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The Economics of Tobacco Control in Poland

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Agenda

- Why is Tobacco Control Important?
- Tobacco Use in Poland
- Tobacco Control Policies and Implementation
- Tobacco Tax Structure in Poland
- Conclusions



Global perspective:

- Tobacco use kills approximately 5.2 million people worldwide each year, [WHO& Ministry of Health, 2010, p. 20]
- WHO has estimated that tobacco use is currently responsible for 12% of all deaths in adults, with many of these deaths occurring prematurely.
- About 8 million people will die every year by 2030 from tobacco use.

Global goals:

- 25% reduction in premature mortality from noncommunicable diseases by 2025 (the World Health Assembly, 2013)
- Voluntary global target: reduction by 30% of current tobacco use in persons aged 15+ years by 2025.

Poland's perspective:

- Growing number of cancer diseases in PL (see: graph); tobacco smoking is the leading cause of premature death among adults in Poland
- High cost of treatment of smoking-attributable diseases e.g. in 2004 it was estimated at 18 bn PLN, i.e. 6 bn USD [Ciecierski, Cherukupalli, Weresa, 2011]; the average economic cost of the premature deaths caused by second-hand exposure of smokers and non-smokers to tobacco 5.5 bn PLN in 2008, i.e. 1,5 bn USD in 2008 [Stoklosa, 2009];

Cancer diseases in Poland



Source: estimates based on GUS data.



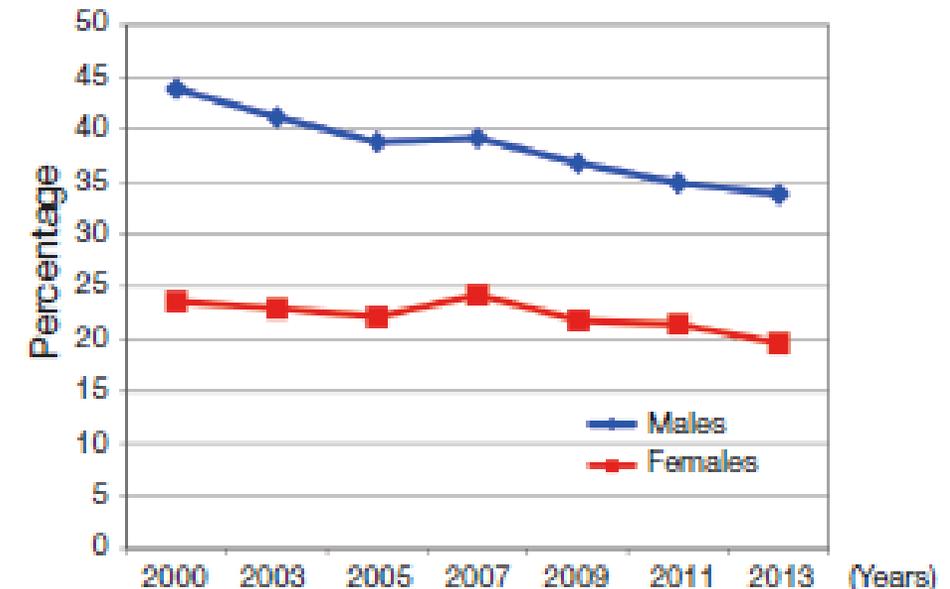
- **The percentage of smokers in Poland has been decreasing**
- **Tobacco-smoking prevalence is lower in females than in males**

The Global Adult Tobacco Survey 2009-2010 estimates:

- 9.8 million smokers in Poland, i.e. 30.3% of adults (36.9% of men; 24.4% of women)

WHO European Region 2017

- Adult tobacco smoking in 2015 : 25% of adults smole (31% of men and 19% of women)



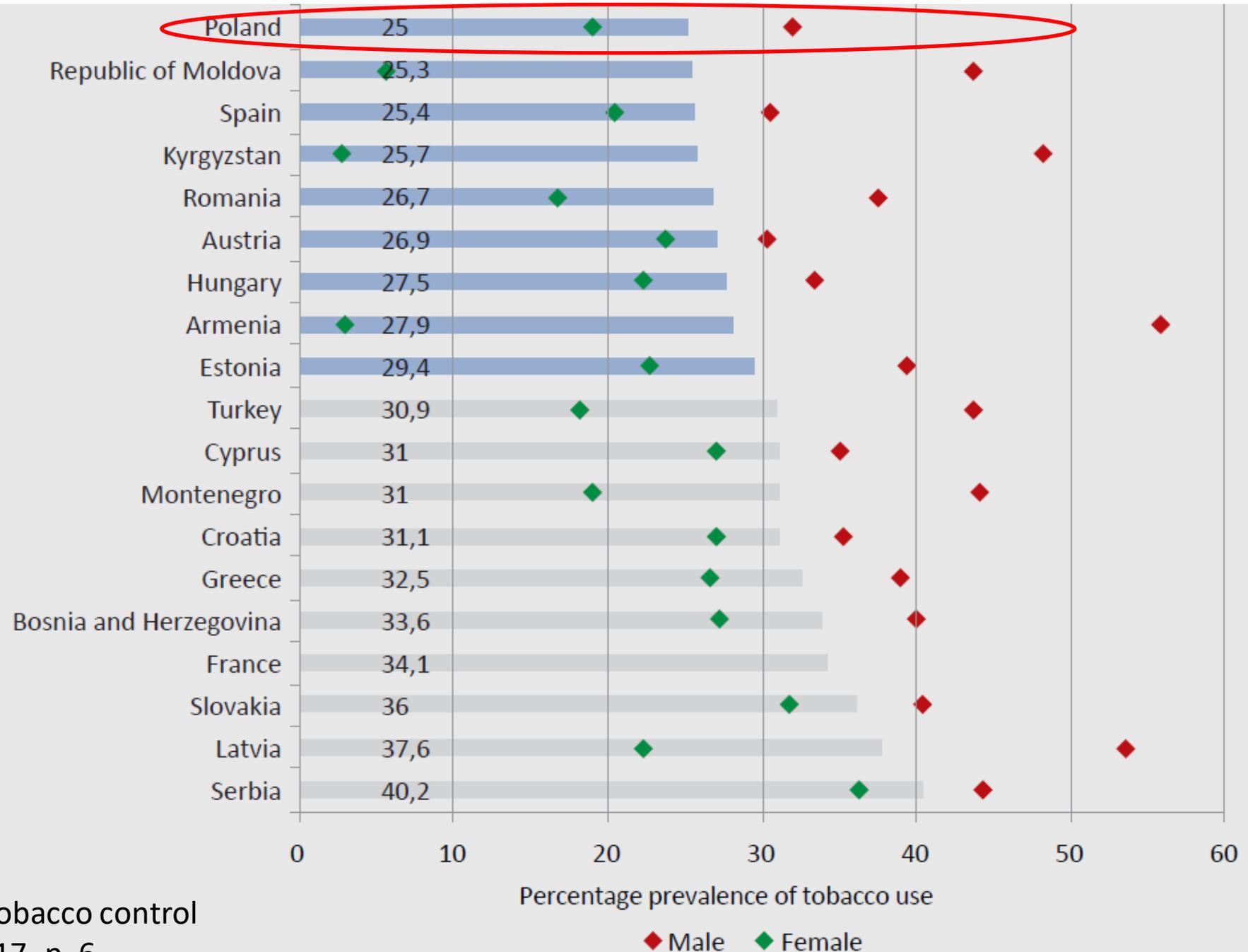
Source: Polish nation-wide survey "Social Diagnosis 2013; cited after: [Jassem, Przewoźniak, Zatoński, 2014, p.283]



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The percentage of smokers in Poland (25%) is lower than in:

- Serbia (40.2%)
- Slovakia (36%),
- Latvia (37.6%),
- Croatia (31.1%),
- Estonia (29.4%),
- Hungary (27.5%),
- Romania (26.7%)



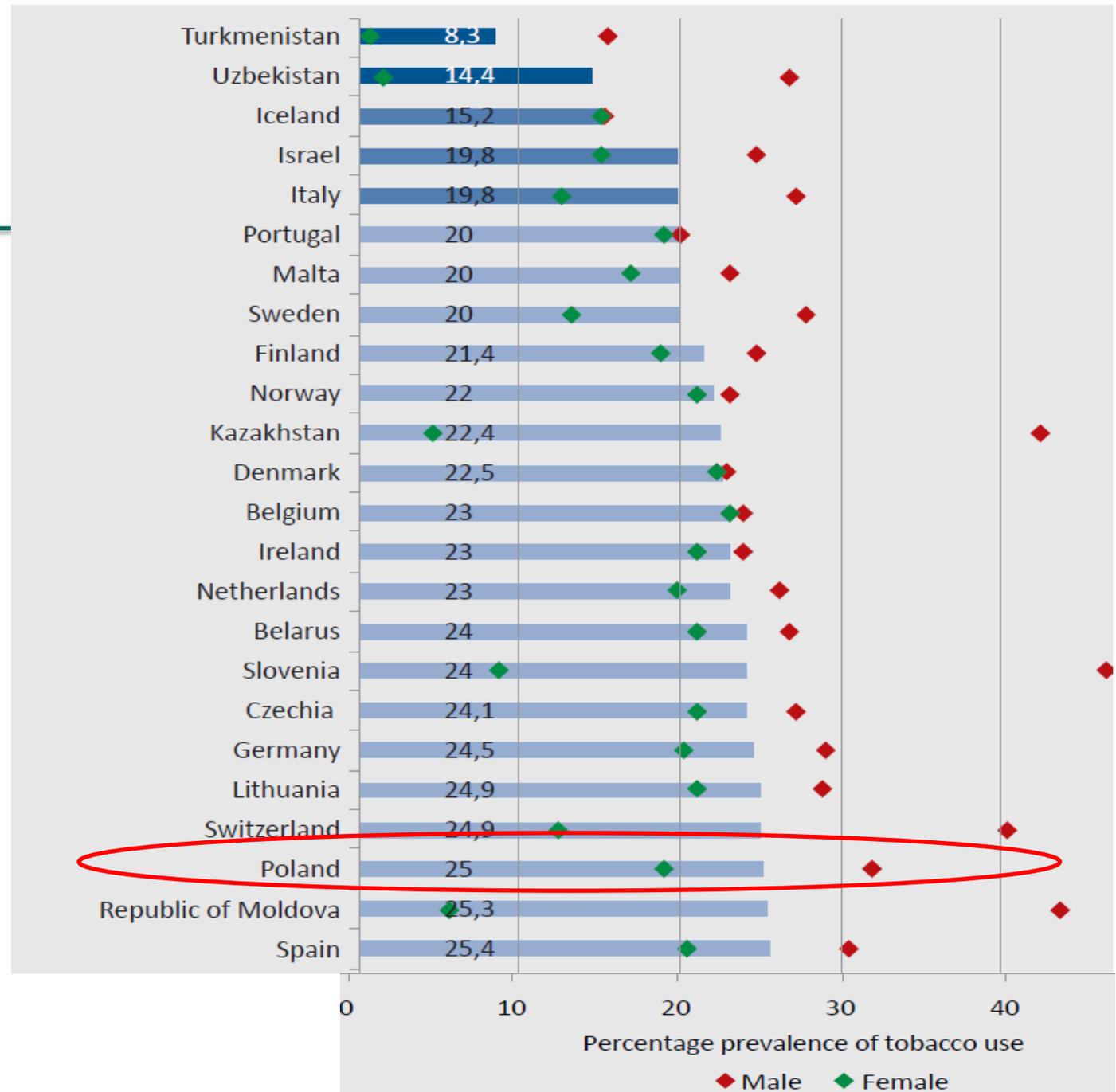
Source: WHO, 2017, Taking stock .Tobacco control in the WHO European Region in 2017, p. 6



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Figure: Adult current tobacco smoking in selected countries

Source: WHO, 2017, Taking stock .Tobacco control in the WHO European Region in 2017, p. 6





Smoking intensity in Poland:

- Daily smokers smoke an average of 17 cigarettes per day (female-15.5 male -18.3)
- More than 50% of smokers smoke daily full pack or more.
- 88% of daily smokers smoke at least half a pack a day (see: Table).
- 18.6% of youth (ages 13-15 years) smoke cigarettes

Demographic characteristics	Average number of cigarettes smoked per day	Distribution of average number of cigarettes smoked per day for daily smokers, GATS, 2009			
		<10	10-19	20-29	30+
	<i>Mean</i>	<i>(percentage of daily smokers)</i>			
Male	18.3	11.4	30.6	46.7	11.3
Female	15.5	12.8	45.4	36.1	5.7
Overall	17.2	12	36.6	42.4	9.1

Source: The Global Adult Tobacco Survey 2009-2010



EU policy:

- DIRECTIVE 2014/40/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 3 April 2014 concerning the manufacture, presentation and sale of tobacco and related products
- Directive 2011/64/EU requires Member States to levy a minimum rate of excise duties on cigarettes
- EU legislation only sets harmonized minimum rates. Member States are free to apply excise duty rates above these minima, according to their own national needs.

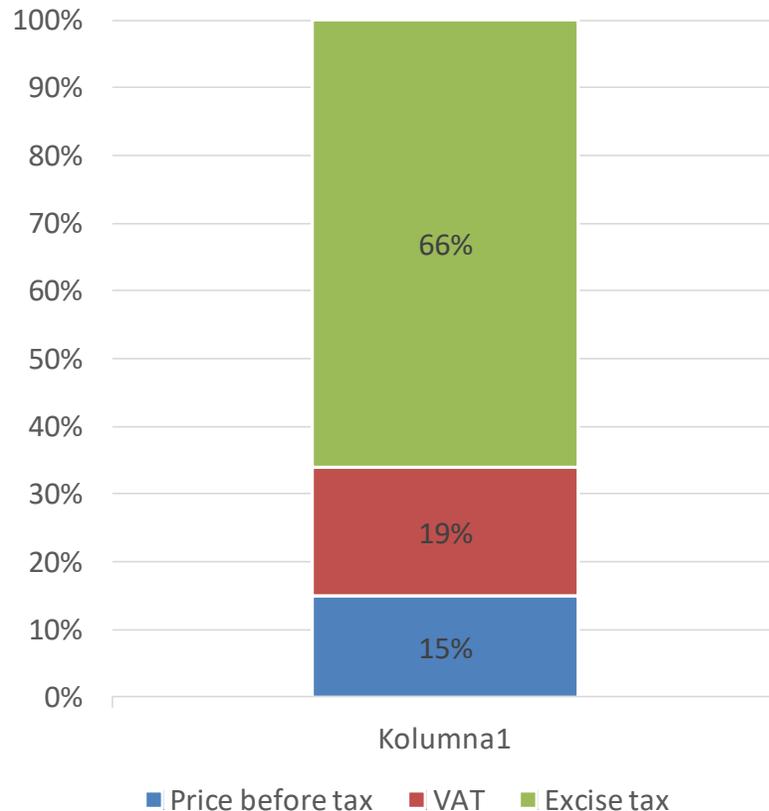
National policy:

- Law on amending the Act on Health Protection against the Consequences of Using Tobacco and Tobacco (Ustawa 9 listopada 1995, z dnia 22 lipca 2016 r. o zmianie ustawy o ochronie zdrowia przed następstwami używania tytoniu i wyrobów tytoniowych)
- Stop Cancer Strategy (Strategia walki z rakiem w Polsce 2015-2024 (<http://www.walkazrakiem.pl/>))

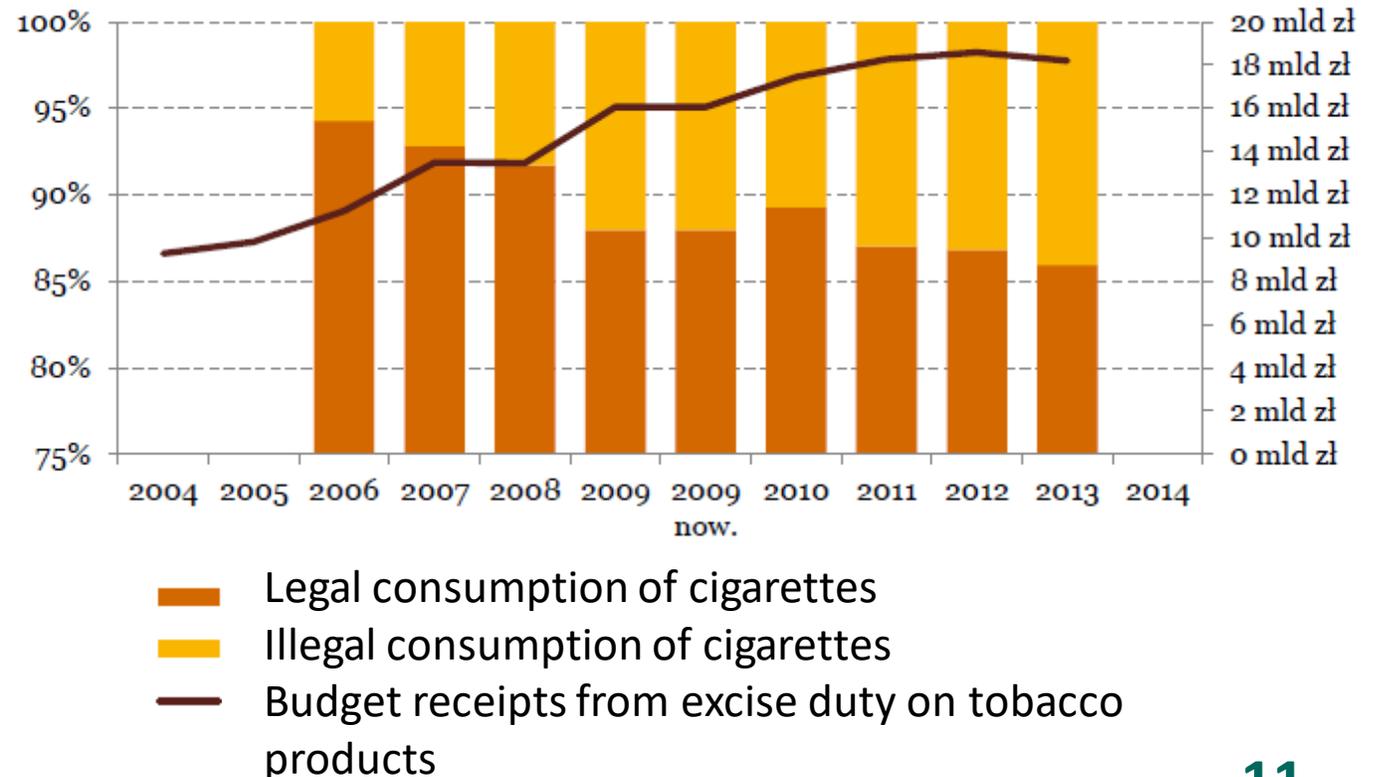


- Since 2008 growing number of public places completely smoke-free (recent change in law implemented in 2017).
- Cessation Programs- a national toll free quit line. Nicotine replacement therapy is sold and some smoking cessation support is available in primary care facilities.
- Warning on cigarette packages about the dangers of tobacco.
- Ban on national TV, radio and print media as well as on some other forms of direct and/or indirect advertising.
- Raising tobacco taxes:
 - total taxes on the most sold brand amounted to 80.16% of weighted average price (WAP);
 - ad valorem excises amounted to 31.41% while VAT amounted to 18.7% of total value of all cigarettes released for consumption

Excise and VAT included in the price of a pack of cigarettes in 2013



The level of illegal consumption of cigarettes and the inflow to the state budget from excise duty on tobacco products





The minimum rate must consist of:

- A specific component of between 7.5% and 76.5% of the total tax burden (TTB) - expressed as a fixed amount per 1000 cigarettes
- An ad valorem component - expressed as a percentage of the maximum retail selling price

In addition, the overall excise rate must be:

- At least EUR 90 per 1000 cigarettes
- At least 60% of the weighted average retail selling price
- Member States that apply excise duty of EUR 115 or more, do not need to comply with the 60% criterion above.



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Tobacco Control Policies and Implementation- Taxes in Poland

Rates of excise duties on cigarettes in Poland in 2010-2018

	2010	2012	2014	2018
Excise duty (% of the retail price)	31.41%	31.41%	31.41%	31.41%
Excise duty (in PLN for 1000 cigarettes)	146.83	170.97	206.69	206.76

In 2018 in Poland taxes are above those required by the EU law:

Minimum excise duty (in EUR for 1000 cigarettes) (Article 8 (6) Directive 2011/64/EU) in Poland = 98.0363

Overall minimum excise duty, i.e. specific +ad valorem (excl. VAT) as % of WAP=61.46%



- Raising awareness of tobacco smoking dangers (education campaign)
- The introduction of large pictorial health warnings on all tobacco packs and information on the harmfulness of toxic substances in cigarettes;
- Ban of tobacco advertisement (including Internet);
- Ban of smoking in all public facilities;



- Effective tobacco control could help to avoid hundreds of premature deaths
- Implementation of tobacco control should be translated into effective reduction in tobacco use and improved health outcomes
- Public education campaigns and a greater commitment of resources are necessary
- Convergence into common standards for the governance and implementation of control and enforcement mechanisms is indispensable



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Thank you for your attention

Questions?

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