



Ministry of Finance & Tobacco Taxes

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Content

- Why this plenary
- WHO & tobacco taxation
- Global evidence on average price and tax on cigarettes
- Select countries & best practices



Why this plenary

- Tobacco control is a multi-sectorial effort
- Tobacco taxation is the most cost-effective tobacco control policy
 - Governments still raise concerns about higher taxes
 - Ministry of Finance/Economy – first decision mechanism on excise tax policy
- WHO has been working closely with MoFs &
- Public health needs to hear MoF's
 - perspectives,
 - experiences and
 - views on tobacco taxation, including
 - implementation and
 - administration issues.

WHO & Tobacco Taxes

What do we do

HEALTHIER PEOPLE – HEALTHIER BUDGETS

- 1. Engagement & close collaboration with MoF**
- 2. Taxation workshops for tax authority and customs**
- 3. Data collection & analysis**



Ongoing Engagement Between WHO & MoF

- 2009 China, Egypt, Pakistan, Turkey,



- 2010 Bangladesh, Bahrain, Vietnam, Mexico



- 2011 Ghana, India, Indonesia, Thailand, Yemen



- 2012 Fiji, Kenya, Iran, Libya, Mongolia, Russia, Philippines, Samoa, Senegal, Ukraine, Uganda, Tonga,



- 2013 Belarus, Cambodia, Cook Islands, Jordan, Kazakhstan, Moldova, Zambia,



Taxation Workshops for MoF & Customs Officials

2010-13- over 70 countries

2010

- WPRO: 14 countries in Manila, Philippines
- EMRO: MOH, MOF & Academia, Cairo, Egypt

2011

- SEARO: 6 GCC countries, Riyadh, SARabia
- AFRO: 15 African countries in Nairobi, Kenya
- 12 BI countries, Ankara, Turkey

2012

- WPRO & SEARO: 11 countries in Bangkok, Thailand
- EMRO: 5 GCC Countries, Cairo, Egypt
- WPRO: 6 Pacific Island countries, Auckland, NZ

2013

- **EURO:** 12 BSEC countries in Ankara, Turkey



Reaching out Economic/Custom Blocks

Africa

- UEMOA (West Africa)
 - Senegal, Burkina Faso, Niger, Mali, Tonga, Cote d'Ivory,
- EAC (East Africa)
 - Burundi, Kenya, Uganda, Rwanda, Tanzania

Middle East

- GCC (Gulf Cooperation Council)
 - Bahrain, Qatar, Kuwait, UAE, Oman, Saudi Arabia, and (Yemen)

Central Asia

- Eurasian Customs Union
 - Belarus, Kazakhstan, Russia and (Ukraine),
- Black Sea Economic Cooperation
 - Albania, Azerbaijan, Armenia, Bulgaria, Greece, Georgia, Moldova, Romania, Russian Federation, Serbia, Ukraine, Turkey

Data Collection



World Health
Organization

WHO report on the global tobacco epidemic, 2007, 2008, 2010, 2012

- Data by 187 countries on
 - Price/pack, MPBC, USD, PPP
 - Average price/pack, USD, PPP
 - Excise and other taxes (value, %, & base)

Data by Ministry of Finance over 65 countries

- Price & tax paid sales by brand (confidential)
- Excise tax revenues
- Excise tax system and administration

WHO REPORT ON THE GLOBAL TOBACCO EPIDEMIC, 2013

Enforcing bans on tobacco advertising,
promotion and sponsorship

Includes a special section on five years of progress

Global Tobacco Taxes, 2013

- 89% of countries levy some forms of excise tax on cigarettes (166 out of 186 countries).

- Among those that levy excise tax

- 36% levy both specific and ad valorem excise

- 60 out of 166

- Including



- 30% levy only ad valorem excise

- 50 out of 166

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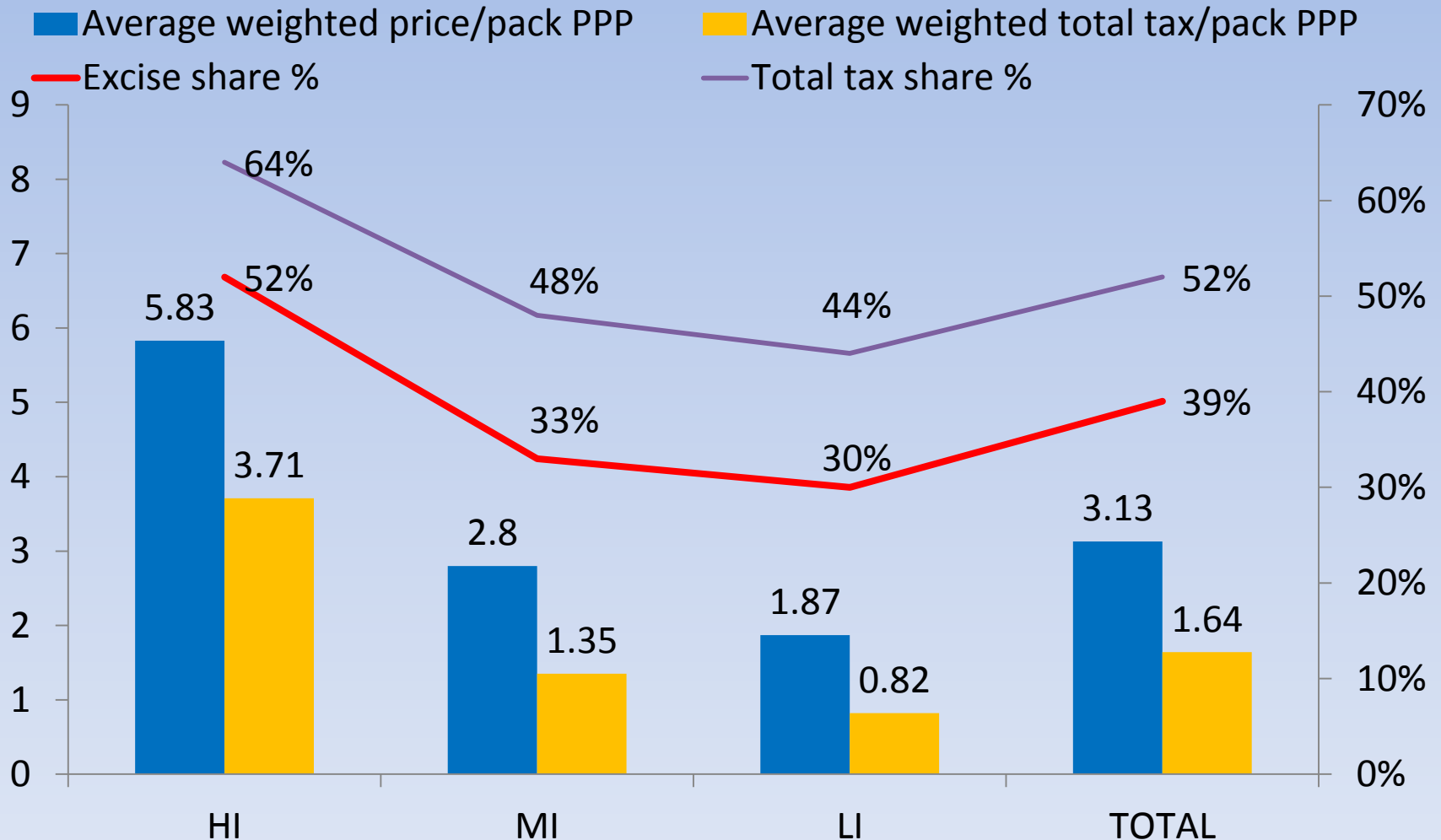
- 34% levy only specific excise tax

- 56 out of 166

- Including

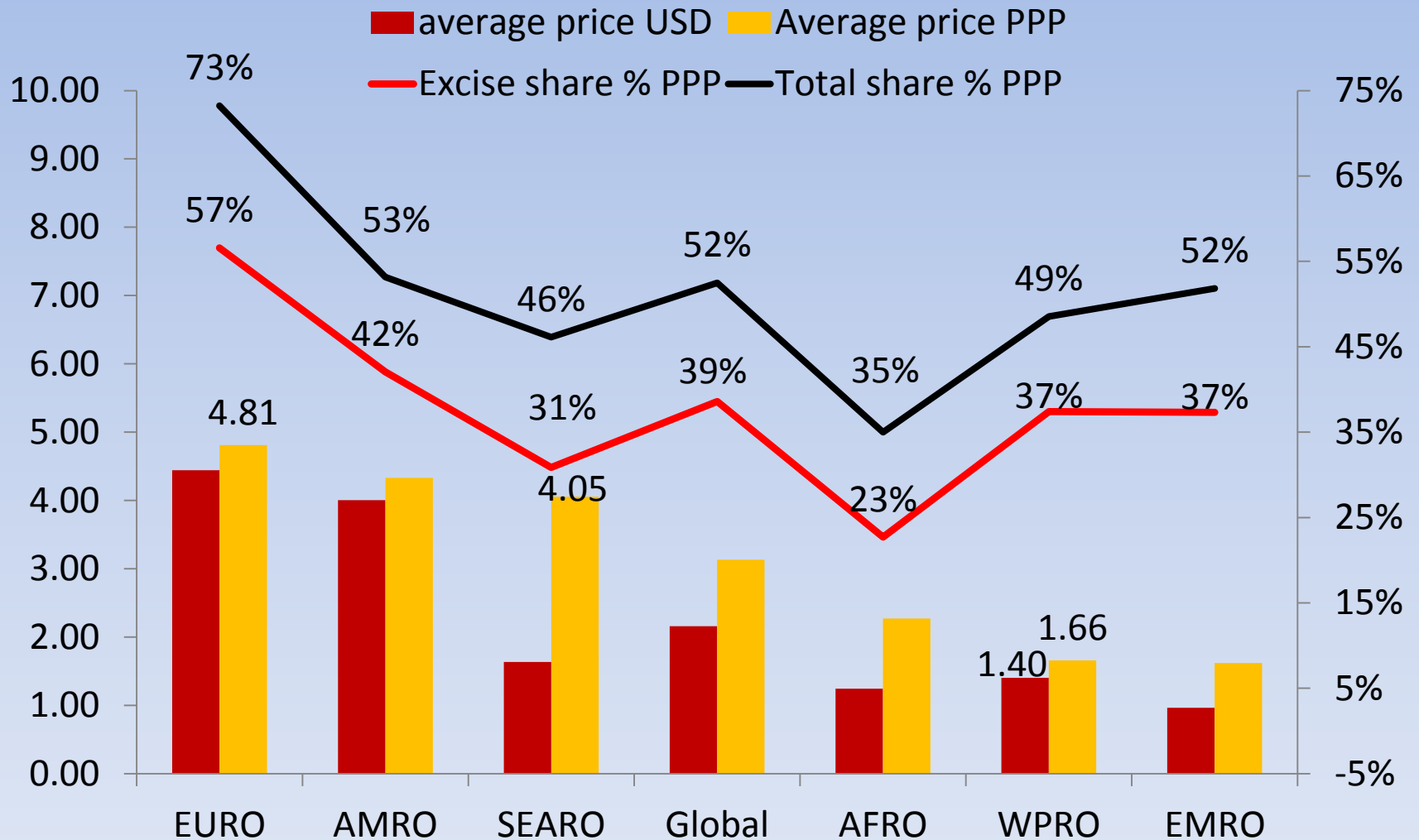


Average weighted retail price (PPP), excise and total tax per pack (PPP) and their % share in price 2012



Source: WHO report on the global tobacco epidemic 2013

WPRO region has the second lowest average price among WHO regions

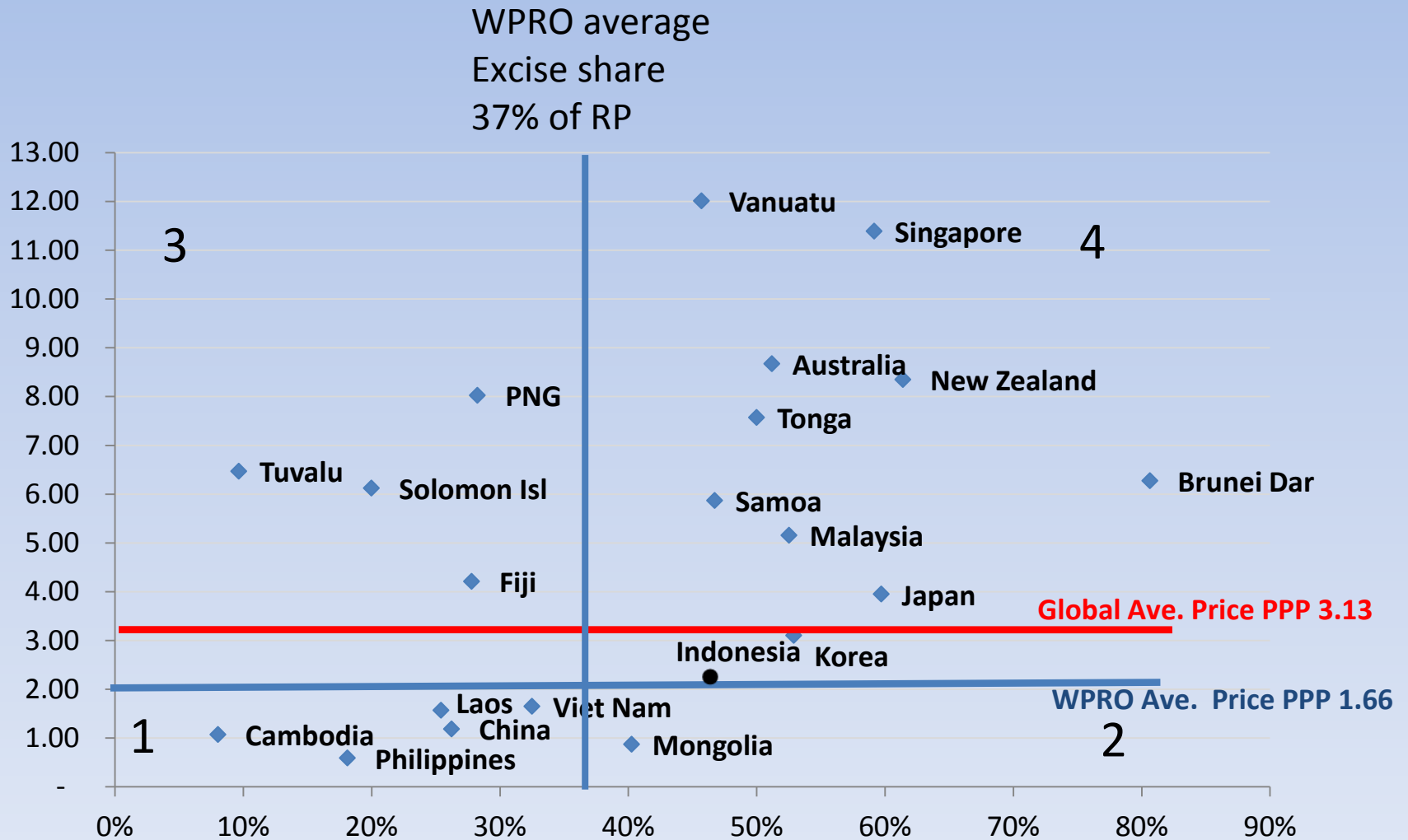



















AREA 1: Price and excise lower than WPRO average

AREA 2: Price lower than WPRO

AREA 3: Excise lower than WPRO average

AREA 4: Price and Excise higher than WPRO average



| | 2012 | W Aver price /pack USD | Excise as % of RP | Total tax as % of RP | Rank in average price | Rank in excise rate |
|---|---|------------------------|-------------------|----------------------|-----------------------|---------------------|
| | Australia  | 14.35 | 51% | 60% | 2 | 64 |
|  | New Zealand | 11.61 | 61% | 74% | 3 | 29 |
| | Singapore  | 9.52 | 59% | 66% | 8 | 41 |
|  | PNG | 7.23 | 28% | 37% | 17 | 102 |
| | Japan  | 5.25 | 60% | 65% | 34 | 38 |
|  | Tonga | 4.60 | 50% | 63% | 40 | 69 |
| | Malaysia  | 3.18 | 53% | 57% | 70 | 61 |
|  | Rep Korea | 2.21 | 53% | 62% | 91 | 58 |
| | Thailand  | 1.84 | 64% | 70% | 100 | 16 |
|  | Indonesia | 1.76 | 43% | 51% | 107 | 79 |
| | India  | 1.76 | 26% | 43% | 108 | 107 |
|  | Myanmar | 0.92 | 50% | 50% | 153 | 70 |
| | China  | 0.79 | 26% | 43% | 162 | 109 |
|  | Laos | 0.75 | 25% | 43% | 165 | 112 |
| | Vietnam  | 0.72 | 33% | 42% | 166 | 96 |
|  | Cambodia | 0.42 | 8% | 17% | 180 | 149 |
| | Philippines  | 0.36 | 18% | 29% | 182 | 129 |

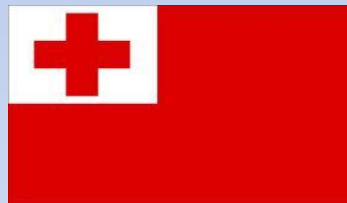
Best Practices



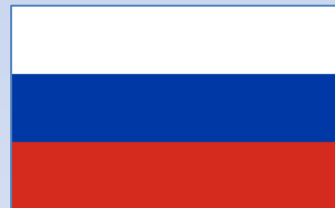
INDONESIA – Reducing complex tax system by efficient road map



TURKEY – strong political will, one of highest tax on cigarettes in the globe, excellent monitoring system



TONGA – strong political will, consecutive tax increases



RUSSIAN FEDERATION – road map for higher taxation



PHILIPPINES- Just adopted better excise system