

Raise taxes on tobacco

KEY MESSAGES

- ▶ The proportion of WHO European Region countries in which tax represents more than 75% of the retail price of the most popular brand of cigarettes increased by 56% between 2008 and 2018, from 16 countries to 25 (1).
- ▶ Tax represents more than 75% of the retail price of the most popular brand of cigarettes in 25 countries of the Region (Fig. 1).
- ▶ A great disparity between cigarette retail prices was observed in the Region in 2018, with the price of a 20-cigarette pack of the most-sold brand varying from Int\$ 1.82 in Belarus to Int\$ 18.81 in Turkmenistan (Fig. 2).
- ▶ Cigarettes have become more affordable since 2008 in two countries (one a high-income country and the other a middle-income country). No trend change in affordability of cigarettes has been seen since 2008 in 13 countries, and cigarettes have become less affordable since 2008 in 35 countries (Fig. 3).

Fig. 1. Percentage of countries in the WHO European Region with different share of total taxes in the retail price of the most widely sold brand of cigarettes

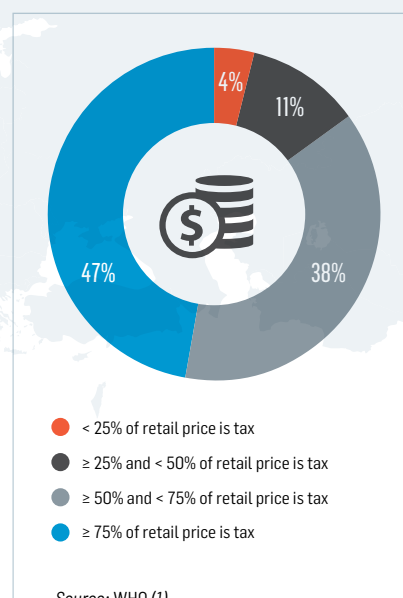
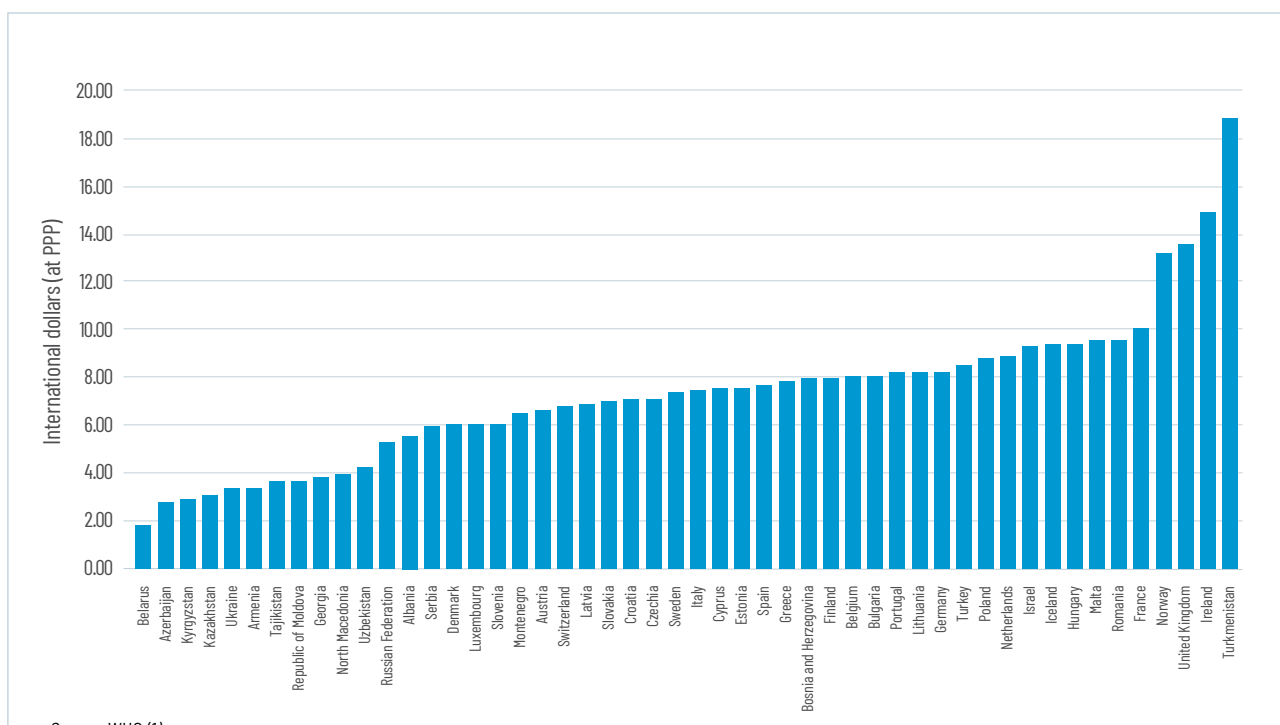
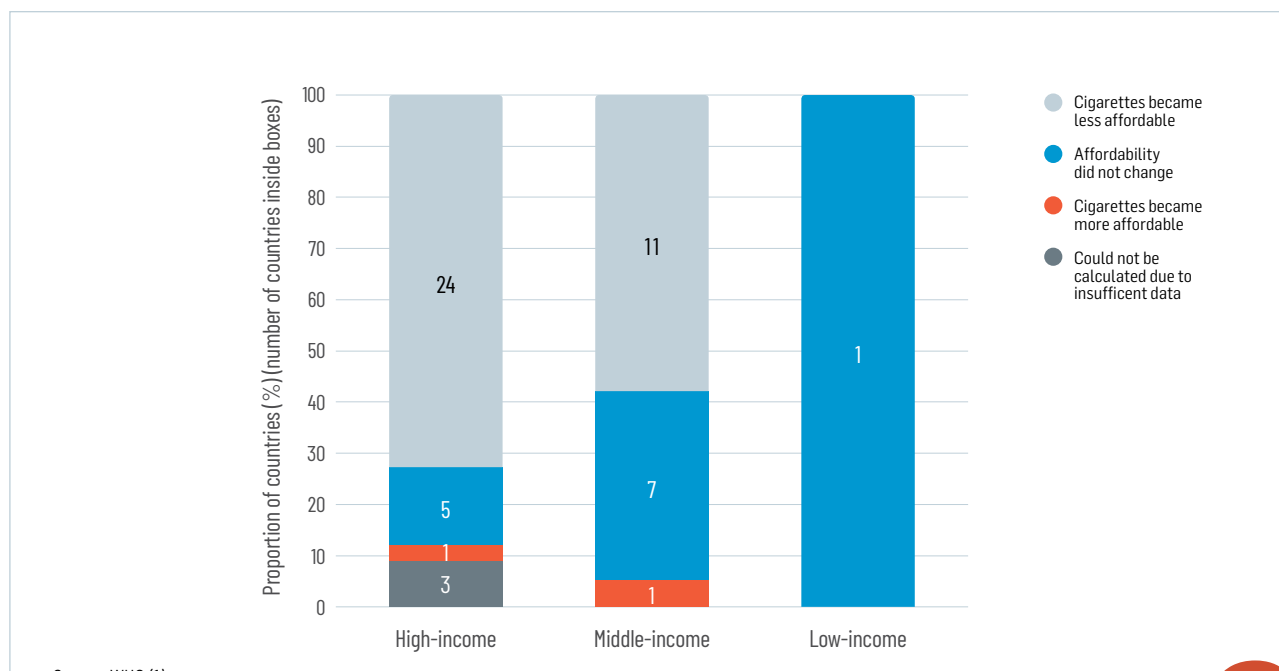


Fig. 2. Price of a 20-cigarette pack of the most-sold brand, international dollars (at purchasing power parity (PPP)), 2018*



* Data not reported/not available for Andorra, Monaco and San Marino.

Fig. 3. Change in affordability of cigarettes, 2008–2018



Source: WHO (1).



WHAT SHOULD BE DONE?

- The WHO Framework Convention on Tobacco Control Article 6 states “Each Party should ... adopt ... tax policies and ... price policies on tobacco products, so as to contribute to the health objectives aimed at reducing tobacco consumption” (2).
- The overall tax structure should be simple and easy for countries to implement.
- Governments should raise taxes periodically so that real prices increase faster than the combined effects of inflation and increased consumer purchasing power.
- Taxes should be increased on the most commonly smoked and lowest-cost products to prevent product substitution with less expensive products.
- Measures to combat tax evasion and smuggling should be implemented.
- Tobacco taxes can be used to pay for tobacco-control and other public health and social programmes. This makes tobacco tax increases even more popular with the public, including tobacco users (3).
- Trends in the affordability of cigarettes should be examined. This will help policy-makers understand how cigarette prices have changed relative to the population’s ability to purchase them. It can also guide recommended changes in tax policy to influence price levels and effectively reduce consumption (1).

REFERENCES¹

1. WHO report on the global tobacco epidemic, 2019. Geneva: World Health Organization; 2019 (https://www.who.int/tobacco/global_report/en/).
2. WHO Framework Convention on Tobacco Control [website]. Geneva: World Health Organization; 2020 (<https://www.who.int/fctc/en/>).
3. When tobacco prices go up, consumption goes down. In: MPOWER brochures and other resources [website]. Geneva: World Health Organization; 2020 (<https://www.who.int/tobacco/mpower/publications/en/>).

¹ Weblinks accessed 10 March 2020.