10 January 2017, GENEVA: Policies to control tobacco use, including tobacco tax and price increases, can generate significant government revenues for health and development work, according to a new landmark global report from the World Health Organization and the National Cancer Institute of the United States of America. Such measures can also greatly reduce tobacco use and protect people's health from the world's leading killers, like cancers and heart disease.

But left unchecked, the tobacco industry and the deadly impact of its products cost the world's economies more than US$ 1 trillion annually in healthcare expenditures and lost productivity, according to findings published in *The economics of tobacco and tobacco control.* Currently, around 6 million people die annually as a result of tobacco use, with most living in developing countries.

The almost 700-page monograph examines existing evidence on two broad areas:

- The economics of tobacco control, including tobacco use and growing, manufacturing and trade, taxes and prices, control policies and other interventions to reduce tobacco use and its consequences; and
- The economic implications of global tobacco control efforts.

"The economic impact of tobacco on countries, and the general public, is huge, as this new report shows," says Dr Oleg Chestnov, WHO's Assistant Director-General for Noncommunicable diseases (NCDs) and mental health. "The tobacco industry produces and markets products that kill millions of people prematurely, rob households of finances that could have been used for food and education, and impose immense healthcare costs on families, communities and countries."ÂÂ

Globally, there are 1.1 billion tobacco smokers aged 15 or older, with around 80% living in low- and middle-income countries (LMICs). Approximately 226 million smokers live in poverty.

The monograph, citing a 2016 study, states that annual excise revenues from cigarettes globally could increase by 47%, or US$ 140 billion, if all countries raised excise taxes by about US$ 0.80 per pack. Additionally, this tax increase would raise cigarette retail prices on average by 42%, leading to a 9% decline in smoking rates and up to 66 million fewer adult smokers.

"The research summarized in this monograph confirms that evidence-based tobacco control interventions make sense from an economic as well as a public health standpoint," says the monograph's co-editor, Distinguished Professor Frank Chaloupka, of the Department of

Economics at the University of Illinois at Chicago.

The monograph's major conclusions include:

- *The global health and economic burden of tobacco use is enormous and is increasingly borne by low- and middle-income countries (LMICs).* Around 80% of the world's smokers live in LMICs.
- *Effective policy and programmatic interventions exist to reduce demand for tobacco products and the death, disease, and economic costs resulting from their use, but these interventions are underused* . The WHO Framework Convention on Tobacco Control (WHO FCTC) provides an evidence-based framework for government action to reduce tobacco use.
- *Demand reduction policies and programmes for tobacco products are highly cost-effective.* Such interventions include significant tobacco tax and price increases; bans on tobacco industry marketing activities; prominent pictorial health warning labels; smoke-free policies and population-wide tobacco cessation programmes to help people stop smoking. In 2013-2014, global tobacco excise taxes generated nearly US$ 269 billion in government revenues. Of this, less than US$ 1 billion was invested in tobacco control.

- *Control of illicit trade in tobacco products is the key supply-side policy to reduce tobacco use and its health and economic consequences* . In many countries, high levels of corruption, lack of commitment to addressing illicit trade, and ineffective customs and tax administration, have an equal or greater role in driving tax evasion than do product tax and pricing. The WHO FCTC Protocol to Eliminate Illicit Trade in Tobacco Products applies tools, like an international tracking and tracing system, to secure the tobacco supply chain. Experience from many countries shows illicit trade can be successfully addressed, even when tobacco taxes and prices are raised, resulting in increased tax revenues and reduced tobacco use.
- *Tobacco control does not harm economies:* The number of jobs dependent on tobacco has been falling in most countries, largely due to technological innovation and privatization of once state-owned manufacturing. Tobacco control measures will, therefore, have a modest impact on related employment, and not cause net job losses in the vast majority of countries. Programmes substituting tobacco for other crops offer growers alternative farming options.

- *Tobacco control reduces the disproportionate health and economic burden that tobacco use imposes on the poor.* Tobacco use is increasingly concentrated among the poor and other vulnerable groups.
- *Progress is being made in controlling the global tobacco epidemic, but concerted efforts are needed to ensure progress is maintained or accelerated* . In most regions, tobacco use prevalence is stagnant or falling. But increasing tobacco use in some regions, and the potential for increase in others, threatens to undermine global progress in tobacco control.

- *The market power of tobacco companies has increased in recent years, creating new challenges for tobacco control efforts.* As of 2014, five tobacco companies accounted for

85% of the global cigarette market. Policies aimed at limiting the market power of tobacco companies are largely untested but hold promise for reducing tobacco use.

Dr Douglas Bettcher, WHO Director for the prevention of NCDs, says the new report gives governments a powerful tool to combat tobacco industry claims controls on tobacco products adversely impact economies.ÂÂ "This report shows how lives can be saved and economies can prosper when governments implement cost-effective, proven measures, like significantly increasing taxes and prices on tobacco products, and banning tobacco marketing and smoking in public," he adds.

Tobacco control is a key component of WHO's global response to the epidemic of NCDs, primarily cardiovascular disease, cancers, chronic obstructed pulmonary disease and diabetes. NCDs account for the deaths of around 16 million people prematurely (before their 70th birthdays) every year.ÂÂ Reducing tobacco use plays a major role in global efforts to achieve the Sustainable Development Goal of reducing premature deaths from NCDs by one-third by 2030.