

Summary of the data analysis collected through the WHO Report on the Global Tobacco Epidemic 2023 and implications for tax policy-making

Rosa C. Sandoval, MPA
Regional Advisor, Tobacco Control and Economics of
NonCommunicable Diseases



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Number of countries at the highest level of achievement remains at 41 in 2022 compared with 2020

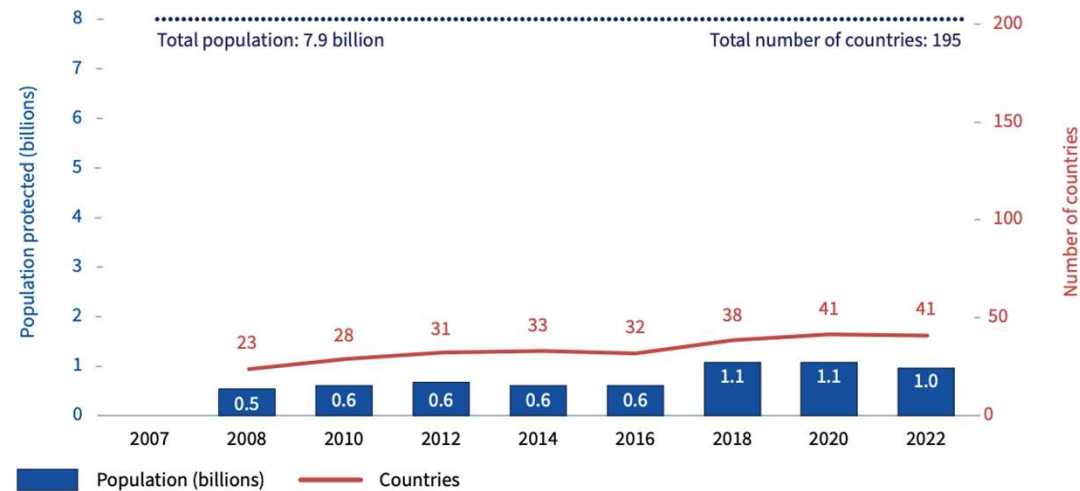
Fig. 37. Raising taxes on tobacco, best-practice countries and territory, 2022



Countries and territories with the highest level of achievement: Andorra, Argentina, Australia^a, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, Croatia, Czechia, Denmark, Estonia, Finland, France, Greece, Ireland, Israel, Italy, Jordan, Latvia, Lithuania^a, Madagascar, Malta, Mauritius, Montenegro, Morocco, Netherlands (Kingdom of the), New Zealand, Nicaragua^a, North Macedonia, occupied Palestinian territory, Poland, Portugal, Serbia, Slovakia, Slovenia, Spain, Thailand, Türkiye, the United Kingdom, Vanuatu^a

^aCountry newly at the highest level since 2020

Fig. 38. Progress in total tax on cigarettes $\geq 75\%$ of retail price, 2008–2022



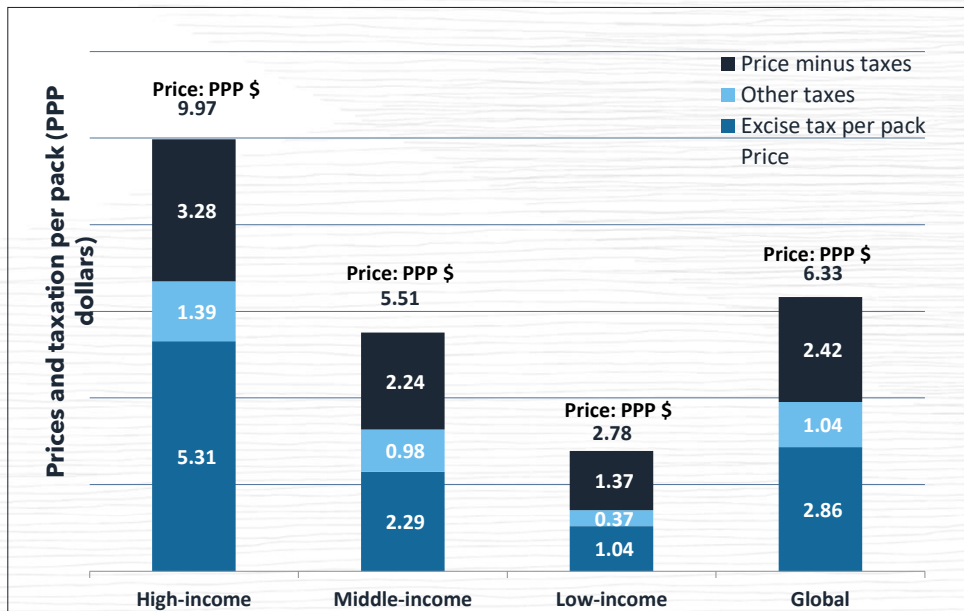
But population coverage is **slightly reduced (1.1 billion to 1.0 billion)**

Countries at highest level of achievement

- **Lost** between 2020 and 2022 (4): Egypt, Georgia, Sri Lanka and Ukraine
- **Gained** between 2020 and 2022 (4): Australia, Nicaragua, Lithuania, Vanuatu

Overall trends remain the same with the price and tax on cigarettes being higher among countries of higher income levels but in real terms prices have gone down between 2020 and 2022

Weighted Average Retail Price, Excise Taxation, and Total Tax Share of Most Sold Brand of Cigarettes, by WB Country Income Group
2020, inflation adjusted



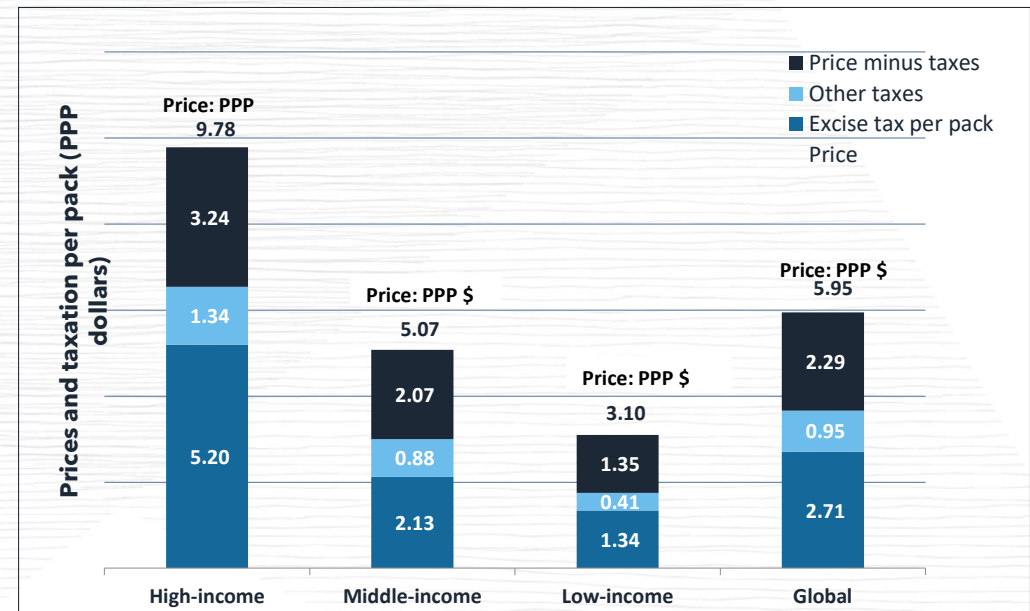
Sources: WHO report on the global tobacco epidemic, 2023: protect people from tobacco smoke.

Note: Averages are weighted by WHO estimates of number of current cigarette smokers ages 15+ in each country in 2019.

Prices are expressed in Purchasing Power Parity (PPP) adjusted dollars or international dollars to account for differences in the purchasing power across countries. Prices are also adjusted to inflation with 2022 as base year.

Based on 54 high-income, 99 middle-income and 23 low-income countries with data on prices of most sold brand, excise and other taxes, and PPP conversion factors.

2022

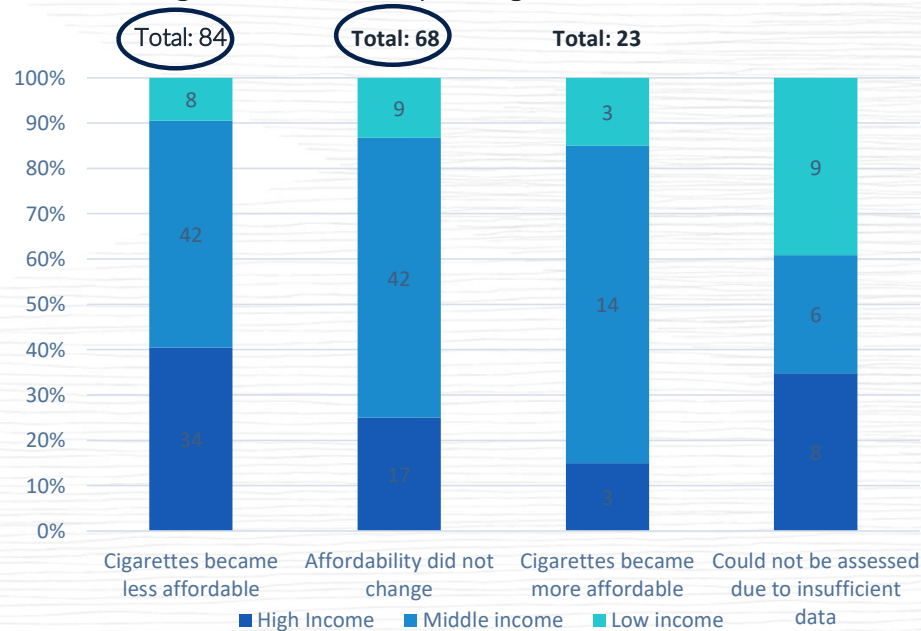


Source: WHO report on the global tobacco epidemic, 2023: protect people from tobacco smoke.

Note: Note: Averages are weighted by WHO estimates of number of current cigarette smokers ages 15+ in each country in 2022. Prices are expressed in Purchasing Power Parity (PPP) adjusted dollars or international dollars to account for differences in the purchasing power across countries. Based on 55 high-income, 103 middle-income and 21 low-income countries with data on prices of most sold brand, excise and other taxes, and PPP conversion factors.

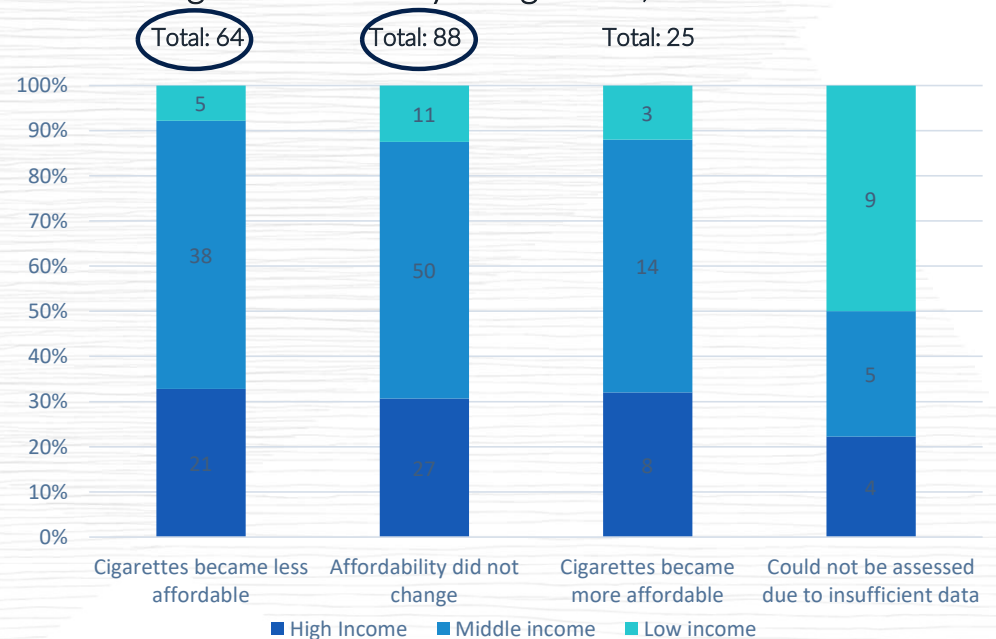
Fewer countries have seen affordability go down in the last decade

Change in affordability of cigarettes, 2010-2020



Note: The graph counts the number of countries with trend growth rates in affordability: Least squares growth rate computed from a linear regression of the logarithmic values of the % of GDP per capita required to purchase 2000 cigarettes in one year. Growth rates estimated for countries with 4 or more years of data, including data for 2020.
Source: WHO report on the global tobacco epidemic, 2021: Addressing new and emerging products

Change in affordability of cigarettes, 2012-2022



Note: The graph counts the number of countries with trend growth rates in affordability: Least squares growth rate computed from a linear regression of the logarithmic values of the % of GDP per capita required to purchase 2000 cigarettes in one year. Growth rates estimated for countries with 4 or more years of data, including data for 2022.

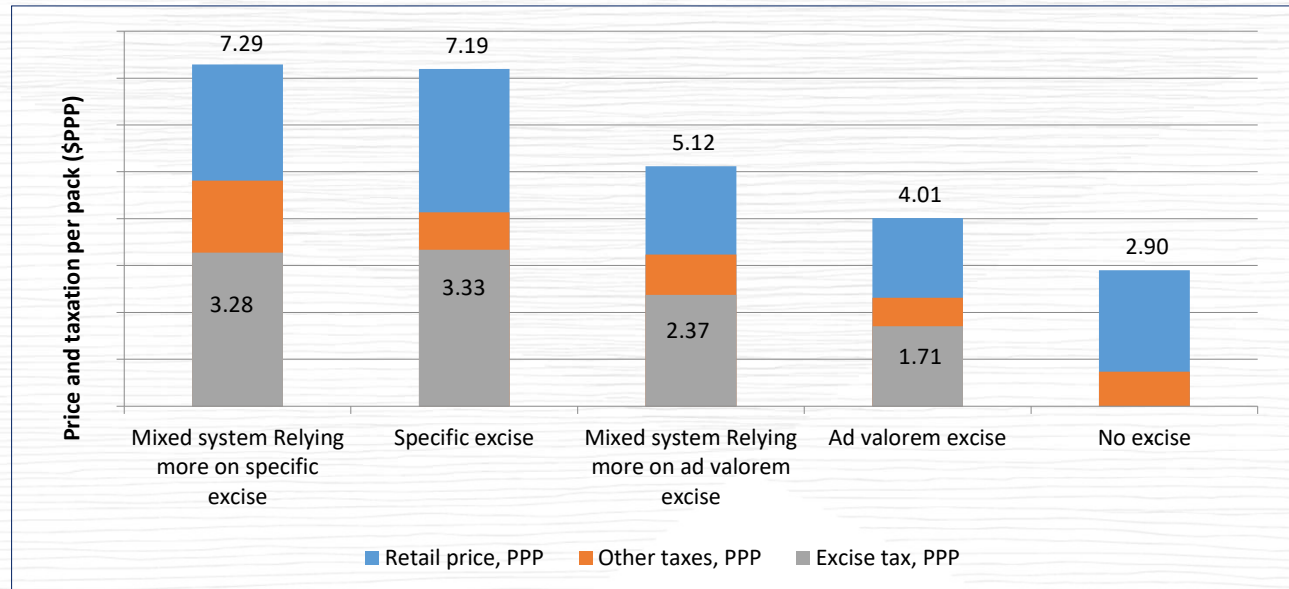
Source: WHO report on the global tobacco epidemic, 2023: protect people from tobacco smoke

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Countries with a specific excise or a mixed structure relying more on specific tax tend to have higher prices



Weighted Average Retail Price and Taxation (Excise and Total) of Most Sold Brand of Cigarettes, by Excise Tax System, 2022

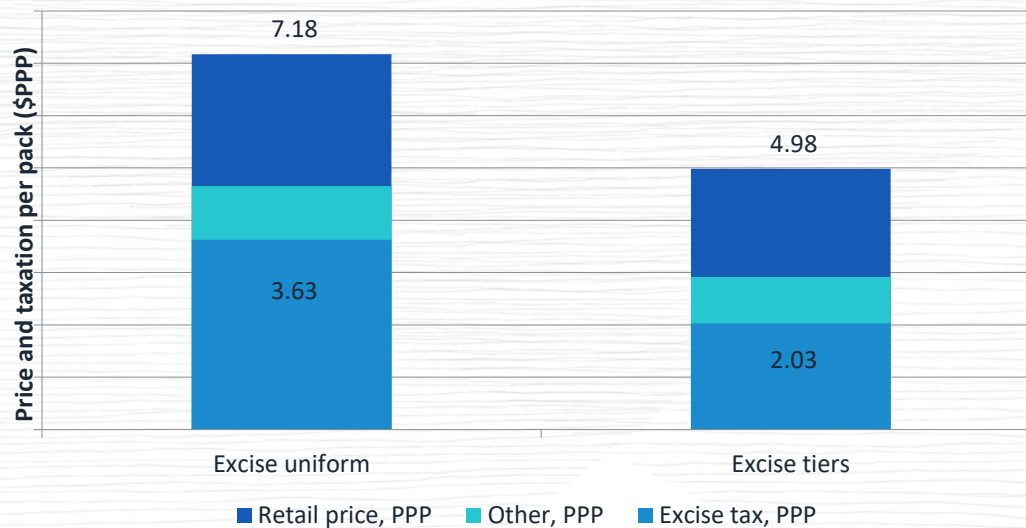


Source: WHO report on the global tobacco epidemic, 2023: protect people from tobacco smoke

Note: Averages are weighted by WHO estimates of number of current cigarette smokers ages 15+ in each country in 2022. Prices are expressed in Purchasing Power Parity (PPP) adjusted dollars or international dollars to account for differences in the purchasing power across countries.

Countries with a uniform excise tend to have higher prices

Weighted Average Retail Price and Taxation (Excise and Total) of Most Sold Brand of Cigarettes, by Excise Tax System (Uniform vs. Tiered) 2022



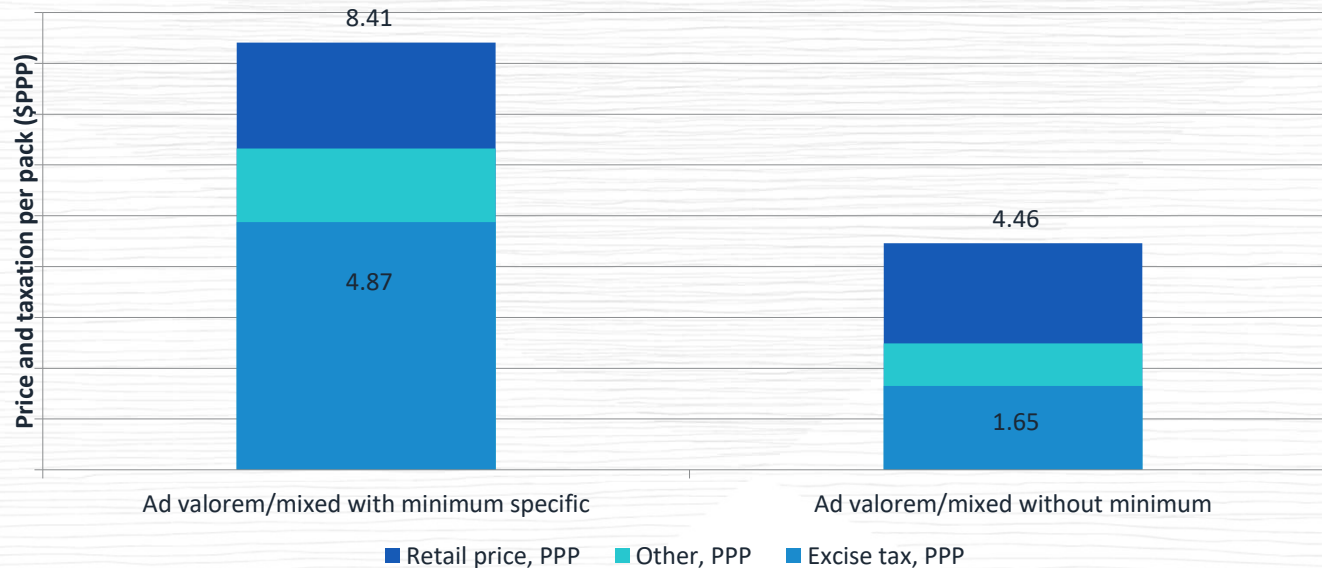
Source: WHO report on the global tobacco epidemic, 2023: protect people from tobacco smoke

Note: Averages are weighted by WHO estimates of number of current cigarette smokers ages 15+ in each country in 2022. Prices are expressed in Purchasing Power Parity (PPP) adjusted dollars or international dollars to account for differences in the purchasing power across countries.

Countries with an ad valorem excise or a mixed structure relying more on specific tax that impose a **minimum specific excise** tend to have higher prices



Weighted Average Retail Price and Taxation (Excise and Total) of Most Sold Brand of Cigarettes, by Excise Tax System (Ad valorem/ Mixed with or without minimum specific) 2022



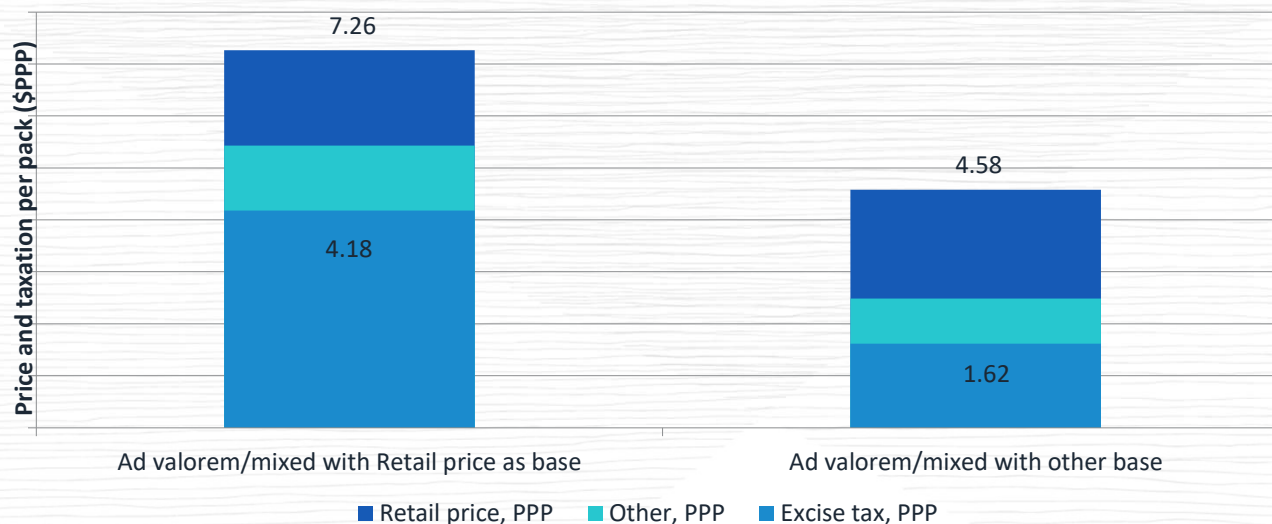
Source: WHO report on the global tobacco epidemic, 2023: protect people from tobacco smoke

Note: Averages are weighted by WHO estimates of number of current cigarette smokers ages 15+ in each country in 2022. Prices are expressed in Purchasing Power Parity (PPP) adjusted dollars or international dollars to account for differences in the purchasing power across countries.

Countries with an ad valorem excise or a mixed structure relying more on specific tax that use **retail price as their base** tend to have higher prices



Weighted Average Retail Price and Taxation (Excise and Total) of Most Sold Brand of Cigarettes, by Excise Tax System (Ad valorem/ Mixed with Retail Price as a Base or Other Base) 2022



Source: WHO report on the global tobacco epidemic, 2023: protect people from tobacco smoke

Note: Averages are weighted by WHO estimates of number of current cigarette smokers ages 15+ in each country in 2022. Prices are expressed in Purchasing Power Parity (PPP) adjusted dollars or international dollars to account for differences in the purchasing power across countries.

Conclusions



- Progress on tobacco taxation has stagnated and **there is still a lot of scope for countries to increase taxes further.**
- Data trends continue to show that identified **best practices in tax structure are still applicable.** Prices tend to be higher in countries that
 - Rely primarily on specific excise taxes on tobacco,
 - Apply a uniform tax on tobacco regardless of characteristics of the products (e.g. all types of cigarettes subject to the same excise rate),
 - Apply a minimum specific excise tax when an ad valorem excise tax structure is used,
 - Use retail price as the base on which the ad valorem excise tax is applied.



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