

# Tripling tobacco taxes worldwide would avoid 200 million tobacco deaths, study finds

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Tripling taxes on cigarettes around the world would reduce the number of smokers by one-third and prevent 200 million premature deaths from lung cancer and other diseases this century, according to a review published today in the *New England Journal of Medicine*.

Such a large tax increase would double the street price of cigarettes in some countries and narrow the price gap between the cheapest and most expensive cigarettes, which would encourage people to stop [smoking](#) rather than switch to a cheaper brand and help young people not to start.

This would be especially effective in low- and middle-income countries, where the cheapest cigarettes are relatively affordable and where [smoking rates](#) continue to rise, said Dr. Prabhat Jha, director of the Centre for Global Health Research of St. Michael's Hospital and a professor in the Dalla Lana School of Public Health at the University of Toronto. But it would also be effective in rich countries, he said, noting that France halved cigarette consumption between 1990 and 2005 by raising taxes well above inflation.

"Death and taxes are inevitable, but they don't need to be in that order," Dr. Jha said. "A higher tax on tobacco is the single most effective intervention to lower smoking rates and to deter future smokers."

Countries around the world agreed at the United Nations General Assembly and the World Health Organization's 2013 Assembly to decrease the prevalence of smoking by about one-third by 2025 to

reduce [premature deaths](#) from cancer and other chronic diseases by 25 per cent.

Tobacco causes about 200,000 deaths a year of people under 70 in Canada and the United States (120,000 men and 80,000 women). Doubling cigarette prices would prevent about 70,000 of those deaths and provide new revenue that governments could spend on health care. Dr. Jha said that even while higher [tobacco taxes](#) would reduce consumption, they would still generate an additional \$100 billion U.S. a year for a total of \$400 billion.

"Worldwide, around a half-billion children and adults under the age of 35 are already – or soon will be – smokers and on current patterns few will quit," said Professor Sir Richard Peto of the University of Oxford, the co-author.

"So there's an urgent need for governments to find ways to stop people starting and to help smokers give up. This study demonstrates that tobacco taxes are a hugely powerful lever and potentially a triple win – reducing the numbers of people who smoke and who die from their addiction, reducing premature deaths from smoking and yet, at the same time, increasing government income. All governments can take action by regularly raising tobacco taxes above inflation, and using occasional steep tax hikes starting with their next budget. Young adult smokers will lose about a decade of life if they continue to smoke – they've so much to gain by stopping."

Controlling tobacco marketing is also key to helping people quit smoking. An independent review in the United Kingdom concluded that plain packaging would reduce the appeal of cigarettes, a switch that is expected before the next election. Australia changed to plain packaging in 2011, a measure New Zealand plans to follow.

Dr. Jha and Sir Richard noted that the 21st-century hazards of smoking have been reliably documented only in the past year, when several researchers published papers showing that men and women who started smoking when they were young and continued throughout adulthood had two or three times the mortality rate of non-smokers. An average of 10 years of life is lost from smoking. Many of those killed are still in middle age, meaning on average they lose about 20 years of life expectancy.

Both Dr. Jha and Sir Richard published papers last year showing that people who quit smoking when they are young can regain almost all of the decade of life they might otherwise have lost.

## **Smoking around the world: Facts and Figures**

- Worldwide, about 1.3 billion people smoke, mostly in low- and middle-income countries.
- Two-thirds of all smokers live, in descending order, in China, India, the European Union, Indonesia, the United States, Russia, Japan, Brazil, Bangladesh and Pakistan.
- China consumes more than 2 trillion cigarettes a year, out of a world total of about 6 trillion.
- Smoking causes about 12-25 per cent of all deaths in middle-age men in China, India, Bangladesh and South Africa, and these proportions are set to rise as successive generations in which few people smoked are being replaced by generations in which many people have smoked throughout their adult lives
- Numerous studies find that a 50 per cent higher inflation-adjusted price for cigarettes reduces consumption by about 20 per cent with stronger effects in the young and in the poor.
- In most high-income countries, about 50-60 per cent of the retail price of a pack of cigarettes is the excise tax (based on the quantity or weight of tobacco, and which is difficult for the

tobacco industry to manipulate). By contrast, this proportion is only 35-40 per cent in most low- and middle-income countries.

- About \$300 billion dollars is raised from tobacco tax worldwide. Tripling the tax would double the price of a package of cigarettes and reduce consumption by one third, yet still yield another \$100 billion US in revenue
- A low excise tax is the main reason cigarettes are cheaper in many low- and middle-income countries than in high-income countries.
- The federal excise tax on a carton of cigarettes in Canada is \$17. Federal and provincial sales taxes bring the total cost of carton from between \$46 and \$87
- About 10 per cent of all [cigarettes](#) manufactured worldwide are smuggled. Smart taxation strategies and efforts to clamp down on criminals who smuggle reduce smuggling. Even in the presence of smuggling, higher taxes reduce consumption and raise more revenue.
- Non-price interventions such as complete bans on tobacco advertising and promotion, plain packaging (already used in Australia) or pictorial warning labels, smoke-free laws and support for cessation help reduce smoking, and raise support for higher taxes.

Provided by St. Michael's Hospital

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