

## INDIAN RELEASE

### **Higher cigarette prices would help millions avoid poor health and extreme poverty**

*Indians on low incomes have the most to gain, say researchers*

A substantial increase in cigarette prices would help millions of people around the world avoid poor health and extreme poverty, finds a study published by **The BMJ** today.

The findings show that people on low incomes have the most to gain, and the researchers say modest action by many governments “could yield unprecedented health gains and poverty reduction.”

Based on current patterns, smoking will be responsible for about one billion deaths in the 21st century, most of which will be in low and middle income countries, such as India. Effective tobacco control could avoid hundreds of millions of early deaths, and tobacco taxation is the single most effective measure to increase quit rates and deter young people from taking up smoking.

However, no studies have yet assessed the impact of higher tobacco taxes on health and financial outcomes across a range of countries.

Researchers from the Global Tobacco Economics Consortium led by Professor Prabhat Jha from St. Michael’s Hospital and the University of Toronto and Patricio Marquez, lead public health specialist from the World Bank set out to predict the effect of a 50% increase in cigarette prices on health, poverty, and financial protection in 13 middle income countries with a total of 500 million male smokers. Prices were raised by adding excise taxes to reach the target price in each country.

They used a model to measure the impact of quitting by age and income group on life years gained, treatment costs averted, avoiding catastrophic medical costs and poverty, and additional tax revenue.

They found that a 50% price increase would lead to about 450 million years of life gained across the 13 countries from quitting, with half of these in China.

India in particular, will gain about 45 million life years from a price increase.

In India, men in the bottom income group (poorest 20% of the population) would gain about four times more life years than men in the top income group (richest 20% of the population - 12 v 3 million). The average life years gained from quitting for each smoker in the bottom income group was five times that of the top group (1.46 v 0.23 years).

Of the \$3.5bn (Rs227bn; £2.5bn; €2.8bn) in averted treatment costs, the bottom income group would avert more than 2.5 times than the top income group (\$815bn v \$313bn).

About 2 million men would avoid catastrophic medical costs in India. As a result, 1.6 million men, quarter of them in the bottom income group, would avoid falling below the World Bank definition of extreme poverty.

Overall, the bottom income group would get 28% of the life years saved and 23% each of the averted disease costs and averted medical costs, while paying only 9% of the additional \$10bn taxes collected.

The researchers conclude that cigarette prices that are raised substantially—enough to cause a lot of low income men to quit—provide more health and financial gains to the poorest 20% than to the richest 20% of the population. These results not only challenge the view that tobacco taxes are more detrimental to people on low versus high incomes, they suggest that higher tobacco taxes support the UN sustainable development goals for poverty and universal health coverage.

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#### **Notes to Editors**

**Research:** The health, poverty, and financial consequences of a cigarette price increase among 500 million male smokers in 13 middle income countries: compartmental model study

**Journal:** The BMJ

Embargoed link to full study: <http://press.psprings.co.uk/bmj/april/cigaretteprice.pdf>

Link once embargo lifts: <http://www.bmj.com/content/360/bmj.k1162>

**Additional Media material** (PowerPoint, Video) at [www.cghr.org/smoking](http://www.cghr.org/smoking)

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