

# Pay more, smoke less: Possible effects of raising tobacco taxes across the EU

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Raising tobacco taxes to increase cigarette prices could reduce cigarette consumption and smoking-associated deaths (SADs) in all 28 EU countries, according to a study published in the open access journal *BMC Public Health*.

In higher income countries, raising [tobacco taxes](#) could increase revenues that could be spend on prevention and control programs, while in lower income countries [tax revenues](#) may be negatively affected, researchers at Overseas Chinese University, Taiwan suggest.

Dr Christian Schafferer, a co-author of the study said: "Our findings could assists policy makers in adopting effective measures to reduce nicotine [consumption](#) in Europe. We show that the implementation of MPOWER measures, which were proposed by the World Health Organization (WHO) in 2008 and include increases in tobacco tax and support for quitters, has positive effects on reducing tobacco consumption in all countries and we encourage health authorities to increase efforts to implement these measures. However, since individual countries are differently affected by these measures, they should adopt different policies to fight nicotine use. For example, in high-income countries, where taxation is less effective than in low-income countries, other measures to control tobacco use, such as restrictions on advertisements, warning labels and cessation assistance are necessary."

The researchers used a computer model to simulate the effects of 10% increases in cigarette price on cigarette consumption, tax revenue and SADs in all 28 EU countries. Their model showed that Bulgaria and Romania would avert over 251,860 SADs, followed by Latvia and Poland with 210,061 SADs, while in the remaining 24 EU countries the number of averted SADs would be about 1.4 million.

The effect of 10% increases in cigarette price on cigarette consumption would be most pronounced in Bulgaria and Romania where a per-pack average price increase of \$ 0.115 would reduce cigarette consumption by 12.27%. In Latvia and Poland, an average per pack price increase of \$ 0.232 would reduce consumption by 8.29%. In the remaining 24 EU countries, overall consumption would reduce by 5.03% following a 10% price increase.

However, when modelling the effect on tax revenues, the authors found that while an average price increase of 10% would result in an overall average increase in revenues of about 6.76% throughout the EU, increasing taxes on tobacco products would not benefit lower income countries.

Dr Schafferer said: "Bulgaria and Romania would actually see a significant decrease in tax revenues. This suggests that health authorities in lower income countries may lack crucial funding to implement MPOWER measures. External funding - that is donations from other European countries - may be required to ensure implementation of these measures and success in combating cigarette use in these countries."

To model the effects of increased cigarette [prices](#), the authors used data for the years 2005 to 2014 from the World Bank, the WHO and Euromonitor International, a business intelligence database. They found that in 2014, per capita cigarette consumption was highest in Slovenia (2,098 cigarettes), the Czech Republic (1,720), Austria (1,631), Greece (1,552) and Romania (1,501), while the remaining EU countries remained under 1,500 cigarettes per person per year. The average retail price was highest in the UK at \$9.48 per pack while lower income countries had lower cigarette prices, which may have led to higher cigarette consumption.

**More information:** Chun-Yuan Yeh et al, The effects of a rise in cigarette price on cigarette consumption, tobacco taxation revenues, and of smoking-related deaths in 28 EU countries— applying threshold regression modelling, *BMC Public Health* (2017). [DOI: 10.1186/s12889-017-4685-x](https://doi.org/10.1186/s12889-017-4685-x)

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