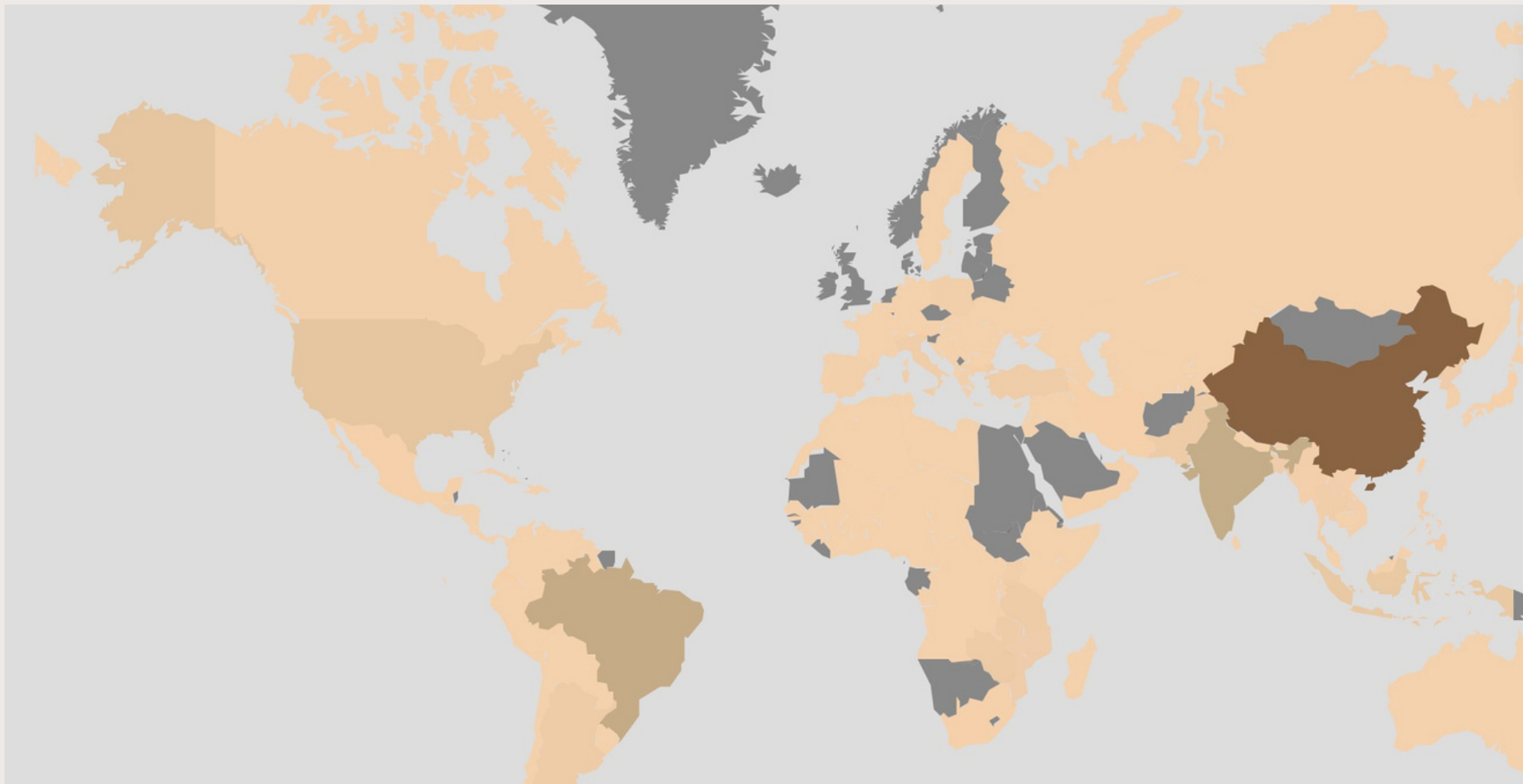


TOBACCO DUTY



Overview of the Tobacco Production













World Tobacco Production

- **Related to the agricultural sector**
- **Direct lobbying**
- **Indirect lobbying**



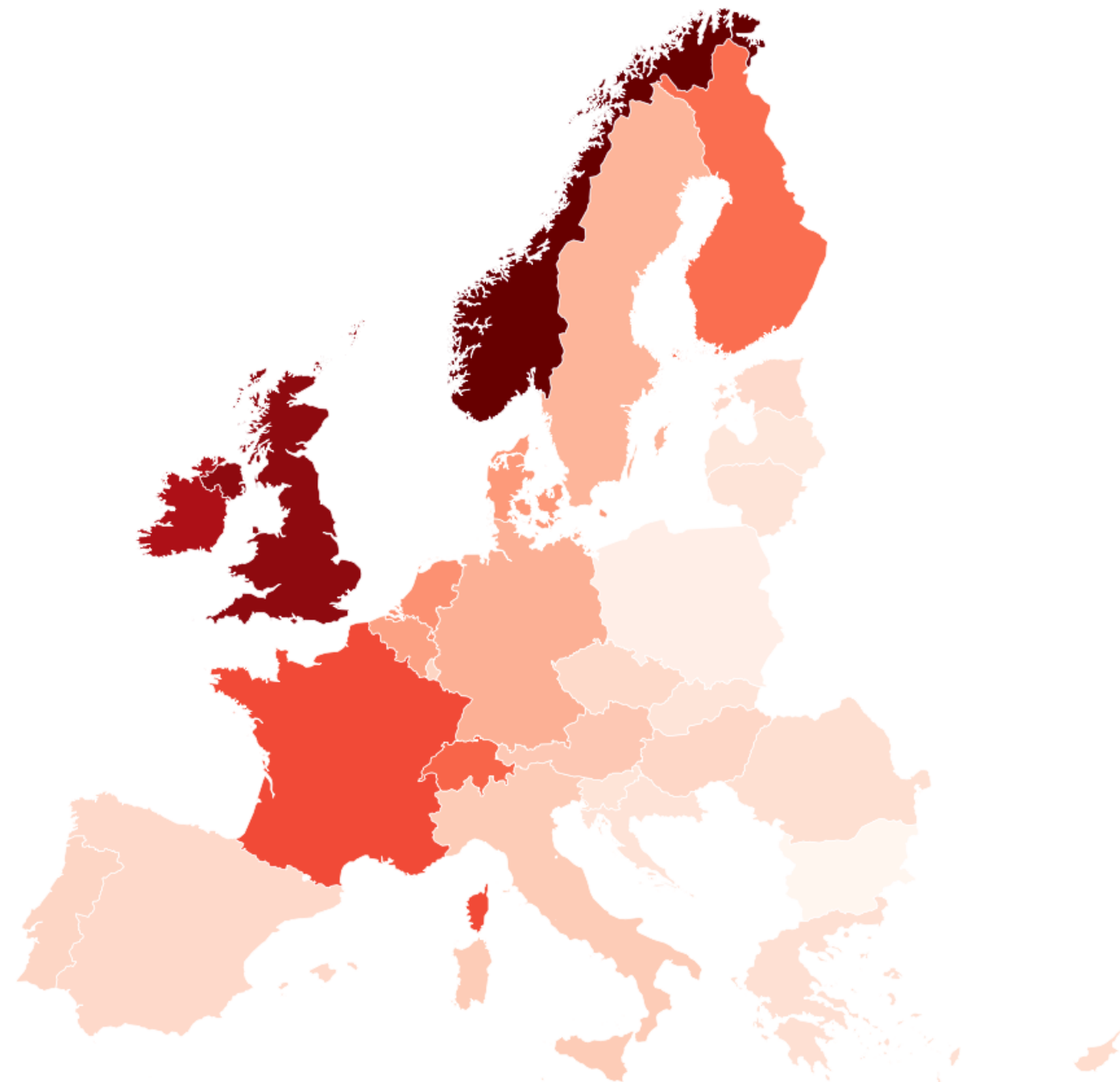
World Tobacco Production by Country

	Country	Production (Tons)	Production per Person (Kg)	Acreage (Hectare)	Yield (Kg / Hectare)
	China	2,242,177	1.609	1,003,746	2,233.8
	Brazil	762,266	3.638	356,477	2,138.3
	India	749,907	0.561	417,754	1,795.1
	United States of America	241,870	0.738	117,940	2,050.8
	Indonesia	181,095	0.683	203,014	892
	Zimbabwe	132,200	8.903	100,809	1,311.4
	Zambia	115,950	6.866	65,660	1,765.9
	Tanzania	107,009	1.974	162,755	657.5
	Pakistan	106,727	0.529	46,331	2,303.6
	Argentina	104,093	2.339	54,728	1,902
	Malawi	95,356	5.318	86,087	1,107.7
	Mozambique	93,659	3.245	79,091	1,184.2

Taxation on the European Countries

Prix moyen d'un paquet de cigarettes en Europe (en euros)

2,77  15,4 €



Sources : [Commission européenne](#), [Gouvernement britannique](#), [Office fédéral suisse de la santé publique](#)

euronews.



France: 85% tax
Belgium: 78% tax
Lux: 69% tax
Europe: 75% tax

ESSCA Land



Capital City : Campus

Population : 631 000

Member of the European Union

Joined NATO in 2004

Producer of tobacco : No

Democracy index : 8,34



1. HOW DOES YOUR TAX WORK IN YOUR COUNTRY ?

 Price

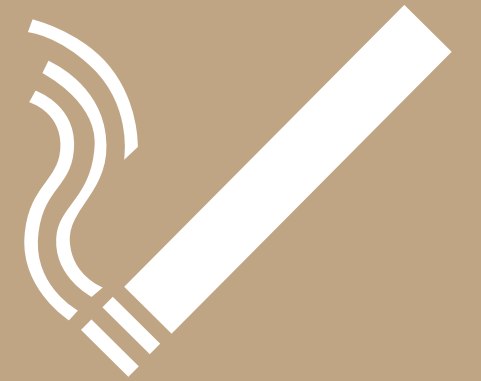
The package is sold at €9

 The actual taxation

70% of the tobacco package
25% goes to the cigarette producers
5% to the tobacconist.

 Policy

We are in a policy that aims to reduce smoking, because today, tobacco harms the health of our citizens



We are therefore thinking of revising our tax in ESSCA Land

3. WHAT IS OUR TAX PROPOSAL ?

The Data

- More than four in ten adults aged 18-75 years reported smoking
- In ESSCA Land, 30 billion cigarettes are sold per year, or 1.5 billion packs

Our tax proposal

- Leave the 5% to the tobacconist
- Decrease 25% to 21% for the producer
- Increase 70% to 74% for the state with 1,88€ more than before on the tax
- Create a medical fund of 2.7 billion euros per year
- Reduce the sale of packets to 1 billion in 5 years

The actual taxation

- Current price of 10 € and 70% tax on the package, 25% to the producer and 5% to the tobacconist



Tobacco Tax in SG

Cigarette tax: **\$0.427** per stick of 1g or below

Tobacco excise duty: **10%** since 2018

Goods & Services Tax (GST): **7%**

Tax revenue from tobacco products: **\$1.476 billion** (as of 2020)



Positive Consequences: People Smoke Less

A Behavioral Economics Perspective on Tobacco Taxation




[Rajeev Cherukupalli](#), MPhil[✉]

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By some estimates, taxes that raise the real price of cigarettes by 10% can reduce consumption between 1.2% and 3.36% in high-income countries and by 4% to 6% in low-income countries, where consumers are more price sensitive.⁴ From a public health perspective, raising taxes has a straightforward logic: it encourages smokers to quit, saving more lives.

Positive Consequences: People Live Longer

Cigarette taxation and neonatal and infant mortality: A longitudinal analysis of 159 countries

Márta K. Radó , Anthony A. Laverty  , Thomas Hone, Kiara Chang, Mohammed Jawad, Christopher Millett, Jasper V. Been, Filippos T. Filippidis

Published: March 16, 2022 • <https://doi.org/10.1371/journal.pgph.0000042>

consumption. We found that a 10 percentage-point increase in total cigarette tax as a percentage of the retail price was associated with a 2.6% (95% Confidence Interval [CI]: 1.9% to 3.2%) decrease in neonatal mortality and a 1.9% (95% CI: 1.3% to 2.6%) decrease in infant mortality globally. Estimates were similar for both excise and ad valorem taxes. We estimated

Negative Consequences: Drives Tobacco Industry/Market Underground

People will buy tobacco illegally, from black markets where the industry is unregulated.

In France for example, it is estimated that 22.6% of cigarettes were not purchased in a tobacco shop, and of this set, 15.7% are contraband or counterfeit cigarettes (France Televisions, 2014).

Counterfeit cigarettes contain on average 3x more cadmium and arsenic, 7x more mercury and 8x more lead (France Televisions, 2014).

Deprives government of state revenue, as people switch to contraband cigarettes, while fuelling criminal operations like international terrorism.*

*Source: The United States Department of State. (2017). *The Global Illicit Trade in Tobacco: A Threat to National Security*. <https://2009-2017.state.gov/documents/organization/250513.pdf>

Negative Consequences: Penalizes the "poor"

Tobacco taxes among other "sin: taxes" are a way to 'punish' the unhealthy lifestyles of poor people

Through this lens, tobacco taxes are seen as a regressive tax - a tax that hits low-income individuals more than high-income individuals.

Low-income people are more price sensitive, leading them to smoke illegal cigarettes, which are even more harmful to their health.