

Tobacco Control in Developing Countries



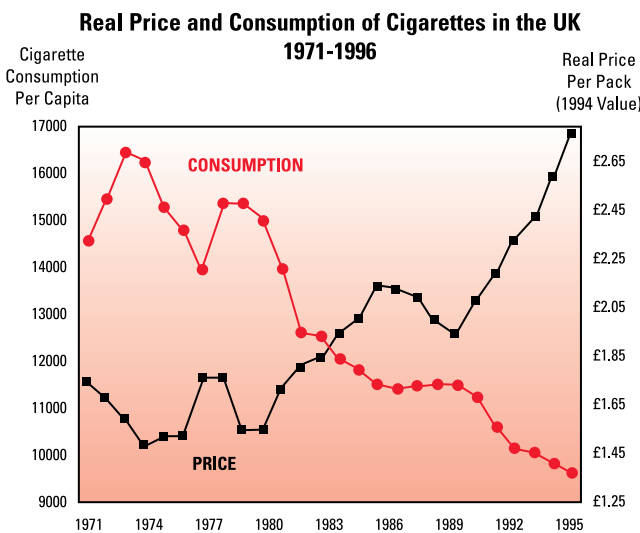
Price and Other Measures to Reduce Demand is Key to Tobacco Control

- Tobacco control aims to help adults to quit smoking and deter children from starting.
- Both stopping smoking and not starting are important. Only adult cessation can substantially reduce tobacco deaths over the next 25 years (as in the UK, where cigarette sales and tobacco deaths in middle age almost halved over the past 25 years). Reducing uptake rates by young people can, however, substantially reduce tobacco deaths beyond 2050.

PRICE MEASURES

- Price is the single most effective measure to reduce consumption.
- An increase in the price of cigarettes prompts people to quit smoking or reduce consumption and deters others from starting.

Figure 1.1 As Cigarette Price Rises, Consumption Falls



- A 10% increase on cigarette prices worldwide would reduce consumption by 4% in high-income countries and by 8% in low- and middle-income countries. Of the smokers alive in 1995, about 42 million would stop smoking and about 10 million premature deaths would be prevented.
- Government action to increase cigarette taxes will not lead to lower tax revenues in the medium to long term. Tax increases that raise the price of cigarettes by 10% worldwide would increase revenues by about 7% on average. In China, a 10% increase in cigarette tax would cut consumption by 5% and increase revenues by 5% – enough to finance a package of essential health measures for one-third of China’s poorest 100 million people.

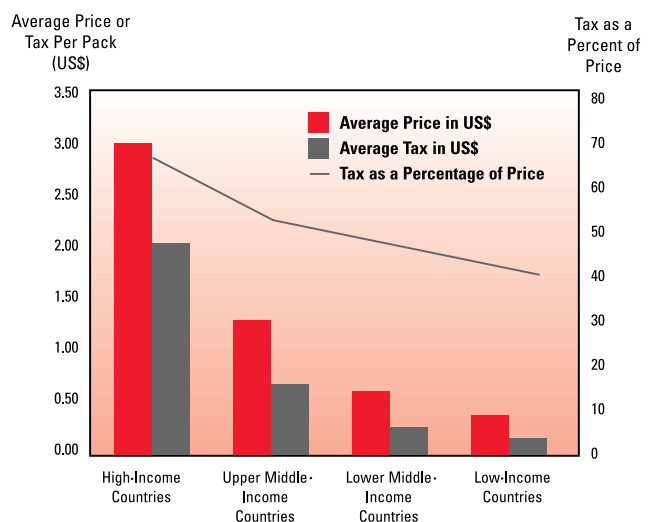
- A price increase is also the most cost-effective measure. Conservative estimates suggest that in low- and middle-income countries the cost – taking into account the legal and administrative costs of implementation and monitoring – would be US\$4–\$34 for every year of healthy life saved. This compares favourably with the cost of other government-funded interventions such as childhood immunization.

Table 1.1 Potential Impact of a Price Increase of 10% and a Package of Non-price Measures

Region	Change in number of smokers (millions)		Change in number of deaths (millions)	
	10% price increase	Non-price measures that reduce smoking prevalence by 2%	10% price increase	Non-price measures that reduce smoking prevalence by 2%
Low/Middle-income	-38	-19	-9	-4
High-income	-4	-4	-1	-1
World	-42	-23	-10	-5

Figure 1.2 There is Still Ample Room to Increase Cigarette Tax

Average Cigarette Price, Tax, and Percentage of Tax Share Per Pack, by World Bank Income Groups, 1996



- There is still ample scope to increase cigarette taxes – especially in developing countries. In most high-income countries, tax accounts for at least two-thirds of the retail price of cigarettes. In lower-income countries, tax generally accounts for less than half of the retail price.

NON-PRICE MEASURES

Other non-price measures – such as comprehensive bans on advertising and promotion, consumer information, prominent warning labels, and clean air restrictions -- are also effective. When used in tandem, these could persuade 23 million of the smokers alive in 1995 to quit – and prevent 5 million deaths (including 4 million in low- and middle-income countries).

Advertising and Promotion

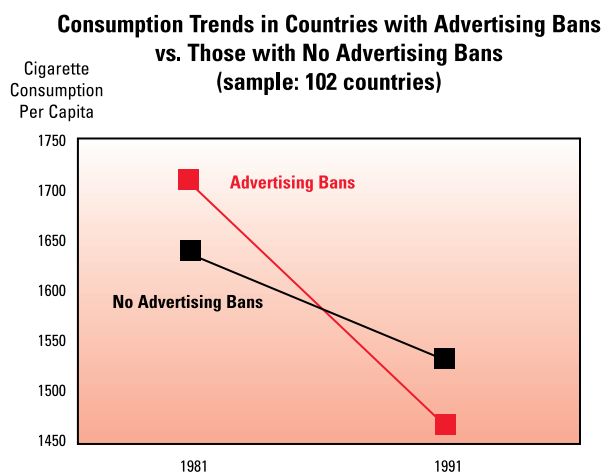
- Advertising in the tobacco industry accounts for about 6% of sales revenue – about 50% higher than the average industry.
- Spending on tobacco advertising and promotion in the United States alone exceeded US\$5 billion in 1996 – more than the total public expenditure on health in India.

Table 1.2 The Shift from Advertising to Promotion: Spending on Tobacco Advertising and Promotion in US\$ (millions) by the US Tobacco Industry.

Activity	1986	1996	Change (%)
Newspapers and magazines	611	257	-58
Other advertising	777	574	-26
<i>Total advertising</i>	1,388	831	-40
Product positioning	1,167	2,151	84
Sponsorship of events	117	171	47
Other promotional activities	1,671	1,955	17
<i>Total promotional</i>	2,955	4,277	45
<i>Total advertising and promotional activities</i>	4,343	5,108	18

- A comprehensive ban on cigarette advertising and promotion – covering all media and all uses of brand names and logos – would reduce tobacco consumption by over 6% in high-income countries.

Figure 1.3 Comprehensive Advertising Bans Reduce Cigarette Consumption



- Partial bans have little or no impact on demand since advertising can be switched to alternative media.
- The new European Union comprehensive ban on cigarette advertising and promotion is expected to reduce tobacco consumption by about 7%. However, the recent elimination of billboard advertising in the US is likely to have little if any impact on smoking.

Publicizing Tobacco Research

Publicizing research on the health effects of smoking by government and scientific agencies can be highly effective. In Switzerland, anti-smoking publicity in the mass media resulted in an 11% drop in consumption.

Warning Labels

- Evidence from Australia, Canada, and Poland suggests that warning labels on cigarette packets can be effective – provided they are large, prominent, and contain hard-hitting and specific factual information.
- A 1996 study in Canada suggested that half of smokers intending to quit or reduce their consumption were motivated by warnings on cigarette packs.

Nicotine Replacement Therapy

- Widely increased use of nicotine replacement therapies (NRT) could persuade an additional 6 million smokers to quit and avert 1 million deaths.
- In high-income countries, the launch of over-the-counter sales of NRT would persuade a lot more people to quit smoking. In many low-income countries, NRT supplies are not available.
- In many countries, a day's supply of NRT costs about the same as the average daily consumption of tobacco. But a course of NRT requires a relatively large payment upfront.
- Compared with the sale of cigarettes, the sale of NRT products is highly regulated. Governments can quickly deregulate NRTs, so they can "compete" with cigarettes.

Restrictions on Smoking in Public Places and the Workplace

- In the United States, these kind of restrictions are estimated to have reduced tobacco consumption by 4%-10%.
- However, since most non-smokers' exposure to tobacco smoke occurs in the home, restrictions in public places or workplaces afford only partial protection.

The 512-page book, *Tobacco Control in Developing Countries*, is an authoritative and comprehensive study that examines such key issues as poverty and smoking, rationale for government intervention, taxation, advertising and promotion bans, smuggling, trade and the supply side impact of control policies. Building on the comparative advantages of WHO and the World Bank in epidemiology and health economics, an international team of 40 professionals from 13 countries, under the guidance of Dr Prabhath Jha and Dr Frank Chaloupka, prepared this book over a period of three years. It is targeted primarily at ministries, academics and health professionals engaged in tobacco control.

The book is available in English only; Price: US\$ 49.50 paperback ISBN 0192632469. For more details or to place your order, please contact:

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