



Hong Kong Government
Hong Kong Department of Health
Tobacco Control Zero Efforts



TAX DENIED-AGAIN!

20 January 2017

Letter to Financial Secretary, Hong Kong SAR Government Raising Tobacco Tax by 100% to Lower Smoking Prevalence

Smoking is the single greatest preventable cause of premature death in the world. Each year, tobacco kills nearly 6 million people globally, including more than 600,000 non-smokers caused by exposure to secondhand smoke. World Health Organization (WHO) warns that at least one in two smokers will die prematurely because of smoking. Recent evidence suggests that it could be as high as two out of three. In Hong Kong, smoking not only causes the loss of about 7,000 lives every year, but also incurs considerable medical expenses and loss of productivity which are equal to an annual economic loss of HK\$5.3 billion. A reduction of smoking prevalence would mean saving a significant number of lives and lowering the economic burden.

Preventing Children and Youth from Smoking

The Thematic Household Survey Report No.59 released in February 2016 found that 67.1% of respondents started smoking weekly between the ages of 10-19. The World Bank has stressed that raising tobacco taxes makes tobacco products unaffordable to youth. According to the research study of the School of Public Health of The University of Hong Kong (HKU), smoking among adolescents dropped from 6.9% in 2008 to 3.4% in 2010 after the tobacco tax increase in 2009; and to 3.0% in 2012 after the increase in 2011. It meant that about 13,000 and 3,000 adolescents were prevented from or had quit smoking in 2010 and 2012 respectively. This demonstrated clearly that an increase in tobacco tax brings positive effect to deter youth and teenagers from taking up smoking, and it is consistent with worldwide experience that the single best way to prevent youth smoking is a fiscal measure – increasing tobacco tax.

Different forms of emerging tobacco products, including e-cigarettes and heated tobacco, are on the rise because of increase in availability, misleading marketing and the misperception that these tobacco products are safer alternatives. In view of this, it is critical to increase tax substantially on all tobacco products as a precautious measure to not only prevent youth smoking but also prevent renormalization of smoking behaviours.

Higher Tax Induces Stronger Motivation to Quit

Raising tobacco tax substantially generates immediate and long-term effects on reducing cigarette smoking. Upon the announcement of tobacco tax increase in the Budgets of FY2009-10 (50%) and FY2011-12 (41.5%), the annual number of calls to the Integrated Smoking Cessation Hotline jumped by 246% and 48% respectively. These figures reflected the significant and long-term impact on smoking cessation generated by a substantial tax increase. In contrast, when the tobacco tax was increased slightly by 11.8% in FY2014-15, the annual number of calls to the hotline

increased by 1% only. A large increase in tobacco tax could trigger smokers' motivation to quit and sustainably enhance their thought and determination to quit. In line with the above figures, COSH's survey showed that 20.8% of current smokers had tried to stop or had reduced smoking because of the tobacco tax hikes in 2011 whereas only 8.3% did so in 2014.

WHO's recommendations

Raising tobacco tax is the single most effective measure to reduce tobacco use and encourage smoking cessation. According to WHO's research in high-income countries, a 10% price increase will reduce overall tobacco consumption by 4%. The WHO Report on the Global Tobacco Epidemic 2015 suggested that raising tobacco taxes to more than 75% of the retail price is among the most effective tobacco control interventions. Such a measure costs little to implement while generating positive government revenues. The tax increase should also reduce the affordability of tobacco products. According to the report, over 30 countries have now raised tobacco tax to more than 75% of the retail price, and over 50 countries to more than 70%.

It is vital for Hong Kong to follow the global example of an impactful tobacco tax level as soon as possible. As the tobacco tax of major cigarette brands in Hong Kong is currently about 67% of the retail price, the Government should take the bold step to rapidly introduce stringent taxation policy so as to effectively reduce the demand of tobacco.

Cigarette Price in Hong Kong Remains Highly Affordable

Cigarette price of the major brand in Hong Kong is about HK\$57 per pack. It is low when compared to other developed regions such as Australia (about HK\$143), New Zealand (about HK\$119), New York (about HK\$101), United Kingdom (about HK\$87), Singapore (about HK\$70) and Canada (about HK\$69). In addition to the high cigarette price, a sustainable and long-term increment of tobacco tax has been adopted by other countries. For example, Australia set a 12.5% annual increase from 2013 to 2016, and New Zealand will implement a 10% annual increase from 2017 to 2020. Hong Kong should make reference to these successful cases and consider long-term and continuous tobacco tax increases to maintain the price effect on the demand of tobacco products.

According to WHO and the calculation of Dr Hana Ross, an international expert of tobacco control economics, the real price of Hong Kong cigarette in 2013 had increased by only 25% from 1989, which was far outweighed by inflation. The relative income price had even decreased by 14%. In short, cigarettes in Hong Kong are more affordable than before, as well as when compared to many countries in the Western Pacific region, e.g. Australia, Malaysia, New Zealand, Singapore and Thailand, etc.

Public Support for Increasing Tobacco Tax and Cigarette Price

According to COSH's Tobacco Control Policy-related Survey 2016, the majority of Hong Kong people (76.3%) support an increase in tobacco tax annually, and nearly 40% thought that it should be higher than the inflation rate in order to maintain the pricing effect on the demand of tobacco products. A continuous and consistent policy to raise tobacco tax should be implemented.

The respondents also opined that cigarette retail price should be set at HK\$168 per pack on average to effectively motivate smokers to quit, which is almost three times higher than the current retail price. The current smokers even thought that the price should be increased to an average of HK\$199. These figures reflect the perception that there is acceptable available capacity for cigarette price increments. In fact, the tobacco industry has increased the price of a pack of cigarette by about HK\$2 this year. The government should substantially increase tobacco tax in order to lift up the cigarette price, decrease the tobacco affordability, effectively motivate smokers to quit, and deter youth from starting to smoke.

No Causal Relationship with Illicit Cigarettes

Dr Margaret CHAN, Director-General of WHO, specifically reaffirmed that tobacco tax is a successful tobacco control measure which is fought by the tobacco industry, indirectly confirming that it is a most effective measure. The tobacco industry argues with skewed and distorted information and links tobacco tax with illicit cigarettes. Policy-makers and the public should be particularly cautious about such information advised by the tobacco industry and their affiliated groups, such as the tobacco-industry funded International Tax and Investment Centre and their affiliated Oxford Economics, which frequently visit Hong Kong. COSH and HKU have conducted an objective estimation on Hong Kong's illicit cigarette consumption with reliable data from the Government departments. The realistic illicit cigarette consumption in Hong Kong should range from 8.2% to 15.4% of total cigarette consumption in 2012, which is similar to the global average. According to the statement of Hong Kong Customs & Excise Department in the Legislative Council meeting on 8 April 2011 (LC Paper No. CB(2)1419/10-11(01)), "there was no sign that the situation in respect of the illicit cigarette market had deteriorated as a result of the increase in tobacco duty rates".

WHO also reiterates that there is no causal relationship between tobacco tax and illicit cigarettes. On the other hand, immense overseas and local evidences have proved the effectiveness and confirmed the justifications for heavy tobacco tax.

We strongly urge the Government to raise tobacco tax by 100% in FY2017-18 and formulate a long-term and continuous policy on raising tobacco tax so as to effectively encourage smokers to quit and to deter the youth from picking up the habit.

WHO has promulgated a Global Action Plan to list out several targets and actions from countries to improve public health. One of the target is the 30% relative reduction in prevalence of current tobacco use in all countries by 2025 compared with a baseline of 2010. While comprehensive tobacco control measures such as extensions of smoke-free areas, plain packaging and larger pictorial health warnings, cigarette display ban at point of sale, total ban on e-cigarettes and alternative forms of smoking, tightened enforcement, more resources for smoking cessation and smoke-free education etc. are necessary and important, this target will not be reached unless tobacco tax in Hong Kong is substantially raised.

c.c. to: Chief Executive, HKSAR Government
Secretary for Food and Health, HKSAR Government
Director of Health, HKSAR Government
Members of Legislative Council, HKSAR

TAX DENIED-AGAIN!

Signatories to this letter:



Antonio KWONG, MH Chairman Hong Kong Council on Smoking and Health

- widew

Vienna LAI, MPH Executive Director Hong Kong Council on Smoking and Health

ASIAN CONSULTANCY ON TOBACCO CONTROL

亞洲反吸煙諮詢所

J. M. Mackay

Prof Judith MACKAY, SBS, OBE, JP, MBChB, FRCP (Edin), FRCP (Lon) Director, Asian Consultancy on Tobacco Control Senior Policy Advisor, World Health Organization



James MIDDLETON Chairman, Clear the Air

TAX DENIED-AGAIN!





Professor Lau Chak-sing President, Hong Kong Academy of Medicine Constituent Colleges: Hong Kong College of Anaesthesiologists Hong Kong College of Community Medicine College of Dental Surgeons of Hong Kong Hong Kong College of Emergency Medicine Hong Kong College of Family Physicians Hong Kong College of Obstetricians and Gynaecologists College of Ophthalmologists of Hong Kong Hong Kong College of Orthopaedic Surgeons Hong Kong College of Otorhinolaryngologists Hong Kong College of Paediatricians The Hong Kong College of Pathologists Hong Kong College of Physicians The Hong Kong College of Psychiatrists Hong Kong College of Radiologists The College of Surgeons of Hong Kong



Dr Sigmund LEUNG, BBS, JP Chairman, Hong Kong Dental Association



Dr Leung Pak-yin

Chief Executive, Hospital Authority



LAU Fung Wai, Heidi

Executive Director, Life Education Activity Programme



Prof Patrick WONG, PhD, BBS, JP

Chairman, Quit-Winners Club



Syl acean

Agnes TIWARI PhD, RN, FAAN
Professor and Head
School of Nursing, Li Ka Shing Faculty of Medicine
The University of Hong Kong



Lan Tai Hing

Prof LAM Tai-hing, BBS, JP
Chair Professor of Community Medicine &
Sir Robert Kotewall Professor in Public Health
School of Public Health, Li Ka Shing Faculty of Medicine
The University of Hong Kong

TAX DENIED-AGAIN!



France lear End by

Prof Frances Kam Yuet WONG, RN PhD FAAN FHKAN (Education & Research)

President, The Hong Kong Academy of Nursing

and the 14 Academy Colleges:

Hong Kong College of Cardiac Nursing

Hong Kong College of Community and Public Health Nursing

Hong Kong College of Critical Care Nursing

Hong Kong College of Education & Research in Nursing

Hong Kong College of Emergency Nursing

Hong Kong College of Gerontology Nursing

Hong Kong College of Medical Nursing

Hong Kong College of Mental Health Nursing

Hong Kong College of Midwives

Hong Kong College of Nursing & Health Care Management

Hong Kong College of Orthopaedic Nursing

Hong Kong College of Paediatric Nursing

Hong Kong College of Perioperative Nursing

Hong Kong College of Surgical Nursing



Mrs Patricia CHU, BBS, JP

Chairman, The Hong Kong Anti-Cancer Society



Dr CHOI Kin

President, The Hong Kong Medical Association



Mod

Prof YEOH Eng-kiong, GBS, OBE, JP

Director

The Jockey Club School of Public Health and Primary Care

Faculty of Medicine

The Chinese University of Hong Kong



LAU Oi Sze, Alice

Chief Executive, The Lok Sin Tong Benevolent Society, Kowloon



Prof S. Y. CHAIR
Director and Professor
The Nethersole School of Nursing, Faculty of Medicine
The Chinese University of Hong Kong



The New Voice Club of Hong Kong



William CHUI Chun-ming

President, The Society of Hospital Pharmacists of Hong Kong







CHAN Ching-han, Helen
Centre Supervisor
Integrated Centre on Smoking Cessation
Tung Wah Group of Hospitals



H

Dr Joyce TANG

Medical Director, United Christian Nethersole Community Health Service

TAX DENIED-AGAIN!

TAX DENIED-AGAIN!

致香港特別行政區財政司司長公開信 增加煙草稅 100% 速降香港吸煙率

吸煙是世界上最大的可預防死因。煙草每年導致全球接近六百萬人死亡,當中包括約六十萬名因吸入二手煙死亡的非吸煙者。世界衞生組織(世衞)警告每兩個吸煙人士當中,有一個會因吸煙而提早死亡。最新研究更指三個吸煙人士中有兩個會因吸煙而死。在香港,吸煙不但每年導致約七千人死亡,更造成龐大醫療開支以及生產力損失,造成的經濟損失逾 53 億港元。由此可見,減低煙草使用不但可以拯救無數寶貴的生命,同時亦能減輕經濟負擔。

預防兒童及青少年吸煙

根據 2016 年 2 月發表的主題性住戶統計調查第 59 號報告書,67.1%的受訪者表示,他們由 10-19 歲開始形成每周吸煙的習慣。世界銀行強調提高煙草稅可降低青少年購買煙草的能力。根據香港大學公共衞生學院發表有關煙草稅與青少年吸煙的研究,2009 年及 2011 年增加煙草稅後,青少年吸煙率從 2008 年的 6.9%下降至 2010 年的 3.4%及至 2012 年的 3%,分別成功防止超過 13,000 名及 3,000 名青少年吸煙或促使他們停止吸煙,足以證明提高煙草稅對防止青少年開始吸煙有正面作用,而世界各地的經驗亦與上述結論一致,最有效防止青少年吸煙的方法是透過財政措施 - 即增加煙草稅。

近年出現了各類新興煙草產品,如電子煙及加熱的煙草製品,由於購買方便,加上誤導性營銷手法以及對相信這些新興產品較傳統煙草安全的謬誤影響, 在市面上日漸流行。有見及此,大幅增加煙草稅並涵蓋至所有煙草產品對預防青 少年吸煙及遏止煙草流行十分重要。

高煙草稅增強戒煙的決心

增加煙草稅對即時及長遠降低吸煙率有明顯的作用。政府分別於 2009-10 及 2011-12 財政年度宣佈增加煙草稅 50%及 41.5%後,衞生署的綜合戒煙熱線收到戒煙輔導的來電數目分別上升 246%及 48%。相反,2014-15 財政年度,煙草稅只是輕微調高 11.8%,求助電話的數目只錄得 1%增長。香港吸煙與健康委員會的研究同樣指出,有 20.8%的吸煙人士因 2011 年增加煙草稅而戒煙或減少吸煙。相反,在 2014 年,只有 8.3%吸煙人士因增加煙草稅而戒煙或減少吸煙。因此,大幅增加煙草稅才能有效地鼓勵戒煙及持續加強吸煙人士戒煙的決心。

世衞的建議

世衞強調增加煙草稅是最有效減低煙草使用及鼓勵戒煙的單一措施。根據世衞針對高收入地區所作的研究報告,煙草價格每增加 10%,整體煙草使用便能減少 4%。《2015 年世界衞生組織全球煙草流行報告》指出,提升煙草稅至煙草零售價格 75%或以上是最有效的控煙措施,實施成本低而且可增加政府收入,同時降低市民對煙草的負擔能力。現時已有超過三十個國家提升煙草稅至捲煙零售價格的 75%或以上,另有超過五十個國家定於 70%或以上。

香港必須參考世界各地的成功例子,盡快提升煙草稅至具影響力水平。香港 現時主要品牌的煙草稅率只佔零售價格的 67%。政府應採取果斷措施,盡快加強 稅務政策以降低吸煙人士對煙草之需求。

香港煙草極為可負擔

香港主要品牌的捲煙價格約為每包港幣 57 元,相對其他已發展地區價格偏低,如澳洲(約港幣 143 元)、新西蘭(約港幣 119 元)、紐約(約港幣 101 元)、英國(約港幣 87 元)、新加坡(約港幣 70 元)及加拿大(約港幣 69 元)。除了提高煙草價格之外,其他國家更制定長遠政策,持續增加煙草稅。例如澳洲在 2013 年至 2016 年規定每年增加煙草稅 12.5%,新西蘭將會在 2017 至 2020 年每年提高煙草稅 10%。香港應該參照上述成功個案,考慮制定長遠並持續增加煙草稅的政策,以保持價格對降低煙草需求的影響力。

根據世衞和煙草控制經濟學國際著名學者羅夏麗博士的資料,1989 年至 2013 年期間,香港捲煙的實際格價上升僅 25%,遠低於通脹的增幅。經調整收入後的實際價格更反而下降 14%。即是香港的煙草產品比以往更容易負擔。同時,香港吸煙人士購買捲煙的可負擔能力亦高於其他國家如澳洲、馬來西亞、新西蘭、新加坡和泰國等。

公眾支持提高煙草稅及其價格

委員會 2016 年的「控煙政策意見調查」顯示,大部分受訪者(76.3%)對每年增加煙草稅表示支持,其中接近四成的受訪者認為煙草稅的增幅必須高於通脹,以保持價格對降低煙草需求的影響力。

整體受訪者同時認為捲煙價格應定為平均每包港幣 168 元,才能加強吸煙人士戒煙的決心,比現時的價格高出接近三倍;受訪的現時吸煙人士甚至認為捲煙價格應定為平均每包港幣 199 元。以上結果充份顯示香港的煙草稅率存在極大的上調空間。事實上,煙草商已於本年度把每包捲煙價格提高港幣 2 元。故此,政府應回應社會大眾對增加煙草稅的重大訴求,大幅增加煙草稅以提高煙草價格,降低香港吸煙人士對煙草產品的負擔能力及有效地推動吸煙人士戒煙並防止青少年開始吸煙。

增加煙草稅與私煙活動並無關連

世衞總幹事陳馮富珍博士曾特別強調增加煙草稅為成功的控煙措施,因而引起煙草商強烈迴響,間接證明了增加煙草稅是最具成效的控煙措施。煙草商提出偏頗的數據,企圖以私煙問題為由反對增加煙草稅。政策制定者及公眾應謹慎處理煙草業及其有關機構提出的數據,當中包括已經世衞證實由煙草業所贊助的國際稅務和投資中心以及相關機構牛津經濟研究院。

委員會與香港大學使用客觀的計算方法及可信賴的官方數據評估香港的私煙消耗量,推斷 2012 年香港的私煙數量為整體捲煙消耗量約 8.2%至 15.4%,水平與全球平均值相若。香港海關在 2011 年 4 月 8 日的立法會會議上亦曾指出「私煙市場並沒有因該次增加煙草稅措施而有惡化跡象」(LC Paper No. CB(2)1419/10-11(01))。

世衞亦重申私煙與煙草稅並沒有必然關係。與此同時,大量海外及本地證據均證實高煙草稅是合理及有效的控煙措施。

我們促請政府於 2017-18 財政年度大幅增加煙草稅 100%, 並制定長遠增加煙草稅的政策, 以協助吸煙人士脫離煙草禍害及防止青少年吸煙。

世衞的《全球行動計劃》羅列出一系列改善公共衞生的目標及行動,當中包括要求成員國在 2010 年至 2025 年期間,將吸煙率相對減低 30%。推行全面的控煙措施十分重要,包括擴大禁煙範圍、推行全煙害警示包裝及擴大煙害圖像、禁止於銷售點陳列煙草產品、全面禁止電子煙及其他另類煙草產品、加強執法、增撥資源予戒煙服務及教育宣傳等,但只有透過大幅增加煙草稅,香港才能達到成功減低吸煙率的目標。

香港吸煙與健康委員會 二零一七年一月二十日

副本抄送: 香港特別行政區行政長官

香港特別行政區食物及衞生局局長

香港特別行政區衞生署署長香港特別行政區立法會議員

聯署團體:





謝祖盛 Ⅲ 香港吸煙與健康委員會主席 茶花質

黎慧賢 MPII 香港吸煙與健康委員會總幹事

ASIAN CONSULTANCY ON TOBACCO CONTROL

亞洲反吸煙諮詢所

J. M. Mackay

麥龍詩迪教授 SBS OBE 太平紳士 MBChB FRCP(Edin) FRCP(Lon) 亞洲反吸煙諮詢所總監 世界衞生組織資深政策顧問



James Middleton 爭氣行動主席





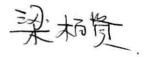
劉澤星教授 香港醫學專科學院主席 香港醫學專科學院分科學院: 香港麻醉科醫學院 香港社會醫學學院 香港牙科醫學院 香港急症科醫學院 香港家庭醫學學院 香港婦產科學院 香港眼科醫學院 香港骨科醫學院 香港耳鼻喉科醫學院 香港兒科醫學院 香港病理學專科學院 香港內科醫學院 香港精神科醫學院 香港放射科醫學院 香港外科醫學院





梁世民醫生 BBS 太平紳士 香港牙醫學會會長





梁栢賢

醫院管理局行政總裁





劉鳳慧 總幹事



The body of the page 1

黃龍德教授 PhD BBS 太平紳士 清新健康人協會主席



Syl aceain

羅鳳儀教授 香港大學李嘉誠醫學院 護理學院院長



Lan Tai Hing

林大慶教授 BBS 太平紳士 香港大學李嘉誠醫學院公共衞生學院 社會醫學講座教授暨羅旭龢基金教授(公共衞生學)



The Hong Kong Academy of Nursing

香港護理專科學院

黄金月

黄金月教授 香港護理專科學院院長 聯同14間護理專科學院: 香港心臟護士專科學院 香港社區及公共健康護理學院 香港危重病護理學院 香港護理教育及科研學院 香港急症科護理學院 香港老年學護理專科學院 香港內科護理學院 香港精神健康護理學院 香港助產士學院 香港護理及衛生管理學院 香港骨科護理學院 香港兒科護理學院 香港圍手術護理學院 香港外科護理學院



Plly.

朱楊珀瑜 BBS 太平紳士 香港防癌會主席





蔡堅醫生 香港醫學會會長





楊永強教授 GBS OBE 太平紳士 香港中文大學醫學院 賽馬會公共衛生及基層醫療學院院長



九龍樂善堂



劉愛詩 九龍樂善堂總幹事



香港中文大學醫學院 那打素護理學院院長及教授 車錫英教授



香港新聲會



Mu

崔俊明藥劑師 香港醫院藥劑師學會會長







陳靜嫻

東華三院戒煙綜合服務中心主任



唐少芬醫生

基督教聯合那打素社康服務醫務總監



中華人民共和國香港特別行政區政府總部食物及衞生局

Food and Health Bureau, Government Secretariat
The Government of the Hong Kong Special Administrative Region
The People's Republic of China

Our ref.: FHB/H/30B/11

Tel.: 3509 7913

Fax: 2840 0467

26 January 2017

Mr Antonio KWONG Chairman Hong Kong Council on Smoking and Health Unit 4402-03, 44/F Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong

Dear Mr Kwong and fellow signatories,

Thank you for your letters of 16 December 2016 and 20 January 2017. I have been authorised to reply.

The Government has pursued various initiatives on tobacco control in 2016. In March 2016, the legislation for designating the bus interchanges at eight tunnel portal areas as no smoking areas came into force. In the second half of 2016, we reported to the Legislative Council on the health warning proposal on tobacco product packets and containers. We look forward to the implementation of the proposal to expand the size of the health warning, as well as introducing the legislation to regulate e-cigarettes in 2017.

Tobacco duty has been long established and recognised as an integral part of our tobacco control regime. Since the early 1980s, tobacco duty has been increased many times at a rate as high as 300%. Tobacco duty was last increased by about 11.7% in February 2014 with a view to further strengthening the effectiveness of duty as a tobacco control measure.

We are keeping a close watch on the cigarette retail price trend and would consider necessary measures, including a further increase in tobacco duty, should there be significant deviation from the percentage of tax in retail price as recommended by the World Health Organization.

Thank you again for the continued support in further reducing Hong Kong's smoking prevalence. We will continue to work closely with COSH and partners in the community to protect public health.

Yours sincerely,

(Ms Wendy AU)

West A

for Secretary for Food and Health

c.c. Chief Executive Financial Secretary Director of Health

HONG KONG TOBACCO STATISTICS - (Source HK Customs Dept)					CTA Projected
	2013	2014	2015	2016 Jan-Nov	2016
Qty of Duty Paid cigarettes (sticks)	3,134,718,000	3,148,590,000	3,269,766,000	3,013,895,000	3,287,885,400
Revenue collected from tobacco (HK\$)	5,404,793,508	5,840,904,940	6,301,625,224	5,798,649,822	6,325,799,700
Qty seized illicit cigarettes from smuggling/ storage distribution/ peddling/ compounding cases (sticks)	89 million	52 million	72 million	59 million	tba
ClearTheRir 爭氣行動	Increasing Excise tax significantly will stop youth starting to smoke HK Govt instead ignores the FCTC Treaty and WHO experts Low taxation results in increased addiction and uptake by youth This tobacco friendly Govt's statistics do not lie				
Hong Kong Govt Statistics of Shame	Meanwhile the collected tax goes to the concrete pouring General Fund				

TAX DENIED-AGAIN!