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## REEP: Research Unit on the Economics of Excisable Products

with the  
**WHO FCTC Knowledge Hub on Tobacco Taxation**

Newsletter #39, September 2025




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## Director's Message

Dear Friends

REEP's greatest asset is its people. We are privileged to work with exceptionally talented researchers. In August 2025, this was recognised by South Africa's Department of Science, Innovation and Technology, when **Sam Filby**, one of REEP's stalwart research officers, received a South African Women in Science Award (SAWISA) for PhD students. She was one of only nine recipients nationwide — a remarkable achievement that Sam, and all of us at REEP, are justifiably proud of.

Over the past two months, we have supported government officials and CSOs across several countries. A delegation from **Zimbabwe's Ministry of Finance** and Revenue Authority attended a three-day workshop in Cape Town. Together with one of our upcoming PhD students, I participated in a well-attended meeting in **Nigeria**, where REEP's simulation model, which was developed for a local CSO, was officially validated. I also joined a high-level meeting in **Addis Ababa**, organised by ACBF, the African Union and the African CDC, aimed at putting tobacco control firmly on the AU agenda.

Zunda represented REEP at a meeting in **Zambia**, where a REEP-authored report on tobacco taxation was launched. In his capacity as



Programme Director of the Knowledge Hub on Tobacco Taxation, he also spoke at several online meetings and workshops.

In July 2025, Vital Strategies released a report on [health taxes in Africa](#), co-authored by REEP.

Closer to home, Parliament's public engagement process on the proposed tobacco control bill was recently concluded. REEP presented to the [Portfolio Committee on Health](#), addressing concerns about illicit trade — an issue that had sparked much debate among members.

Our team has published a [Special Communication](#) in *Tobacco Control*, reflecting on South Africa's tobacco tax policy since the 1990s — from early successes to subsequent setbacks driven by rising illicit trade.

On the [alcohol](#) front, we submitted a report to the National Treasury modelling the impact of proposed excise tax changes on beer and offering further recommendations. We are also pleased to announce new [funding](#) from Vital Strategies to expand alcohol-related work in support of excise tax reform.

As always, we share an [appendix](#) of recent research that may be of interest.

Looking ahead, the November 2025 newsletter will officially launch our *Tobacco Taxation 101* course, starting in March 2026. This five-week online course will provide a thorough grounding in all aspects of tobacco taxation. We are currently engaging potential donors to fund student scholarships. More details will follow in the next edition of the newsletter.

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

## Sam Filby wins a South African Women in Science Award

In August 2025, Sam Filby was awarded a Dr. Ivy Matsepe-Casaburri Fellowship at the South African Women in Science Awards (SAWISA) ceremony held in Bloemfontein.



ceremony held in Bloemfontein.

This award is conferred by the South African Department of Science, Innovation and Technology in recognition of research excellence among emerging women scientists pursuing their PhDs.

Sam was one of only nine PhD candidates from South Africa's more than twenty Universities to be awarded this fellowship.

Sam's PhD explores how young people in African countries respond to tax-driven cigarette price increases; evaluates the impact of international tax policy benchmarks on smoking behaviour; and assesses the public health implications of alternative cigarette excise tax structures.

Through this work, she seeks to equip policymakers with evidence-based insights to guide the adoption of tobacco taxation policies that promote sustainable development and reduce the health, social and economic burdens of tobacco use.

Sam was interviewed by the organisers of the award before the award function. The video is available [here](#). A more detailed write-up of Sam's research experience to date is available [here](#).

We are immensely proud of Sam's achievement. Over the years, Sam has been a stalwart in the unit in a variety of ways: publishing papers, writing op-eds, and supporting students. It is lovely to see this recognized by outside bodies as well.

## REEP members attend ratification workshop in Nigeria



Nigeria should substantially increase its excise taxes on cigarettes. This is the main message from a report that was presented at a ratification meeting in Abuja, Nigeria, on 11 September 2025.

Corné van Walbeek and Retselisitsoe Pokothoane (Poko) represented REEP at a validation meeting in Abuja to present the Tobacco Excise Tax Simulation Model (TETSIM) for Nigeria. The model was developed by REEP on request from Tax Justice Network Africa (TJNA), with the support of its Nigerian partner, the Civil Society Legislative Advocacy Centre (CISLAC).

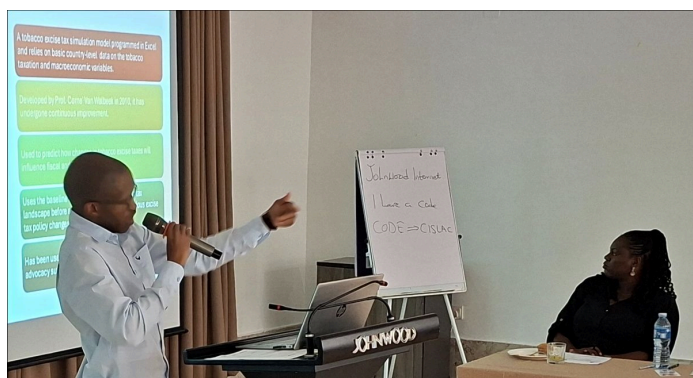
Despite a relatively low smoking prevalence of around 3.6% (likely an underestimate due to stigma), the country is the third-largest cigarette market in Sub-Saharan Africa after South Africa and Kenya. Nigeria is also a major manufacturing hub for British American Tobacco.

The validation meeting attracted around 50 participants, including representatives from civil society, academia, the media and government.

Particularly noteworthy was the strong presence of the Federal Ministry of Finance (FMoF), which signalled interest in aligning Nigeria's tobacco taxes with the ECOWAS Tobacco Tax Directive of 2017. This would require a six-fold increase in the specific excise tax (to reach USD 0.40 per pack) and a rise in the ad valorem rate from 30% to 50%.



Currently, Nigeria's tax system falls far short of this target. Although the specific excise tax was increased incrementally from 58 naira in 2021 to 104 naira in 2024, high and volatile inflation—averaging 15% over the past 25 years and exceeding 30% in the past two—has eroded its real value. The US dollar equivalent of the specific tax is now less than USD 0.07 per pack.



At the meeting, Poko presented the TETSIM results, which modelled three alternative tax scenarios beyond the status quo. The most ambitious scenario would see Nigeria meet the ECOWAS Directive in three to four years, though exchange rate volatility could complicate implementation. Corné provided historical context, stressing the risks of inflation and urging policymakers not to bow to industry pressure.

A poll of participants confirmed broad support for the report. A larger “tobacco tax summit” is expected in November 2025, where the report will be officially launched.

The event generated significant media coverage, underscoring the importance of tobacco taxation in Nigeria's public debate. Some of the coverage can be accessed [here](#), [here](#) and [here](#).

## REEP co-authors a Vital Strategies report on health taxes in Africa

On 29 July 2025 Vital Strategies launched a report, entitled “The future of health financing in Africa: The role of health taxes”.

The report describes the context of health taxes in Africa, with a specific focus on tobacco, alcohol, and sugary drinks. It is well-known that these three products are major contributors to the continent’s NCD burden.

Targeted excise taxes on these products can substantially reduce the health burden associated with these products. The report explores the role of health taxes in domestic resource mobilization, and provides country examples and considerations for policy design.

REEP and Economics for Health, based at Johns Hopkins University, were co-authors of the report.

The report indicates that health taxes offer a “triple-win” solution.

Firstly, health taxes save lives and prevent disease by reducing the consumption of harmful products. Secondly, they generate domestic revenue that can reduce reliance on declining donor aid. And, thirdly, health taxes reduce long-term health system costs.

The report is available [here](#). A recording of the launch event is available [here](#).

On 13 August 2025, Corne van Walbeek and Nicole Vellios from REEP, Jeff Drope from Economics for Health and Mary-Ann Etiebet from Vital Strategies published an [op-ed in Business Day](#), entitled “*Health taxes can help address Africa’s public health and fiscal crises*”. In the op-ed they argue that “for policymakers the imperative is clear: health taxes are not just a public health tool, they are a sound fiscal strategy. And this will have enormous benefits for the people they serve. If they are well-designed and aligned with health objectives, these taxes generate substantial domestic revenue, even as consumption declines”.

REEP would like to thank Vital Strategies and Economics for Health for inviting us to partner on this report. We trust that this report will push policymakers in Africa to take health taxes seriously, to implement good tax structures, and to substantially increase the excise taxes on unhealthy and harmful products.



## REEP Director attends continental dialogue on strengthening tobacco control in Africa



Corné van Walbeek represented REEP at the *Continental Dialogue on Strengthening Tobacco Control in Africa*, hosted at the African Union (AU) headquarters in Addis Ababa between 29 and 30 July 2025. The event, organised by the AU, the African Capacity Building Foundation (ACBF), and the Africa CDC,

brought together around 50 participants, including diplomats, government officials, advocacy organisations, academics, and development partners.

The dialogue aimed to place tobacco control firmly on the AU agenda and elevate it to a continental health priority. Discussions were structured across eight sessions, each chaired by representatives of the host institutions and followed by lively exchanges with participants.

Several themes stood out. Political will was repeatedly identified as the essential ingredient for progress in tobacco control. The role of excise taxation as a crucial element in a tobacco control strategy was highlighted. The importance of tax coordination, especially at the regional level, was very clear. Whereas the Economic Community of West African States (ECOWAS) has a tax directive in place, and this directive has been implemented by a number of countries in the regional bloc, this is not the case for other regional groupings, like the Southern Africa Development Community (SADC) and the East African Community (EAC).

Throughout the dialogue, industry interference was cited as the single greatest obstacle to advancing control efforts. At the same time, participants stressed the importance of collaboration across sectors and levels—national, regional, and continental.

The meeting concluded with a set of recommendations directed at four key actors: the AU, Africa CDC, ACBF, and tobacco control partners. For REEP, the dialogue underscored the importance of regional engagement and the urgent need to strengthen economic expertise in taxation to support Africa's tobacco control agenda.

## REEP Director presents to the Portfolio Committee on Health on Tobacco Control Bill

The unacceptably high level of illicit trade in South Africa is a criminal matter and should be addressed as such; it should not influence the government's decision to pass stricter tobacco control laws.



This was the main message in Corné van Walbeek's oral online [presentation](#) to the Portfolio Committee on Health, where he spoke in support of the Tobacco Products and Electronic Delivery Systems Control Bill.

The oral presentation followed the submission of a [comprehensive report in August 2023](#), in which REEP summarized the international and local evidence on the five main issues addressed in the proposed Bill: (1) the introduction of graphic health warnings and plain/standardized packaging on cigarette packs, (2) making all public areas 100% smoke-free, (3) banning all point-of-sale advertising, (4) banning all tobacco vending machines, and (5) regulating all electronic nicotine delivery systems (ENDS) and electronic non-nicotine delivery systems (ENNDS) as tobacco products.

The oral presentations to the Portfolio Committee came at the end of a long process of public engagement. This process included an opportunity to submit written inputs in 2023, public hearings in all nine provinces in 2024 and 2025, and subsequent online submissions by various stakeholders in 2025. It was clear from the questions posed to other presenters that the Committee is deeply concerned about the high levels of illicit tobacco trade. In his presentation, Corné addressed these concerns directly, making the following points:

- Illicit trade was not a significant problem before 2009. Between 1994 and 2009, excise taxes increased rapidly, but illicit trade remained limited.
- Illicit trade escalated after 2010, as smaller, locally-based producers entered the market and undermined incumbents (mainly British American Tobacco) with cheap, often untaxed cigarettes.
- Illicit trade can take many forms (e.g. smuggling, counterfeit products, and undeclared production), but in South Africa the main driver is undeclared production by local manufacturers.
- The South African Revenue Service (SARS) considered implementing a Track-and-Trace system in 2019, but the tender was inexplicably withdrawn in August 2020. Since then, illicit cigarettes have consistently accounted for more than half of the total market.
- Institutional problems at SARS (2014–2018) and the 20-week sales ban in 2020 greatly exacerbated the illicit trade problem.
- In South Africa, the illicit trade in cigarettes is driven by identifiable tobacco companies. In the presentation Corné showed a table with the brands (and their owners) that are most associated with illicit trade.

The online presentation is available here (REEP's presentation starts at 2:16:30). REEP subsequently submitted a written report to the Committee addressing questions raised by members following the presentation.

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## Special Communication in Tobacco Control laments South Africa's regression in tobacco control

South Africa's global reputation as a leader in tobacco control has been severely undermined by the rise of illicit cigarettes. A recent **Special Communication** in *Tobacco Control*, co-authored by Corné van Walbeek and Samantha Filby, shows how illicit trade has reversed decades of progress, costing the fiscus billions and threatening public health.

Today, more than half of all cigarettes consumed in South Africa are illicit, sold without the required excise taxes being paid. The availability of cheap, untaxed cigarettes has contributed toward a rise in smoking, with the national smoking rate estimated at 24% in 2021.

REEP estimates that the government lost about R15 billion in excise tax revenue each year between 2020 and 2022 due to the illicit cigarette trade, with cumulative losses since 2002 exceeding R100 billion.

The authors emphasise that illicit trade in South Africa is not the inevitable result of "excessive" taxation, as claimed by the tobacco industry. Rather, it is the product of weak enforcement and deliberate tax evasion.



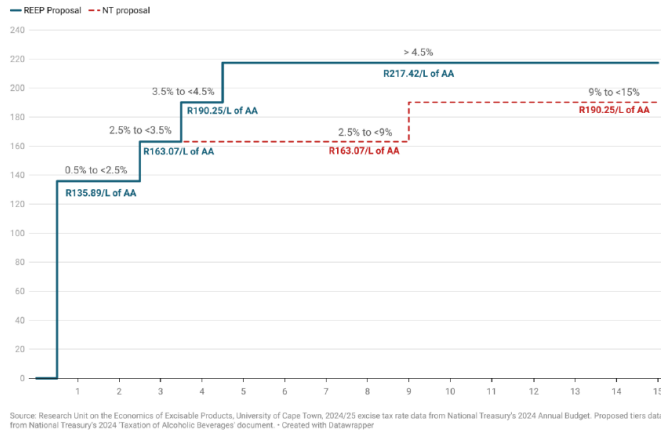
Read more [here](#).

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## REEP members completed a new research report on modelling newly proposed alcohol taxes by National Treasury

In September 2025, Mxolisi Zondi and Corné van Walbeek published a research report titled "**Modelling the impact of beer excise taxes on consumption and revenue in South Africa.**"

The report was developed in response to the National Treasury's **discussion document**, published in November 2024. The discussion document proposes substantial changes to the excise taxes on beer and spirits. In particular, it proposes that higher-alcohol beer taxed at a higher rate per unit of absolute alcohol than low-alcohol beer. The REEP study models the effects of the newly proposed tax structures, suggests areas for improvement in their design, and evaluates their impact.



While the REEP report endorses the National Treasury's proposal of taxing higher-alcohol beer at a higher rate, it believes that the thresholds (currently at 2.5% and 9% alcohol by volume (ABV)) are not optimal, and are unlikely to encourage beer producers to reduce the alcohol content of their products. Most beer in South Africa has an alcoholic content of between 4% and 6% ABV.

REEP proposes that the thresholds be set at 2.5%, 3.5% and 4.5%. This will create strong incentives for producers to reduce the alcoholic content of their beverages.

Read more [here](#).

## REEP-Vital Strategies partnership enters a third phase with RESET Alcohol Program

In August 2025, REEP entered into its third research contract with Vital Strategies' **RESET Alcohol Program**, marking a continued collaboration in advancing evidence-based alcohol policy research in South Africa. RESET Alcohol's primary policy focus centres on increasing alcohol taxation and implementing other evidence-based pricing policies to reduce alcohol-related harm.

Read more [here](#).



The current research project aims to support the National Treasury and pro-health groups in South Africa to implement better tax structures and higher alcohol taxes in South Africa. It is largely triggered by the National Treasury's review of alcohol taxes, published in November 2024. The main components of this body of work are listed [here](#).

### NEWS: WHO FCTC Knowledge Hub on Tobacco Taxation

## Zimbabwe signals strong commitment to advancing health taxes

Zimbabwe has in recent months made clear its intention to strengthen health taxes as part of both fiscal and health sector reform. Senior government officials have publicly affirmed their commitment to improving excise taxes on tobacco, alcohol, and sugar-sweetened beverages (SSBs), with revenues earmarked to support health financing.



Against this backdrop, from 4 to 6 August 2025, the WHO FCTC Knowledge Hub on Tobacco Taxation, hosted by REEP, convened a three-day workshop in Cape Town for twelve delegates from Zimbabwe's Ministry of Finance and the Revenue Authority, together with two representatives from the African Capacity Building Foundation (ACBF). The initiative was generously supported by Cancer Research UK (CRUK) and ACBF.



The workshop provided an opportunity to deepen technical capacity and generate baseline data for a modelling exercise on tobacco, alcohol, and SSB taxation. Sessions were led by REEP experts—Kirsten van der Zee (tobacco), Mxolisi Zondi (alcohol), and Vanessa Darsamo (SSBs)—with strategic guidance from Zunda Chisha and Corne Van Walbeek. Discussions highlighted how well-designed health taxes can both reduce consumption of harmful products and mobilise sustainable domestic revenue.

A first draft of the workshop report was completed in early September and shared with the Government of Zimbabwe to inform next steps. The workshop marked an important step in translating Zimbabwe's political commitment into evidence-based policy action, reinforcing regional momentum to align fiscal measures with public health objectives.

## Zunda attends Southern Africa Conference on Tobacco Taxation (SACOTT)

On 14 August 2025, the Centre for Trade Policy and Development (CTPD), a Zambian-based think tank committed to sustainable development, hosted the inaugural Southern Africa Conference on Tobacco Taxation (SACOTT) in Lusaka, Zambia. Convened under the theme “*Strengthening Fiscal Policies to Advance Health Equity in Zambia through Tobacco Taxation*,” the conference allowed government officials, civil society organisations, academics and international partners to deliberate on the role of tobacco taxation in advancing public health and sustainable financing.



Representing the University of Cape Town and the WHO FCTC Knowledge Hub on Tobacco Taxation, Zunda Chisha contributed to two sessions.

The first addressed regulation of electronic nicotine and non-nicotine delivery systems (ENDS/ENNDS). Zunda highlighted the challenges: rapid market growth, weak regulatory frameworks, risks of youth uptake, and the need for regional policy coherence.

The second session focused on a Tobacco Excise Tax Simulation Model (TETSIM) for Zambia. Since 2016 the government of Zambia taxed local cigarettes at only a quarter of the rate at which imported cigarettes were taxed, ostensibly to stimulate local investment. The TETSIM quantified the loss of revenue that resulted from this taxation policy.

The discussions underscored both opportunities and barriers for fiscal policy reform in Zambia. While a recent increase in tobacco excise rates signals momentum, the continuation of the 75% tax exemption on locally-produced cigarettes and the absence of high-level decision-makers at the conference point to enduring challenges. The biggest challenge in Zambia, it seems, is the high level of tobacco industry interference. The long-awaited Tobacco Control Bill remains stalled despite Zambia's commitments under the WHO FCTC.

## Knowledge Hub is involved in various forums on health taxes



In August and September 2025, Zunda Chisha represented the WHO FCTC Knowledge Hub on Tobacco Taxation in a series of high-level virtual

engagements focused on tobacco and health taxes. These platforms brought together policymakers, technical experts, academics and civil society to examine how fiscal policies can advance both public health and sustainable development.

- On 26 August, Zunda participated in a workshop convened by the African Tax Administration Forum (ATAF), which explored the dual role of health taxes in mobilising domestic revenue and improving health outcomes. His intervention highlighted evidence-based approaches to tax design and implementation, drawing on regional experiences and WHO FCTC guidance. Zunda explained how well-structured health taxes can raise sustainable revenue while reducing consumption of harmful products.
- On 28 August, Zunda spoke at a joint webinar hosted by the WHO FCTC Knowledge Hub on Article 5.3 and the Knowledge Hub on Legal Challenges, on *"Beyond Health: Answering Tobacco Industry Tactics and Strengthening Policy Safeguards."* His presentation focused on evidence-based countermeasures to industry interference in excise tax reforms. It is vital that fiscal and health objectives be insulated from undue industry interference.
- On 17 September, Zunda served as a panelist in the live session of the McCabe Centre's annual online course on NCDs and Law, which examined health taxes as part of a global knowledge-sharing series. He emphasised why health taxes are considered a "win-win" measure—reducing consumption of unhealthy products while generating much-needed revenue. His contribution highlighted the core design principles of effective health taxes—simplicity, predictability, and protection against industry interference—while also cautioning against common policy pitfalls.
- On 18 September, Corné van Walbeek presented an in-person lecture at the African Tax Research Network, organized by the African Tax Administration Forum, in Cape Town. In the lecture Corné explained how health tax modelling supports government officials and NGOs in quantifying the impact of changes in the excise tax structure and/or the level of the excise tax. The lecture was part of a plenary session focused on health taxes, and how they serve as a double-edged sword - reducing consumption of these products and generating government revenue.

Together, these engagements underscored the growing momentum for health taxes as an essential tool to strengthen health systems and fiscal sustainability across Africa and beyond. They also highlighted the importance of evidence-based policy design and safeguards against industry influence in advancing health and development objectives.

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## New Research on the Economics of Tobacco Control: September 2025

This September 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](mailto:leone.walters@uct.ac.za) if you would like to publicise your working papers and new publications.

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## In the Media

On August 13, 2025: Health taxes can help address Africa's public health and fiscal crises was published in the Business Day.

Authored by Corné van Walbeek, Nicole Vellios, Jeff Drope and Mary-Ann Etiebet, the article discusses how health taxes have the potential to save lives, support economic development and reinforce health systems.

By consistently increasing tax rates, enhancing enforcement mechanisms and adopting policies that are resistant to industry influence, countries can make meaningful progress.

In September 2025, the newly published Special Communication published in *Tobacco Control* featured in a UCT press release: [Illicit cigarettes starve South Africa's fiscus of billions, UCT academics argue](#), and resulted in coverage by [IT-Online](#) and [MSN news](#), and an eNCA TV interview with Corné van Walbeek titled "[Govt puffs away control of tobacco trade sector](#)".

REEP's visit to Nigeria spurred significant media interest between 11-13 September, with coverage of the stakeholder event featuring in local newspapers and magazines. Corné was interviewed by a number of local TV stations – the videos are available to view [here](#), and the press clippings from The Guardian-Nigeria, Prime Time News, New Era and Real News Magazine, amongst others, are available [here](#).

Another UCT press release in August, [Most African countries are not leveraging health taxes – new report suggests](#) covering the "Future of Health Financing in Africa: The Role of Health Taxes" report, featured in the [Juta Medical Brief](#) and was picked up by [IT-Online](#) and a number of Ghanaian press outlets.

See more media interviews [here](#), and press clippings [here](#).

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](mailto:tobaccoecon@gmail.com)

And contact the WHO FCTC Knowledge Hub on Tobacco Taxation team at: [tobaccotaxationkh@gmail.com](mailto:tobaccotaxationkh@gmail.com)



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