

Regarding the Reduction on Tobacco Taxes and the Non-ratification of the Tobacco Agreement: What Will Be the Future of the 25 x 25 Objective?

Sobre la disminución de los impuestos al tabaco y la no ratificación del Convenio antitabaco: cual será el futuro del objetivo 25 x 25?

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Tobacco is the only legal drug that kills many of its users if it is consumed exactly as recommended by manufacturers. (1) It is estimated that due to tobacco smoking more than 6,000,000 people die every year worldwide. Although it increases the risk of death and disability in non-communicable diseases, it also increases it in carriers of communicable diseases.

The main measures that result in reduction of tobacco consumption are tax increase, 100% of smoke-free closed environments, banning advertising, promotion and sponsorship of their products, health warnings on packages and coverage of tobacco addiction treatments. (2) However, only 14% of the world population has access to tobacco cessation treatments, which include advice, telephone lines and pharmacological options. (3, 4) Around 27.6% of people are exposed to second-hand smoke at home, 25% in the work environment and 23.5% in bars and restaurants. With regard to smoking habits, the majority consumes cigarettes, 3.6% consume handmade cigarettes and 0.4% other modalities (pipe, cigars, etc.).

Although in Argentina the prevalence of cigarette consumption has decreased between 2005 and 2013 from 29.7% to 25.1%, this trend seems to have reversed in recent years at the expense of increased consumption by young people. In our country, mortality related to smoking amounts to 40,000 people per year, in addition to the loss of 824,804 years of healthy life. (5-7) Health costs reach 15% of health expenditures, figures well above the amount collected by tobacco taxes. (8)

With the aim of reducing the global burden of smoking, in 2003 the World Health Organization (WHO) unanimously adopted the WHO Framework Convention on Tobacco Control (WHO FCTC) that was ratified in 2015 by 180 countries (Argentina signed it in 2003, but did not ratify it) which covers approximately 87% of the world's population with the purpose of reducing tobacco consumption by 30% in subjects over 15 years of age. The document focuses on regulating tobacco marketing strategies, reducing demand and providing alternative agriculture for tobacco production activities. In 2008, WHO postulates a set of 6 measures to reduce the use of tobacco included in the acronym MPOWER: (9)

- M (*monitoring*): Monitor tobacco use and prevention policies.
- P (*protecting*): Protect the population from tobacco smoke.
- O (*offering*): Offer help for smoking cessation.
- W (*warning*): Warn about the damage caused by tobacco.
- E (*enforcing*): Abolish the promotion of tobacco use.
- R (*rising*): Increase tobacco taxes.

Of all the tools available to reduce tobacco consumption, the last point has proven to be the most effective in order to achieve the objective. Therefore, **the decrease in deaths and illnesses are inversely related to the increase in tobacco taxes.** The WHO cites as an example the Philippines government, which in 2012 managed to raise tobacco taxes despite strong opposition from the tobacco industry, thereby significantly reducing tobacco consumption.

In our country, and according to the Sedronar 2017 statistics, (10) in the population between 12 and 65 years, the substances consumed at least once during their lifetime are alcohol (81%) and tobacco (51.3%), both of legal use. The total population of smokers is estimated at 5,941,488 individuals, which represents 31.3%, of which 35.4% corresponds to men and 27.7% to women, and the difference is statistically significant. It is estimated that 28.6% of that population currently smokes.

The prevalence is higher in men (55.3%) than in women (47.8%), increases with age, and averages 48%, but reaches more than 59% after 50 years of age. The highest rates of tobacco use according to age group are between 25 and 49 years of age with an average rate of 35%.

The mean age of smoking initiation is 16.3±4 years in men and 17±4.8 years in women. At the age of 18, 79% of the population has already smoked.

In 2017, 1,224,315 new smokers (11.5%) joined in, and the male incidence rate (13.6%) is higher than the female rate (9.8%). These new tobacco users are in a smaller proportion adolescents and more than 49% are 35 years of age or older; 65.4% are employed and 21% have tertiary education.

The percentage of individuals who smoked at least once during their lifetime increased from 47.3% in 2010 to 51.3% in 2017. Men increased from 52.1% to 55% and women from 43% to 47.4% during that period. With respect to the age group, the greatest increase occurred between 12 and 17 years of age, going from 15% in 2010 to 19% in 2017.

Regarding the annual incidence rate, which represents the percentage of people who started consumption of a substance during the last 12 months (estimated on the population that runs the risk of using tobacco for the first time) there was a significant increase from 1.9% in 2010 to 11.5% in 2017, with greater increase in males

The main tobacco producers of our country are the provinces of Jujuy with 37,900 tons according to the 2015-2016 Chamber of Tobacco Industry report, followed by Salta, Misiones, Tucumán, Corrientes, Chaco and Catamarca.

According to the IECS (Institute for Clinical Effectiveness and Health Policy), 44,851 deaths, 20,620 cancer diagnoses, 14,405 strokes and 68,100 hospitalizations for cardiovascular disease per year can be attributed to smoking. (11) The same study points out that between 7.5% and 9.4% of all the healthcare expenditure (public, private and social security) is associated to smoking habit. In 2017 values, selective tobacco taxes represented \$21 per every 20-cigarette package, while health expenditure amounted to \$28; the gap is lower than in 2015, in which taxes represented half of the expenditure.

In 2016, the National Executive Power, through decree 626/2016, raised the percentage of cigarette taxes from 60% to 75%. The main cigarette brands did not transfer this increase to the final price, preferring less profitability to selling less cigarettes. Despite this measure, the Ministry of Health reported that sales had dropped by 10%, as well as an increase in tax revenue (17,600 million pesos in 2017), prompting WHO to mention it as a “successful case”. In addition, in March 2018, Argentina received the Bloomberg philanthropies award for global tobacco control. An unwelcome effect of this measure was that many smokers started to smoke more economic brands and, therefore, did not abandon the smoking habit.

However, on December 28 2017, the National Congress approved the reduction of taxes from 75% to 70%. A minimum tax of \$28 was included for cigarettes, which raised the prize of the cheapest brands from \$16.50 to \$38, though it must be considered that 50% of the market share corresponds to the more expensive brands, which are the most popular (Marlboro and Phillip Morris). The percent taxes for rolling tobacco, cigarillos and cigars was also raised, but these represent less than 5% of the market share and have no influence on total consumption.

Towards the end of April of the current year, the Ministry of Health National Coordination Committee for Tobacco Control met to achieve the ratification of the FCTC in the 2018 World Conference on Tobacco

or Health, as Argentina is the **only** South American country that has not ratified this agreement, with consequences not only at a national level but also at a regional level, as the main tobacco companies are multinational.

As has been demonstrated, the most efficient measure to decrease tobacco consumption is to raise taxes so that the product increases above inflation. Although the value of “ultracheap” cigarettes and rolling tobacco has been raised, the great market of the large brands has obtained a reduction in the percentage of their taxes, and hence, the goal has not been accomplished.

The Argentine Society of Cardiology endorses the WHO proposal of reducing premature death by 25% for 2025 (25 x 25), which contemplates 30% reduction of smoking. Therefore, together with the Argentine Foundation of Cardiology they declared on January 2, 2018 their deep concern about the tax reduction. Moreover, this measure was criticized by the World Heart Federation in a letter dated January 11, where they express their deep worry for the non-ratification by Argentina of the agreement against tobacco.

We hope that these two measures are reviewed in the immediate future: on the one hand, the increase in tobacco taxes and on the other, the ratification of the Framework Convention, before its consequences are seen in Argentine public health.

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