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REEP: Research Unit on the Economics of Excisable Products

with the

WHO FCTC Knowledge Hub on Tobacco Taxation

Newsletter #35, January 2025

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Director's Message

Dear Friends,

I hope you had a restful break over the festive season, and I wish you a successful and fulfilling 2025.

While some REEP projects came to an end last year, most carry over into 2025.



We are preparing our response to the National Treasury's [alcohol taxation review](#), which was published in November 2024 for public comment. Their main proposal is to introduce tiers for wine and beer.

Whereas wine is currently taxed on the volume of the beverage, irrespective of alcohol content, the National Treasury wants to tax high-alcohol wine at a higher rate than low-alcohol wine. For beer, in contrast to wine, the excise tax is currently levied on the volume of pure alcohol, not the volume of the beverage. The National Treasury proposes to tax the alcohol content of beer with a high alcohol concentration at a higher rate than beer with a lower alcohol concentration. This would create incentives for the alcohol industry to reduce the alcohol content of their products.

The excise tax on sugar-sweetened beverages has had a similar incentive effect. SSBs with less than 4 grams of sugar per 100 millilitres of beverage are not taxed. In response to the SSB tax, many SSB

producers reduced the sugar content to just below this threshold in order to avoid the tax completely. This is a rational response, and (unless the alternative ingredients are worse than the sugar) is good for public health. While traditionally we think that excise taxes reduce demand, and they do, well-designed excise taxes can also have a substantial impact on the supply-side of the market.

The review document also suggests that the government should consider implementing a minimum unit price (MUP) on alcohol. Research indicate that heavy regular drinkers tend to consume very cheap alcohol, and that an MUP, which essentially sets a price floor on alcohol, can be very effective in reducing drinking among this group. In 2018, an MUP on alcohol was implemented in Scotland, and this significantly reduced heavy drinking.

The public has been [invited to comment](#) on the National Treasury's review document. The deadline for comments is 14 February 2025. If you have an interest or a view on the matter, please make a submission.

The [Tobacco Taxation 101 online course](#) starts on 10 February 2025. We will accept late applications if you contact us as soon as possible. We look forward to providing government officials and civil society personnel with a thorough understanding of tobacco taxation.

In this newsletter, we report on several meetings attended by REEP staff at the end of 2024. Zunda Chisha attended the [annual meetings of the WHO FCTC Secretariat's knowledge hubs in Thailand](#). Estelle Dauchy attended the [annual meeting of the African Tax Administration Forum](#) in Rwanda. Vanessa Darsamo and Mxolisi Zondi attended meetings in [Cabo Verde](#), where they developed and tested a tax simulation model for tobacco and alcohol.

We also report on - and link to a summary of - an interesting [seminar](#) held at REEP in December 2024, about track and trace technology. South Africa needs a track and trade system to curb the illicit market, which currently comprises around 60% of the total market.

Chengetai Dare, a previous postdoctoral fellow in REEP, and I were co-authors of a paper in the [South African Medical Journal](#) that reviewed the tobacco control literature published by South African researchers. This paper is a scoping review of more than 200 academic papers that have investigated various aspects of the tobacco landscape in South Africa.

Sam Filby was a co-author of a paper in [The Lancet](#) that investigated prevalence of use of e-cigarette and various other elements related to e-cigarette use in 52 South African schools. The results are disturbing, and a wake-up call to society.

Sam and former colleague, Laura Rossouw, also published a paper in [BMJ Open](#) that considers the behavioural factors that are associated with sustained quitting, and with quitting attempts in three low-income townships in South Africa.

We also report on the activities of the [Tobacco Control Data Initiative](#) and provide an [Appendix of research](#) on the economics of tobacco control published in the past two months.

Best regards

Corné van Walbeek

Director: Research Unit on the Economics of Excisable Products

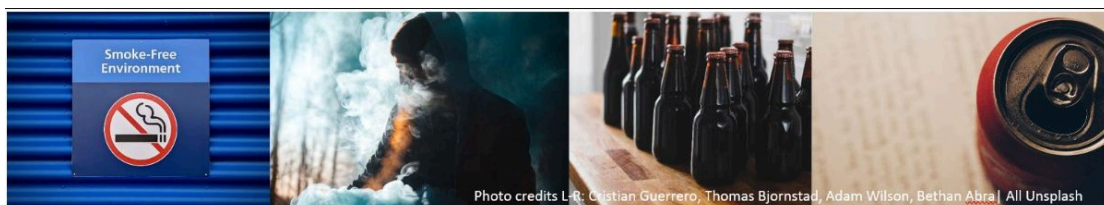


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NEWS: Research Unit on the Economics of Excisable Products

**Late Applications Open: Tobacco Taxation 101—
Enhancing Public Health through Effective Taxation**

Tobacco Taxation 101



Join us in advancing public health through smarter tax policies.

Late applications for the 2025 offering of Tobacco Taxation 101 (TT101) online course are still open. However, students will not be eligible for scholarships. If you are still interested in taking this course and wish to apply, please reach out on: tobaccotaxation101@gmail.com.

TT101 is a self-paced online course convened by REEP, in partnership with Tax Justice Network Africa (TJNA) and Cancer Research UK.

The course officially starts on **10 February 2025**.

What you will learn

Participants will gain foundational knowledge on

- Designing effective tobacco tax policies;
- Balancing health and fiscal goals;
- Leveraging tax revenue for sustainable development.

Through this course, you'll explore real-world case studies and gain insights into the practical aspects of implementing excise-tax reforms. Whether you're a policymaker, researcher, or public health advocate, TT101 will equip you with the tools and knowledge to advocate for impactful tobacco-tax policies.

For [more information](#), visit the [REEP website](#).

Estelle Dauchy represents REEP at ATAF Annual meeting in Kigali



Estelle Dauchy was invited to the African Tax Administration Forum (**ATAF**) for its annual meeting, held in Kigali, Rwanda in December 2024, and hosted by the Rwanda Revenue Authority. ATAF's main objective is to encourage mutual cooperation between member states, and to support its members in increasing the level of voluntary tax compliance, whilst combating tax evasion and avoidance.

The ATAF was conceived in 2008 and launched in November 2009 in Uganda, marking this year the **15th anniversary of the ATAF**. Today, 44 of 54 African countries are members of ATAF.

This year's theme was Preparing for the Future: Revenue Administration in a Dynamic Global Landscape. The meetings emphasised the critical role of domestic revenue mobilization in order to promote economic independence and sustainable development in Africa. Several sessions focused on the role of digital technologies to boost tax-collection efficiency, improve data analytics, combat tax evasion, and address cross-border illicit financial flows (IFFs) through more cooperation.

One panel session was focused on "health taxes". This session was organised by the UNDP's Tax4Health and featured presentations by REEP, the World Health Organization, the UN Subcommittee on Health Taxes, Tax Justice Network Africa, the Commissioner General of Niger, the World Bank and ATAF.

The ATAF Executive Secretary, **Logan Wort**, is retiring from ATAF after 15 years. Logan has played a key role in ATAF since its founding. We delighted to announce that Mr Wort will give a presentation in the Faculty of Commerce in the first week of March 2025. A formal announcement will be send in due course.

REEP hosts Track and Trace specialist at brownbag seminar

In early December 2024, REEP hosted Jérôme Duperrut, Director of Economic Analysis & International Institutions at **SICPA**. SICPA is a Swiss-based company that provides secure tracking and tracing systems (TTS) for excisable products like tobacco, alcoholic and non-alcoholic beverages, sugar, and fuel.

Within the context of very high illicit tobacco trade in South Africa, Jérôme’s insights about a TTS are very useful. A growing number of African countries have implemented or are in the process of establishing a tracking-and-tracing system. The system has been praised by international organizations and NGOs for its ability to significantly improve revenue collection and reduce corruption.



To read more about his presentation, click [here](#).

Please contact Estelle at Estelle.dauchy@uct.ac.za to obtain a copy of Jérôme’s presentation. Jérôme can be contacted directly, at Jerome.Duperrut@sicpa.com.

Study on adolescent vaping in South Africa published in *The Lancet*

Sam Filby was part of an author team comprising researchers from UCT, Utrecht University and the University of Cambridge, who recently published an article in *The Lancet’s eClinical Medicine*. The study, titled “**Electronic cigarette usage amongst high school students in South Africa: a mixed methods approach**” sought to investigate the burden of vaping among South African youth.

The research draws on a data-collection effort led by Professor Richard van-Zyl Smit at the UCT Lung Institute, which surveyed around 25,000 high school learners across 52 fee-paying schools in eight of South Africa’s nine provinces.

The findings reveal that nearly 17% of the surveyed students currently use e-cigarettes, a striking contrast to much lower rates of cigarette use (2%), cannabis use (5%), and hookah pipe use (3%). The study also found that vaping is more common among older youths, with 9% of Grade 8 learners reporting use, rising to an average of 30% among matric learners, and some schools seeing rates as high as 46%.

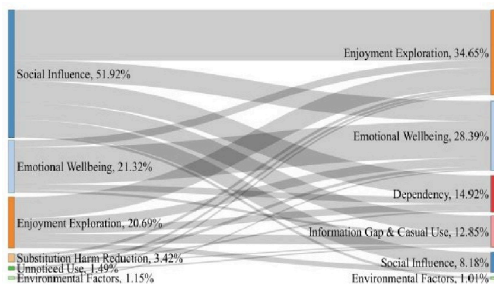


Fig. 2 Sankey plot representing thematic reasons for initiating vaping transitioning to reasons for continuing to vape in high school learners currently vaping (n = 2077).

This study emphasizes the urgent need for a coordinated public health response to address the growing vaping crisis among South African high school students and to support those young people struggling with vape dependency. REEP is proud to have been part of this important work.

To read more, click [here](#).

The full paper is available [here](#).

REEP researchers publish paper in *South African Medical Journal* about tobacco-control research in South Africa

Since the late 1970s, there has been a steady increase in the number of tobacco-control-related articles published by South African researchers. This is one of the main findings of a paper published in the South African Medical Journal.

Entitled “**Tobacco control research in South Africa from 1978 to 2022: A scoping review**”, the paper considers 223 peer-reviewed papers that have been authored by (at least one) South African author. Most studies focused on smoking prevalence (46%), the harms of tobacco (19%), and cessation (8%). Economic aspects of tobacco, such as illicit trade (4%) and tax (3%), have received comparatively little attention in the literature, although the relative share of economics-based papers has increased in the past decade.

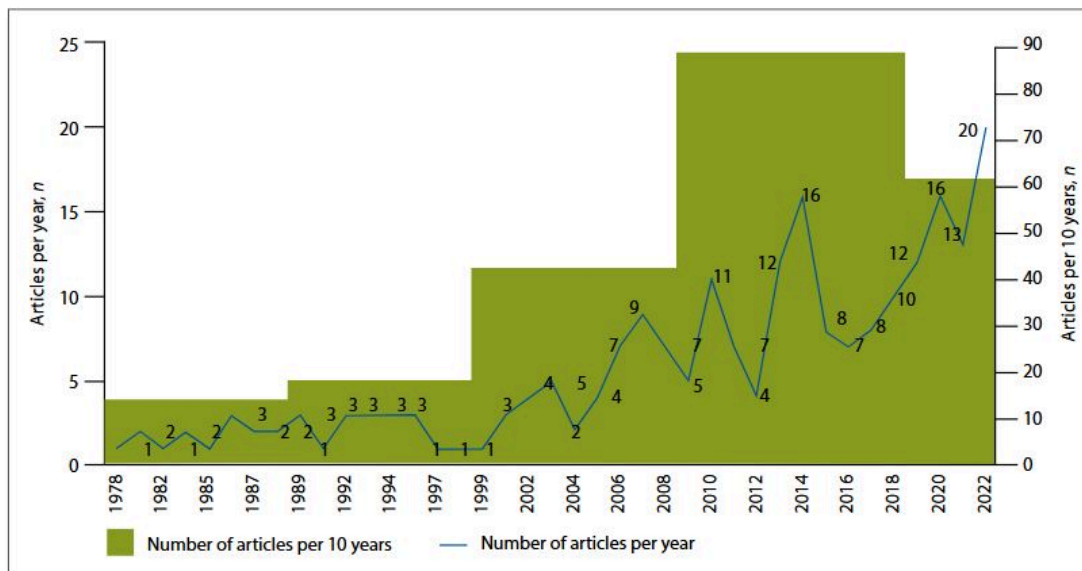


Fig. 2. Number of articles published by year and decade for the period 1978 - 2022.

Most tobacco-control papers were published in the *South African Medical Journal* and in three of the top international tobacco-control journals: *Tobacco Control*, *Nicotine and Tobacco Research*, and *Tobacco Induced Diseases*. Almost half of the first authors of these publications are based in three institutions: the University of Cape Town (17%), the South African Medical Research Council (SAMRC) (16%) and the University of Pretoria (14%). The SAMRC has funded most of the published papers.

The first author is Catherine Egbe of the South African Medical Research Council, and Corné van Walbeek and Chengetai Dare (previously a postdoc fellow at REEP) were co-authors.

It is hoped that this study, and its appendices of the papers included in the study, will be a useful resource for students and researchers who want to understand the tobacco-control research landscape in South Africa.

The paper can be found [here](#).

New research: Behavioural factors and cessation outcomes in low-income South African communities

Sam Filby and a former colleague at REEP, Dr Laura Rossouw, recently published a paper in *BMJ Open* that explores behavioural factors influencing cigarette smoking cessation outcomes in three low-income South African communities. The study aimed to identify key traits linked to sustained quitting and attempts to quit, drawing insights from 675 respondents in the sampled areas.

The study finds that the likelihood of sustained cessation and of making a recent attempt to quit were significantly associated with higher levels of self-control, and negatively associated with stress and preferences for risk-taking behaviour. Having more confidence in one’s ability to stay quit also increased the odds of sustained smoking cessation.

Focusing on smokers with low incomes is particularly relevant in South Africa, where existing research shows that individuals from lower socioeconomic backgrounds tend to have lower nicotine dependence. This suggests that non-pharmacological interventions, such as behavioural counselling, may be more effective for this group, as they are often able to quit without medication.

These findings offer may offer useful insights for healthcare providers and practitioners looking to tailor local smoking cessation frameworks to better address the behavioural barriers and facilitators that impact low-income smokers. Sam and Laura suggest that this behavioural support should challenge potential quitters to practice self-control, equip them with tools to manage stress, and tackle temptations to time-discounting.

Read more about this article [here](#).

Tobacco Control Data Initiative (TCDI) Update

The TCDI program has contracted research firms to conduct spot check prevalence in three countries: South Africa, Zambia and the DRC. The research firms are in the process of engaging respective tobacco control stakeholders to share the research protocol and gather feedback to further improve on the protocol and ensure that the data collected responds to the needs of the stakeholders.

Due to demand by stakeholders to access the TCDI dashboards through mobile devices, the team has already rolled out the [DRC](#) and [Ethiopia](#) dashboards to be accessible through mobile devices. The other country dashboards will be rolled out over the next few months. In the meantime, the [desktop versions](#) continue to be updated and are accessible.

The TCDI team (Development Gateway, together with the sustainability partner, Centre for the Study of Economies in Africa (CSEA)) met in Lagos to reflect on one year of collaboration and chart the way forward for the next phase of the program. CSEA will be working with other partners in the TCDI countries as the team embarks on the final year of capacity building. These organisations are:

- Center for Trade and Policy Development in Zambia
- Health Development and Anti Malaria Association in Ethiopia
- International Institute for Legislative Affairs in Kenya
- Firdale Consulting in South Africa.



DG and CSEA colleagues in Lagos (December 2024)

NEWS: WHO FCTC Knowledge Hub on Tobacco Taxation

WHO FCTC Knowledge Hubs advance collaboration on tobacco control

In November 2024, the Article 5.3 Knowledge Hub in Thailand hosted the seventh annual meeting of the WHO FCTC Knowledge Hubs, bringing together representatives from the nine knowledge hubs to strengthen global collaboration on tobacco control. The meeting focused on enhancing the capacity, efficiency, and reach of the knowledge hubs to support WHO FCTC Parties better.



Key milestones included the relaunch of the Knowledge Hub on International Cooperation on Smoke-Free Environments and Tobacco Cessation, as well as the celebration of the McCabe Centre for Law & Cancer's 10th anniversary as the Knowledge Hub on Legal Challenges.

Participants explored strategies to improve financial sustainability and resource mobilization. Because the meeting was hosted by the Article 5.3 Knowledge Hub, addressing industry interference received much attention. Based on discussions at the meeting, the knowledge hubs have submitted a proposal to hold a symposium proposal for the World Conference on Tobacco Control in June 2025.



The annual meeting of the knowledge hubs was followed up by the annual meeting of the FCTC2030 Project, which was also attended by the WHO FCTC Observatories. A marketplace session provided knowledge hubs and observatories the opportunity to showcase their support capabilities to participating countries. Many countries indicated interest in the support that they could possibly receive from the Knowledge Hub on Tobacco Taxation, hosted by REEP. Requests will be addressed on a case-by-case basis.

For any queries about the Knowledge Hub, please contact Zunda Chisha at zundac@gmail.com.

REEP members support Cabo Verde with modelling on tobacco and alcohol taxes

On 9 and 10 December 2024, Mxolisi Zondi and Vanessa Darsamo met officials from various government departments in Cabo Verde for a two-day meeting on tobacco and alcohol taxation. This mission follows a mission in February 2020, where the REEP team developed a Tobacco Excise Tax Simulation Model for Cabo Verde, and strongly encouraged the government to substantially increase the excise tax on cigarettes.

Since 2020, the government of Cabo Verde has greatly increased the excise tax on cigarettes. In fact, the excise tax in Cabo Verde is currently three times higher than the minimum excise tax that is prescribed by the 2017 Tax Directive of the Economic Community of West African States, a group of 15 West African countries which includes Cabo Verde. As a result of the excise tax increases over the past five years, Cabo Verde was able to reduce cigarette consumption substantially and increase government revenue.

The government of Cabo Verde wants to increase the excise tax on cigarettes and alcohol further, and implement a tax on sugar-sweetened beverages. The main aim of the mission was to collect data for simulation models for cigarettes and alcohol, and to discuss the results of the simulation models with relevant government officials. The simulation models were shared with the Cabo Verde team on 19 December 2024.



From left to right: Mxolisi Zondi (REEP), Vanessa Darsamo (REEP), Gustavo Moreira (Ministry of Finance), Celestina Pereira (Customs), Celestino Lobo (Commission on the Coordination of Alcohol and other Drugs, Ministry of Health), Vanusa Pereira (Commission on the Coordination of Alcohol and other Drugs, Ministry of Health), and Laurinda Almeida (Customs)

The REEP team met with officials from the Ministry of Health, the Ministry of Finance, the Customs Unit, and the Commission on the Coordination of Alcohol and other Drugs.

REEP used the opportunity to congratulate Cabo Verde on implementing a sugar-sweetened beverage tax, which takes effect in 2025.

New Research on the Economics of Tobacco Control: January 2025

This January 2025 edition of the **Appendix** to the REEP newsletter, compiled by Leoné Walters, again aims to keep you updated on the latest research in the field of economics of tobacco control.

Please reach out to leone.walters@uct.ac.za if you would like to publicise your working papers and new publications.

In the Media

- 25 November 2024: Sam Filby was interviewed on the Cape Talk Breakfast show, in a segment titled: "**Should SA follow Limpopo's example and enforce booze curfews in the festive season?**".
- 4 December 2024: REEP's October report was cited in the article: "**SA drinks 4.5 billion litres of alcoholic beverages a year, Treasury to cash in**", published in The Citizen.
- 5 December 2024: New story "**South Africans Consume 4.5 Billion Litres of Alcohol: Treasury Plans Tax Hike Amid Trader Concerns**" was then published in the Gauteng News.
- 7 January 2025: Corné van Walbeek was interviewed on BBC Focus on Africa: "**Will increasing tax in South Africa help stop excessive drinking?**"

The Citizen

SA drinks 4.5 billion litres of alcoholic beverages a year, Treasury to cash in

National Treasury is aiming to increase the excise tax on alcoholic beverages while traders feel this will only benefit illegal sellers.



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:

tobaccoecon@gmail.com

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

tobaccotaxationkh@gmail.com



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