

Untapped Resources: Tobacco Taxes and Sustainable Development

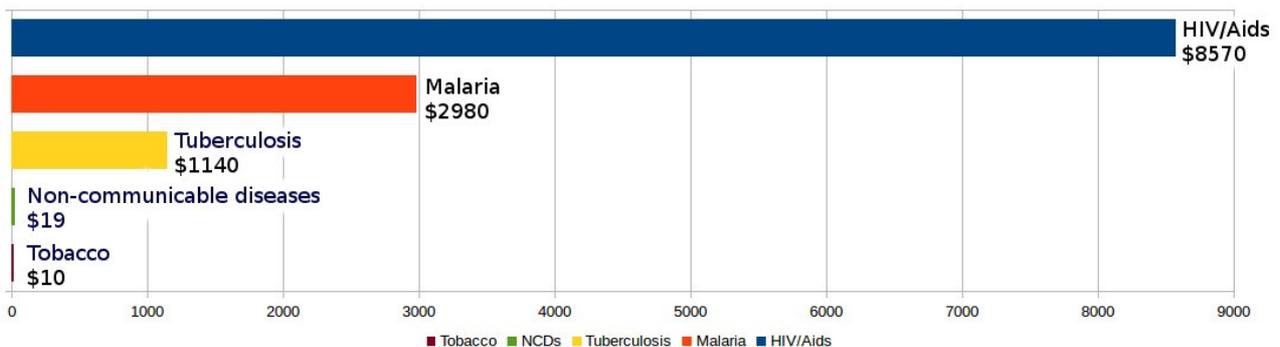
Summary

More than one billion people in the world use tobacco on a regular basis. Each year, six million people die from tobacco related diseases and this number will rise to more than 8 million until the year 2030. Already today, low- and middle-income-countries where 80% of the world's tobacco users live bear the biggest burden. Apart from its severe impact on people's health, tobacco deepens poverty and food insecurity. Thus, promoting sustainable development indeed needs to include tobacco control.

But tobacco control could do more than that. Tobacco taxes can generate financial domestic resources for governments. Currently, tobacco taxes globally amount to 328 billion US dollars. If tobacco taxes were increased by an average of 80%, this would reduce consumption, and still generate another 141 billion US dollars to flow into the treasury. This amount exceeds by far the external development funds for combating NCDs, which remains a chronically underfunded sector with just 534 million US dollars in 2015. Some countries earmark tobacco taxes to fund health programmes, tobacco control, sports and alternatives to tobacco growing. Even without earmarking, tobacco taxes have an indirect impact on poverty eradication: tax raises particularly trigger poorer people to quit smoking. These ex-smokers then can use the saved resources for other purposes and on top of it, their health improves.

Only a fraction - 41 million US dollars - of all official development aid for health (DAH) is channeled to tobacco control. Most of these funds even originate from non-governmental sources. Much more funds go into the fight against HIV/Aids, Malaria and Tuberculosis, as a comparison between DAH in US dollars per death shows.

Development aid for health per death for selected diseases:



Given the high amount of tobacco taxes they receive, high-income countries should invest more to promote tobacco control in low- and middle-income countries. With such support, these countries could enforce tobacco tax reforms and consequently would need less financial support. Additionally, co-operation and knowledge exchange between governments, non-governmental and inter-governmental agencies will help achieve sustainable development.

Global partnership, as promoted in Sustainable Development Goal 17, is essential to the implementation of effective tobacco control measures, including tobacco tax reforms.