



Global Development and Finance Experts Strongly Recommend Increasing Tobacco Taxes To Finance Sustainable Development

Other recommendations include need for universal healthcare, interventions to prevent NCDs, access to affordable medicines, and increased R&D for medicines and vaccines

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July 16, 2015 - ADDIS ABABA, Ethiopia – The NCD Alliance, the Framework Convention Alliance, the International Union Against Tuberculosis and Lung Disease, World Lung Foundation and the Campaign for Tobacco-Free Kids today welcomed the declaration of the Third International Conference on Financing for Development (FfD) in Addis Ababa, Ethiopia. Heads of State and Ministers of Finance, Foreign Affairs and Development, along with global experts have recommended that governments increase tobacco taxes as a key strategy to reduce tobacco consumption and the global burden of non-communicable diseases (NCDs), help defer the costs of health care, and help finance sustainable development.

The recommendation in the Addis Ababa Action Agenda comes two months before governments meet at the United Nations Summit to adopt the post-2015 development agenda, a universal plan of action for the next 15 years of global sustainable development. The Action Agenda was agreed following seven months of extensive deliberations on how governments can finance progress towards achieving development objectives, including a reduction in the burden of NCDs. Delegates in Addis Ababa concluded that a combination of domestic revenue streams (such as higher tobacco taxes), together with international development assistance and other innovative resourcing methods, will be required to meet all proposed Sustainable Development Goals (SDGs) by 2030.

José Luis Castro, Executive Director, The Union commented: “Increasing tobacco taxes is the most efficient and cost-effective way of reducing tobacco use and saving lives, but governments are less likely to raise tobacco taxes than implement other tobacco control measures. We believe the Action Agenda – and the SDGs to be agreed in September – have the potential to change that. Tobacco taxes represent a significant potential domestic revenue stream. Their comparative under-use means there is ample room to increase tobacco taxes as part of a long-term strategy to save lives and raise revenue to fund development priorities like education and healthcare. It’s a win-win for delivering progress in public health and countries’ sustainable development objectives.”

“Our organizations and their global affiliates urge delegates to the United Nations Summit in September 2015 to include the strategy of raising tobacco taxes – including directing funds to programs to reduce the burden of NCDs - in the new Sustainable Development Goals (SDGs).”

A wealth of evidence shows that high tobacco taxes help to increase domestic government revenues while simultaneously reducing tobacco use – which in turn helps to decrease the economic burden of tobacco use and NCDs. Given current estimates of the burden of tobacco-related disease, researchers predict that tobacco use will kill one billion people this century with a potential total

economic loss of about US\$ 12.7 trillion, or 1.3% of global GDP annually over the next 20 years. According to a [World Health Organization report](#) issued to coincide with the conference, “[This] significant economic toll, coupled with a reduction in productivity, can greatly increase the impact tobacco can have on a country’s poverty burden and on hindering sustainable development.”

A 2014 paper in the New England Journal of Medicine found that raising taxes to double the price of tobacco products would raise US\$100 billion per year while simultaneously reducing tobacco consumption by one-third. US\$100 billion would pay for the [‘best buys’ to reduce the economic burden of NCDs](#) in low and middle income countries (LMICs) nine times over, or pay for childhood vaccinations in all LMICs.

Other significant health-related recommendations

The newly-adopted financing framework of the Addis Ababa Action Agenda also concluded that:

- Governments should strengthen the implementation of the WHO Framework Convention on Tobacco Control, a global treaty with 180 parties representing nearly 90 percent of the world’s population. A draft of the SDGs, which is expected to be adopted unchanged by the General Assembly in September, includes accelerated implementation of the FCTC as a target for reaching the health goal
- NCDs such as chronic lung diseases, cancer, cardiovascular diseases and diabetes are placing an enormous and growing burden on developed and developing countries.
- Action should be taken at all levels, domestically and internationally, to strengthen national health systems and achieve universal health care
- By the end of 2015, all World Trade Organization members should agree to allow developing countries improved access to affordable medicines
- Developing countries should use the Agreement on Trade-Related Aspects of Intellectual Property Rights to increase access to affordable medicines
- Research and development for new vaccines and medicines should be supported, as well as preventive measures and treatments for NCDs and communicable diseases - particularly those that disproportionately impact developing countries.

For more information, please see <http://www.un.org/esa/ffd/ffd3/>