

## **Tito's tax on e-cigarettes will save lives** – IOL 27 February 2020

The National Council of Smoking (NCAS) welcomes the urgently needed tax on e-cigarettes. The bold move announcing taxation will reduce youth use of e-cigarettes and prevent them from becoming addicted to smoking and later switching to cigarettes.

This will reduce disease and save lives. For more than a decade, e-cigarette usage has been unregulated and untaxed in the country. An estimated one million South Africans now use e-cigarettes, a worrying number that continues to grow.

The health harm is clear: e-cigarettes are linked to severe health conditions including cardiovascular and respiratory diseases, chest pains, ulcers in the mouth, asthma and a high risk of strokes. Taxing these products will offset the cost of this harm which is incurred by the health system and paid for by the taxpayer.

Executive Director, Savera Kalideen notes that “This tax brings South Africa in line with countries such as Kenya which already have a tax on e-cigarettes. It is also in line with recommendations from the World Health Organisation as an effective way to reduce health harm. It is also in line with the World Bank’s recommendations to use tax on tobacco to reduce the health burden and bring in revenue to the fiscus.”

But while NCAS applauds the move to introduce tax, the council is disappointed with Minister Tito Mboweni’s insignificant increase of R0.74 per packet of 20 cigarettes. The increase brings the excise tax to R17.40 per packet and people who smoke nine cigarettes on average a day will only spend an additional R1212 for the year. This is simply not enough to get people to think twice about their smoking behavior and the risk to themselves and others through harmful second-hand smoke. The 2020 tax increase is even lower than the 2019 increase of R1.14 per packet and the 2018 increase of R1.22 per packet.

Cigarettes are, unfortunately, still far too affordable in South Africa. More than 8 million South Africans smoke - and if this number is not reduced by higher taxes - then the burden on the health system and the future NHI, as well as public finances will not be sustainable. Tobacco-related harm currently costs the country R59 billion per annum while we earn less than R12 billion in excise taxes.

There was plenty of room for Minister Tito Mboweni to increase the taxes and fund the short-fall in the health burden that the product causes. He missed the opportunity yet again, and until the Tobacco Bill is passed, bringing plain packaging and introducing 100% smoke-free public places, among other interventions, the vacuum in public health protection from harmful tobacco products remains.