

Increasing the cigarette excise tax would delay smoking initiation in Mexico

Key Messages

- Increasing cigarette excise taxes that effectively increase cigarette prices reduces the initiation of smoking in Mexico.
- Price increases delay the age of smoking initiation, and this impact is higher for women than for men. Delaying the age at which individuals start smoking can have substantial health benefits.
- Increasing cigarette taxes is a progressive policy, as the poor, the youngest, as well as women, would be among the most benefited by the tax policy while not facing most of the burden of the tax.

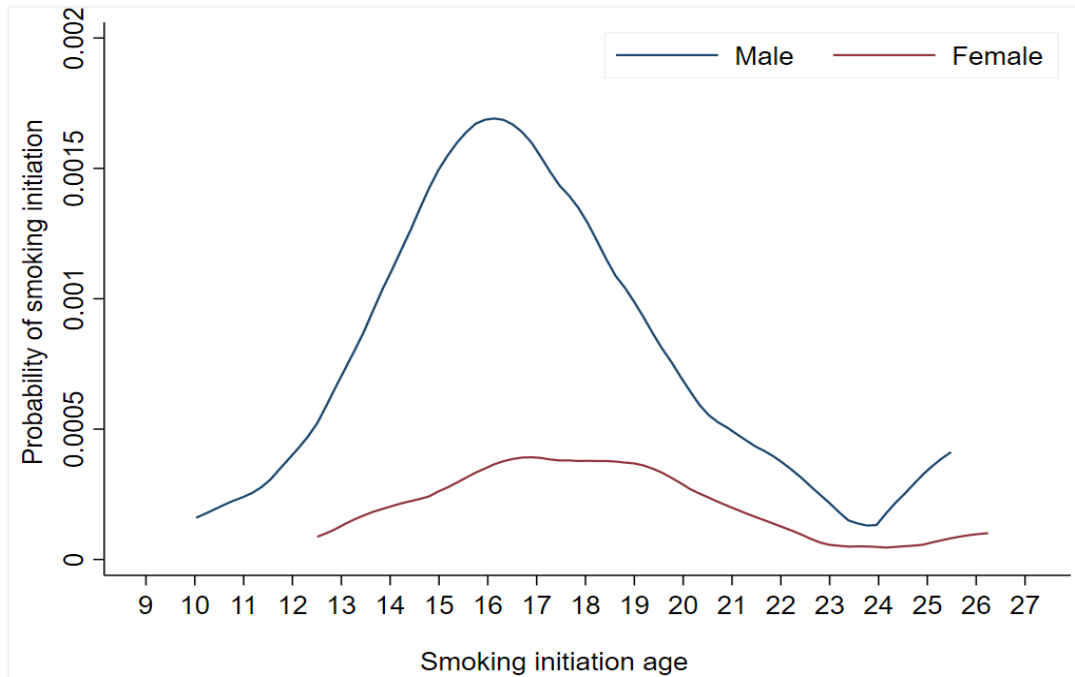
Context

Smoking initiates with the first few puffs, usually during childhood or early adolescence. Global evidence shows that nicotine dependence symptoms can manifest soon after onset in some adolescents, often well before daily or even regular smoking and that early onset predicts long-term adult smoking. In Mexico, 7.5 percent of the population smokes every day. However, this proportion is almost 12 percent for men and only 3.6 percent for women. This evidence highlights the importance of addressing the tobacco epidemic through control policies at early ages. Delaying the age at which individuals start smoking can have substantial health benefits.

Smoking onset

In Mexico, on average, people start smoking cigarettes daily typically between the ages of 17 and 20. Figure 1 shows the pattern of smoking initiation by gender. According to the figure, daily smoking initiation is higher for men than women at all ages. The risk of smoking initiation rises sharply after the age of 12, peaking at 15 years old. Daily smoking initiation is substantially lower for women. The oldest age of initiation in the sample is around 26 years. However, if the individual eventually starts smoking, the average duration of the addiction is around 22 years.

Figure 1: Daily smoking initiation pattern, by gender



Increasing retail cigarette prices delays smoking initiation. **At the average onset of smoking, a 20-percent price increase would delay daily smoking initiation by around two and a half years. This effect is larger for women than for men.** As Table 1 shows, an increase of 20 percent in prices would delay smoking initiation by three years for women at their mean starting age, and by over two years for men. The effect on the smoking initiation age of an increase in retail price is slightly larger for the poorest individuals in the sample. **For poor individuals, a 20-percent increase in the cigarette price would delay the smoking initiation by almost 3 years.**

Table 1: Mean smoking starting age and years of delay

Categories	Mean starting age	Delay caused by a 20 percent increase in price
Aggregate	18	2 years and 5 months
Male	18	2 years and 2 months
Female	20	3 years
Lowest wealth quartile	19	2 years and 7 months
Other wealth quartiles	18	2 years and 4 months

Note: Authors' elaboration

Conclusion and policy recommendations

Growing evidence shows there is a need to stop the onset of smoking at an early age to prevent tobacco-related disease. Analyzing the effect of price changes in smoking, **this research finds that a 20-percent increase in cigarette prices induces a delay in the onset of smoking by around two and a half years. In particular, women, the youngest, and those in the lowest quartile of wealth would reap the most benefits.**

In Mexico, cigarettes are subject to an excise tax with two components, one ad-valorem and one specific per cigarette. Using this policy instrument to increase retail prices, would reduce daily smoking by delaying or preventing smoking initiation in young people.

References

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