



**Legco Members
Legco Panel on Health Services
Financial Secretary**

26th January 2012

Dear Members,

The Financial Secretary has previously stated that tobacco taxation is a preventative health measure. This is true and the intention is to prevent children and youth smoking by making these toxic pathogenic products beyond affordability to them. However the last excise tax increase in 2011 was glaringly insufficient to have a significant effect.

The diabolical result is shown below: youth smoking has increased and needs to be stopped.

EFFECT OF 2011 BUDGET EXCISE TAX INCREASE ON HONG KONG DAILY SMOKING RATE / JUST 1 STICK PER HEAD LESS PER DAY THAN 2010						
2009	2010	QTY	2011	QTY		
50% EXCISE HIKE	NO EXCISE TAX HIKE		41.45% EXCISE HIKE		REDUCTION	INCREASE
EXCISE HK\$ 1200 PER 1000 STICKS	EXCISE HK\$ 1200 PER 1000 STICKS		EXCISE HK\$ 1700 PER 1000 STICKS			
(2001-2008 EXCISE \$804 PER 1000 STICKS)	LEGAL EXCISE PAID STICKS	3.137462 BN	LEGAL EXCISE PAID STICKS	2.877130 BN	260,332,000 STICKS	
	EXCISE REVENUE HK\$	3,817,388,053	EXCISE REVENUE HK\$	4,372,179,904		HK\$554,791,911
			657,000 DAILY SMOKERS		1.08 STICKS PER DAY	
<9 YRS OLD CHILDREN STARTED SMOKING	<9 YRS OLD CHILDREN STARTED SMOKING					
7,600 CHILDREN	7,000 CHILDREN				600 CHILDREN	
10-19 YRS OLD YOUTHS STARTED SMOKING	10-19 YRS OLD YOUTHS STARTED SMOKING					
383,000 YOUTHS	383,900 YOUTHS					900 YOUTHS
http://www.censtatd.gov.hk/products_and_services/products/publications/statistical_report/social_data/index_cd_B1130248_dt_detail_t.jsp						

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Hong Kong tobacco remains too affordable for our youth and the number of youth smokers in 2010 has **increased** above 2009 figures. **Tobacco excise tax needs to at least match the levels of Singapore to start to become effective in stopping youth smoking.**

Herewith please find up to date comparative tobacco prices from first world countries that are taking effective action against youth smoking. Hong Kong has a higher cost of living than the following countries yet our excise tax levels remain far lower. Please urge the Financial Secretary to make significant increases in excise levels or we will consign even more youth to a life of addiction.

PRICE COMPARISON OF CIGARETTE RETAIL PRICES JANUARY 2012 INCLUSIVE OF LOCAL TAXES						
AUSTRALIA			x-rates.com	HONG KONG		
PRODUCT	PACK SIZE	PRICE A\$	PRICE HK\$	PRODUCT	PACK SIZE	PRICE HK\$
MARLBORO	20	15.4	125	MARLBORO	20	50
MARLBORO	25	18.9	147.7			
SUPER KING	20	13	105.6			
RED FORTUNE	20	11.3	91.8			HK\$
WINFIELD	25	18.3	148.6	WINFIELD	20	44
BENSON+HEDGES	25	18.8	152.7			
PETER JACKSON	30	20.7	168			
LONGBEACH	40	26.8	217.6			
(ASH Australia)						
NEW ZEALAND		NZ\$	HK\$			HK\$
MARLBORO	20	13.8	86.5	MARLBORO		50
(stuff.co.nz)						
USA NEW YORK		US\$	HK\$			HK\$

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MARLBORO	20	15	117	MARLBORO	20	50
(NY Times)						
IRELAND		£				HK\$
MPPC	20	7.41	89.6	DOUBLE HAPPINESS	20	45
UK						
MPPC	20	6.95	84	VICEROY	20	46
SWEDEN						
MPPC	20	5.71	69	WINSTON	20	44
FRANCE						
MPPC	20	5.12	61.9	WEST	20	42
(MPPC most popular price category - product and brand will vary by country)						
(http://www.the-tma.org.uk/tma-publications-research/facts-figures/eu-cigarette-prices/)						
SINGAPORE		S\$				HK\$
MARLBORO	20	12	73.27	MARLBORO	20	50
(7eleven)						

Yours sincerely,

James Middleton
Chairman

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NZ - Tobacco price hike to kick in

Published: 3:34PM Saturday December 31, 2011 Source: ONE News

<http://tvnz.co.nz/national-news/tobacco-price-hike-kick-in-4670985>



Cigarettes on display in a shop - Source: ONE News

Vowing to give up cigarettes may be a New Year's resolution for more smokers than usual this year as the tax on tobacco increases from the first day of 2012.

The last of the three-tiered tax increase will push the cost of the most popular brand of cigarettes to **NZ\$13.80 for a 20 pack (HK\$ 83)** and to NZ\$31 for a 30g pack of loose tobacco.

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Quitline Chief Executive Paula Snowden said January is a notoriously busy time of year and the tax increase will only increase the number of smokers looking for support. "80% of smokers wished they'd never started smoking and we expect the January tax jump will be a trigger for many to quit," said Snowden. "Those who use Quitline support are up to five times more likely to succeed than going it alone."

Snowden said the tax hike will mean smokers can look forward to saving NZ\$4500 in 2012 if they give up in time for the New Year. "For a family with one adult smoking one packet a day, that equates to a tank of petrol a week. "Over a month it's an average week's rent or a car payment -serious money out of the family budget," said Snowden.

In January 2011, 9,383 people quit smoking with the help of Quitline - almost double the number who used the service in January 2010. Anyone wanting support can call Quitline for free on 0800 778 778 or visit www.quit.org.nz for online support.

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