



The WHO Tobacco Tax Simulation Model (TaXSiM)

About the WHO TaXSiM

<http://www.who.int/tobacco/economics/taxsim/en/index.html>

The World Health Organization (WHO) has been working closely with many countries to examine the structure and dynamics of their tobacco markets, and to help implement better tobacco tax policy. This experience has led the economics team to develop the *WHO Tobacco Tax Simulation Model (TaXSiM)* to help countries with tax policy analysis, impact assessment and decision-making.

The model can be used to describe the current market and tax situation for domestically consumed cigarettes within a particular country or tax jurisdiction, and then to forecast the impact of tax changes on final consumer prices, annual consumption volumes, and tax revenues for the Government. A particular strength of the model is that it examines these outcomes closely on a brand-wise basis.

TaXSiM was also designed to reflect the wide range of different tax structures and systems in place on tobacco products throughout the world and as such it is a unique and innovative tool for countries to use. It will also be a valuable tool for other stakeholders who are interested in assessing the revenue and consumption impact of different tobacco tax policies.

The model available here is still a work-in-progress and as such it will be updated regularly. In particular, please note the current model is a “beta version” which has been released for testing on different computers and IT platforms. Please share with us any difficulties you have had downloading or using the model on your computer.

Download the WHO TaXSiM

To use the model, right click on the link and save it to a location onto your computer. Note Microsoft Excel 2003 or 2010 needs to have been properly installed in order for the model to function. It is not recommended that you left-click to open the model from the temporary file location it will be saved in, as the file may not work properly.

- [Download the WHO TaXSiM xls, 1.45Mb](#)

Once you have downloaded the model you will need to ensure the following Microsoft Excel set-up:

- enable iterative calculation,
- enable all macros,
- enable trust access to the VBA project object model.

These set-up features are usually found in the “options” menu of Microsoft Excel. Please refer to a Microsoft Excel user guide for more information if necessary. Note the model may not function if Microsoft Excel has not been properly installed on your computer

Supporting documents

The model will be supported by a user guide that will cover both model set-up and policy design matters. The user guide will be available on this site once we have incorporated initial feedback from users on the current beta version. In the meantime, the model requires the following input data, and highly recommended that users collect this data prior to using the model:

- The number of cigarettes sold or consumed in the market according to each cigarette brand in the baseline year. It is not necessary to have data on all brands, but the best results are obtained from including brands that collectively cover at least 80% of the market.
- The final consumer price (or final retail price) of cigarette brands sold in the market either for the same baseline year or as at the present time.
- Where relevant, the Cost, Insurance and Freight (CIF) import value of each cigarette brand imported into the market. Note “default” CIF import values will be made available by WHO on the basis of United Nations Comtrade data, but these values will be an overall average for each country rather than on a brand-wise basis.
- The details of all taxes levied on the sale of cigarette sticks such as import duty, excise, VAT/sales tax and any other dedicated or earmarked taxes on cigarettes. These details should include the relevant rates for each tax; the base for any ad valorem taxes (e.g. CIF value or retail price) and the base for any specific taxes (e.g. per Kg or per 1,000 sticks).
- **User feedback**
- The model is a work-in-progress and as such we welcome your feedback. In particular, we would like to know how the model is being used, any difficulties you have had using it, and your suggestions for improvements. We would also welcome the opportunity to discuss findings. Please contact us: World Health Organization
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From: "BETTCHER, Douglas William" <bettcherd@who.int>
To: Cc: TFITCE <TFITCE@who.int>
Sent: Wednesday, 19 December 2012, 18:35
Subject: LAUNCH OF THE WHO TOBACCO TAX SIMULATION MODEL (WHO TaXSiM)

Dear colleagues

The World Health Organization has been working closely with a number of countries since 2008 to support the introduction of more effective and efficient tobacco tax systems. This experience has led us to develop a WHO Tobacco Tax Simulation Model (WHO TaXSiM) to help Government officials with tax policy analysis, impact assessment, and decision-making.

Today, I have the pleasure to announce the launch and release of the WHO TaXSiM as an Excel-based tool freely available to all on our web site:

<http://www.who.int/tobacco/economics/taxsim/en/index.html>

The WHO TaXSiM is designed to reflect the range of different tax systems in place on tobacco products throughout the world, and then to forecast the impact of tax change on cigarette prices, consumption, and Government tax revenues. We are confident that the WHO TaXSiM will prove to be a highly valuable tool for Government officials, technical partners and other stakeholders to use when evaluating and proposing new tobacco tax policies.

Please note the model released today is a work-in-progress and as such, we welcome your feedback. In particular, we would like to know if you have any difficulties downloading or applying the model and your suggestions for improvements. We also welcome the opportunity to discuss any findings. Please feel free to write to us at TFITCE@who.int

Dr Douglas Bettcher

Director

Tobacco Free Initiative

World Health Organization