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REEP: Research Unit on the Economics of Excisable Products

with the

WHO FCTC Knowledge Hub on Tobacco Taxation

Newsletter #29, January 2024

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Director's Message

Dear Friends

I trust that you had a good holiday, and that 2024 started well for you. In a world with so much turmoil and uncertainty, tobacco control may mistakenly be seen as a minor issue. The WHO estimates that 8 million people die from tobacco-related illnesses every year. While these deaths happen silently and without much media attention, each premature death is an avoidable tragedy. Reducing the number of these deaths is our driving force.

2024 will be an important year for South Africa, with elections likely to happen around May. The Control of Tobacco Products and Electronic Delivery Systems Bill is advancing at a snail's pace, but hopefully 2024 will see some action. The illicit trade in cigarettes is still a huge issue and is undermining all tobacco control policies.



REEP supports policymakers to implement better tax policies. Based on many in-person and online workshops, the REEP team has been developing a four-week online training course in tobacco taxation, called Tobacco Taxation 101. This course will provide interested people with an introduction to tobacco taxation. The course will cover basic economic concepts, the importance of tax structure, tax modelling (which looks at the relationship between tobacco taxation, pricing, consumption and excise tax revenue), affordability, and countering tobacco industry arguments against increased taxes.

We will launch the course in May 2024, and we hope that it will benefit policymakers and NGOs. More details will follow in due course.

In this newsletter, we report on a **tobacco tax meeting** that Zunda and I attended in London in early January 2024. We are delighted to announce that the Bill & Melinda Gates Foundation has **funded REEP** for another three and a half years, through the African Capacity Building Foundation. Similarly, we received a **grant from Cancer Research UK** to fund the work of the Knowledge Hub for the next two years. We are grateful to our funders for supporting our work.

We wish you all of the best for the coming year.

Best regards

Corné van Walbeek

Director: Research Unit on the Economics of Excisable Products



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NEWS: Research Unit on the Economics of Excisable Products

Bloomberg Philanthropies Facilitates Global Cooperation on Tobacco Taxation

Early in January 2024, Bloomberg Philanthropies organized a two-and-a-half-day meeting in London, convening more than 40 participants from leading global organizations involved in tobacco tax initiatives.



The assembly was attended by delegates from the World Bank, WHO HQ's Fiscal Policies for Health team, PAHO, OECD, UNDP, and Johns Hopkins University's Tobacconomics group, among others.

The primary objective of the meeting was to facilitate collaboration among technical tax partners to share expertise and services, addressing both country-specific and global needs. The gathering sought to establish a structured coordination framework among partners, aiming for a systematic approach rather than relying on ad-hoc solutions. REEP director, Prof. Corné van Walbeek, and Knowledge Hub Programme director, Zunda Chisha, participated in the meeting.



Discussions during the first day focused on aspects of tobacco tax administration: specifically licensing, due diligence, and track and trace systems. Partners are developing new tools and resources to assist countries in these areas, and were given an opportunity at the meeting to share insights into their ongoing work.

The conversation shifted towards tax policy on the second day. Implementing strong tobacco tax policy in many countries is challenging. The Tobacconomics team provided a sneak preview of the latest Tobacco Tax Scorecard that will be published soon. Covid-19 has created both opportunities and challenges for increased tobacco taxes.

During the final day of the meeting, attention turned to alternative tobacco products such as e-cigarettes and heated tobacco products. Compared to combustible cigarettes, alternative products currently comprise a relatively small proportion of the nicotine market. However, it is growing very fast – especially among youth. Presenters highlighted the growing use of e-cigarettes globally, shared nuanced usage patterns among adolescents, and discussed the challenges in enforcing bans and the imperative of policy consistency.

For REEP and the Knowledge Hub, the meeting held significant importance, providing a strategic opportunity to engage with global partners, ensuring continued relevance in the field. Additionally, the meeting facilitated reflection on broader implications and lessons learned. Overall, it served as a platform for informed discussions, collaboration, and strategic planning in the realm of global tobacco taxation. We want to thank Bloomberg Philanthropies for inviting us to this important meeting.



From L-R: Guillermo Paraje, Rosa Sandoval and Corné van Walbeek



From L-R: Zunda Chisha, Corné van Walbeek, Michal Stoklosa and Allen Gallagher

REEP receives further funding from the Bill & Melinda Gates Foundation, through the African Capacity Building Foundation

We are pleased to announce that REEP has received a substantial grant from the Bill & Melinda Gates Foundation (BMGF), through the African Capacity Building Foundation (ACBF). This is the third grant received through this channel. The grant will continue to support REEP's core activities from January 2024 to March 2027.

Since 2015, the ACBF/BMGF has supported tobacco control research and outreach at UCT's School of Economics. In 2019, the Economics of Tobacco Control Project, now known as REEP, received accreditation as a research unit within UCT. This change reflects a broader focus beyond tobacco to include other excisable products; especially alcohol and sugar-sweetened beverages. Being a standalone research unit, rather than a project within a research unit, signifies longevity and credibility. Becoming a research unit was a long-held aspiration for both ACBF and our research team. We are grateful to be in the position where we can continue to grow.

Such steady funding allows REEP to continue building capacity in tobacco control research in Africa. This involves offering scholarships to postgraduate students (both at UCT and other universities), supporting CSOs and government officials with policy-oriented research and technical assistance, and establishing networks and strategic leadership in tobacco tax in Africa and around the world.

We thank ACBF and BMGF for this funding and for the trust that they have put in us.



BILL & MELINDA
GATES foundation

NEWS: WHO FCTC Knowledge Hub on Tobacco Taxation

Cancer Research UK Grant Supports Technical Assistance for Tax Policy Reform in LMICs

Cancer Research UK has granted the WHO FCTC Secretariat's Knowledge Hub on Tobacco Taxation a significant award, earmarked for providing technical assistance on tobacco taxation (and possibly alcohol and/or sugar-sweetened beverage taxation) to approximately six countries between June 2024 and June 2026.



The primary aim of this grant is to identify low and middle-income countries (LMICs) in need of targeted support to reform taxation policies within their borders. While applications from all LMICs are welcome, preference will be given to Small Island Developing States (SIDS).

Addressing the challenge of non-communicable diseases (NCDs)

The focus of this initiative stems from the recognition that tobacco, alcohol and sugar-sweetened beverages pose significant health and socioeconomic challenges globally – particularly in LMICs. These nations often grapple with limited resources, strained healthcare systems and elevated poverty levels, amplifying the impact of behaviour-related illnesses and deaths.

SIDS, among LMICs, face unique challenges due to factors such as geographic isolation, climate change impacts, and dependence on industries like tourism and fisheries. The 2023 [Bridgetown Declaration](#), endorsed by SIDS, underscores the commitment to implementing cost-effective interventions, including World Health Organization (WHO) 'Best Buys', to address the burden of non-communicable diseases.

Technical assistance objectives

The technical assistance will aim to achieve four core objectives:

1. Develop expertise and political will among recipients. This will enhance understanding of effective taxation policies for tobacco, alcohol, and sugar-sweetened beverages in LMICs, with a focus on improving tax structures and/or increasing excise taxes.
2. Disseminate knowledge in strategic fashion to influence policy. This will involve accumulating and sharing knowledge to enhance awareness and understanding of effective taxation strategies among key decision makers.
3. Produce evidence using simulation modelling to aid policymakers in understanding the likely health and economic impacts of implementing FCTC-compliant tobacco tax policies, and where required, for alcohol and sugar-sweetened beverages.
4. Build strong partnerships among key stakeholders.

Assistance on offer:

While the primary focus is on tobacco taxation, limited attention will be given to alcohol and sugar-sweetened beverages. Assistance on offer includes retrospective tax analyses, comparing current and historic tax rates and structures to recommended best practice; prospective tax simulation modelling using an established Excel-based model; opportunities for participation in our upcoming online tobacco tax simulation training; as well as access to technical assistance from experts in the field throughout the period from June 2024 to June 2026. Experts from REEP and the Knowledge Hub will visit countries as needed to provide support and build partnerships with country officials.

The call for expressions of interest in this exceptional opportunity is expected to be released at the end of January 2024. It is targeted at applicants from government ministries, or individuals from academia or civil society organizations with demonstrable strong linkages to the government.

If you are interested, please contact Zunda Chisha, via email: zunda.chisha@uct.ac.za



Regards,
The REEP team

If you have any comments or feedback on this e-newsletter, or suggestions for possible story ideas for our next issue, please get in touch with the REEP team, by emailing us at:

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And contact the WHO FCTC Knowledge Hub on Tobacco Taxation team at:

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