

Open Letter to Financial Secretary, Hong Kong SAR Government

Increase Tobacco Tax Substantially and Annually to Facilitate the Progress of Tobacco Control in Hong Kong

Smoking is the leading preventable cause of deaths and the second leading risk factor of the global burden of diseases. Each year, tobacco kills more than 8 million people globally, in which around 1.2 million non-smokers are killed by exposure to second-hand smoke. The *Cancer Atlas* reported that in 2017, 2.3 million cancer deaths were caused by smoking and an additional 190,000 cancer deaths were due to the use of smokeless tobacco or second-hand smoke exposure. In Hong Kong, smoking kills nearly 7,000 people annually and causes significant healthcare expenditures and productivity loss, amounting to nearly HK\$5.6 billion annual economic loss.

Smoking increases the risks of novel coronavirus (COVID-19) infection and spreading in community. Smoking weakens lung function and immunity, hence smokers are more vulnerable to respiratory illness. Smokers are unable to wear a surgical mask or avoid hand-to-mouth and hand-to-nose contacts when smoking, it might increase the risk of viral infection. A local case related smoking was recorded while a smoker smoked and interacted with another smoker in public place. In addition, researches revealed that COVID-19 patients who smoke are 1.4 to 2.4 times as likely as non-smokers to suffer from severe complications and even death. Therefore, a reduction in smoking prevalence would not only save a significant number of lives and lower the economic and healthcare burdens, but also reduce the risks of COVID-19 infection.

The decline of smoking prevalence in Hong Kong has been plateaued in recent years. The smoking prevalence recorded its first increment since the past 17 years, slightly raising to 10.2% in 2019. It marks an alarming signal to tobacco control. Hong Kong should substantially strengthen its multi-pronged tobacco control measures, especially raising tobacco tax, promoting smoking cessation and preventing the emergence of alternative smoking products including e-cigarettes and heated tobacco products. COSH, in alliance with the medical, education and social service sectors, parents, patients and smoking cessation groups, urges the Hong Kong SAR government to improve tobacco control by a proactive tax policy, including a substantial tobacco tax increase and subsequent annual increment.

Tobacco tax as the single most effective and prioritized tobacco control measure

The World Health Organization (WHO) pointed out that tobacco tax costs little for implementation but effectively lowers the affordability of tobacco products and reduces the economic burden associated with smoking. WHO recommends raising tobacco price through tax increase as the single most

effective tobacco control measure, and clearly defines it as the prioritized measure in the document *Global Strategy to Accelerate Tobacco Control: Advancing Sustainable Development through the Implementation of the WHO FCTC 2019–2025*. The World Bank also concluded that tobacco taxation can save lives, reduce poverty and increase domestic resources for financing development. Moreover, the increased tax revenue can be used to support smoking cessation services and health promotion work.

According to the evidence of WHO, every 10% price increase will reduce overall tobacco consumption by 4% in high-income countries and portion of tobacco tax to retail price should be increased to at least 75%. Nearly 40 countries, including Australia, Brazil and Thailand, have already raised the tobacco tax to meet the recommendation. However, the tobacco tax of major cigarette brands in Hong Kong accounts for only around 63% of the retail price.

Raising tobacco tax to prevent youth from smoking initiation

Most smokers start smoking during adolescence and those who start smoking at younger age are less likely to quit. The Thematic Household Survey Report No.70 showed that 67.1% of smokers started smoking weekly before the age of 19 years old. Therefore, the prevention of youth from initiating any forms of smoking is vital in tobacco control and raising tobacco tax is the most effective among all measures. Youths have lower income than adults and are thus more price sensitive. For the same price increase, smoking reduction is 2 to 3 times higher in youths than in adults. Tobacco tax increase can prevent them from smoking initiation as well as the progression to regular smoking. In Hong Kong, such effect was reflected by the significant drop in youth smoking prevalence from 6.8% in 2008 to 3.3% in 2013 which coincided with the 50% and 41.5% tobacco tax increase in FY2009-2010 and FY2011-2012 respectively. It demonstrates the importance of stringent tax measures in motivating quitting and deterring smoking initiation among youths.

Tobacco tax increase promotes smoking cessation

International evidence has shown the inverse relationship between tobacco retail price and tobacco consumption. Local data has also proven that substantial tobacco tax increases can significantly motivate smokers to quit and enhance their intention and determination to quit. Following the announcement of tobacco tax increases in the Budget in FY2009-2010 (50%) and FY2011-2012 (41.5%), the annual number of calls to the Integrated Smoking Cessation Hotline (1833183) surged by 258% and 49% respectively. In contrast, the annual number of calls increased by 1% only after the small tax increase (11.8%) in FY2014-2015. A significant drop of 44% was recorded when tobacco tax was frozen in the following three years. It reflects the immediate and long-term impact of substantial tobacco tax increase on smoking cessation.

The result from the Thematic Household Survey indicated that 63.3% smokers had never tried and did not want to give up smoking in 2019, which was a 19.4% increase from 2012. It reflects that smokers have lower intention to quit, and the stagnant tobacco control policies, especially freezing tobacco tax for five years (as of 2019), would be one of the key factors. On the other hand, only 14.1% of quitters gave up smoking due to “tobacco products were too expensive”, which decreased by 25% compared with the figure in 2012. The effectiveness of tobacco price in promoting smoking cessation has been alleviated as a result of the frozen tobacco tax.

Public support for tobacco tax increase

According to COSH’s Tobacco Control Policy-related Survey conducted from September 2018 to March 2019, 79.6% of all respondents and 34.6% of current smokers supported raising tobacco tax in coming year. Majority of respondents (70.9%) supported an annual tobacco tax increase. The results highlighted the support from the public, including smokers, for a substantial tobacco tax increase followed by annual tax increase.

The survey also showed that majority of current smokers (84.5%) would quit or reduce smoking by half if the tobacco retail price increases. They considered a median cigarette price of HK\$100 and a mean price of HK\$129.8 as high enough to motivate them to quit (the current price is HK\$60 per pack). If the Government increases the tobacco tax by 100%, the tax value will increase from HK\$38 to HK\$76 per pack, making the cigarette price (about HK\$97 per pack) closer to the median price level suggested by smokers to motivate quitting.

Raising tobacco tax is the core measure to achieve smoke-free goal

The Hong Kong SAR Government targets to reduce the smoking prevalence to 7.8% by 2025. Nevertheless, the last substantial increase in tobacco tax was almost a decade ago. The decrease of the smoking prevalence does not only slow down, but also slightly rebounds. Therefore, the Hong Kong SAR Government should strengthen the multi-pronged tobacco control measures, especially raising tobacco tax substantially and annually to facilitate the progress of tobacco control and achieve the smoke-free goal of the Government.

An increasing number of countries have introduced comprehensive policies and long-term blueprint to terminate the tobacco epidemic and adopted a defined schedule and target for tobacco endgame, that is lowering the smoking prevalence to 5% or below, for example, New Zealand and Ireland (2025), England and Finland (2030), Canada (2035), and Malaysia (2045), etc. To achieve smoke-free Hong Kong, the Government should establish the tobacco endgame goal with a specific timeline and strengthen the multi-pronged tobacco

control policy. In addition to raising tobacco tax, the Government should also enact a total ban on alternative smoking products (including e-cigarettes and heated tobacco products) promptly, implement plain packaging, ban tobacco product display at point-of-sale, extend the statutory smoke-free areas, place legal onus on venue managers for smoking offences, raise the legal tobacco sales age to 21, tighten law enforcement, allocate more resources for smoking cessation services and smoke-free education, as well as countering tobacco industry interference with tobacco control policies.

This open letter is jointly submitted by Hong Kong Council on Smoking and Health and 85 co-signatories.

10 February 2021

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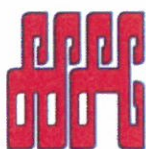
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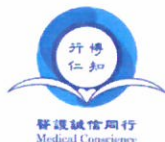
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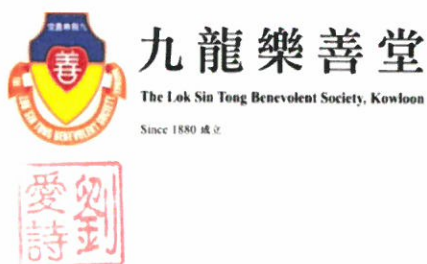
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