

Cigarettes in Việt Nam are among the cheapest in the world, fueling a public health crisis that accounts for up to 28% of early deaths among men over 35. A tax increase of just VNĐ5,000 per pack would make a big difference

## VN tobacco tax will save lives, protect health

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On 27 September 2018, the United Nations General Assembly is holding the third global high-level meeting on the prevention and control of non-communicable diseases (NCDs). At this meeting, country delegations will undertake a comprehensive review of global and national progress in putting in place measures that protect people from dying too young from heart and lung diseases, cancers, and diabetes.

The accumulated scientific evidence over the past decades clearly shows that tobacco use is causally linked to diseases of nearly all organs of the body and is a leading NCD risk factor and underlying cause of ill health, preventable death, and disability.

Tobacco use not only increases an individual's risk of death from stroke and heart attacks two- to three-fold, but is responsible for 10-30 per cent of all cardiovascular disease deaths worldwide.

There is also evidence of a causal relationship between smoking and all types of cancer, including lung, liver, colorectal, and prostate cancers. Smoking is the dominant cause of chronic obstructive pulmonary

disease (COPD), including emphysema and chronic bronchitis. Smoking also increases the risk of tuberculosis. Research continues to identify diseases caused or exacerbated by smoking, including such common diseases as diabetes.

Besides the high human toll, smoking-related illnesses cost billions of dollars each year, imposing a heavy economic cost on countries, both in terms of direct medical care costs and lost productivity among affected workers. Such losses inevitably lead to increased poverty and social inequity among those with least access to affordable health care.

While Việt Nam has made significant strides over the past two decades in reducing the burden of infectious diseases, tobacco use is a major contributor to a fast-growing epidemic of NCDs.

Almost one half of Vietnamese men smoke, and the rate is even higher among young men aged 25 to 45 and among poorer groups. While fewer than 2 per cent of women smoke, women and children are exposed to high levels of second-hand smoke at home, which also harms and kills.

The low cost of cigarettes, which are among the cheapest in the world,

continues to fuel the growth of this ominous public health risk, which already accounts for 24-28 per cent of premature deaths among Vietnamese males over 35 years-old. Unless action is taken, tobacco's death toll will continue to grow every year in Việt Nam.

The Resolution of the sixth plenary session of the 12th Party Central Committee on the protection, care, and improvement of people's health reorients the health system toward prevention built on a solid foundation of grassroots care and offers a guiding framework to take decisive action to protect the Vietnamese people from ill health, premature mortality, and disability caused by tobacco use.

Việt Nam's National Tobacco Control Strategy aims to reduce the male prevalence of smoking from 45.3 per cent in 2015 to 39 per cent by 2020. As will be highlighted during the UN meeting, more than a decade after the adoption of the World Health Organisation Framework Convention on Tobacco Control, there is compelling evidence from across the world, that raising tobacco prices substantially through taxation is the single most effective way to reduce tobacco use, save lives, and make people

healthier.

Simply put, reforming the tobacco excise tax structure by introducing a significant specific excise tax component on top of ad valorem taxes and adopting a big enough tobacco tax increase could save millions of lives and reduce the tobacco-attributable disease burden in Việt Nam in the next decade.

In turn, having a healthier population will help reduce demand and utilization of costly health services associated with preventable tobacco-attributable diseases, helping to ensure the financial sustainability of the health system.

As experienced in other countries, cigarette consumption will decline after taxes are raised, yet tax revenue will also continue to increase, helping to expand fiscal space.

So, tobacco tax policy changes should be seen as a win-win-win proposition for achieving public health, domestic resource mobilization, and equity goals.

Higher tobacco taxes not only help smokers reduce smoking and even quit, but crucially, they also prevent the next generation from taking up smoking in the first place. The clear majority of smokers start

smoking when they are young. Higher tobacco taxes make cigarettes much less affordable for teenagers, helping to protect the coming generations from tobacco-attributable diseases and premature death.

In Việt Nam, this is an important consideration, since half the population is younger than 30 years of age. It is estimated that a tax increase of VNĐ5,000 (US\$0.21) per pack in Việt Nam would reduce the number of smokers by 1.8 million and would save almost one million Vietnamese from premature death.

Introducing a specific tax component in the tobacco tax structure and increasing tobacco taxes regularly to 70 per cent of the retail price would contribute significantly to stemming the non-communicable disease epidemic in Việt Nam. In so doing, it would help to attain the Government's goals of reducing health inequalities, closing the human capital gap to enhance productivity and competitiveness, and achieving a prosperous and inclusive society.

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