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

with the

### WHO FCTC Knowledge Hub on Tobacco Taxation

Newsletter #40, November 2025




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## Director's Message

Dear Friends

As the year is drawing to a close, I am happy to share some of our activities. The past two months have been very busy, with lots of travel, workshops and webinars.

Last week, Sam Filby and Zunda Chisha attended the 11th Conference of the Parties of the FCTC in Geneva. They were members of the official South African delegation. See Sam's report [here](#). This week, Sam and Estelle Dauchy are attending the 4th Meeting of the Parties of the Protocol to Eliminate Illicit Trade in Tobacco Products. They are not part of the South African delegation, because sadly, South Africa has not yet ratified the Protocol.

The popular Tobacco Taxation 101 online course will be presented again, from 16 March – 17 April 2026. Previous students have found this course beneficial. Please see the flyers and application forms [here](#). We have a limited number of scholarships available for people and organisations that are unable to pay the registration fee of 500 USD.

In the past two months, REEP members also attended meetings of the [African Capacity Building Foundation in Addis](#), various conferences co-hosted by the [Tax Justice Network Africa](#) in Gauteng,

webinars on the regulation of e-cigarettes, a tax training workshop, an alcohol tax consultation workshop and the launch of a tobacco tax report in Nigeria (remotely). REEP colleagues also contributed to the WHO FCTC global report on tobacco control.

As usual, we feature an update of activities by the [Tobacco Control Data Initiative](#) and the [appendix](#) with published research on tobacco taxation.



In personal news, I will be on sabbatical next year. As a member of the teaching staff, in addition to my role as the Director of REEP, the University has graciously granted me a sabbatical for the whole of 2026. I will be spending most of my time in the Netherlands, where I will be affiliated with the [Trimbos Institute](#).

I will continue many of my responsibilities with REEP (e.g., supervision of PhDs and conducting and supporting research), but I will not be involved in day-to-day activities. Nicole Vellios ([Nicole.Vellios@uct.ac.za](mailto:Nicole.Vellios@uct.ac.za)) will serve as the Acting Director of REEP during my sabbatical.

I wish you all the best for the Christmas and holiday season ahead. May 2026 be a year of many breakthroughs and successes.

Best regards

**Corné van Walbeek**

Director: Research Unit on the Economics of Excisable Products



## Tobacco Taxation 101

Online Course

16 March – 17 April 2026

Learn how efficient and effective taxation can improve public health by reducing tobacco consumption, boosting fiscal revenues and supporting sustainable development

The closing date for registrations is 9 February 2026.



**APPLY HERE**

Convened by the Research Unit on the Economics of Excisable Products (REEP) at the University of Cape Town, in collaboration with Tax Justice Network Africa (TJNA), and co-sponsored by Cancer Research UK.

<https://commerce.uct.ac.za/raap>

REEP is launching the third edition of its flagship Tobacco Taxation 101 online course, scheduled for 16 March – 17 April 2026.

Explore the economic burden of tobacco use and discover how efficient and effective taxation can improve public health by reducing tobacco consumption, boost fiscal revenues, and support sustainable development.

The course aims to strengthen technical expertise among government officials, researchers, and civil society advocates involved in designing, implementing, and evaluating tobacco tax policies.

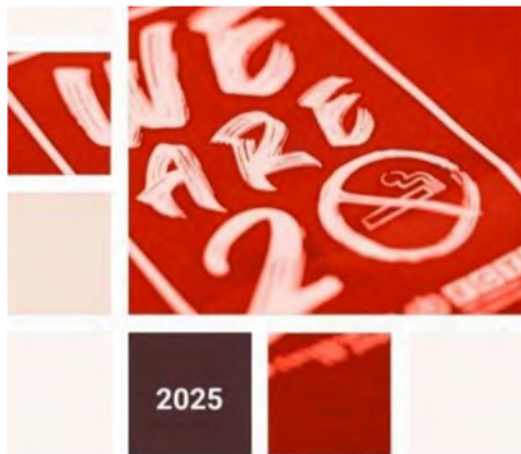
**APPLY NOW**

The closing date for registrations is **9 February 2026**.

For more information about the course, the application process, costs, and details of the scholarships available, please consult the **2026 TT101 Prospectus** and watch the **TT101 video**.

## NEWS: WHO FCTC Knowledge Hub on Tobacco Taxation

### REEP colleagues contribute to the 2025 global report of the WHO FCTC



2025 Global Progress Report on Implementation of the WHO Framework Convention on Tobacco Control



Recently, members of REEP wrote a chapter on tobacco taxation (Article 6) for the recently published **2025 global progress report of the WHO FCTC**. The report was written by Retselisitsoe Pokothoane, a PhD student, with support from Sam Filby and Corné van Walbeek.

Under Article 6 (price and tax measures to reduce demand for tobacco), many Parties reported increasing their excise taxes on smoked tobacco products in the 2025 reporting cycle. The specific tax structure is now the most common tobacco excise tax structure implemented globally.

This is an improvement from the 2023 reporting cycle; in that year (and previous years) the mixed tax structure was the most common. Like in previous reporting, only the European Region continues to meet the 75% tobacco tax incidence benchmark recommended by WHO.

Several Parties reported that they introduced excise taxes on novel and emerging nicotine and tobacco products (NENTPs). For Parties that already had excise taxes on NENTPs, many reported that they had increased their rates over the reporting period.

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The report also presented a case study from Cabo Verde, which, according to some observers, had the best experience in utilizing Article 6 measures to reduce tobacco demand.

The full report can be accessed [here](#). The section on taxes is on pages 41 to 52.

## Sam and Zunda attend COP 11

During the week of 17 November, Sam Filby and Zunda Chisha represented the WHO FCTC Knowledge Hub on Tobacco Taxation at the eleventh session of the Conference of the Parties to the WHO Framework Convention on Tobacco Control (COP11).



They participated as part of the South African delegation to COP11, joining a diverse group of delegates from the Ministry of Health, academia and civil society in important international discussions on tobacco control policy.

A key highlight was their meeting with South Africa's Ambassador to Geneva, where the South African delegation shared updates on the ongoing COP discussions. Additionally, Zunda and Sam participated in several side events hosted by our global partners, contributing to essential dialogues on tobacco taxation and policy.



Sam participated in a panel discussion organized by the Union for International Cancer Control (UICC) and Cancer Research UK (CRUK) on "Tobacco Taxation: Driving Progress Through Collaborative Partnerships".

The session featured health experts from Brazil, Kenya and Uganda, CRUK, and the University of Cape Town.

Key topics included the power of national coalitions in advancing tobacco tax policies, the importance of evidence-based simulation models (like the Tobacco Excise Tax Simulation Model used by REEP), and the critical role of capacity-building and coalition-building in driving policy change.

Zunda took part in a panel discussion alongside the nine WHO FCTC Knowledge Hubs, reflecting on the progress made in their areas of expertise. The session focused on strategies for advancing the FCTC, identifying challenges and opportunities for collaboration, and showcasing how Knowledge Hubs can help accelerate tobacco control efforts to save lives. Zunda also spoke at a panel hosted by the African Capacity Building Foundation, highlighting the organization's role in coordinating tobacco control efforts across the Southern African region.

The week at COP provided a valuable opportunity for REEP and the Knowledge Hub to stay engaged with global efforts to implement the WHO FCTC, while strengthening relationships with both long-standing and emerging partners. The discussions were pivotal in advancing global tobacco tax policies.

Looking ahead, Sam and Estelle Dauchy will attend the Meeting of the Parties (MOP) 4 - taking place from 24–26 November 2025 - with a focus on the Protocol to Eliminate Illicit Trade in Tobacco Products. Stay tuned for updates in our next newsletter.



## Zunda and Corne attend ACBF meetings in Addis Ababa



Health taxes were the focus at the Board of Governors meeting of the African Capacity Building Foundation, held in Addis Ababa on 10 October 2025. REEP was represented by Corn  van Walbeek and Zunda Chisha. In his presentation, Corn  explained to the Board that health tax – specifically taxes on tobacco, alcohol and sugar-sweetened beverages – are an under-utilized source of revenue in most African countries. Increasing excise taxes on these products can substantially reduce their consumption and bring in additional revenue for the fiscus.

Corn  emphasised that the tax structure is critical. Ad valorem taxes can be easily manipulated by the industry, are more difficult to administer, and generally have less positive health outcomes than specific taxes.

He mentioned that Cabo Verde has achieved much success with tobacco taxes. Between 2018 and 2025 Cabo Verde increased the specific component of the excise tax on cigarettes from zero to 1.50 USD per pack, well in excess of the ECOWAS minimum of 0.40 USD per pack.

The ad valorem tax remained the same at 50% of the CIF value. In the six years that Cabo Verde has adopted this taxing strategy, cigarette consumption decreased by about 20%, while excise tax revenue increased five-fold. Cabo Verde's success with increased excise taxes on tobacco has caused them to also increase the excise tax on alcohol.



The Board of Governors is the highest decision-making body of the ACBF. The Board meeting was attended by Ministers of Finance or their delegated authorities from about 15 African countries.

At the subsequent Think Tank Summit, held over the following days, there were numerous discussions on domestic resource mobilisation. Health taxes, as a particularly effective form of resource mobilisation, received substantial attention. The momentum for higher health taxes seems to be building.

## REEP staff present at three conferences on taxation and illicit financial flows



In the first half of October 2025, Tax Justice Network Africa (TJNA) co-hosted three different conferences, aimed at creating more awareness about illicit financial flows, tax evasion and domestic resource mobilisation in Africa.

At the 8th Ordinary Session of the African Union's Specialised Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning, and Integration, organised by the African Union in the first week of October 2025, the South African Minister of Finance, Mr Enoch Godongwana, spoke strongly in favour of health taxes (see [here](#)). In his speech he said, "There is a need to explore innovative fiscal policies to increase revenue, through targeted taxes on products harmful to health, such as tobacco and alcohol and improve the efficiency and transparency of our public financial management to make sure that every resource allocated for health is used effectively".

At the same meeting, Zunda Chisha made a presentation entitled "Health Taxation: A High-Impact Domestic Resource Mobilisation (DRM) Strategy for Africa". In the context of reduced resources for health, increasing health taxes (primarily on tobacco, alcohol and sugar-sweetened beverages), will raise revenues in the short term and reduce the health impact of these products in the medium to long term.

The following week Estelle Dauchy attended the [13th Pan-African Conference on Illicit Financial Flows & Taxation](#) (PAC) in Johannesburg. The goal of the conference was to take stock of the progress since the [High-Level Panel](#) Report in Illicit Financial Flows (IFFs) developed in 2015, identify challenges, and explore strategies to reignite momentum. Estelle presented in a special session on "Tobacco Tax Abuses by Big Tobacco and their Implications for Africa's Health and Economic Outcomes". The Panel highlighted that tobacco multinational companies deploy both legal and illegal/abusive practices (e.g., profit shifting, transfer pricing, illicit trade) to reduce both corporate-income and sales/excise tax liabilities. The key takeaway was the need to implement comprehensive tax reform, linking health-tax reforms with corporate income tax and transfer-pricing enforcement.

In the subsequent week Corné van Walbeek attended the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT) and made a presentation entitled "Evidence on the effectiveness of excise taxes on tobacco, alcohol, and SSBs in Africa".

The session was attended by about 80 members of Parliament from different countries. While health taxes have much potential to raise revenue and reduce the health burden associated with these products, many MPs were skeptical, raising objections that align closely with the industries' rhetoric.



Political will for increased health taxes needs to be nurtured. There is still a long way to go.

## REEP staff present tax training workshop to revenue authority officials in Mauritius



Good excise tax policy depends crucially on strong administration and enforcement. The one without the other is unlikely to yield good results. Specific excise taxes are much easier to administer than *ad valorem* excise tax systems. These were some of the main messages that were given to delegates at a week-long tobacco tax policy and administration training workshop, organized by the African Tax Administration Forum (ATAF) in Mauritius between 27 and 31 October 2025.



The training event was attended by an average of two tax revenue officials from 23 African countries. In the first two days Corné and Zunda discussed excise tax policy; topics included the demand, elasticity, tax pass-through, cigarette affordability and tax modelling. In the remainder of the week, Caxton Ngeywo (World Bank) and Linstrom Marangu (ATAF) discussed tax administration.

Some important points, that have relevance in different country settings, are the following:



Tax stamps and track-and-trace systems are crucial components of a good tax administration system. Human interaction between the tobacco producers/suppliers/importers and the revenue authority should be kept to a minimum. Where the revenue authority places personnel at manufacturers' factories or warehouses, they should be rotated relatively quickly (within 12 months) to avoid a situation where they start working for the company that they are monitoring.

- If the track-and-trace system indicates that there is a problem with unmarked packs or falsified stamps, this would have to be followed up rapidly. This needs to happen in real time, so that the transgressing parties do not have time to remove the evidence.
- Tax stamps are ubiquitous. According to Linstrom, each year 118 billion tax stamps are used for tobacco and alcohol products in 90 countries.



This tax training workshop follows from the one that was held in Centurion in November 2024, and where REEP staff also presented to the delegates. This workshop is part of a deepening relationship between ATAF and REEP.

## REEP report urges the Government of Nigeria increase the excise tax on cigarettes



The government of Nigeria should substantially increase the excise tax on cigarettes, in order to protect public health, increase revenues and to be aligned to the Tobacco Tax Directive of the Economic Community of West African States (ECOWAS). That was the main message of the REEP-authored **report** on tobacco taxes in Nigeria, which was officially launched by the Civil Society Legislative Advocacy Centre (CISLAC), in partnership with Tax Justice Network Africa and REEP, on 5 November 2025.

The official launch follows a validation meeting that was held in Abuja in September 2025.

The report, written by REEP staff, in consultation with CISLAC and government officials, highlighted the fact that the cigarette excise tax increases in Nigeria had not kept up with inflation in the past three years and had decreased in real terms. The excise taxes in Nigeria were also well below the minimum, as stipulated by ECOWAS.

The ECOWAS Tax Directive stipulates that the ad valorem component of the excise tax should be at least 50% of the CIF value, and that the specific component should be at least 0.40 USD per pack. In Nigeria in 2025, the ad valorem tax is 30% and the specific tax is 104 naira (about 0.07 USD) per pack.

In the report, the government of Nigeria was urged to take bold steps to increase the excise tax, and to



comply to the ECOWAS Directive. REEP staff developed a Tobacco Tax Simulation Model for Nigeria, which quantified the likely impact of an increase in the excise tax on tobacco consumption and government revenue. The model clearly indicates that larger excise tax increases will have larger impacts.

The timing of the report is fortuitous, because the Nigerian government is on the threshold of a new cycle to determine the course of excise taxes for the next three years. We are confident that the report and the modelling studies will help guide the decisions, and we hope that this will result in substantial tax increases in coming years.

The launch meeting was attended by 63 delegates from government, CSOs and academia.

The report is available [here](#).

## REEP researchers present on the regulation on new generation nicotine products

New generation products (NGPs) like e-cigarettes, nicotine pouches and heated tobacco pose new challenges to regulators.

On the one hand these products have become increasingly popular among youth and females, potentially garnering new generations and types of nicotine users. On the other hand NGPs do not fall in the traditional category of tobacco products, hence posing new challenges to governments seeking to regulate their use. Producers and importers of these products take advantage of these uncertainties to seek lower taxation and less regulatory burdens, which in turns accelerate the potential threat these products pose for the youth.



These were some of the main points that were made by Estelle Dauchy and Retsilisitsoe Pokothoane at an online workshop organised by Tax Justice Network Africa, in collaboration with the African Tax Administration Forum (ATAF) and the Kenya Revenue Authority, on the theme “Capacity Building of Revenue Officers on best practices of taxation of New Generation Products (NGP) and tobacco products”. The workshop, held on 21-22 October 2025, was attended by 40-50 delegates from the Ministry of Health, Kenya Revenue Authority, National Treasury, Tobacco Control Board, civil society organizations.

[Read more.](#)

## REEP Engages in National Treasury's first alcohol tax consultation

Nicole Vellios and Mxolisi Zondi participated in the first stakeholder workshop hosted by National Treasury on its discussion paper titled “[Review of Taxation of Alcoholic Beverages in South Africa](#).” The paper, published in November 2024 for public comment, examines developments in the alcoholic beverages industry, including proposals in the regulatory landscape, alcohol consumption prevalence, illicit trade in alcoholic beverages, and the potential use of minimum unit pricing.



REEP submitted a detailed 28-page written submission in February 2025. Following this, we were invited to the initial workshop to present our submission.

As the first workshop on the Alcohol Tax Review, National Treasury asked participants to “set the scene” for the consultation sessions that will follow. Nicole’s presentation highlighted updated prevalence statistics and consumption trends across different alcoholic products.

The workshop drew over 90 participants, including representatives from the World Health Organization, the South African Medical Research Council, the South African Alcohol Policy Alliance (SAAPA), DG Murray Trust and members of the alcohol industry.

## TCDI update

The TCDI team conducted two webinars in the past couple of months. The third webinar series featured findings from **TCDI Kenya’s research on Morbidity, Mortality and Economic Cost of Tobacco use** which spotlighted the trends in NCD prevalence in the region, and specifically Kenya. The study revealed that for every \$1 earned from the tobacco industry, the country loses between \$2.20 and \$3.



### Tobacco Control Data Initiative

The final instalment of the 2025 webinar series focused on **Illicit Trade findings from the DRC and Zambia**. Dr. Hana Ross discussed the prevalence and enablers of illicit trade in the region.

Some key takeaways, as provided by other presenters, were the following:

- Illicit cigarettes trade was 8.2% in the DRC in 2023. Prevalence was higher in low-income areas compared to high income areas.
- In Zambia, illicit cigarettes comprised 12.2% of the market in 2022. The majority of these products were imported cigarettes rather than locally produced cigarettes.

The TCDI team continues to work on policy briefs to support tobacco control actors with their advocacy efforts. These briefs will be disseminated in all TCDI countries (South Africa, Nigeria, Ethiopia, Kenya, Zambia and the DRC). Stay tuned!

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

This November 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.

## Op-Eds

- Corné van Walbeek and Retselisitsoe Pokothoane from REEP, with Solomon Adoga (Senior Programme Manager at the Civil Society Legislative Advocacy Centre (CISLAC) in Abuja) and John Thomi (Policy Officer (Tax and Equity) at Tax Justice Network Africa (TJNA)), published [Time to substantially increase Nigeria's tobacco taxes](#), in the *Vanguard* (Nigeria) on September 26, 2025.
- On 5 October 5 2025, Corné and Sam Filby published: [How tobacco companies cheat government of billions in tax](#) in the *Sunday Times* (see below for media coverage on this article).

## News clippings & media interviews

- *Radio 702* interview on 7 October 2025: Corné van Walbeek was interviewed by Stephen Grootes about how the illicit cigarette trade is costing South Africa billions in lost tax revenue: ["How illicit cigarettes are costing South Africa mindblowing billions"](#). (clip from 46:50-52:50)
- The story was picked up on *EWN* on 8 October: [Illicit cigarette trade not only costs SA billions, cheap products also increase smoking rate - REEP](#)
- 7 October 2025: the *Bantu Gazette* in Nigeria, published: [Health Taxes Shape Africa's Path to Sustainable Financing](#). The article discussed the 34th Board of Governors meeting of the ACBF in Addis Ababa ([reported above](#)).



## Health Taxes Shape Africa's Path to Sustainable Financing



REEP's Corné van Walbeek (third from left) and Zunda Chisha (second from right)

On 5 November 2025, the REEP-authored [report](#) on tobacco taxes in Nigeria was officially launched by CISLAC, in partnership with TJNA and REEP ([reported above](#)). Media coverage included:

- [Tobacco Tax Summit: Experts urge substantial increases in excise tax to save lives, boost revenues](#), *The Sun*, Nigeria.
- [CISLAC urges stronger tobacco taxation to protect public health](#), *News Agency of Nigeria*.





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:

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