



REEP: Research Unit on the Economics of Excisable Products

with the
WHO FCTC Knowledge Hub on Tobacco Taxation & Illicit Trade

Newsletter #15, September 2021

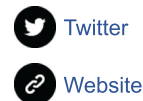
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Director's Message



Dear Friends

Recently the BBC aired a [programme](#) on British American Tobacco South Africa's (BATSA) underhand and illegal activities, aimed at undermining and disrupting its competitors. The programme coincided with the release of two reports ([British American Tobacco in South Africa: Any Means Necessary](#) and [Buying Influence and Advantage in Africa: An Analysis of British American Tobacco's Questionable Payments](#)), produced by [Stopping Tobacco Organisations and Products \(STOP\)](#), that described the measures that BATSA used to protect its turf.

In an [op-ed piece](#) in the Daily Maverick, Sam Filby and I argue that BATSA was the architect of the current turmoil in the market. Over an extended period of time (from the early 1990s to 2010) their pricing strategy has been very aggressive. The rapid increases in the net-of-sales price greatly increased their profitability over the period, but also resulted in numerous companies being attracted into the cigarette market. These companies have substantially eroded BATSA's market share.

In this newsletter we report on a two-week [virtual tobacco tax workshop](#) organised by the Knowledge Hub on Tobacco Taxation and Illicit Trade.

Together with Development Gateway, REEP is developing of a series of dashboards that cover the latest science and statistics on a variety of aspects related to tobacco. The [South African Tobacco Control Data Initiative \(TCDI\) dashboard](#) was launched on 31 May 2021, and dashboards for Nigeria, Kenya and Ethiopia are in various stages of development. The aim of the dashboards is to support policy makers and public health advocates. When the Control of Tobacco Products and Electronic Delivery Systems Bill will eventually come before Parliament, the TCDI dashboard will be extremely useful to help provide context about the tobacco industry and the harms that tobacco use imposes on society. Read more about this initiative [here](#).

The Tobacco Control Capacity Project, where REEP partners with other research organisations in the UK, the Indian subcontinent and Africa, is drawing to a close. On 21 October 2021 we will host a virtual stakeholders' meeting, where we present some of the research results derived from this project. For more about this event, click [here](#).

REEP is looking to fill one or two postdoc positions. Please see the advert [here](#). If you are aware of potentially good candidates, please inform them about this opportunity.

When you receive this letter, the REEP team will be at a three-day retreat near Stellenbosch. This is our first face-to-face encounter for 18 months. Hopefully it will inspire us with new research ideas and creative ways to support public health in South Africa and beyond. We hope that you will find this newsletter interesting and useful. As always, if you have any questions or comments, please contact us.

With best regards

Corné van Walbeek

Director: Research Unit on the Economics of Excisable Products



Tobacco Control Data Initiative (TCDI) website is expanding



Following a successful launch in partnership with the National Department of Health and the Campaign for Tobacco-Free Kids on World Tobacco Day 31 May 2021, the **Tobacco Control Data Initiative** website is growing its collection of new and existing tobacco control data. The website, funded by the Bill & Melinda Gates Foundation, is a partnership between **Development Gateway** and **REEP**.

The website collates and interprets data for policy-makers, civil society and academia, on tobacco control in South Africa. The aim is to support the relevant stakeholders with data compiled by some of the leading researchers in the field to make informed decisions in the public interest.

Themes covered on the website include the prevalence of smoking in South Africa, the health burden caused by tobacco use, e-cigarettes, illicit trade, and the impact of tobacco policies on revenue and smoking prevalence. With the Control of Tobacco and Electronic Delivery Systems Bill expected to come before cabinet later this year, we welcome you to explore the **website** for insights and helpful tobacco control information.

Research featured on the portal includes insights from a recent study by Israel Agaku, Catherine Egbe, and Lekan Ayo-Yusuf which indicates the likelihood of quitting smoking and remaining a non-smoker for 12 months was significantly lower among individuals who had never used e-cigarettes than those who had used e-cigarettes.

More data can be found on the TCDI online portal: TobaccoControlData.org.

The Knowledge Hub hosts a virtual workshop for seven countries

Between 16 and 26 August 2021 the WHO FCTC Secretariat's Knowledge Hub on Tobacco Taxation and Illicit Trade hosted a two-week virtual workshop. These workshops are usually hosted in person, but because of the restrictions on travel, we shifted to a virtual platform. Whereas traditionally only two applicants from each country could attend the workshop, the virtual nature of this event meant that the usual cost constraints did not apply. Up to ten representatives from each country participated.

Seven countries attended the workshop: El Salvador, Kenya, Mozambique, Saudi Arabia, Sri Lanka, Suriname, and Zambia, with officials from the Ministry of Health, Finance and Customs, and lawmakers participating. A representative from the Knowledge Hub on Legal Challenges, based in Australia, and two staff members from WHO Pan-American Health Organisation (PAHO) also took part. Simultaneous interpretation to Spanish was provided for the El Salvador team, and we paired our Portuguese speaking colleague with the team from Mozambique, ensuring maximum benefit from the workshop.

During the first week, we covered the most important theoretical components of the economics of tobacco taxation. In the second week, a member of REEP was allocated to each country team. The country teams were introduced to the Tobacco Excise Tax Simulation (TETSIM) model, and then were given the opportunity to consider the public health and fiscal impacts of different tax policy scenarios. In the final session of the workshop, country participants presented the results from their TETSIM model, as well as an action plan on how they would implement the learnings from the workshop.

Because of time differences, the delegates from Sri Lanka worked into the late evening, and delegates from El Salvador had to get up very early to attend. We salute them, as well as the participants from the other countries, for their commitment and enthusiasm displayed throughout the workshop. Feedback revealed that attendees found the workshop interesting and useful, and felt challenged to think more clearly about using taxation policy as an effective tool in reducing tobacco use.

We plan to hold another tax workshop in the first quarter of 2022. That event will be advertised in due course on the **Knowledge Hub website** and through the WHO FCTC Secretariat.



REEP in the News

On 2 August 2021, Hana Ross and Sophapan Ratanachena-McWhortor (Tobacco Tax Program Manager for SEATCA) wrote and Op-ed in the Inter-Press Services News agency titled "Increasing Revenue & Protecting Public Health During the COVID-19 Pandemic".

OPINION
Increasing Revenue & Protecting Public Health During the COVID-19 Pandemic

By Hana Ross and Sophapan Ratanachena-McWhortor



The World Health Organization (WHO) says that tobacco use causes about eight million deaths a year. (Credit: WHO)

The article touched on increasing revenue and protecting public health in the context of Covid-19.

The full article is available here:

<http://www.ipsnews.net/2021/08/increasing-revenue-protecting-public-health-covid-19-pandemic/>

Further media clippings include:

- 20 September 2021: Corné van Walbeek and Samantha Filby op-ed in the Daily Maverick: "[Up in smoke: Batsa's cigarette pricing strategy has backfired, exposing its greedy, grubby underbelly](#)" (also published on [MSN](#) and [VNE Explorer](#)).



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

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