



ESSCALAND: Fiscal Policy on Tobacco Tax Rate

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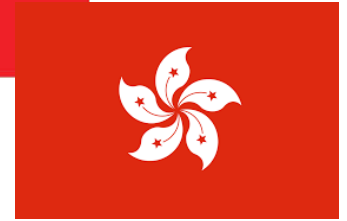
China

Isreal

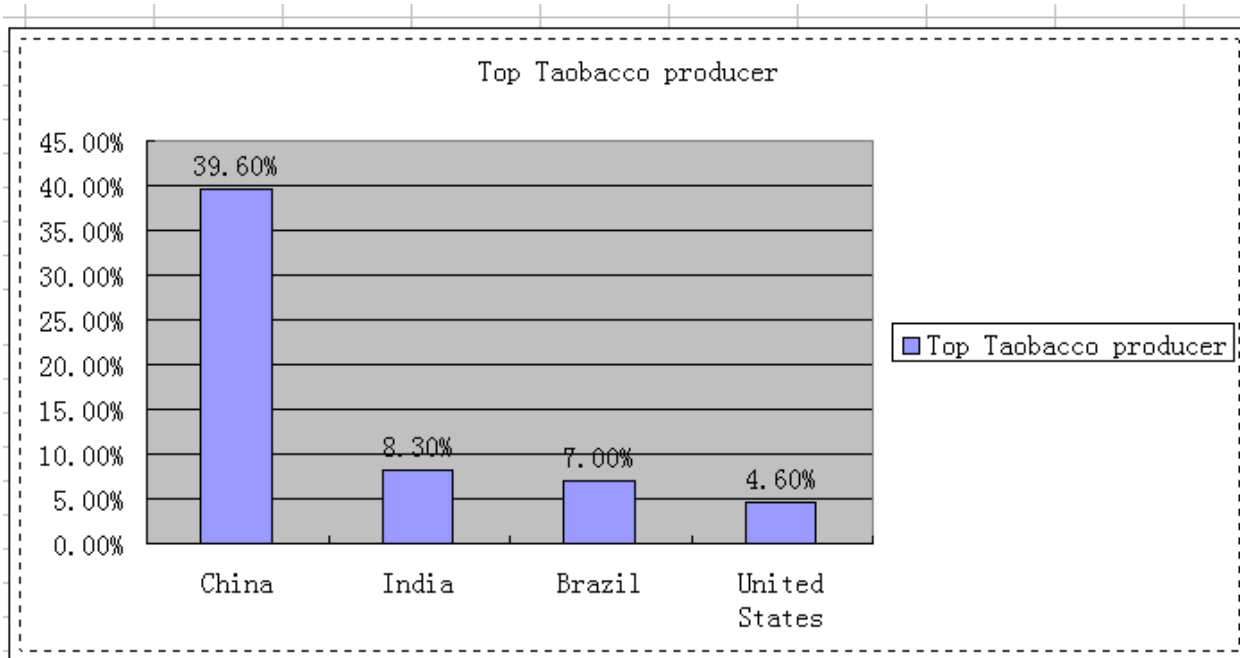
Hong Kong, China

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1. Tobacco industry and the urgency of tax control

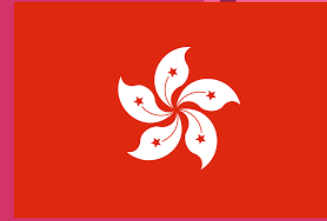


2. Introduction to the objectives of Esscaland

Because of the harming effects of tobacco, ESSCALAND should...

- Reduce the general use of tobacco
- Reduce the use of unhealthiest tobacco company





3. Tobacco Tax Rate in Israel, China and Hong Kong

3.1 Israel : Tax Rate on cigarette



Which countries have the highest tax on cigarettes?

Taxes as a percentage of cigarette price. All applicable taxes, 2014



Tax rate : 85% :
specific and ad valorem
taxes

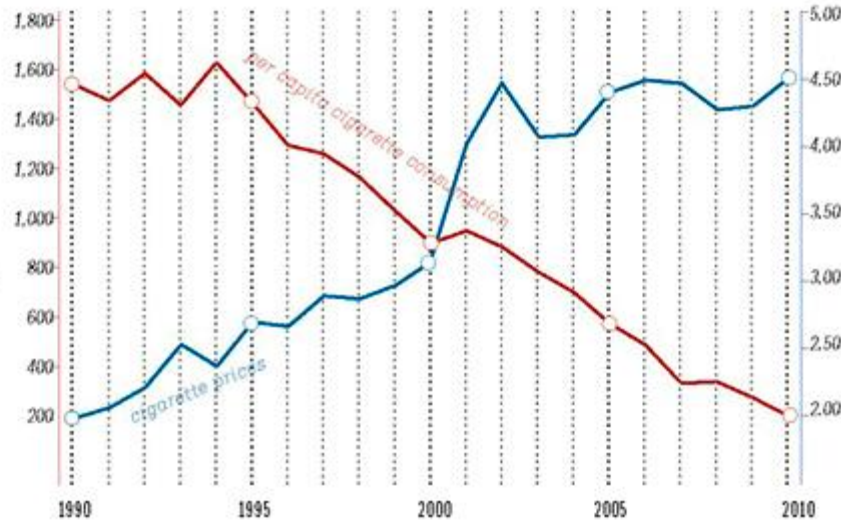
Source: World Health Organisation

3.1 Israel : Consumption get down



Cigarette Consumption Goes Down as Tobacco Taxes Go Up

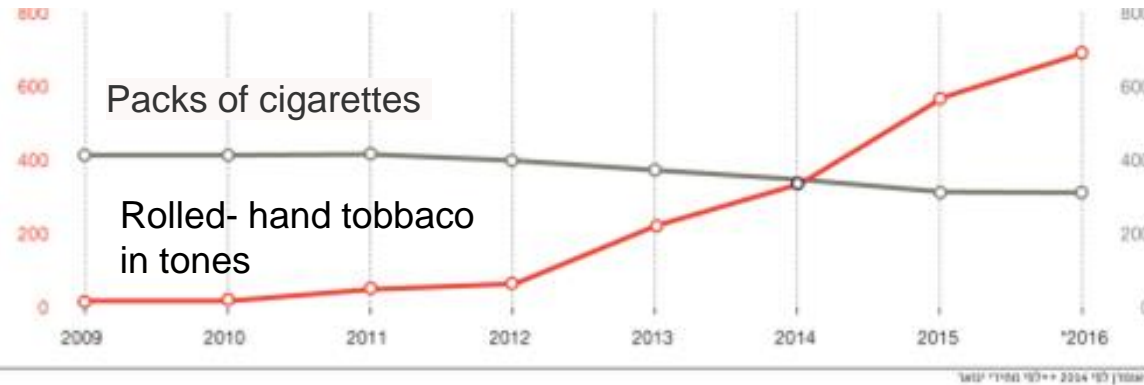
Real (inflation-adjusted) price of a pack of cigarettes in 1990 Shekels (NIS) in Israel. Increases in cigarette prices were driven by tax increases.



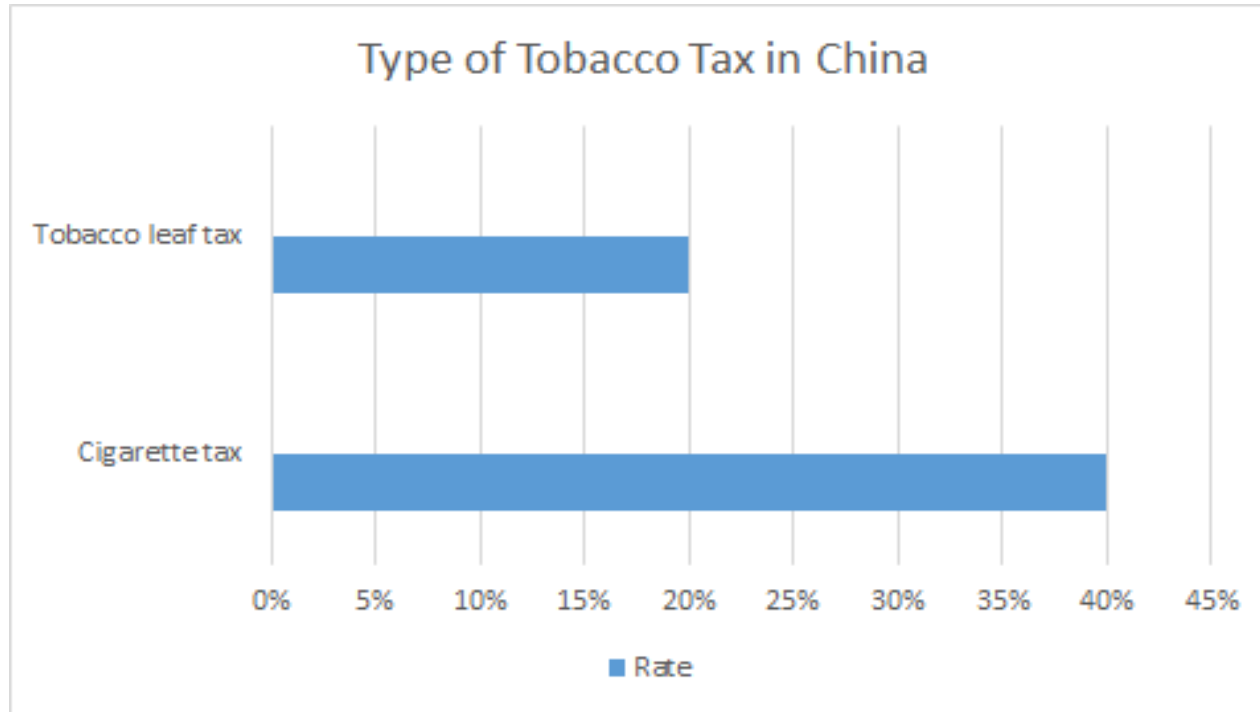
3.1 Israel: cigarettes & tobacco consumption

Health groups want government to hike taxes on rolling tobacco, but state sees that as a drag.

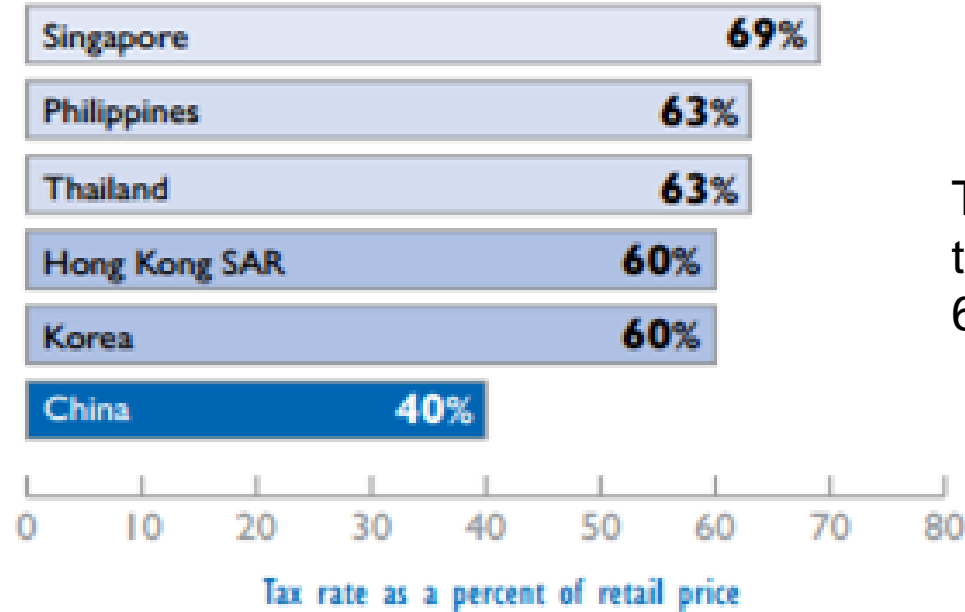
read more: <http://www.haaretz.com/israel-news/.premium-1.768601>



3.2 China: Tobacco Tax Type



3.2 China: Tax Rate on cigarette



The median range of tax rates of the international community is 65%-70%

3.2 China: Increase on Tax Rate



Tax Rate increases from 40%-51%.....

Reduction in number of smokers	13.7 million
Lives saved	3.4 million
Medical cost savings	RMB 2.68 billion
Increase in tobacco tax revenue	RMB 64.9 billion

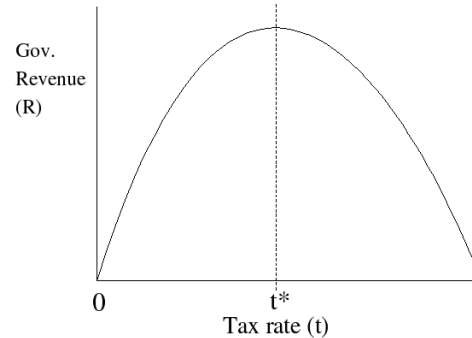
Impact of Cigarette Tax increase of 1 RMB(0.1308€), the elasticity is -0.5

Disadvantage



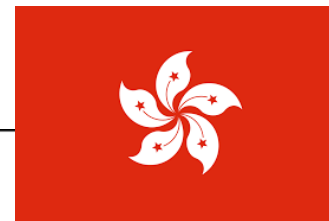
Only 2.5%

Advantage

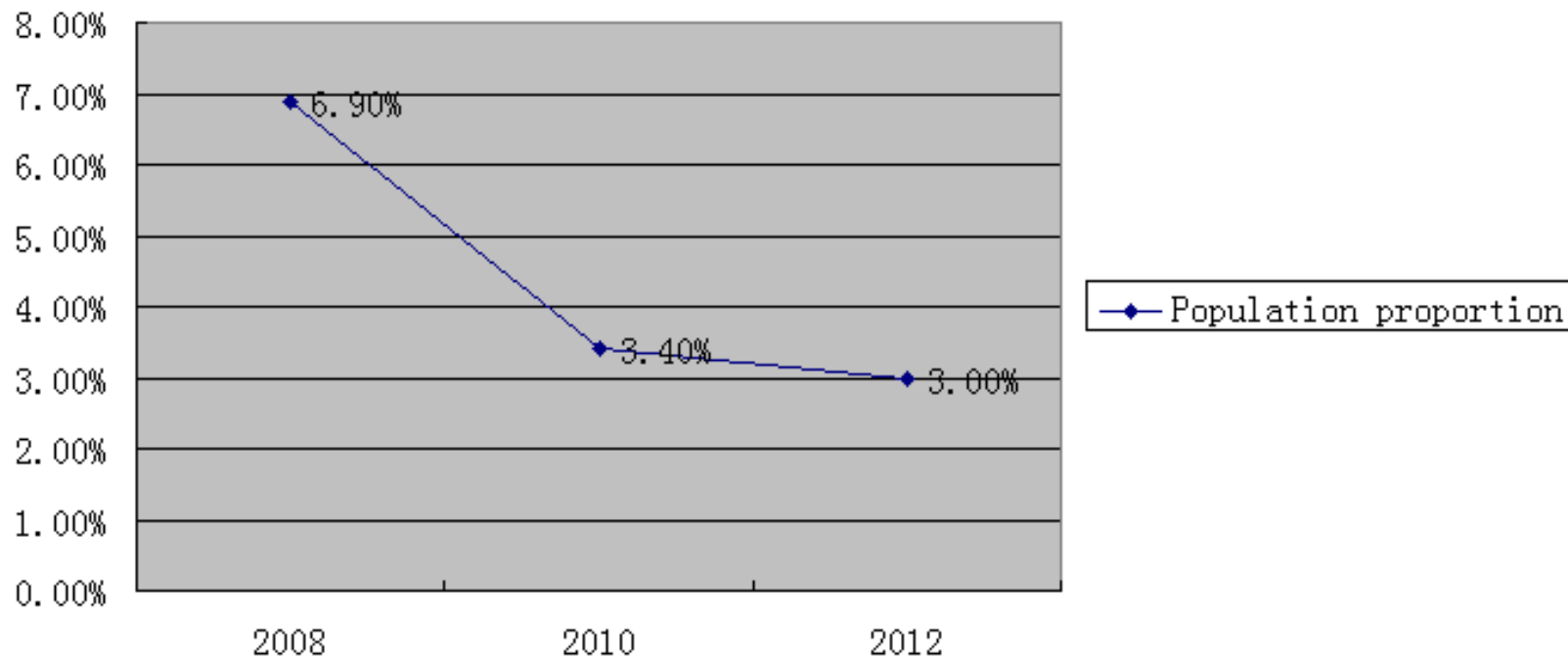


Laffer curve

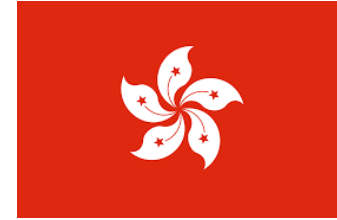
3.3 Hong Kong - Teen smoking



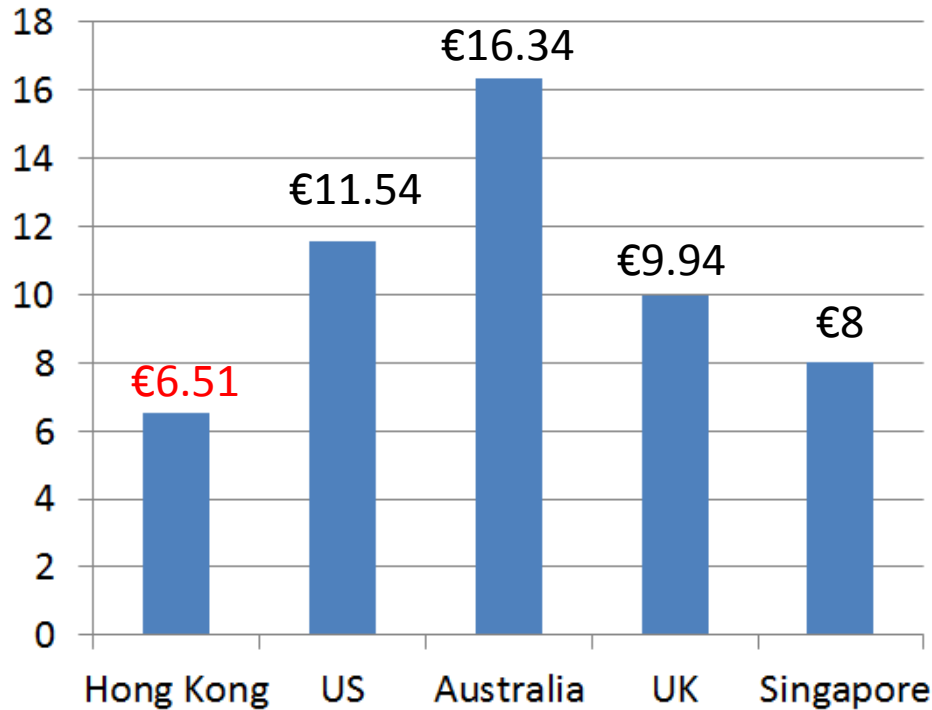
Population proportion



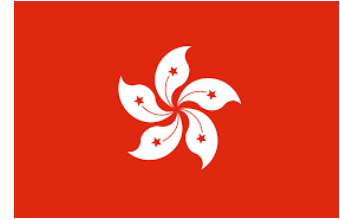
3.3 Hong Kong - Tobacco Tax Rate



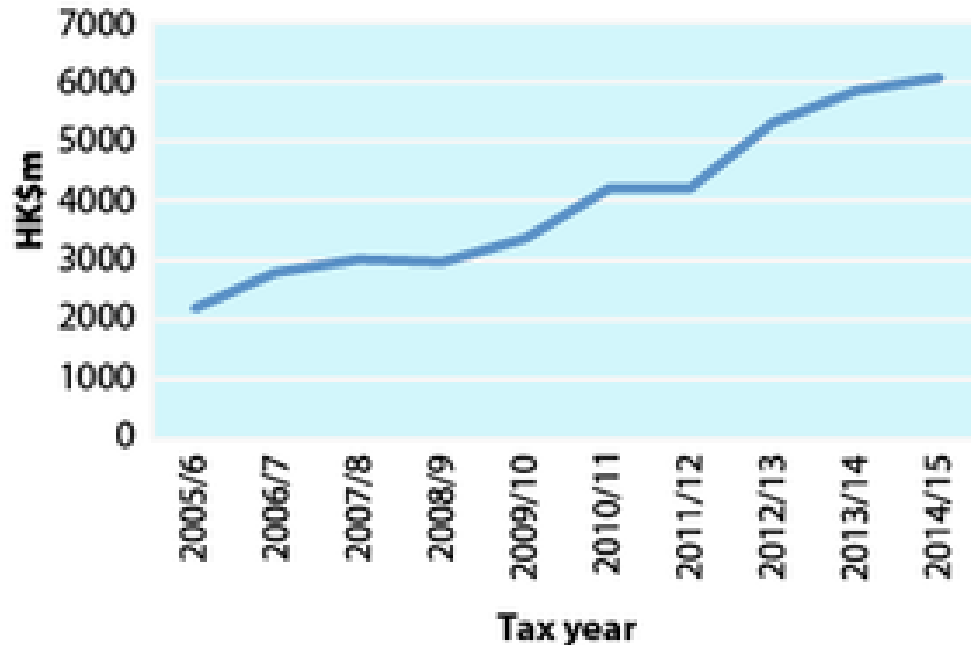
Price of Tobacco of Different Region



3.3 Hong Kong - Tobacco Tax Rate

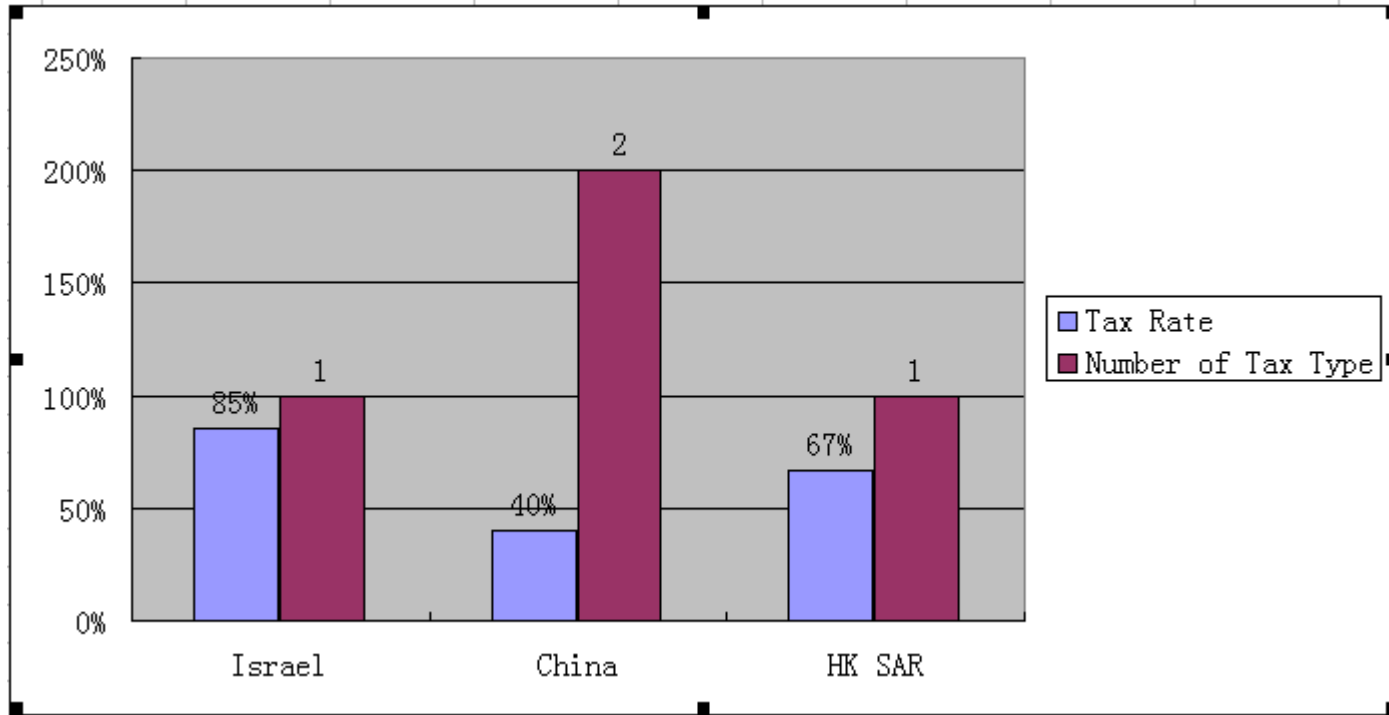


Tobacco tax revenue, Hong Kong



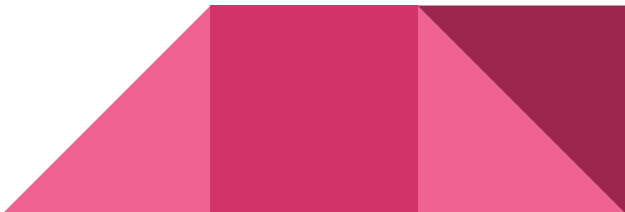
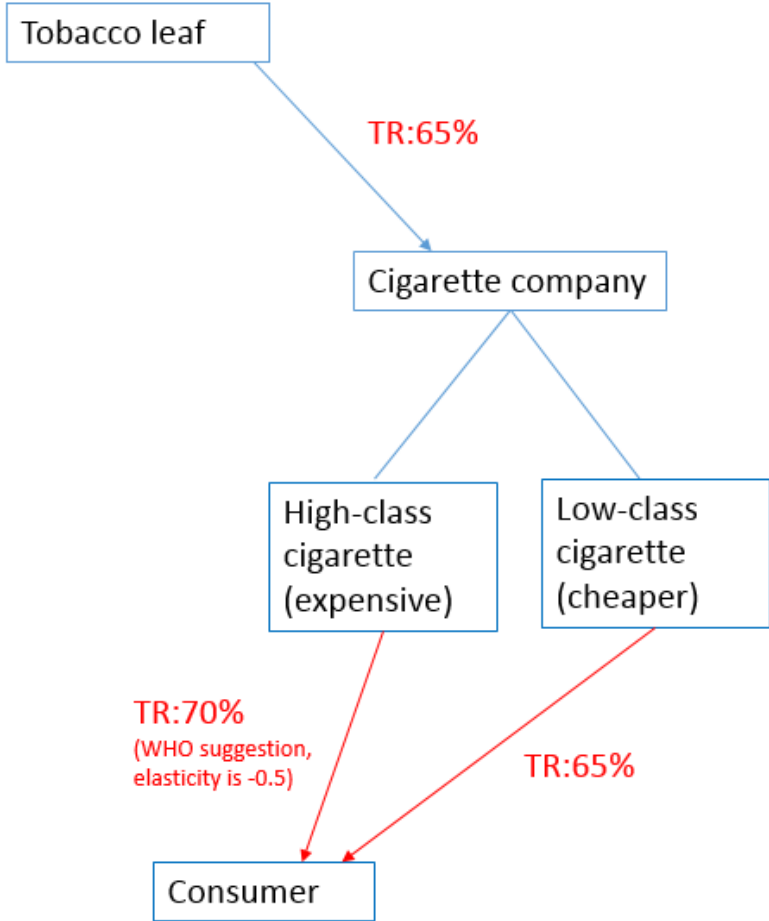
Current tax rate : **67%** (a pack of cigarettes)

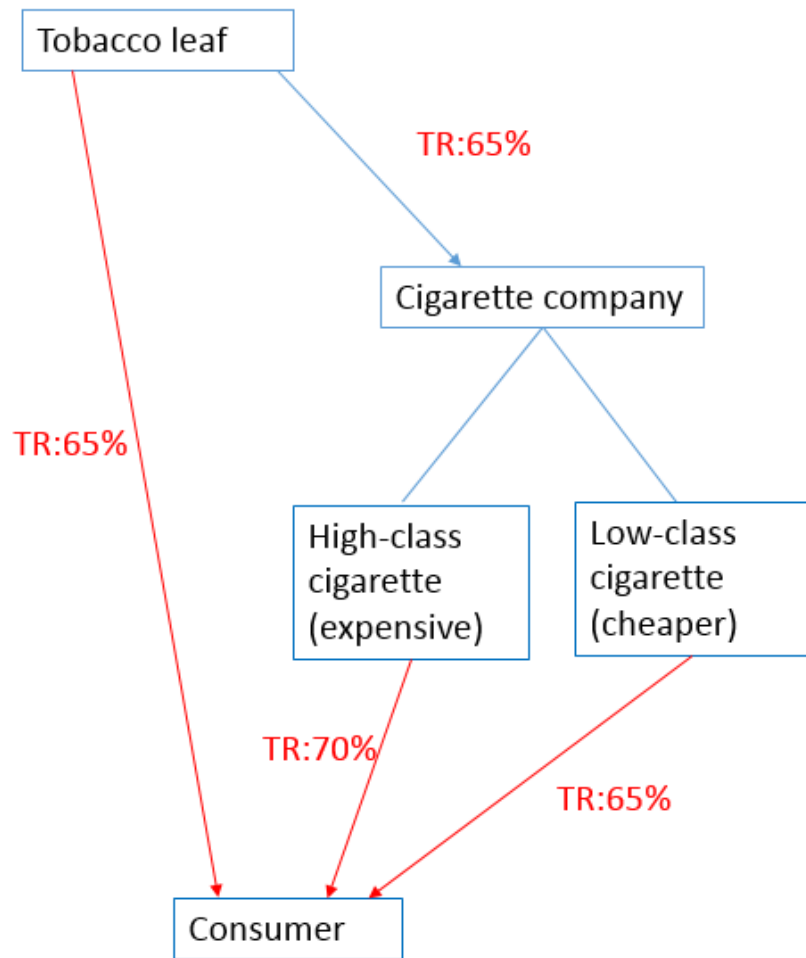
3.4 A comparison of the tax rates



Esscaland







4.2.1 Advantage for the Escaland tax system

According to a [2015 WHO report](#), “tobacco tax increases are the single most effective policy to reduce tobacco se.”

Reduce tobacco use
Improve overall public health

Raise domestic revenue that can be reinvested in health.

Raise government revenue



4.2.2 Disadvantage for the Escalator tax system

Causing to black sell (illegal way) of cigarette -without control



Side effect : Government could lose its revenue from taxation on specific tobacco companies



The free income decreases



5. Conclusion





The background is a solid pink color. In the top right corner, there are several overlapping geometric shapes: a dark pink square, a medium pink square, and a light pink square, all partially cut off by the edge of the frame.

Thank you for listenning!