

Tobacco tax:

Qatar

■ 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 taxes are eroded in trade agreements and thus do 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 Qatar?²

All tobacco is taxed solely with an import duty of 100% in Qatar. The base of the import duty is producer price (cost, insurance and freight (CIF)).

There is also a minimum specific import duty. In 2018, the Ministry of Finance increased the minimum import duty from 100 to 200 Qatari riyals per 1000 cigarettes. Thus, if 100% of CIF levied is lower than 200 per 1000 cigarettes then the minimum import duty is levied.

The minimum import duty on waterpipe tobacco was 6 Qatari riyals per kilogram in 2014; this was increased to 12 Qatari riyals per kilogram in 2016.

The 2016 Gulf Cooperation Council (GCC) agreement to tax tobacco using excise tax has not yet been implemented in Qatar.

There is no earmarking of tobacco tax revenues.

■ What does WHO recommend as the next steps for Qatar?

To reduce the affordability of tobacco

Cigarettes are cheaper in Qatar than in all the other GCC countries, and have become more affordable since 2016. Implementing the GCC excise tax would decrease the affordability of cigarettes and decrease consumption.

Domestic not customs

Qatar's sole reliance on import duty to tax tobacco is at risk of being eroded by trade agreements, which will increase the affordability of tobacco and decrease government revenues.

Excise not general; specific not ad valorem; uniform not differential; and comparable across all tobacco products

It is a priority that Qatar implements the 2016 GCC agreement to tax tobacco using excise tax.

No duty-free allowances

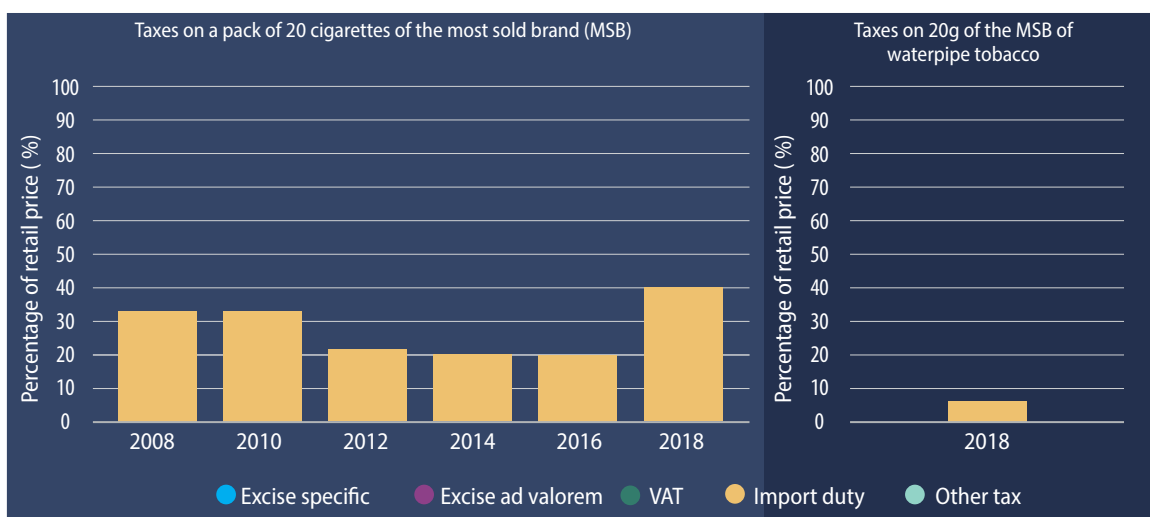
Banning the sale of duty-free tobacco will reduce the affordability and consumption of tobacco, and increase tobacco tax revenues.

With tobacco tax revenue earmarked

Ideally, a share of tobacco revenue should be earmarked for a health spending purpose.



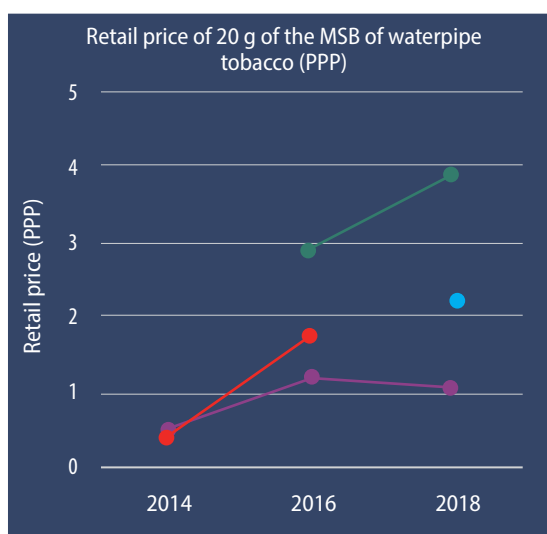
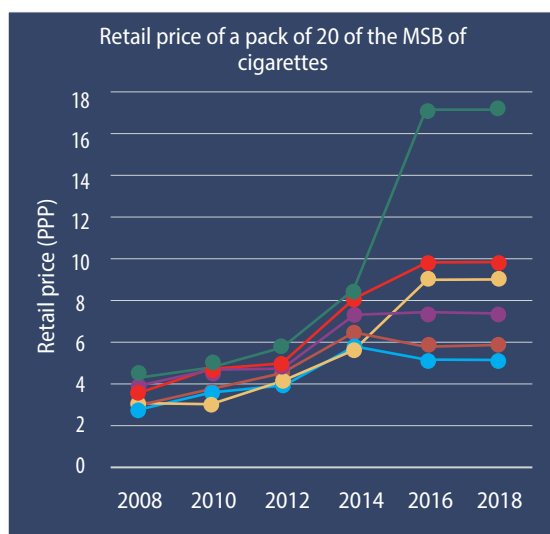
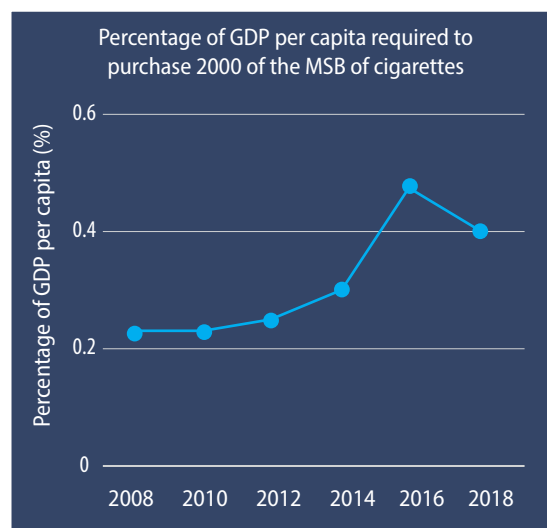
Tobacco tax as percentage of retail price²



Tobacco tax accounts for a low share of the retail price in Qatar. The share of tax of the retail price of cigarettes decreased between 2010 and 2016, but has increased over the last 2 years. Waterpipe tobacco tax is a lower share of the retail price.

Price and affordability²

Cigarettes have become more affordable since 2016, and cigarettes are cheaper in Qatar than in every other GCC country. Waterpipe tobacco is cheaper in Qatar than in Saudi Arabia, but more expensive than in Oman.



● Bahrain ● Kuwait ● Oman ● Qatar ● Saudi Arabia ● United Arab Emirates

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.