

Increasing the price of tobacco by 5% reduces consumption by 3.5%

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Increasing the price of tobacco by 5% reduces consumption by 3.5%. Credit: Medical University of Vienna

In a 30-year-old study conducted by social medicine expert Michael Kunze into pricing policy and tobacco consumption, it was found that increasing prices by only 1 percent reduces consumption by 0.5 percent. Under the guidance of the MedUni Vienna smoking expert, diploma student Richard Felsing has completed an analysis of pricing policy for the years 1997 to 2015. The results have now been published to mark World No Smoking Day on 31 May. Today a 1 percent increase in the price of tobacco reduces consumption by as much as 0.69 percent.

That means: if you increase the price by 5 percent, consumption drops by 3.5 percent. And this is the level of regular price increase that Kunze considers to be realistic. "A level that is acceptable to all parties: to us doctors, because a lot of people would give up [smoking](#), but also to tobaccoists and the Finance Ministry, because revenues and taxes would still yield a reasonable surplus."

And at the same time, says Kunze, the margin is

so slight that it would not encourage the illegal trade in cigarettes. "That would happen – as the Finance Minister repeatedly puts forward as a threatening scenario – if we were to suddenly raise cigarette prices by a drastic amount," explains Kunze. It would also be helpful if the policy could be coordinated with Austria's neighbours, so that [prices](#) are increased simultaneously by the same amount in each country.

"Our findings from 1986 have now been impressively confirmed by this dissertation," Kunze is delighted to report. "At MedUni Vienna we were among the first to suggest solving this problem via a pricing strategy and to provide scientific evidence to back this up."

Smoking cessation has positive effects after only a few days

The possible negative consequences of long-term [tobacco consumption](#) are clearly evidenced: Tobacco [consumption](#) is the single biggest cause of illness and premature death in Europe: around 90 percent of deaths from lung cancer are caused by smoking and the same applies to 75 percent of deaths from chronic bronchitis and other respiratory diseases. Moreover, cigarette smoking is implicated in the development of pancreatic, kidney and cervical cancer.

It has also been shown that positive effects can occur very soon after quitting: "Even just a few days after the last cigarette, your risk of cardiovascular disease falls rapidly. Smoking is almost the same as [carbon monoxide poisoning](#) so, if you stop, you stop poisoning yourself," says Kunze. However, the cancer risk remains elevated for many years afterwards.

Provided by Medical University of Vienna

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