

Primary prevention of NCDs

Tobacco Taxation joint project WHO and AICS

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Agenda

- Overview
- Why Tobacco Taxation
- Why Uganda, Tanzania, Ethiopia and Mozambique
- What is TA for increasing Tobacco Taxation?
- The “magic” of Tobacco Taxation
- Next steps and beyond

Overview of the WHO-AICS Tobacco Taxation project

Overall goals:

- Tackle tobacco-related diseases and contribute to the achievement of the SDG3 and target 3.4 and 3.a
- Increase mobilization of domestic resources and contribute to meet the Italian Addis Tax Initiative's (ATI) commitment

HOW?

Providing Technical Assistance (TA) to Uganda, Tanzania, Ethiopia and Mozambique in order to increase their taxes and reform tax administration systems on Tobacco products

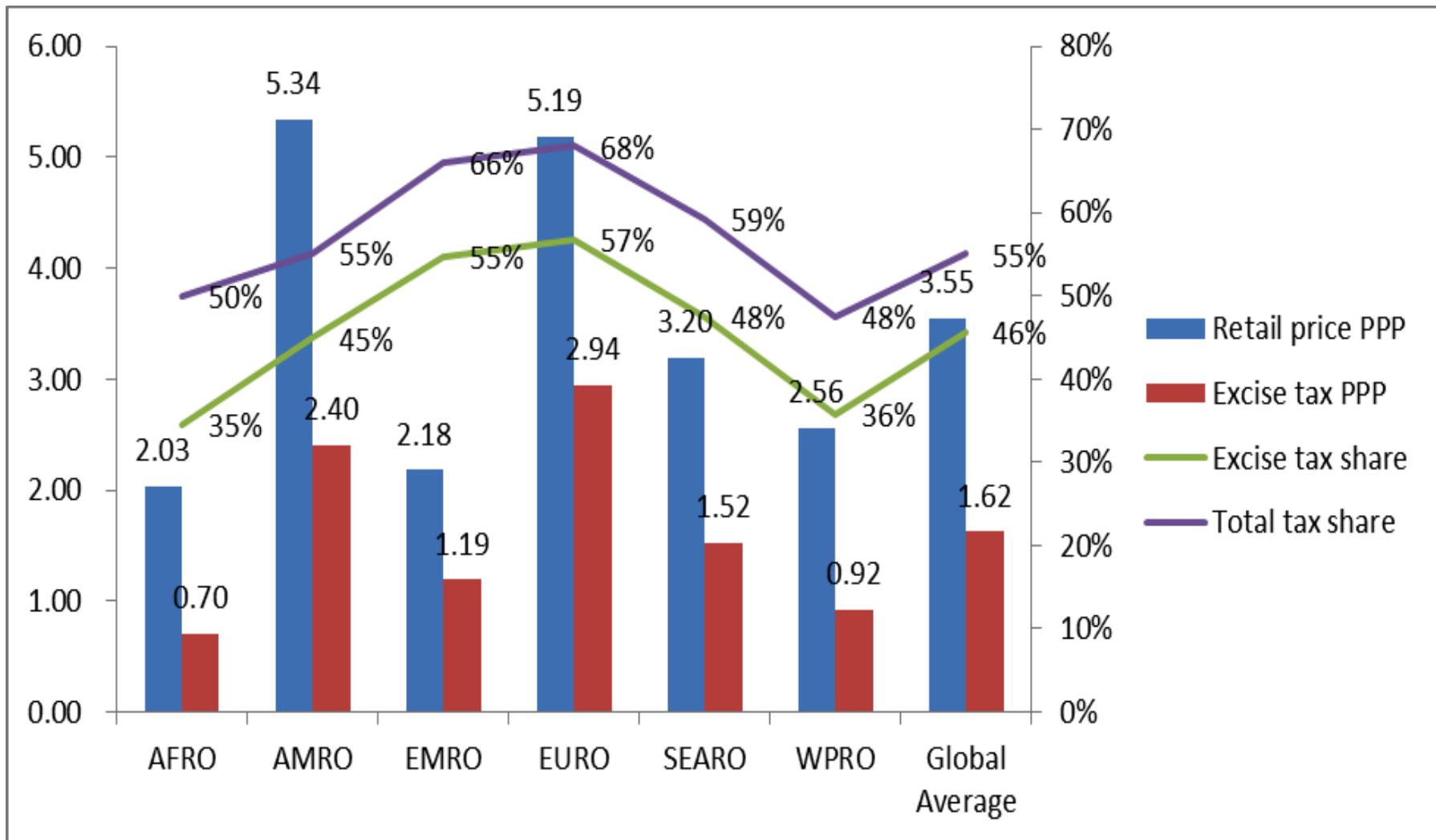
Why a WHO-AICS project on Tobacco Taxation?

- “Noncommunicable diseases” (NCDs) and “Social, economic and environmental determinants of health” are two of the four WHO priorities, as established in the Twelfth General Programme of Work 2014-2019 of the WHO
- The causes and determinants of NCDs point to a particularly wide and multi-layered range of interrelated determinants such as:
 - Environmental exposure to harmful toxins
 - Diet
 - Tobacco use
 - Excess salt and alcohol consumption and
 - Increasingly sedentary lifestyles

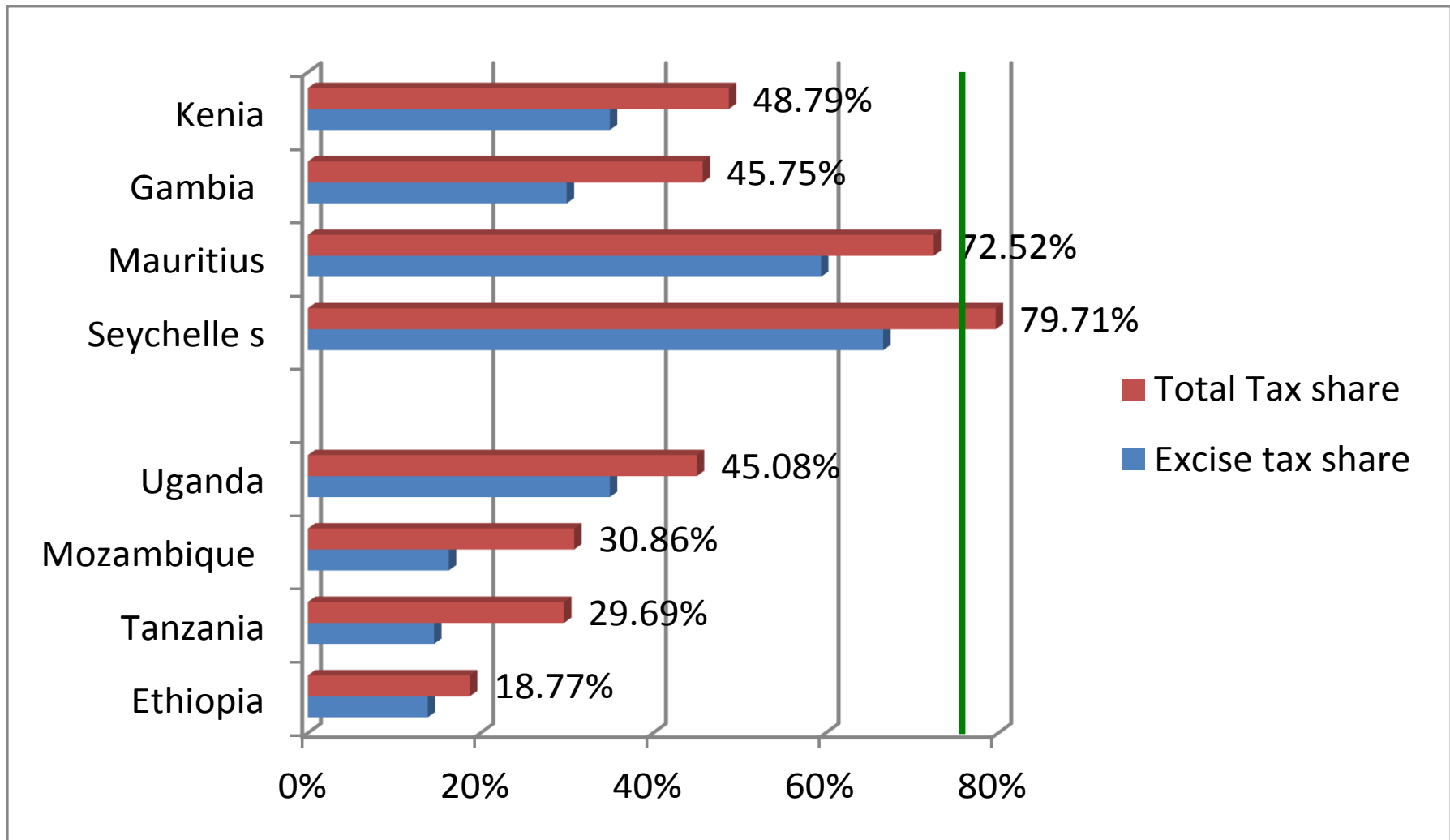
Why a WHO-AICS project on Tobacco Taxation? (Cont'd)

- This approach is also reflected in the WHO Framework Convention on Tobacco Control
 - Article 6 of the WHO Framework Convention on Tobacco Control recognizes that “price and tax measures are an effective and important means of reducing tobacco consumption by various segments of the population, in particular young persons”
- To comply with this mandate,
 - The PND has a team of economists who are expert in Tobacco Taxation
 - Member States are frequently asking WHO for Technical Assistance on Taxation

Why Africa



Why Uganda, Tanzania, Ethiopia and Mozambique

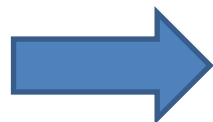
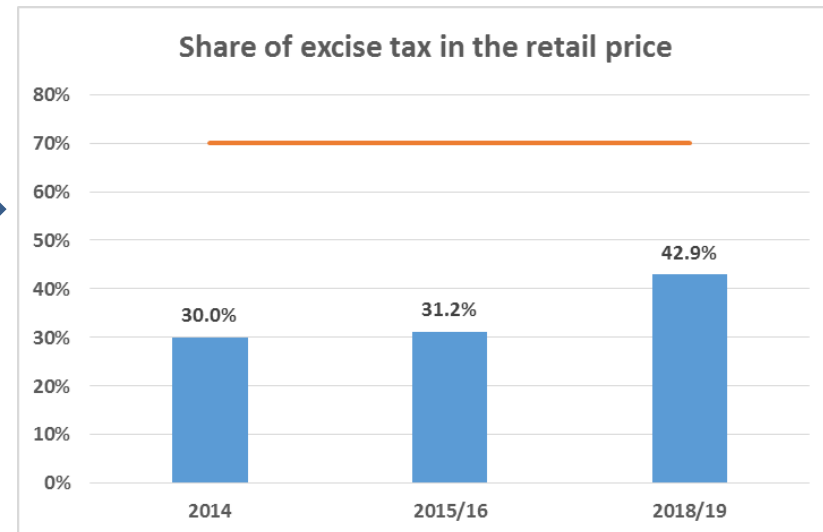
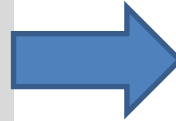


What is TA for increasing Tobacco Taxation?

The Uganda example

TaXsiM Model

Company	Brands	Imported/Domestic	Retail price/pack (UGX)	Excise tax/pack (UGX)	VAT/pack (UGX)	margin/pack (UGX)	CIF value/Ex-factory price	Quantities (Milles)	Quantity packs	Market share of brands (%)
British America Tobacco	Dunhill	Imported	7000	1,500	419	4,255	826	76,968	3,848,415.00	5.9
British America Tobacco	Rex	Imported	7000	1,500	346	4,731	423	47,289	2,364,445.00	3.6
Leaf Tobacco	YES	Domestic	5000	1,500	391	2,438	671	-	-	0.0
Leaf Tobacco	PTF 10 expo	Domestic	5000	1,500	387	2,461	652	2,193	109,625.00	0.2
Leaf Tobacco	Legend	Domestic	5000	1,500	394	2,416	690	4,810	240,500.00	0.4
Leaf Tobacco	Master 10	Domestic	5000	1,500	393	2,425	682	2515	125,750.00	0.2
PREMIUM	Total higher rate							133,775	6,688,735	10.2
Leaf Tobacco	PTF 20	domestic	5000	900	323	2,882	895	1,460	73,000.00	0.1
British America Tobacco	Sportsman	Imported	2800	900	231	1,286	383	755,267.35	37,763,367.50	57.7
British America Tobacco	Safari	Imported	7700	900	739	1,131	430	508,613.85	2,993,197.50	4.6



Budget Law



Additional UGX 25 billion raised in the 2018-2019 fiscal year!

Numbers are illustrative

The “magic” of NCDs prevention and Tobacco Taxation

Preventing NCDs could be very cost-effective at the point that it could even generate additional resources!

- With only limited resources, it is possible to avoid huge losses in health care cost and productivity
 - Such losses are estimated to amount to US\$7 trillion over the next 15 years in LMICs alone!
- In addition, implementing Tobacco Tax measures can deliver a significant return on investment
 - Not only costs are significantly reduced, but additional revenue is generated!
- Tobacco Taxation is the only “health measure” that generates public resources instead of draining them

Going forward: Focus on countries

Burkina Faso:

M (Prevalence): group 2

Smoking prevalence (%)	Youth tobacco use		Adult tobacco smoking		Adult cigarette smoking	
	Current tobacco use	Current cigarette smoking	Current	Daily	Current	Daily
Male	22.6	11.9	24.5	20.8	24.2	20.5
Female	11.5	2.0	0.1	0.1	0.1	0.1
Total	16.8	6.5	11.3	9.6	11.1	9.4

Youth : Global Youth Tobacco Survey (Ouagadougou), 2009; Infranational, groupe d'âge considéré 13-15

Adults : Enquête STEPs sur les facteurs de risque des maladies non transmissibles, Burkina Faso, 2013; National, groupe d'âge considéré 25-64

Monitoring	Smoke Free Policies	Cessation	Warnings HW	Warnings MM	Advertising Bans	Taxation
2	5	3	4	2	4	3

Going forward: Focus on countries

Senegal:

M (Prevalence): group 2 in 2014 and group 3 in 2016

Smoking prevalence (%)	Youth tobacco use		Adult tobacco smoking		Adult cigarette smoking	
	Current tobacco use	Current cigarette smoking	Current	Daily	Current	Daily
Male	14.9	4.7	10.7	9.7	9.7	8.5
Female	6.2	3.1	0.4	0.3	0.3	0.3
Total	11.2	4.5	5.4	4.9	4.9	4.3

Youth Global Youth Tobacco Survey, 2013; National, ages 13-15
 Adults : Global Adult Tobacco Survey, 2015; National, ages 15+

Prevalence	Smoke Free Policies	Cessation	Warnings		Advertising Bans	Taxation
			HW	MM		
2/3	4	4	2 (2014) 5 (2016)	5 (2014) 2 (2016)	4	3

Going forward: Focus on countries

Sudan:

M (Prevalence): group 2

Smoking prevalence (%)	Youth tobacco use		Adult tobacco smoking		Adult cigarette smoking	
	Current tobacco use	Current cigarette smoking	Current	Daily	Current	Daily
Male	14.5	6.2	...	...	...	...
Female	7.3	2.2	...	...	...	...
Total	11.7	4.5	...	...	...	...

Youth: Global Youth Tobacco Survey, 2014; National, ages 13-15
No known national adult surveys

Prevalence	Smoke Free Policies	Cessation	Warnings HW	Warnings MM	Advertising Bans	Taxation
2	2	2	2	4 (2014) 2 (2016)	4	4

Going forward: Focus on countries

West Bank and Gaza:

M (Prevalence): group 3 in 2014 and group 2 in 2016

Smoking prevalence (%)	Youth tobacco use		Adult tobacco smoking		Adult cigarette smoking	
	Current tobacco use	Current cigarette smoking	Current	Daily	Current	Daily
Male	23.6	9.7	37.6	36.2	...	...
Female	11.0	3.5	2.6	2.2	...	...
Total	17.3	6.5	20.2	19.3	...	...

Youth: Global Youth Tobacco Survey (Gaza Strip), 2014; Ages 13-15

Adults : Occupied Palestinian Territories STEPS, 2011; Ages 15-64

Prevalence	Smoke Free Policies	Cessation	Warnings		Advertising Bans	Taxation
			HW	MM		
3 (2014) 2 (2016)	5	3	2	3 (2014) 2 (2016)	4	5