

Tobacco tax:

Tunisia



■ 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 overall 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. 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 spending purposes, for example, on other tobacco control strategies.

■ How has tobacco been taxed in Tunisia? ²

Cigarettes are taxed with a specific excise tax of 0.445 Tunisian dinars per 20 sticks, an ad valorem tax of 135% with tax base of "retail price before tax", 18% value added tax (VAT) with a base of "retail price before tax and before retail margin" and with an earmarked tax of 0.58 Tunisian dinars per pack going to an employment fund.

Waterpipe tobacco is also taxed with specific excise tax, ad valorem tax and VAT.

The duty-free sale of cigarettes is banned in Tunisia.

There is earmarking of tobacco tax revenues.

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

To reduce the affordability of tobacco

Cigarettes are cheaper in Tunisia than in Egypt, Morocco and Sudan.

Specific not ad valorem

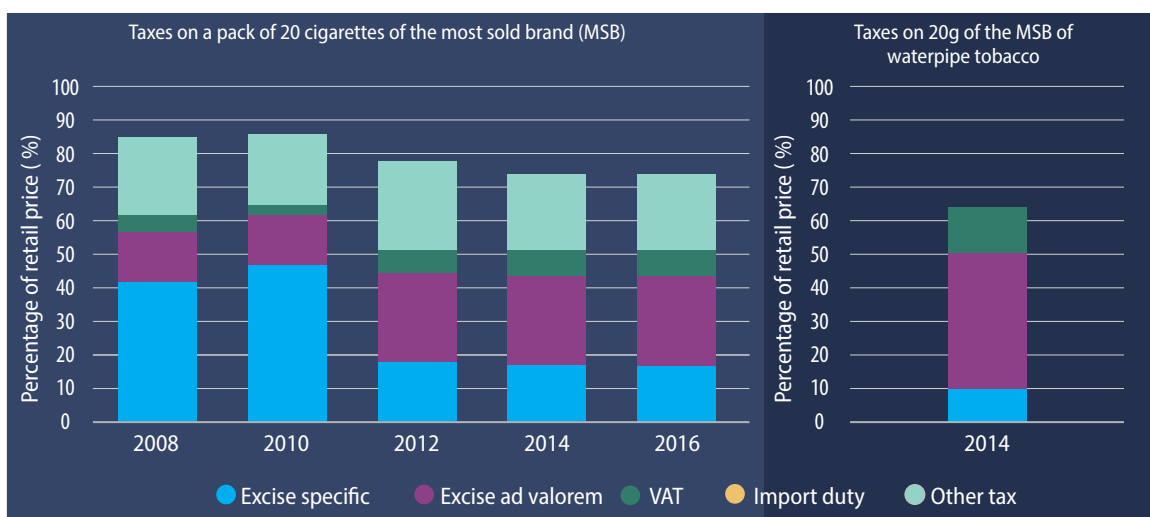
Increasing the specific excise tax and implementing a minimum specific tax on tobacco products would help reduce the affordability and consumption of products.

Regularly increased

Tobacco tax has to be increased regularly in line with inflation and GDP growth to prevent the affordability of tobacco products from increasing.



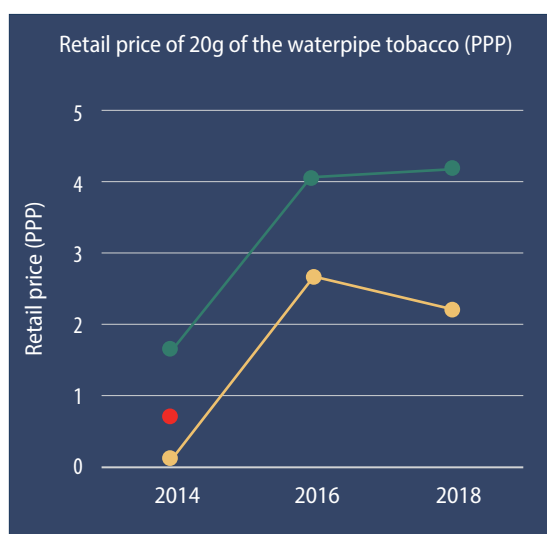
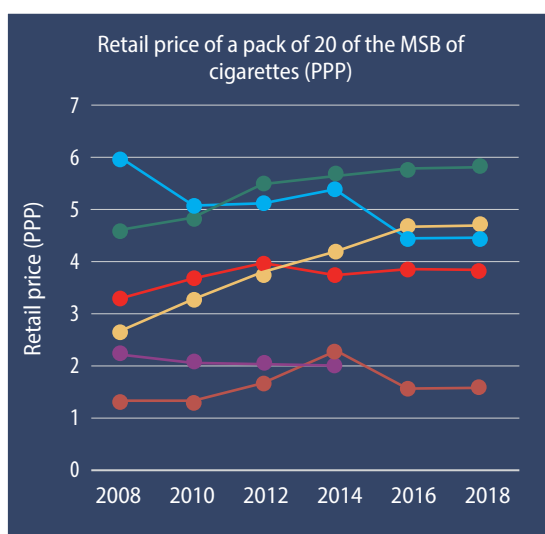
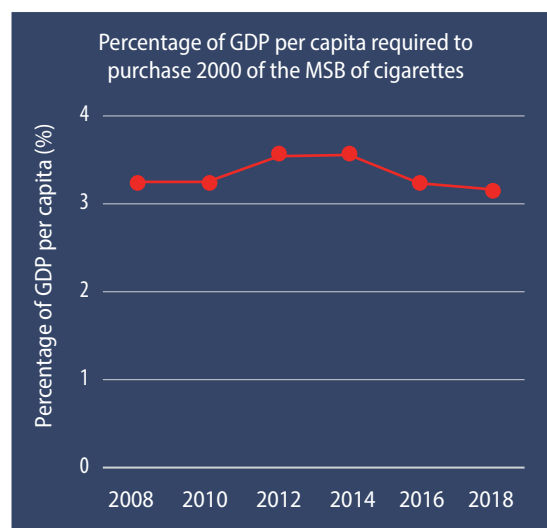
Tobacco tax as percentage of retail price²



Tax accounted for a decreasing share of the retail price of tobacco in Tunisia between 2008 and 2016. Tax accounts for a lower percentage of the retail price of waterpipe tobacco than cigarettes. Waterpipe tobacco is taxed using a similar tax system to cigarettes.

Price and affordability²

Cigarettes have not become less affordable in Tunisia over the last 10 years. Cigarettes are cheaper in Tunisia than in Egypt, Morocco and Sudan. In 2014, waterpipe tobacco was cheap in Tunisia compared to Morocco.



Legend: Djibouti (purple), Egypt (yellow), Morocco (green), Pakistan (red), Sudan (blue), Tunisia (orange)

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.