  – BI Partner consultations:
    • In-person meetings: October 2017, February 2018, July 2018, October 2018 (Dubai BI Partners meeting); December 2018
    • Email correspondence: on-going
    • BI Partner calls: monthly
## Featured Country Work: Pakistan

<table>
<thead>
<tr>
<th>Research</th>
<th>Methodology</th>
<th>Resources Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand elasticity estimates (PIDE)</td>
<td>HHE analysis – Deaton</td>
<td>- Household Expenditure Toolkit</td>
</tr>
<tr>
<td>Projecting impacts of tax changes on government revenues and consumption (PIDE)</td>
<td>Simulation modeling</td>
<td>- Training</td>
</tr>
<tr>
<td>Macroeconomic impacts (SPDC)</td>
<td>I/O analysis</td>
<td>- Technical Assistance</td>
</tr>
</tbody>
</table>

- Household Expenditure Toolkit
- Training
- Technical Assistance
Featured Country Work: Pakistan

Pakistan Institute for Development Economics

- Report: Economics of Tobacco Taxation and Consumption in Pakistan
- Brief 1: Higher Tobacco Taxes in Pakistan Could Increase Revenue & Improve Public Health
- Brief 2: Tobacco Use in Pakistan
Featured Country Work: Pakistan

Social Policy and Development Centre:

- Report: [Macroeconomic Impacts of Tobacco Use in Pakistan](#);
- Brief 1: [Tobacco Control in Pakistan: The Impact of Tax Reduction Policy](#);
- Brief 2: [Role of Tobacco in Pakistan’s Economy: An Untold Reality](#).
Dissemination

- 34th Annual conference of the Pakistan Society of Development Economists, December 12-14, 2018
  - Business Recorder, *A Case Against Multi-Tier Tobacco Taxation*, December 17, 2018
  - The News, *PIDE Study Casts Doubt on Tobacco Taxation Regime*, December 15, 2018

- Dr. Asma Hyder Baloch, Member Social Sector & Devolution, Ministry of Planning Development & Reforms: “We will use this research in our strategy to combat NCDs for the next five-year plan.”

- Mr. Zaheer Qureshi Secretary, Sales Tax & Federal Excise Budget, Federal Board of Revenue: “We need more research like this to verify information given to us by the tobacco industry.”

- BI Partner, Fouad Aslam, The Union: “This research has moved the tobacco tax debate forward in Pakistan.”
# Featured Country Work: Pakistan

<table>
<thead>
<tr>
<th>Research</th>
<th>Methodology</th>
<th>Resources Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Economic Costs of Smoking (PIDE)</td>
<td>Primary data collection</td>
<td>- Technical Assistance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Training</td>
</tr>
<tr>
<td>Switching Behavior Analysis (PIDE)</td>
<td>Primary data collection</td>
<td>- Technical Assistance</td>
</tr>
<tr>
<td>Tax evasion and Avoidance through Under-reporting (SPDC)</td>
<td>Secondary data analysis</td>
<td>- Technical Assistance</td>
</tr>
<tr>
<td>Macroeconomic Impacts Analysis (SPDC)</td>
<td>CGE Modeling</td>
<td>- Technical Assistance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Training</td>
</tr>
</tbody>
</table>
Featured Regional Work: Southeastern Europe

• Partner:
  – Institute for Economic Sciences, Consortium Coordinator

• Why?
  • Regional consortium model where all think tanks work on the same topic
  • Good partner think tank with stronger research and dissemination capacity

• How?
  – Remote scoping, BI Partner consultations and Skype interviews with 20 organizations (July-August 2017)
  – In person interviews with 10 organizations in the region (Sept 2017)
  – Two organizations invited to submit proposals; IES selected
  – Grant start date: December 1, 2017
Featured Regional Work: Southeastern Europe

Who?

- Institute for Economic Sciences, Serbia, Consortium Coordinator
  - Development Solutions Associates, Albania
  - Center for Project Management and Entrepreneurship, Faculty of Economics, University of Banja Luka, Bosnia & Herzegovina
  - Faculty of Economics, Business and Tourism, University of Split, Croatia
  - Centre for Political Courage, Kosovo
  - Association for Policy Research “Analytica”, Macedonia
  - Institute for Socio-Economic Analyses, Montenegro
Featured Regional Work: Southeastern Europe

What?

– Research protocol design and approval (May 2018)
– Data acquisition (June 2018)
– Quality assurance on policy briefs and report drafts (October-December 2018)
  • In-person meetings: February 2018, May 2018, June 2018 (HES training), September 2018, December 2018
  • TA calls and emails: on-going
– BI Partner consultations:
  • In-person meetings: May 2018, December 2018
  • Email correspondence: on-going
  • EURO calls: bi-monthly
## Featured Regional Work: Southeastern Europe

**Southeastern Europe - 2018**

<table>
<thead>
<tr>
<th>Research</th>
<th>Methodology</th>
<th>Resources Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand elasticity estimates</td>
<td>HHE analysis – Deaton</td>
<td>- Household Expenditure Toolkit</td>
</tr>
<tr>
<td></td>
<td>Time-series analysis</td>
<td>- Training</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Technical Assistance</td>
</tr>
<tr>
<td>Projecting impacts of tax changes on government revenues and consumption</td>
<td>Simulation modeling</td>
<td>- Technical Assistance</td>
</tr>
</tbody>
</table>
Featured Regional Work: Southeastern Europe

Research examined the effect of tax and price on demand for tobacco products in each country.

- National reports and policy briefs
- Local policy dialogues
Regional conference: December 2018

- Ana Mugosa, ISEA: “Before we only had speculation about the effectiveness of tobacco taxes in Montenegro, now we have solid research.”

- Zeljana Aljinovic Barac, University of Split, tells the story of the recent tobacco tax increase of 10% per year for the next 3 years after holding a national round table with policy makers to present their research findings.
## Featured Regional Work: Southeastern Europe

### Southeastern Europe – 2019-2020

<table>
<thead>
<tr>
<th>Research</th>
<th>Methodology</th>
<th>Resources Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimate prevalence elasticity of demand;</td>
<td>HES data analysis</td>
<td>- Technical Assistance</td>
</tr>
<tr>
<td>Estimate elasticities of demand by income group</td>
<td></td>
<td>- Training</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- HES Toolkit</td>
</tr>
<tr>
<td>Estimate smoking prevalence and level and trends of tax evasion and</td>
<td>Primary survey data analysis</td>
<td>- Technical Assistance</td>
</tr>
<tr>
<td>avoidance across the region.</td>
<td></td>
<td>- Training</td>
</tr>
</tbody>
</table>


## Indonesia

<table>
<thead>
<tr>
<th>Think tank partner</th>
<th>Current Research</th>
<th>Delivery Date</th>
<th>Future Research</th>
<th>Est. Delivery Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRAKARSA</td>
<td>Illicit trade Estimation</td>
<td>March 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UI-Tax Centre</td>
<td>Tax legislation framework for tobacco industry and potential leakages</td>
<td>March 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CISDI</td>
<td>Estimation of the direct economic costs of smoking and who pays</td>
<td></td>
<td>December 2019</td>
<td></td>
</tr>
<tr>
<td>Think tank partner</td>
<td>Current Research</td>
<td>Delivery Date</td>
<td>Future Research</td>
<td>Est. Delivery Date</td>
</tr>
<tr>
<td>--------------------</td>
<td>------------------</td>
<td>---------------</td>
<td>----------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>DEPOCEN</td>
<td>Illicit Trade Estimation (survey)</td>
<td>February 2018</td>
<td>Estimating individual responses to introduction of a specific tax on cigarettes</td>
<td>December 2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Supply-side examination of the tobacco industry, key players, and the joint venture requirements with the national state-owned monopoly and how this might shift with economic liberalization / privatization</td>
<td>December 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Follow up to the illicit trade study after tax increase</td>
<td>December 2020</td>
</tr>
<tr>
<td>IPPM</td>
<td>Illicit Trade Estimation (secondary data analysis)</td>
<td>February 2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Bangladesh

<table>
<thead>
<tr>
<th>Think tank partner</th>
<th>Current Research</th>
<th>Delivery Date</th>
<th>Future Research</th>
<th>Est. Delivery Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIGD</td>
<td>Demand elasticity estimates</td>
<td>April 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BIGD</td>
<td>Projecting impacts of tax changes on government revenues and consumption</td>
<td>April 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ark Foundation</td>
<td></td>
<td></td>
<td>Projecting impacts of tax changes on government revenues and consumption</td>
<td>December 2019</td>
</tr>
<tr>
<td>Think tank partner</td>
<td>Current Research</td>
<td>Delivery Date</td>
<td>Future Think Tank Partner</td>
<td>Future Research</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>---------------</td>
<td>----------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Red Sur Regional Network</td>
<td>Demand elasticity estimates (PER, ECU, MEX, AR, BR)</td>
<td>March 2018</td>
<td>CIAD – Mexico</td>
<td>Simulation of tax changes impacts on revenues, equity</td>
</tr>
<tr>
<td></td>
<td>Projecting impacts of tax changes on government revenues and consumption (PER, ECU, MEX, AR, BR)</td>
<td>March 2018</td>
<td>CIEP - Mexico</td>
<td>Extended Cost-Benefit Analysis</td>
</tr>
<tr>
<td></td>
<td>Distributional impacts of tobacco tax increases (MEX)</td>
<td>March 2018</td>
<td>UCB - Brazil</td>
<td>Extended Cost-Benefit Analysis</td>
</tr>
<tr>
<td></td>
<td>Supply-chain analysis of tobacco industry (BR, AR)</td>
<td>March 2018</td>
<td>CEDLAS - Argentina</td>
<td>Extended Cost-Benefit Analysis</td>
</tr>
</tbody>
</table>
Comparing Regional Models: LATAM v. SEE

- Consortium v. Open Call for proposals
- Regional or national-level organization
- Need for more direct interaction with partners
- More engagement in the process to ensure quality
- Having a group in the middle more problematic
- Working directly with think tanks in selected countries is a better model for capacity building
Strategic Engagement

- Economic & fiscal policy circles
  - UN/ECLAC Annual Fiscal Conference (Santiago, Chile, March 2018; March 2019)
  - VEAM (Hanoi, Vietnam, June 2018, June 2019)
  - IMF/WB Annual Meetings (Bali, Indonesia, October 2018)
  - LACEA (Guayaquil, Ecuador, November 2018)
Strategic Engagement

• Integration of Think Tanks into the tobacco control space
  – NCI/CTFK/UIC Workshop on Tobacco Economics (Warsaw, Poland, May 2018)
  – APACT (Bali, Indonesia, October 2018)
  – SEE partners/ENSP meetings (Mary 2019)
  – PAHO regional tobacco control meetings (July 2019)
Tobacco Taxation Can Reduce Tobacco Consumption and Achieve Sustainable Development Goals

Introduction

A robust body of evidence shows that significantly increasing the tobacco tax can reduce tobacco use and generate financial benefits. Higher tobacco taxes reduce tobacco consumption, which in turn reduces health care costs and improves economic outcomes.

Tobacco use is a leading cause of preventable death and illness. Tobacco use is responsible for one-fifth of global deaths, and it is estimated that tobacco use will kill 100 million people worldwide by 2020. Higher tobacco taxes can reduce tobacco consumption and prevent these deaths.

Impact of Tobacco Taxes on Consumption and Revenues

Increasing Tobacco Taxes Significantly Increases Revenues

Introduction

Tobacco is the leading cause of preventable death globally. According to the World Health Organization (WHO), tobacco use kills 6 million people each year, and it is estimated that tobacco use will kill 100 million people worldwide by 2020. Higher tobacco taxes can reduce tobacco consumption and prevent these deaths.

The Economics of Tobacco and Tobacco Control in Latin America

Based on U.S. National Cancer Institute & World Health Organization’s The Economics of Tobacco and Tobacco Control, 2016

Introduction

Nearly 80% of the world’s smokers live in low- and middle-income countries (LMICs), including 1.5 million in the Region of the Americas (North, Central and South America). Annually, tobacco kills 1.2 million people in Latin America and that number is expected to increase significantly in the coming years. The economic burden of smoking in Latin American health systems (i.e. nearly US$ 8 billion, approximately 8% of regional GDP) is high.

In Latin America, as in other parts of the world, common knowledge of the impact of tobacco on health, and the costs of tobacco by income levels, is not well-documented. Tobacco taxes and prices are effective in reducing tobacco consumption and harm.

Tobacco Control Programs Work in Latin America and Globally

The success of tobacco control programs is well-documented globally. Tobacco control programs have helped to reduce tobacco use, save lives, and improve public health.

Tobacco Products Are Becoming Increasingly Affordable in Bangladesh

International Tobacco Control (ITC) Bangladesh survey of 1,500 adults in 2014, 2015, and 2016, it was reported that the sale of aermannis has increased in the last two years.

The affordability index, or the Relative Income Price (RIP), is the ratio of tobacco prices to per capita income. It has a direct impact on the share of household tobacco consumption.

Methods

The data for this study was primarily from four waves of the nationally representative Tobacconomics Resource Hub

- Global, regional, country-specific policy briefs
- White papers
Tobacconomics Resource Hub
Thank you!

tobacconomics.org

@tobacconomics

SUBSCRIBE TO OUR NEWSLETTER

CHECK OUT OUR BLOG