# LAUNCH OF APHN/APSC TOBACCO TAX AND PRICE CAMPAIGN DR SIM, PRESIDENT, APSC

- The Asian Pacific Society of Cardiology is very pleased to be working with our good friends at the Asia-Pacific Heart Network on a matter of deep concern to every cardiologist – tobacco control.
- As we know, the Asia-Pacific region is facing a crippling epidemic of heart disease and stroke on an unprecedented scale.
- Much of this burden will be caused by smoking.
- We know that the Western Pacific region is incredibly large, comprising 1.8 billion people living across Asia and the South Pacific.
- But it also has the world's highest tobacco use, with two-thirds of all men using tobacco.
- The situation in South-East Asia is also dire.
- In my country Malaysia 60 percent of 20-to-30 year olds smoke.
- And nearly half of Malaysian men average more than 11 cigarettes a day.
- Altogether, smoking-related disease costs our country \$900 million a year in healthcare expenditure.
- These disturbing figures are, however, dwarfed by what is happening in China.

- There are an estimated 1.2 million tobacco deaths a year in China, with this projected to grow to 3.5 million deaths a year by 2030.
- These deaths are of course entirely preventable.
- Indeed, tobacco use is the single largest preventable cause of disease and premature death, causing heart disease, stroke and chronic lung disease and several cancers.
- As cardiologists, we know that tobacco is responsible for a very large chunk of the burden of cardiovascular disease, principally heart attack and stroke.
- One study suggests that up to 30% of some cardiovascular mortalities in the Western Pacific and South-East Asian regions can be attributed to smoking.
- Increasing the tax and price of tobacco products is one of the most effective actions any government can take to push down smoking rates and deter young people from starting to smoke.
- Use of tobacco taxation is, of course, a key measure outlined in the Framework Convention on Tobacco Control, to which nearly all countries in the Asia-Pacific are parties.
- It also complements the wonderful work of the World Health Organisation as well as that of the World Heart Federation.
- So, it is easy to understand why the APSC is so keen to work with the APHN to help save lives by doing whatever we can to deter people from smoking.

- Cardiologists can help as individual medical practitioners by counselling their patients and directing them to services that can help them quit.
- But we can also work collectively.
- From today, we will be encouraging our national cardiac societies to support the campaign and engage their governments.
- We are asking for simple actions. Use the kit. Do some simple research. Work with others. Then engage your government.
- A simple letter is a great starting point. Follow up with meetings. And, if appropriate, engage the media.
- The important point is this. When cardiologists speak with one voice, governments listen.
- Together, we can make a very, very big difference.
- Thank you.



# **MEDIA RELEASE**

# NEW TOBACCO TAX CAMPAIGN TO COUNTER THE CARNAGE CAUSED BY SMOKING IN THE ASIA-PACIFIC REGION

National heart foundations and cardiac societies from across the Asia-Pacific region will join forces to advocate for major increases on tobacco tax, similar to that achieved in Australia.

Some of the world's highest smoking rates can be found in the Asia-Pacific region, with 2.3m deaths from disease caused by tobacco smoking each year, almost half of the 5m global tobacco deaths each year.

The Asia-Pacific Heart Network, representing 14 heart foundations, and the Asian Pacific Society of cardiology, representing 19 professional associations of cardiologists, today launched a campaign to encourage member organisations to advocate for substantial price and tax increases on tobacco.

The campaign, launched at the World Congress of Cardiology in Melbourne, asks member Heart Foundations and cardiac societies to write to their national governments asking for a substantial, phased increase in tobacco tax to bring the nation into line with world's best practice, ensuring excise tax is at least 70% of the retail price of tobacco products. Some of the funds raised should be allocated to preventive health programs.

As the World Bank states, tax increases on tobacco products are the single most effective means available to governments to reduce death and disease caused by smoking.

"The Asia-Pacific region is facing a crippling epidemic of cardiovascular disease fuelled by rapid growth, urbanisation and lifestyle changes," the President of the APHN and New Zealand Heart Foundation CEO, Mr Tony Duncan, said today.

"Disturbingly, much of this is preventable, and as much as three in ten CVD deaths are caused by tobacco.

"We are really pleased to be working closely with the APSC to encourage member organisations to advocate for increases in tobacco and price," Mr Duncan said.

The President of the Asian Pacific Society of Cardiology, Dr Kui Hain Sim, said that up to 30% of cardiovascular deaths in the Western Pacific and South-East Asian regions can be attributed to smoking.

"The Western Pacific region, comprising Asia and the South Pacific, has the world's highest tobacco use rates.

"All up, 3.6 trillion cigarettes are smoked in Asia each year.

"Unless greater efforts are made to control tobacco use, death rates caused by consuming tobacco will surge. There are, for example, an estimated 1.2 million tobacco deaths a year in China, with this projected to grow to 3.5 million deaths a year by 2030.

"The need for action is abundantly clear. Increase in tobacco tax will help drive down smoking rates, cut premature deaths and save money on the additional costs of looking after people with diseases caused by smoking" Dr Sim said.

Melbourne, May 6, 2014

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# **SMOKING IN THE ASIA-PACIFIC REGION**

#### Source: OECD Health At A Glance, Asia-Pacific 2012

Tobacco smoking is a common risk factor for a large number of diseases that cause illness and death, including lung and other cancers, COPD and cardiovascular disease.

The global tobacco epidemic is directly responsible for around 12% of adult deaths worldwide, or some 5 million deaths each year, many of which occur in low- and middle-income countries (WHO, 2011h and 2012d).

In the Asia-Pacific region, about 6,000 people die prematurely from tobacco-related diseases every day, or 2.3 million deaths per year.

The economic and social costs are high, with families deprived of breadwinners, large public health costs for treatment, and lower workforce productivity.

The proportion of daily smokers varies greatly among countries.

In 2009, rates among men were highest in Papua New Guinea and Indonesia, at over 50%, and many more countries had male daily smoking rates over 40%. Rates among specific age groups may be even higher; in China, the smoking rate among men aged 45-64 years rises to 63%. In Fiji, Australia and New Zealand however, less than 20% of adult males smoked daily. The regional average for men, at 36%, was significantly higher than the 27% of males who smoked daily in OECD countries.

There are large male-female disparities in the Asia-Pacific region, with only 5% of women reporting smoking daily in 2009. Rates were highest in Papua New Guinea (27%), and Nepal (25%) - where it is a common practice among rural women - as well as in the developed countries of New Zealand (17%) and Australia (14%).

Around one-third of the world's smokers live in China.

Increasing tobacco prices through higher taxes is an effective intervention to reduce tobacco use, by discouraging youth from beginning cigarette smoking and encouraging smokers to quit. Higher taxes also assist in generating additional government revenue. However, only a few countries in the region (New Zealand, Sri Lanka) are close to having total taxes that constitute 75% or more of the tobacco retail price.

#### DAILY ADULT SMOKING RATES IN SELECTED ASIA-PACIFIC COUNTRIES

Source: WHO Tobacco Control Country Profiles

http://www.who.int/tobacco/surveillance/policy/country\_profile/en/e

Australia	15.1% (male rate = 16.3%)
China	23.6% (male rate = 44.6%)
Malaysia	20.9% (male rate = 39.9%)
New Zealand	16.5% (male rate = 17.2%)
Papua New Guinea	43.7% (male rate = 59.9%)
Philippines	22.5% (male rate = 38.2%)
Singapore	16.3% (male rate = 27.9%)
Thailand	15.2% (male rate = 30.1%)
Indonesia	29.2% (male rate = 56.7%)
India	10.7% (male rate = 18.3%)
Republic of Korea	25.1% (male rate = 44.7%)
Lao	18.8% (male rate = 42.6%)
Solomon Islands	29.7% (male rate = 43.4%)
Vietnam	19.5% (male rate = 38.7%)





Asia-Pacific Heart Network – Asian Pacific Society of Cardiology

# TOBACCO PRICE AND TAX CAMPAIGN



# Asia-Pacific Heart Network – Asian Pacific Society of Cardiology TOBACCO PRICE AND TAX CAMPAIGN

# Objective

To encourage member Heart Foundations and cardiac societies to write to their national governments asking for a substantial, phased increase in tobacco tax to bring the nation into line with world's best practice, ensuring excise tax is at least 70% of the retail price of tobacco products. Some of additional funds raised should be allocated to preventive health programs.

To raise community and media awareness of the campaign.

#### Why

Increasing the cost of tobacco is one of the most effective public health interventions available to any government. It is helps existing smokers to quit, discourages young people to start, and helps people who have stopped smoking to stay smoke-free.

## Actions

The APHN and APSC write jointly to all members with a letter and kit encouraging members to become involved in the campaign.

The kit will comprise an action plan, fact sheet, draft letter and links to further resources.

We ask them to work with existing country tobacco control alliances and, where appropriate, work together on a tobacco tax campaign.

A phased increase is recommended so that the price increases steadily over a period of years. For example, Australia has announced a 12.5% increase in excise every year over a four year period.

The call for a substantial increase in tobacco taxation should be accompanied by a call for some of the additional funds raised to be allocated to health services, particularly greater investment in tobacco control public education campaigns and programs.

# ACTION PLAN FOR NATIONAL HEART FOUNDATIONS AND CARDIAC SOCIETIES

- 1. Check your country profile on the <u>WHO 'Tobacco Control Global Profiles'</u> website to check progress on tobacco taxation. There will be an indicator that shows what proportion of the price of the most popular cigarette brand consists of tax. World best practice is approaching 80%.
- 2. Check with your government (Health Department or Finance Department/Treasury) to get latest information on tax policies and proposals.
- 3. Contact your national tobacco control NGOs to outline your enthusiasm for getting involved in a tobacco tax campaign and align strategies ie joint letter/submission.
- 4. Prepare and send letter to key players and decision-makers eg finance minister, health minister, Treasury/Finance Department officials, health department officials.
- 5. Arrange a meeting with key players eg finance minister, health minister, Treasury/Finance Department officials, health department officials.
- 6. Prepare media release and/or letter-to-the-editor to the media.
- 7. Monitor and report progress to APHN/APSC.

# Background

The Asia-Pacific Heart Charter – jointly endorsed by the APHN and APSC – calls for all governments in the region to place a high priority on prevention, noting that people who quit smoking can significantly reduce their risk of heart attack and stroke.

Asia has the highest number of tobacco users and is the prime target of multi-national global tobacco companies. As Dr Judith Mackay has argued, the future of global tobacco control rests in this region and the challenges are clear. China, India, and Indonesia are key markets.

The Western Pacific region, comprising Asia and the South Pacific, has the world's highest tobacco use rates, with two-thirds of all men using tobacco.

One in three cigarettes smoked are smoked in this region. All up, 3.6 trillion cigarettes are smoked in Asia each year.

Tobacco use is the single largest preventable cause of disease and premature death, causing heart disease, stroke and chronic lung disease and several cancers.

Unless greater efforts are made to control tobacco use, death rates caused by consuming tobacco will surge. There are, for example, an estimated 1.2 million tobacco deaths a year in China, with this projected to grow to 3.5 million deaths a year by 2030.

This will have a devastating impact on the families and economies of all nations, but especially the many low to middle income nations in the region.

Use of tobacco taxation is a key measure outlined in the Framework Convention on Tobacco Control (FCTC), to which nearly all countries in the Asia-Pacific are parties.

Taking action on tobacco tax was also a key recommendation of the APHN/World Heart Federation/Global Smokefree Partnership tobacco control regional workshop, held in Singapore in 2012.

The workshop also established five immediate priorities for the new partnership:

- Ensuring all Asia-Pacific countries are signatories to the World Health Organization's Framework Convention on Tobacco Control.
- Pressing all nations to fully implement the Framework Convention on Tobacco Control.
- Calling for price increases for all tobacco products, through taxation policies, with the revenue to be used to help fund tobacco control programs.
- Calling for greater investment in public education campaigns and programs of the dangers of tobacco use and its impact on health.
- Calling for 100% smoke-free public places.

This tobacco tax campaign covers two of these five priorities.

## **Tobacco in the Asia-Pacific Region**

Source: OECD Health At A Glance, Asia-Pacific 2012

Tobacco smoking is a common risk factor for a large number of diseases that cause illness and death, including lung and other cancers, COPD and cardiovascular disease.

The global tobacco epidemic is directly responsible for around 12% of adult deaths worldwide, or some 5 million deaths each year, many of which occur in low- and middle-income countries (WHO, 2011h and 2012d).

In the Asia-Pacific region, about 6,000 people die prematurely from tobacco-related diseases every day, or 2.3 million deaths per year.

The economic and social costs are high, with families deprived of breadwinners, large public health costs for treatment, and lower workforce productivity.

The proportion of daily smokers varies greatly among countries.

In 2009, rates among men were highest in Papua New Guinea and Indonesia, at over 50%, and many more countries had male daily smoking rates over 40%. Rates among specific age groups may be even higher; in China, the smoking rate among men aged 45-64 years rises to 63%.

In Fiji, Australia and New Zealand however, less than 20% of adult males smoked daily. The regional average for men, at 36%, was significantly higher than the 27% of males who smoked daily in OECD countries.

There are large male-female disparities in the Asia-Pacific region, with only 5% of women reporting smoking daily in 2009. Rates were highest in Papua New Guinea (27%), and Nepal (25%) - where it is a common practice among rural women - as well as in the developed countries of New Zealand (17%) and Australia (14%).

Around one-third of the world's smokers live in China.

Increasing tobacco prices through higher taxes is an effective intervention to reduce tobacco use, by discouraging youth from beginning cigarette smoking and encouraging smokers to quit.

Higher taxes also assist in generating additional government revenue. However, only a few countries in the region (New Zealand, Sri Lanka) are close to having total taxes that constitute 75% or more of the tobacco retail price.

#### Tobacco and chronic disease

Tobacco use is one of the main risk factors for a number of chronic diseases, including cancer, lung diseases, and cardiovascular diseases.

One study has suggested that up to 30% of some cardiovascular mortalities in the Western Pacific and South-East Asian regions can be attributed to smoking.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> *Tobacco Control* 2006;15:181-188 doi:10.1136/tc.2005.013284, The fraction of ischaemic heart disease and stroke attributable to smoking in the WHO Western Pacific and South-East Asian regions; A Martiniuk, C Lee, T Lam, R Huxley, I Suh, K Jamrozik, D Gu, M Woodward, for the Asia Pacific Cohort Studies Collaboration

In the Western Pacific Region it is estimated that two people die every minute from tobacco-related disease, and half of all women and children are regularly exposed to secondhand smoke at home and in public places. The most common type of tobacco product used is manufactured cigarettes, but tobacco is also chewed, sucked or snuffed. Tobacco tax as a percentage of retail price is still relatively low in many parts of the region.

#### Key facts

- Tobacco kills at least half of its users.
- Tobacco kills nearly 6 million people each year. More than five million of those deaths are the result of direct tobacco use while more than 600,000 are the result of non-smokers being exposed to second-hand smoke.
- Unless urgent action is taken, the annual death toll could rise to more than eight million by 2030.
- Nearly 80% of the world's one billion smokers live in low and middle-income countries.
- Consumption of tobacco products is increasing globally, though it is decreasing in some highincome and upper middle-income countries.

Because there is a lag of several years between when people start using tobacco and when their health suffers, the epidemic of tobacco-related disease and death has just begun.

Tobacco caused 100 million deaths in the 20th century. If current trends continue, it may cause one billion deaths in the 21st century. Unchecked, tobacco-related deaths will increase to more than eight million per year by 2030. More than 80% of those deaths will be in low- and middle-income countries.

### Taxes discourage tobacco use

Tobacco taxes are the most cost-effective way to reduce tobacco use, especially among young people and poor people.

A tax increase that increases tobacco prices by 10% decreases tobacco consumption by about 4% in high-income countries and by up to 8% in low and middle-income countries. Even so, high tobacco taxes is a measure that is rarely used. Only 32 countries, less than 8% of the world's population, have tobacco tax rates greater than 75% of the retail price. Tobacco tax revenues are on average 175 times higher than spending on tobacco control, based on available data.

Increased tobacco excise reduces consumption of harmful substances while providing new revenue to invest in public health.

The World Bank has said tax increases on tobacco products are the single most effective means available to governments to reduce death and disease caused by smoking. A detailed analysis of changes in smoking prevalence in Australia in the 15 years since 1990 shows that price increases were by far the most important factor driving reductions in smoking across the whole population over that period.

Price increases reduce both the numbers of people smoking and the amount smoked by remaining smokers, with greater decreases observed among young people and people on lower incomes.

Moreover, increased tobacco excise would also generate substantial revenue for government – more than enough to provide effective tobacco control support services and offset declines in excise from relatively fewer people purchasing tobacco products. Tobacco taxes are favoured by governments because they are relatively popular with voters and because of their low administrative costs relative to the income they generate.

A variety of taxes are applied to cigarettes and other tobacco products internationally. Virtually all countries apply excise duty specified as an amount payable per *x* number of cigarette sticks. A small number of countries charge excise payable per *x* grams of tobacco weight.

Many countries also apply one or more forms of *ad valorem* taxes, that is, taxes based on the monetary value of products. These include taxes added to the wholesale value of product sold and sales tax or goods and service tax applied as a percentage to the (pre-GST) retail price.

#### Figure 1: Taxes as a percentage of average prices in Australia and comparable Englishspeaking and European countries, 2012



Source: World Health Organisation, *WHO Report on the Global Tobacco Epidemic, 2013: Enforcing Bans on Tobacco Advertising, Promotion and Sponsorship,* 2013. (Table 9.2.0 Appendix IX. Tobacco taxes and prices. Available from: <u>http://www.who.int/tobacco/global\_report/2013/en/index.html</u>.

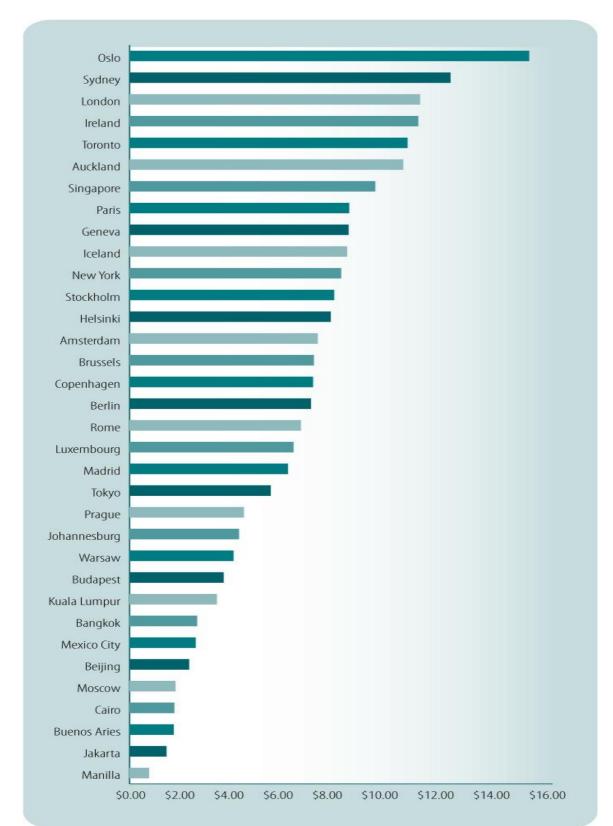


Figure 2: Prices of cigarettes sold in selected cities around the world, 2010: typical local brand, 20s, as sold in supermarkets

Source: 'Tobacco in Australia: Facts & Issues', 13.3 The price of tobacco products in Australia', Available from <u>http://www.tobaccoinaustralia.org.au</u> /<u>13-3-the-price-of-tobacco-products-in-australia#x38.</u>

# WHO Framework Convention on Tobacco Control

#### Article 6: Price and tax measures to reduce the demand for tobacco

- The Parties recognise that price and tax measures are an effective and important means of reducing tobacco consumption by various segments of the population, in particular young persons.
- Without prejudice to the sovereign right of the Parties to determine and establish their taxation policies, each Party should take account of its national health objectives concerning tobacco control and adopt or maintain, as appropriate, measures which may include:
  - o implementing tax policies and, where appropriate, price policies, on tobacco products so as to contribute to the health objectives aimed at reducing tobacco consumption; and
  - o prohibiting or restricting, as appropriate, sales to and/or importations by international travellers of tax- and duty-free tobacco products.
- The Parties shall provide rates of taxation for tobacco products and trends in tobacco consumption in their periodic reports to the Conference of the Parties, in accordance with Article 21.

# Tobacco tax – global progress

WHO has detailed information on the tobacco control measures taken in all member nations, including the Asia-Pacific Region.

For WHO Tobacco Control Global Profiles, see: <u>http://www.who.int/tobacco/surveillance/policy/country\_profile/en/</u>

It also contains a breakdown of how each country has performed on tobacco taxation for the most popular brand of cigarette.

This information can be used in the letter to your government, though it would be wise to check with the health department of Treasury for any updates on the data.

Data is presented as the percentage of the price that is total taxes.

The overall aim is to decrease the affordability of tobacco. A key way to achieve this is for tax increases to push the price up.

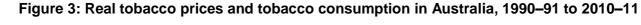
World's best practice has tax amounting to 80% of the price of tobacco products (specifically, cigarettes). Only a few countries approach this (Ireland, Denmark, Spain). Most are well behind.

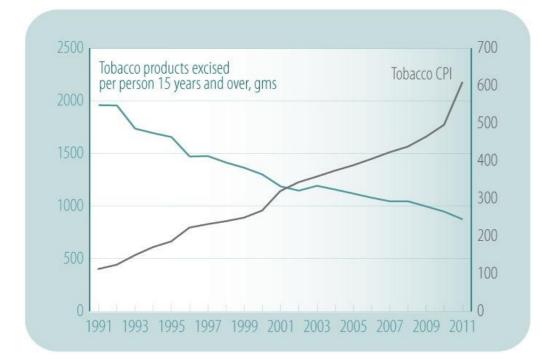
## Example: Tobacco tax in Australia

In Australia, tax was increased by 25% in April 2010. A Treasury evaluation has shown that the increase resulted in an 11% decline in consumption. Many smokers and recent ex-smokers report that high prices of tobacco products are a key factor motivating their attempts to quit or cut down smoking.

Data from the Australian National Drug Strategy Household Survey shows high levels of agreement that price was an important factor in 2001 shortly after the 1999–2001 reforms in tobacco taxation.

Levels fell in the subsequent surveys and then increased again following the large increase in excise and customs duty in April 2010.





Source: 'Tobacco in Australia: Facts & Issues, 13.5 Impact of price increases on tobacco consumption in Australia', Available from <u>http://www.tobaccoinaustralia.org.au</u> /<u>13-5-impact-of-price-increases-on-tobacco-consumpt</u>

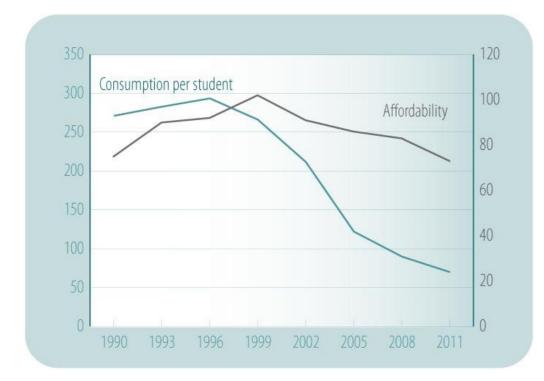
Analysis of prices and reported consumption following the reform of tobacco taxes between 1999 and 2001 also shows evidence of reduced tobacco consumption corresponding with significant declines in the affordability of cigarettes and other tobacco products, both among adults and among children.

Affordability is calculated by dividing the average amount of pocket money reported among students aged 15 years by the cost per stick of the leading brand of cigarettes among the same group.

The reported number of cigarettes smoked per secondary school student in Australia increased between 1990 and 1996 in line with increases in affordability. It dropped between 1996 and 1999 despite a small increase in affordability. (The hard-hitting National Tobacco Campaign was most prominent between May 1997 and December 1998.)

It then dropped even more dramatically between 1999 and 2005 in line with a further big drop in affordability following the reforms to Australia's tax system between 1991 and 2001.

# Figure 4: Reported consumption per secondary school student in Australia per year vs affordability, 1990–2011



Source: 'Tobacco in Australia: Facts & Issues, 13.5 Impact of price increases on tobacco consumption in Australia', Available from <u>http://www.tobaccoinaustralia.org.au</u> /<u>13-5-impact-of-price-increases-on-tobacco-consumpt</u>

Apparent consumption of tobacco products has been shown in many countries to be negatively associated with the price or affordability of tobacco products. There has been a clear pattern of declines in sales of cigarette products in the US when prices increase but also a clear pattern of increases in sales when prices decline in real terms.

A similar pattern is evident in South Africa.

Australia has had strong tobacco-control measures in place for several decades and there have been no periods over that time when tobacco consumption has increased. Nevertheless, in line with the findings of price elasticity studies in numerous other countries, substantial real increases in the price of tobacco products in Australia have been followed by larger-than-usual declines in apparent and reported tobacco consumption.

During the period when there were many increases in state franchise fees on tobacco and following the largest increases in excise and customs duty on tobacco products in 1999 and 2010, the prevalence of smoking in Australia also declined substantially.

### Impact on illicit trade

Tobacco companies argue that increasing tax encourages illicit trade in tobacco products.

Quantifying the extent of use of illicit tobacco products is extremely difficult and all current estimates of the size of the illicit market should be regarded with caution. The major tobacco companies appear to be exploiting fears about the potential loss of revenue and alleged involvement of criminal

organisations to discourage governments in many countries from adopting measures likely to significantly reduce consumption of tobacco products.

Most industry-sponsored estimates of the extent of illicit trade appear to be highly exaggerated. For example, tobacco industry estimates put the illicit market in Australia at about 13% of the legal market, but estimates based on data from the National Drug Strategy Household Survey would suggest that it is more like 2–3% of the total market.

## FCTC (draft) protocol to eliminate illicit trade in tobacco products

The reduction of illicit trade is an important element of the WHO Framework Convention on Tobacco Control (FCTC) which came into force on the 27 February 2005.

Article 15 of the FCTC obliges ratifying countries to:

2. ... adopt and implement effective legislative, executive, administrative or other measures to ensure that all unit packets and packages of tobacco products and any outside packaging of such products are marked to assist Parties in determining the origin of tobacco products, and in accordance with national law and relevant bilateral or multilateral agreements, assist Parties in determining the point of diversion and monitor, document and control the movement of tobacco products and their legal status.

Article 15 goes on to state:

'In addition, each Party shall:

(a) require that unit packets and packages of tobacco products for retail and wholesale use that are sold on its domestic market carry the statement: 'Sales only allowed in (insert name of the country, subnational, regional or federal unit)' or carry any other effective marking indicating the final destination or which would assist authorities in determining whether the product is legally for sale on the domestic market; and

(b) consider as appropriate, developing a practical tracking and tracing regime that would further secure the distribution system and assist in the investigation of illicit trade.

3. Each Party shall require that the packaging information or marking specified in paragraph 2 of this Article shall be presented in legible form and/or appear in its principal language or languages.

4. With a view to eliminating illicit trade in tobacco products, each Party shall:

(a) monitor and collect data on cross-border trade in tobacco products, including illicit trade, and exchange information among customs, tax and other authorities, as appropriate, and in accordance with national law and relevant applicable bilateral or multilateral agreements;

(b) enact or strengthen legislation, with appropriate penalties and remedies, against illicit trade in tobacco products, including counterfeit and contraband cigarettes;

(c) take appropriate steps to ensure that all confiscated manufacturing equipment, counterfeit and contraband cigarettes and other tobacco products are destroyed, using environmentallyfriendly methods where feasible, or disposed of in accordance with national law; (d) adopt and implement measures to monitor, document and control the storage and distribution of tobacco products held or moving under suspension of taxes or duties within its jurisdiction; and

(e) adopt measures as appropriate to enable the confiscation of proceeds derived from the illicit trade in tobacco products'.

At its second session in July 2007, the FCTC parties decided to establish an Intergovernmental Negotiating Body (INB) to draft and negotiate a protocol on illicit trade in tobacco products. The protocol would build upon and complement the provisions of Article 15 of the WHO FCTC.

#### Draft protocol on illicit trade

The draft protocol to eliminate illicit trade in tobacco products outlines obligations under the following core areas:

- Part III: Supply Chain Control. Provisions to control the supply chain of tobacco, tobacco products and manufacturing equipment
- Part IV: Offences. Requires Parties to make unlawful under domestic law certain conduct.
- Part V: International Cooperation. Provisions that provide for international co-operation, including sharing information regarding illicit trade, sharing enforcement information, cooperating with training and technical assistance matters, and law enforcement cooperation.
- Part VI: Reporting. Provisions that provide for reporting under the Protocol through the WHO FCTC reporting instrument.
- Part VII: Institutional Arrangements and Financial Resources.

# DRAFT LETTER

Dear,

We are seeking your support to raise tobacco price and taxes in *<u>name of country</u>*.

The Western Pacific region has the world's highest rate of tobacco use, with two-thirds of all men using tobacco. One-in-three of the world's cigarettes are smoked in this regional and 3.6 trillion cigarettes are smoked in Asia each year.

In <u>name of country</u>, <u>XX</u> percent of the population are current smokers [Check <u>the Tobacco Atlas</u> or <u>Global Tobacco Control Report</u> for details].

Tobacco use is the single largest preventable cause of disease and premature death, causing heart disease, stroke, chronic lung disease and several cancers.

Tobacco caused 100 million deaths in the 20<sup>th</sup> century. If current trends continue, it may cause one billion deaths in the 21<sup>st</sup> century.

Tobacco taxation is a key measure recommended in the World Health Organization's 'Framework Convention on Tobacco Control', which *<u>name of country</u>* has signed.

The World Bank has said tax increases on tobacco products are the single most effective means available to governments to reduce death and disease caused by smoking.

A tax increase that raises tobacco prices by 10% decreases tobacco consumption by about 4% in high-income countries and by up to 8% on low and middle-income countries.

We believe there should be a substantial, phased increase in tobacco tax to bring <u>name of country</u> into line with world's best practice.

Additional funds raised should be invested in preventive health programs, including tobacco control public education campaigns.

Unless greater efforts are made to control tobacco use, death rates caused by consuming tobacco will surge. This will have a devastating impact on the families and economies in our region, including *name of country*.

We look forward to working with you to implement this important public health policy.

Yours sincerely,

# DRAFT MEDIA RELEASE

#### Headlines

- 'Health group launch campaign for tobacco tax increase'
- 'Tobacco tax rise needed to save lives and health costs, says health group'
- 'A healthy tax to help smokers quit'
- 'A healthy tax to save lives'
- 'Tax rise needed to help smokers quit, says health group'

#### Quotes

- "Tobacco tax rises are good for health and the economy. They are recommended by the World Health Organization and World Bank."
- "Increasing the cost of tobacco is one of the most effective public health interventions available to any government. It should be taken up by our government."
- "Tobacco taxes help smokers to quit, discourages young people to start and helps people who have stopped smoking to stay smoke-free."
- "Tobacco is our biggest killer. A tax rise is needed to save lives and health costs."
- "Tobacco use is the single largest preventable cause of disease and premature death. We urgently need higher tobacco taxes to stop this."
- "Tobacco has a devastating impact on thousands of families and economies in our region."
- "Tax increases reduce tobacco consumption. It's time our government took action to prevent unnecessary deaths from tobacco use."

#### **Key statistics**

- The Western Pacific region has the world's highest rate of tobacco use, with two-thirds of all men using tobacco. One-in-three of the world's cigarettes are smoked in this regional and 3.6 trillion cigarettes are smoked in Asia each year.
- Tobacco use is the single largest preventable cause of disease and premature death, causing heart disease, stroke, chronic lung disease and several cancers.
- Tobacco caused 100 million deaths in the 20<sup>th</sup> century. If current trends continue, it may cause one billion deaths in the 21<sup>st</sup> century.
- Tobacco taxation is a key measure recommended in the World Health Organization's 'Framework Convention on Tobacco Control'.
- The World Bank has said tax increases on tobacco products are the single most effective means available to governments to reduce death and disease caused by smoking.
- A tax increase that raises tobacco prices by 10% decreases tobacco consumption by about 4% in high-income countries and by up to 8% on low and middle-income countries.
- Cite smoking prevalence in country of interest.

# **RESOURCES AND FURTHER INFORMATION**

- The Tobacco Atlas: Eriksen M, Mackay J, Ross H. *The Tobacco Atlas*. Fourth Ed. Atlanta, GA: <u>American Cancer Society; New York, NY: World Lung Foundation; 2012.</u> Also available at <u>tobaccoatlas.org</u>
- WHO Framework Convention on Tobacco Control, available from http://www.who.int/fctc/en/
- WHO 'MPOWER', Measures to assist country-level implementation of effective interventions in the 'Framework Convention on Tobacco Control', available from <a href="http://www.who.int/tobacco/mpower/en/">http://www.who.int/tobacco/mpower/en/</a>
- WHO 'Tobacco control economics', available from www.who.int/tobacco/economics/en/
- WHO Tobacco Fact Sheet, available from www.who.int/mediacentre/factsheets/fs339/en/
- WHO Tobacco Tax Simulation Model (TaXSiM). Developed by the World Health Organization to help countries examine the structure and dynamics of their tobacco markets, and to implement better tax policy, available from <a href="http://www.who.int/tobacco/economics/taxsim/en/index.html">http://www.who.int/tobacco/economics/taxsim/en/index.html</a>
- Southeast Asia Initiative on Tobacco Tax (March 2014): Tobacco Tax for Health, A Win-Win For All, available from <a href="http://seatca.org/dmdocuments/SITT%20Y4%20Annual%20Report.pdf">http://seatca.org/dmdocuments/SITT%20Y4%20Annual%20Report.pdf</a>
- The World Bank 'Economics of Tobacco Taxation, Myths and Facts', available from
  <a href="http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTHEALTHNUTRITIONANDPOPULA">http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTHEALTHNUTRITIONANDPOPULA</a>
  <a href="http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTHEALTHNUTRITIONANDPOPULA">http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTHEALTHNUTRITIONANDPOPULA</a>
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  <a href="http://web.worldbank.org/WBSITE/External">http://web.world
- **'Tobacco in Australia: Facts and Issues'**, Fourth Edition, available from <a href="http://www.tobaccoinaustralia.org.au">http://www.tobaccoinaustralia.org.au</a>
- WHO 'Tobacco Control Global Country Profiles', available from <u>http://www.who.int/tobacco/surveillance/policy/country\_profile/en/</u>
- Framework Convention Alliance (Alliance of more than 100 countries and 350 organisations working to implement the World Health Organization's Framework Convention on Tobacco Control), available from <a href="http://www.fctc.org">http://www.fctc.org</a>
- Asian Development Bank, Tobacco Taxes A Win-Win Measure for Fiscal Space and Health November 2012 Executive Summary, available from <a href="http://www.adb.org/publications/tobacco-taxes-win-win-measure-fiscal-space-and-health">http://www.adb.org/publications/tobacco-taxes</a>



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