

ITC Cross-Country Report on Tobacco Tax and Price: Quick Summary

This ITC Report was released for World No Tobacco Day, May 31, 2014

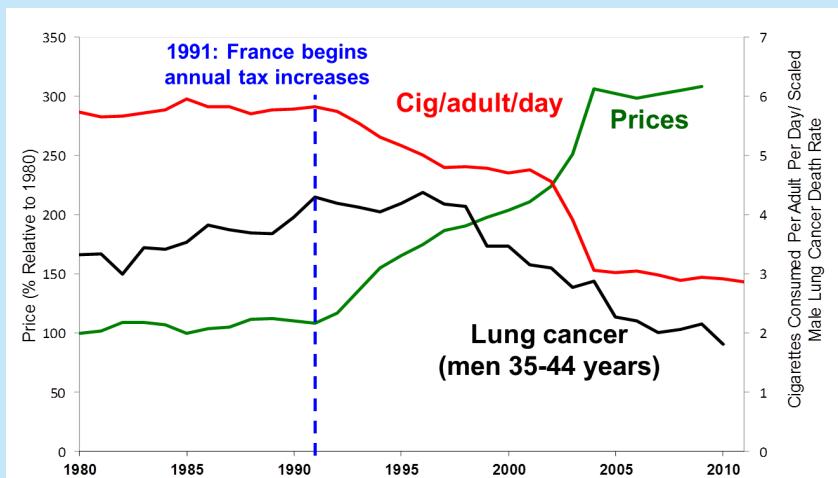


WHO. (2014). WNTD Infographic.

WHO Framework Convention on Tobacco Control (FCTC) Article 6 calls on Parties to implement effective price and tax measures

Increasing tobacco taxes leads to lower consumption and higher revenues

Cigarette prices, smoking, and male lung cancer, France 1980-2010¹



1. Jha, P., and Hill, C. (2012). Triple Tax, Double Revenue, Half-Smoking and Lung Cancer, France 1980-2010. Personal Powerpoint slide from Centre for Global Health Research Presentation. Reprinted with permission.



Tobacco Consumption and Related Diseases

Diagram shows that tax increases starting in 1991 led to a decrease in cigarette consumption immediately and a decrease in male lung cancer rates 7 years later.

Price

WHO Recommendation: At least 70% of price should be excise tax

None of the ITC countries meet the 70% recommendation

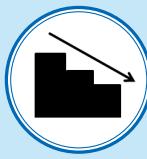


ITC smokers themselves support tax increases



Many smokers want to quit, and they know that higher prices would help them quit: 65% of smokers in Bangladesh and 56% in Zambia said the government should increase taxes on cigarettes.

WHO FCTC Recommendation: Minimum product pricing ...and tax harmonization on comparable products



ITC China Survey found that cigarettes are very cheap, and 72% of smokers picked their current brand because of its low price.



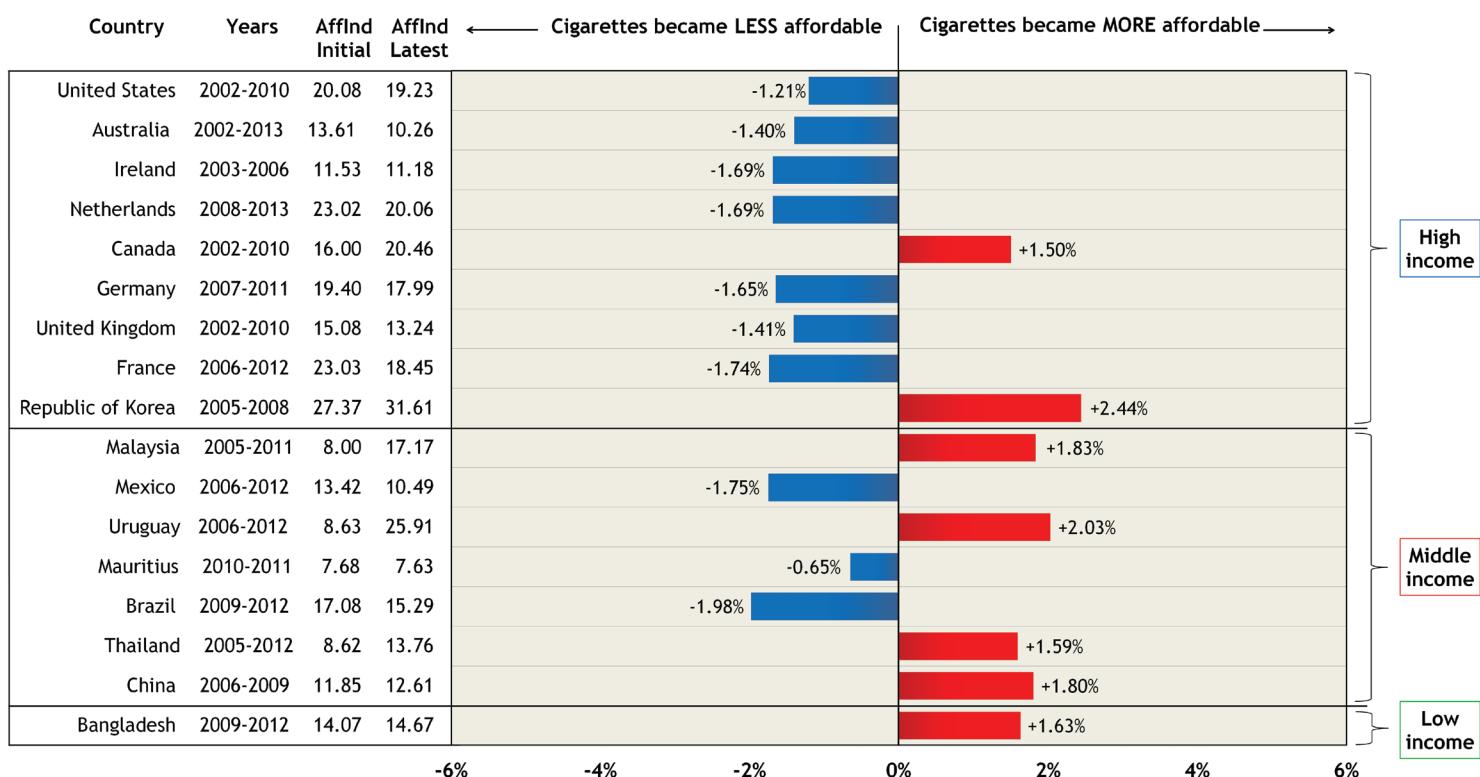
ITC US data show discount brands reduce the positive health impact of tax policies because of trading down.



ITC Bangladesh data show that cigarette price increases would decrease consumption rates the most among people with low SES.

WHO FCTC Recommendation: Taxation levels should reflect price and income elasticity, inflation, and changes in income to make products less affordable...

Affordability of manufactured cigarettes and change in affordability per year in 17 ITC countries



In 77% of ITC high-income countries (HICs), cigarettes became less affordable over time.

In 91% of ITC HICs, the majority of smokers state that cigarette prices led them to think about quitting.



In LMICs, tobacco products have generally become more affordable, which increases consumption and prevalence.

In 63% of ITC low- and middle-income countries (LMICs), cigarettes became more affordable over time.

In only 50% of ITC LMICs, the majority of smokers state that cigarette prices led them to think about quitting.

WHO FCTC recommendation:
...require the application of fiscal markings to increase compliance with tax laws



ITC Malaysia data show that 19% of cigarette packs were illicit—much lower than estimates provided by the tobacco industry.

Malaysian contraband cigarette packages found in Wave 5 Survey.

WHO FCTC recommendation:
...prohibit or restrict the sale to and/or importation ...of tax-free or duty-free products



24% of French smokers in provinces bordering countries with lower prices frequently bought their cigarettes in those countries: indicates need for price harmonization.