

Tobacco taxes save lives

Increasing tobacco prices through taxation is the single most effective policy to reduce tobacco use and save lives. Tobacco use is the leading cause of death, killing around 6 million people globally and 1.6 million in the WHO European Region alone. It is a major contributor to noncommunicable diseases such as lung cancer and heart disease.

According to WHO estimates, if all countries increased the tax on cigarettes by 50% there would be 49 million fewer smokers, and at least 11 million smoking-attributable deaths would be averted. On average, raising tobacco taxes to increase prices by 10% would reduce tobacco use by 4% in high-income countries and by around 5% in low- and middle-income countries. WHO recommends that the tax share should represent a minimum of 75% of the retail price of the most popular brand of cigarettes. Of the 53 countries in the WHO European Region, 26 have such legislation in place. This makes Europe the global leader in tobacco taxation and prices, compared to other WHO regions.

“Taxes are never popular, yet they are our strongest ally in saving lives through tobacco control. In 26 of our 53 Member States tax represents 75% or more of the retail price of cigarettes, and we would urge the remaining 27 to follow suit. Taxing tobacco saves lives and generates income that a Member State can invest in public health: it’s a ‘win-win’ solution,” said Zsuzsanna Jakab, WHO Regional Director for Europe.

Price increases through taxation usually bring the biggest health benefit to people with the least money to spend, including young people. The effects of price increases on young people are significant, reducing tobacco consumption at a rate 2–3 times higher than among adults. A 2010 study in 20 lower-middle-income countries found that a price increase of 10% would reduce consumption in youth with an average age of 14 by 18%, a rate more than three times higher than that among adults.¹

WHO global estimates show that if taxes were increased by 50% per pack, governments would earn an extra 101 billion US dollars in revenue – funds that could go towards combating cancers, cardiovascular diseases and other noncommunicable diseases, reducing the burden on resource-limited health systems.

¹ Kostova D, Ross H, Blecher E, Markowitz S. Prices and cigarette demand: evidence from youth tobacco use in developing countries. Cambridge MA: National Bureau of Economic Research; 2010 (NBER Working Paper #15781).

Health benefits are quickly measurable

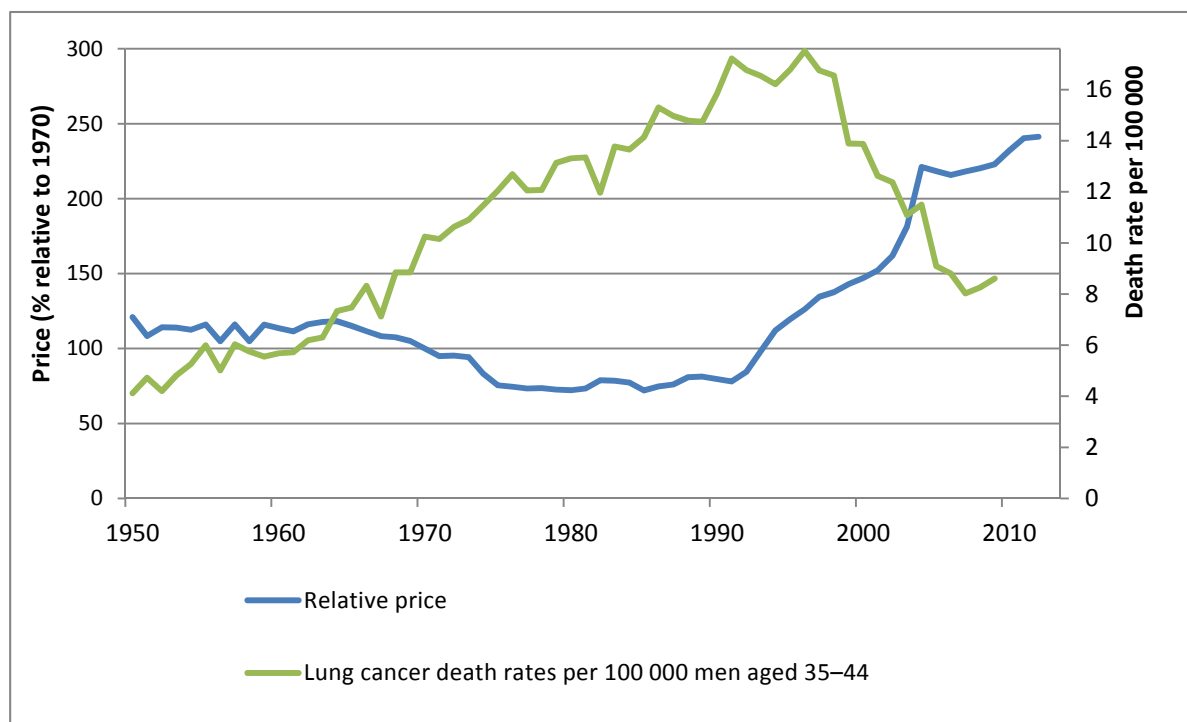
There are many benefits to smoking cessation, and for a number of serious diseases these occur soon after quitting. Only one year after cessation, the ex-smoker's risk of coronary heart disease is about half that of a smoker. The risk of stroke is reduced to that of a non-smoker 5–15 years after quitting. After 10 years of cessation, the risk of lung cancer falls to about half that of a smoker, and the risk of cancers of the mouth, throat, oesophagus, bladder, cervix and pancreas decreases.

Country examples

In Turkey, excise taxes have steadily increased to 84.2% since 2008, along with the implementation of other policies such as bans on indoor smoking and tobacco advertising. This has led to a relative decline in smoking by 13% between 2008 and 2012, representing a reduction in prevalence among adults from 31.2% to 27.1%.

France has also reaped significant health and economic benefits from tobacco taxation. The government increased taxes substantially and regularly between the early 1990s and 2005, tripling its inflation-adjusted cigarette prices. This led to a reduction in sales by more than 50%. The health impact of this dramatic reduction in consumption was seen only a few years later with the reduction of lung cancer death rates among young men. Death rates among men aged 35–44 also went down by 50% from 1996 (see Fig. 1). After a period of unchanged rates between 2005 and 2009, France started to increase taxes regularly again from 2010.

Fig. 1: Prices (rising with tax increases) and lung cancer death rates, France, 1950–2010



Source: Graph reproduced using data from Hill C. Prévention et dépistage des cancers [Cancer prevention and screening]. Bulletin du Cancer. 2013;100:6.

Progress on implementation of the WHO Framework Convention on Tobacco Control

In December 2013, European Member States endorsed the Ashgabat Declaration, which commits countries to accelerating their efforts to fully implement the WHO Framework Convention on Tobacco Control, addressing the supply as well as the demand for tobacco. The Declaration was signed in Ashgabat, Turkmenistan at the WHO European Ministerial Conference on the Prevention and Control of Noncommunicable Diseases in the Context of Health 2020.

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Useful websites

Ashgabat Declaration on the Prevention and Control of Noncommunicable Diseases in the Context of Health 2020

<http://www.euro.who.int/en/media-centre/events/events/2013/12/ashgabat-conference-on-noncommunicable-diseases/documentation/declaration/ashgabat-declaration-on-the-prevention-and-control-of-noncommunicable-diseases-in-the-context-of-health-2020>

World No Tobacco Day

<http://www.euro.who.int/en/health-topics/disease-prevention/tobacco/world-no-tobacco-day/2014-raise-taxes-on-tobacco>