

Tobacco tax:

Afghanistan

■ *How does WHO recommend that tobacco is taxed, in general?*¹

To reduce the affordability of tobacco

This reduces consumption of tobacco and improves public health.

Domestic not customs

Customs tax is eroded in trade agreements and thus does not provide long-term revenue.

Excise not general

Excise tax raises the price of the taxed good relative to all other goods, which discourages its consumption.

Specific not ad valorem

Specific tax leads to higher prices and a lower market share of cheap cigarettes. In an ad valorem system, a minimum specific tax should also be implemented to guarantee minimum price and revenue levels.

Uniform not differential

Uniform tax leads to larger reductions in smoking as there is less opportunity to switch between different tiers and types of tobacco products.

Comparable across all tobacco products

Similar levels of taxation across products reduce tobacco consumption, rather than simply leading to shifts in consumption between different tobacco products.

No duty-free allowances

Duty-free sales increase tobacco consumption due to lower prices of products, and reduce tax revenues.

Regularly increased

Regular tax increases in line with gross domestic product (GDP) ensure that the affordability and consumption of tobacco products reduce. Specific excise tax decreases in real value if it is not increased in line with inflation.

With tobacco tax revenue earmarked

Ideally, tobacco tax revenue should be earmarked for particular health spending purposes; for example on tobacco control strategies.

■ *How has tobacco been taxed in Afghanistan?*²

Afghanistan relies on import duty as the sole form of tobacco taxation. Import duties have been set at 10% of cost, insurance and freight (CIF) value for the last 10 years. During this period, tax has accounted for a decreasing share of the retail price of cigarettes.

Cigarettes are cheap in Afghanistan compared to neighbouring countries, and have become even more affordable in recent years.

Dry snuff is produced locally and is therefore completely untaxed. There are no data on how (if at all) other tobacco products are taxed in Afghanistan.

There is no earmarking of tobacco tax revenues for any spending purpose in Afghanistan, and duty-free sales of tobacco are not banned.

■ *What does WHO recommend as the next steps for tobacco tax in Afghanistan?*

To reduce the affordability of tobacco

Cigarettes are very cheap compared to other countries, and have become more affordable in recent years. Snuff is untaxed, so is likely to be very affordable.

Domestic not customs; excise not general; specific not ad valorem; uniform not differential; and comparable across all tobacco products

Afghanistan should consider implementing a uniform specific excise tax on all tobacco products.

No duty-free allowances

No duty-free sales of tobacco products should be allowed, to reduce the affordability and consumption of tobacco products and increase government revenues.

Regularly increased

Without regular tax increases in line with GDP growth and inflation, the affordability of tobacco products will not decrease.

With tobacco tax revenue earmarked

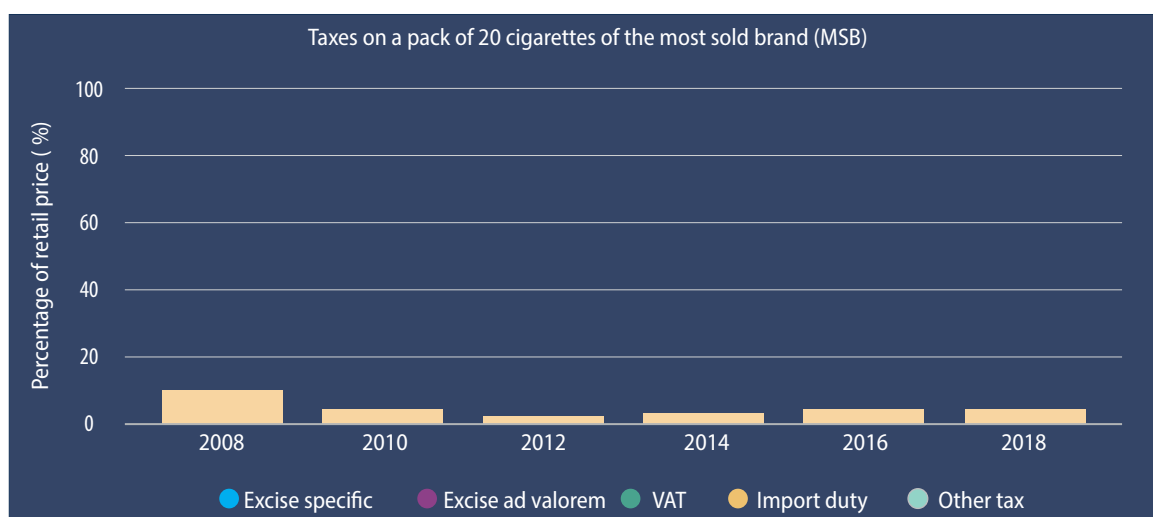
Ideally, some tobacco tax revenue would be earmarked for health spending purposes.



World Health Organization

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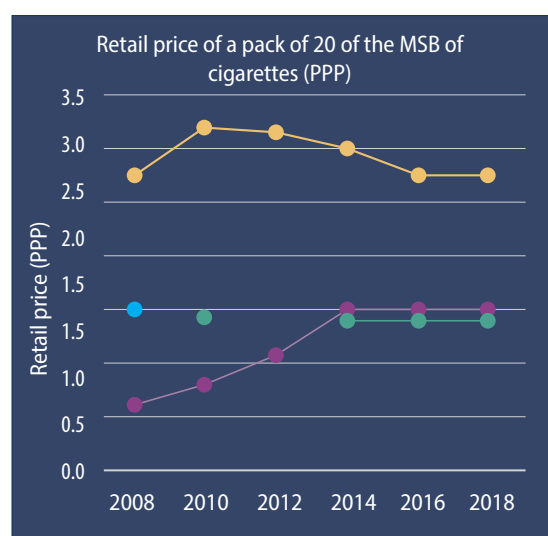
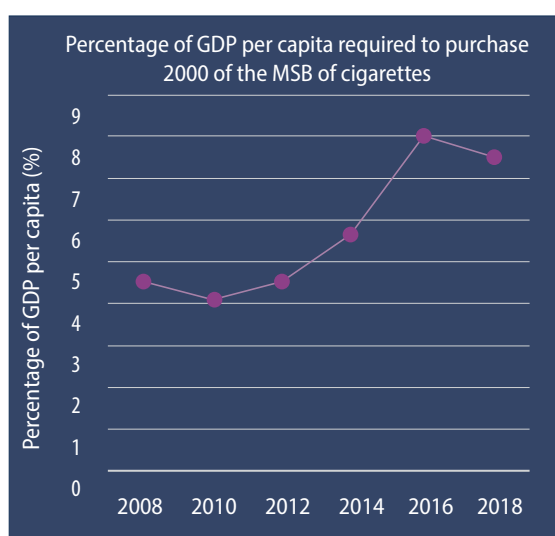
Tobacco tax as percentage of retail price²



Tobacco tax accounts for a very small share of the retail price of cigarettes in Afghanistan, and this share has decreased over the last 10 years.

Price and affordability²

Cigarettes became less affordable in Afghanistan between 2010 and 2016, but have become more affordable since 2016. Cigarettes are cheap in Afghanistan compared to other countries in the Region.



● Afghanistan ● Somalia ● Syrian Arab Republic ● Yemen

PPP: purchasing power parity.

¹ WHO technical manual on tobacco tax administration. Geneva: World Health Organization; 2010.

² WHO's series of reports on the global tobacco epidemic, 2009–2019. Geneva: World Health Organization; 2009–2019.