

PRESS RELEASE

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**Increasing tobacco taxes saves more lives
and increases revenues to earmark poverty alleviation programmes**

According to a report released in Cairo today about the tobacco economics and tobacco taxes in Egypt, raising taxes on tobacco products is a very effective measure for tobacco control and has a strong impact on public health. This measure can save the lives of thousands of Egyptians as well as serve as a significant source of revenue for the government to supply many health care services.

The World Health Organization emphasizes on the significant effect of high smoking rates on the increased number of early deaths, high health care costs and lost productivity in Egypt. Nearly 20% of Egyptians use some form of tobacco. Ninety percent of all lung cancer cases in Egypt are attributed to tobacco use, and 44% of young people, aged 13–15 years are exposed to deadly secondhand smoke in public places.

In addition to the detrimental impact of tobacco on the health of Egyptians, tobacco use exacts a high economic cost. The direct annual cost of treating tobacco-related diseases is estimated at three billion Egyptian pounds.

“It is estimated that over 170 000 Egyptians are dying each year from tobacco-related diseases. It is critical that the government remain vigilant and follow the recommendations in today’s report to save more Egyptian lives and generate additional revenues” said Dr Ashraf Saleh, Associate Professor of Economics and Finance in the Arab Academy for Science, Technology & Maritime Transport. He added that “the revenue could be used for poverty alleviation programmes, tobacco cessation and prevention programmes, and other efforts to promote health targeting the economically disadvantaged”.

Projections in the report show that the recent tax increase that increased cigarette taxes to 65% of retail price is estimated to reduce cigarette consumption by 19% while increasing cigarette tax revenues by nearly 3.5 billion Egyptian pounds. This tax increase will prevent nearly 1.6 million Egyptians from smoking and can save over 450 000 lives.

“If Egypt raises cigarette taxes by a further 5% so they account for 70% of the retail price, cigarette consumption could be reduced by 25%, and total increase in revenues could reach up to 5.2 billion Egyptian pounds” explained Dr Saleh. “This tax increase would prevent over 2.1 million Egyptians from smoking and could save 600 000 Egyptians lives”.

The World Health Organization Eastern Mediterranean Regional Office seizes this opportunity to stress on the importance of maintaining a firm grip on the health benefits resulting from the tobacco products tax increase enforced last year. We must not succumb to the unfaltering pressures exerted by the tobacco companies in this regard. Tobacco companies continuously apply pressure on governments in many countries around the world, urging them to reduce tobacco prices in order to increase consumption and in turn maximize their profits that we jointly need to confront for better health of our people.