

Raise taxes on tobacco

KEY MESSAGES

In 2022, tax represented more than 75% of the retail price of the most popular brand of cigarettes in 28 countries in the Region (Fig. 1) – an increase from 16 countries in 2008 (1).

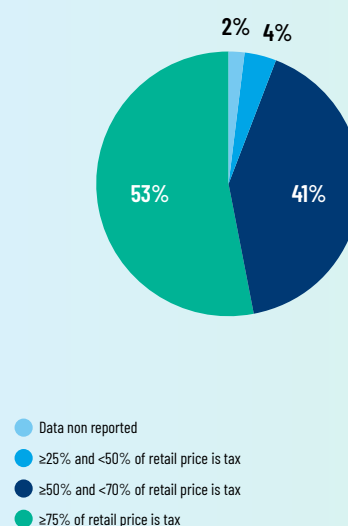
Forty countries in the Region apply mixed excise tax, while 10 apply a specific excise, and 2 more apply ad valorem taxes. The increasing use of mixed and specific systems indicates progress towards maximizing the impact of tobacco taxes on public health by reducing price differentials and deterring consumers from switching to cheaper alternatives.

Cigarette retail prices continue to vary considerably in the Region, the price of a 20-cigarette pack of the most-sold brand varying from Int\$ 1.71 in Belarus to Int\$ 24.86 in Turkmenistan (Fig. 2).

Cigarettes have become more affordable since 2012 in nine countries (seven high-income countries and two middle-income countries)¹. No change in the affordability of cigarettes has been seen since 2012 in 24 countries, and cigarettes have become less affordable since 2012 in 19 countries (Fig. 3).

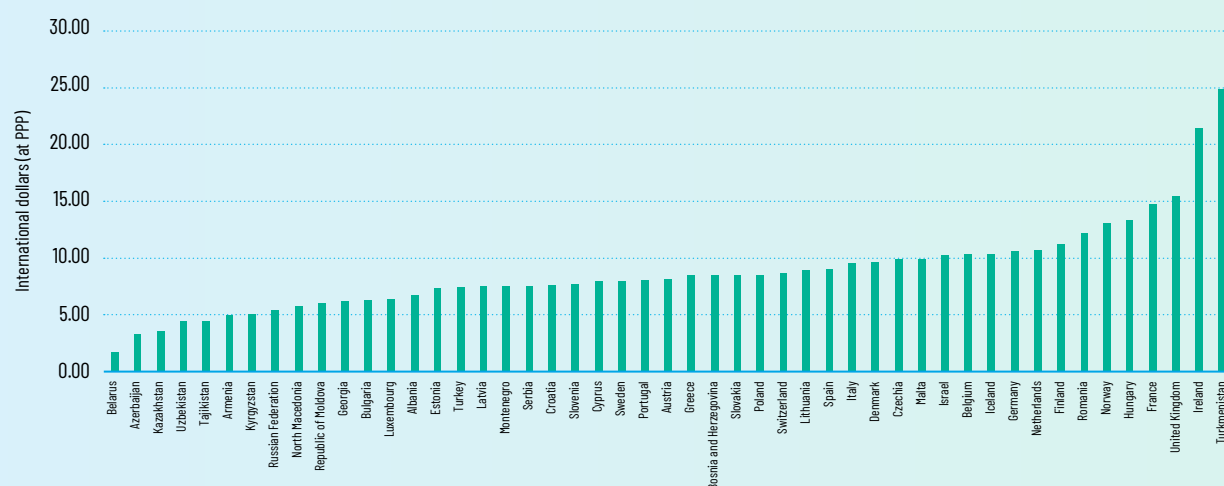
These changes are of concern when compared with the change in affordability calculated for the period 2010–2020, as reported in the 2021 edition of the WHO Report on the global tobacco epidemic (2). Between 2020 and 2022, cigarettes become less affordable in only six countries in the Region.

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



Source: WHO (1).

Fig. 2. Price of a 20-cigarette pack of the most widely sold brand, international dollars (at purchasing power parity), 2022^a

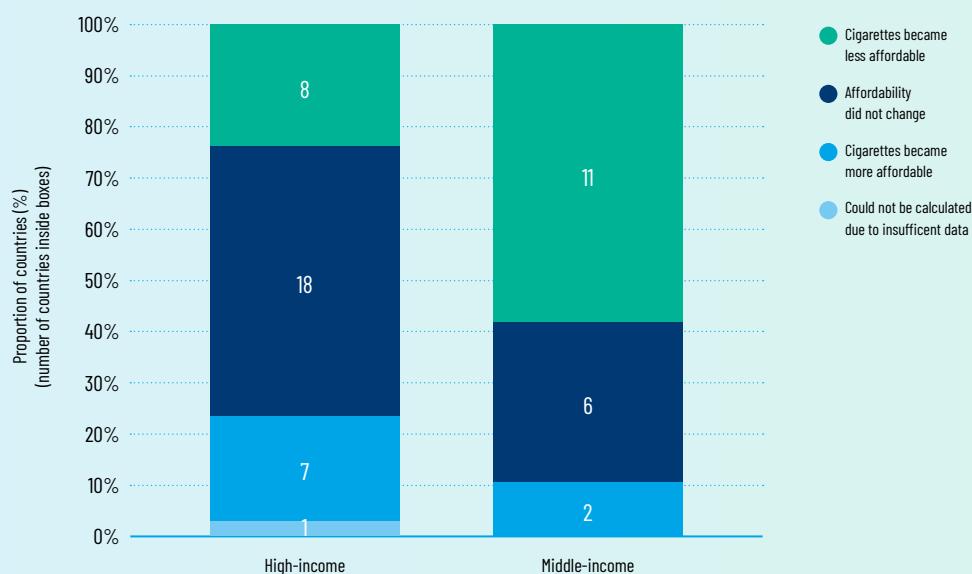


^a Data not reported or not available for Monaco and Ukraine.

Source: WHO (1).

1 Armenia, Bulgaria, Estonia, Ireland, Latvia, Malta, Poland, Portugal, Romania.

Fig. 3. Change in affordability of cigarettes, 2012–2022



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” (3).
- Simplify the overall tax structure to ensure easy implementation.
- Raise taxes periodically so that real prices increase faster than the combined effects of inflation and increased consumer purchasing power.
- Increase taxes on the most commonly smoked, lowest-cost products to prevent substitution with less expensive products.
- Implement measures to combat tax evasion and smuggling.
- Consider using tobacco taxes to pay for tobacco control and other public health and social programmes. This will make increases in tobacco taxes more popular with the public, including tobacco users.
- Examine trends in the affordability of cigarettes. Analyse changes in cigarette prices relative to people’s purchasing power to help policy-makers in changing tax policy and to reduce cigarette consumption effectively (2).

References²

1. WHO report on the global tobacco epidemic, 2023: protect people from tobacco smoke. Geneva: World Health Organization; 2023 (<https://www.who.int/publications/i/item/9789240077164>).
2. WHO report on the global tobacco epidemic, 2021. Geneva: World Health Organization; 2021 (<https://apps.who.int/iris/handle/10665/343287>).
3. WHO Framework Convention on Tobacco Control [website]. Geneva: World Health Organization; 2024 (<https://www.who.int/fctc/en/>).