

The impact of health taxes on consumption of tobacco and sugar-sweetened beverages in the Eastern Mediterranean Region

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Consumption of tobacco, nicotine and sugar-sweetened beverages (SSBs) poses a significant risk to public health, contributing to increases in noncommunicable diseases (NCDs) such as cardiovascular disease, diabetes, cancer, and obesity (1,2). Globally, regular consumption of SSBs increases the risk of type 2 diabetes by 26% (3), and deaths related to tobacco and nicotine consumption exceed 8 million annually, including 1.3 million due to exposure to second-hand smoke (4). This loss of lives and the negative impact on health underscore the urgent need for effective public health interventions to curb the consumption of these harmful products.

Current trends in the Eastern Mediterranean Region (EMR) are alarming. Among all WHO regions, EMR has the highest rate of tobacco use (up to 15%) among boys. Concurrently, the region has the highest prevalence of diabetes (11.96%) (5,6). Recent reports predict that the region will not achieve the global target of 30% reduction in tobacco and nicotine use by 2030 and that there may be an increase in tobacco and nicotine use among men in 3 countries of the region (7). The prevalence of diabetes is expected to increase by 2025 (7). These burdens of tobacco, nicotine and SSB use place an enormous strain on healthcare systems and economies, and addressing them requires stronger public health policies.

Health taxation policies target tobacco and SSB products to mitigate the risks they pose to public health (8). Increasing their prices is expected to reduce consumption because price increases make consumers less willing to purchase certain products or to reduce the quantity they purchase. At the same time higher prices will reduce healthcare costs for individuals and public systems, as lower consumption will lead to decreased risks of illness. Higher prices due to higher taxes will expand the country's tax base and generate more revenue for government budgets (9).

For instance, a 10% increase in the prices of tobacco and nicotine products is estimated to reduce consumption by 4% in high-income countries and by 5% in low- and middle-income countries (4). The WHO global report on the use of SSBs taxes shows that a 20% increase in the prices of SSBs can lead to a 20% reduction in consumption (3). Effective taxation and fiscal monitoring can significantly reduce tobacco, nicotine and SSBs consumption, leading to improved public health outcomes (3,9). Studies on investment cases in tobacco control through robust taxation policies have demonstrated high returns on

investment in countries like Egypt, Jordan, Lebanon, Pakistan, and Tunisia (10-14).

Governments often impose various taxes on consumable products, including excise tax, value-added tax, sales tax, and luxury tax (15). Excise tax is particularly effective for achieving health goals when applied to tobacco, nicotine and SSBs because of its resistance to price manipulation, ease of administration and predictable revenue generation (16). WHO recommends that the tax on tobacco and nicotine products should be at least 75% of the retail price, with specific excise taxes making up at least 70% of the total tax (11,17). Article 6 of the WHO Framework Convention on Tobacco Control (FCTC) guidelines recommends that regular tax increases should be implemented to outpace inflation and increases in income and to ensure continued effectiveness of these measures (18). Although similar guidelines do not exist for SSBs, WHO advises high taxes on SSBs to trigger a decrease in the overall sugar intake for adults and children to less than 10% of total energy intake, and a further reduction to below 5% for additional health benefits (19).

As of September 2023, 11 of the 22 EMR countries and territories were applying excise tax on sugar-sweetened carbonated beverages (20). Two of the Gulf Cooperation Council (GCC) countries imposed excise taxes of up to 30% of the retail price on SSBs, while other countries in the sub-region applied lower excise taxes, generally less than 20% (20).

Consumption of tobacco, nicotine and SSBs exacerbate health inequities, disproportionately affecting lower-income populations that have less access to healthcare and are more susceptible to NCDs (21). By reducing affordability, health taxation can promote healthier behaviours and address health inequities (22). For instance, individuals in the lower-income range are more price-sensitive and are more likely to significantly reduce their consumption in response to price increases, thereby gaining the most health benefits (22). The revenue generated for governments from taxes on SSBs and tobacco products can fund public health initiatives, thus further improving health and economic benefits. Such reinvestment can be made on programmes like smoking cessation, new research, nutrition education, and promotion of physical activity, collectively contributing to a healthier population (23).

Taxes on tobacco, nicotine and SSBs are powerful tools that can significantly reduce consumption, mitigate the health risks and promote health equity. Continued implementation and enforcement of tobacco and SSBs taxation policies are essential for health improvements globally and policymakers in the EMR should prioritize such policies for long-term health benefits (8).

This special edition of the Eastern Mediterranean Health Journal aims to contribute to the ongoing dialogue on the importance of comprehensive strategies to address the challenges posed by tobacco, nicotine, and SSBs consumption in the region. We advocate a minimum tax rate of 75%, with a simplified structure

that will adjust for inflation and is applied uniformly to all tobacco and nicotine products (18,24). EMR countries that are already implementing the tobacco products and SSB taxation policy should continue implementation ensuring enforcement and compliance at all levels to make the policy effective. Countries that are yet to begin implementation should prioritize implementation. The WHO Regional Office for the Eastern Mediterranean will continue to provide guidance, information and technical support needed to ensure implementation as part of efforts to improve healthcare and achieve Sustainable Development Goal 3 of Good Health and Well-being in the EMR.

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