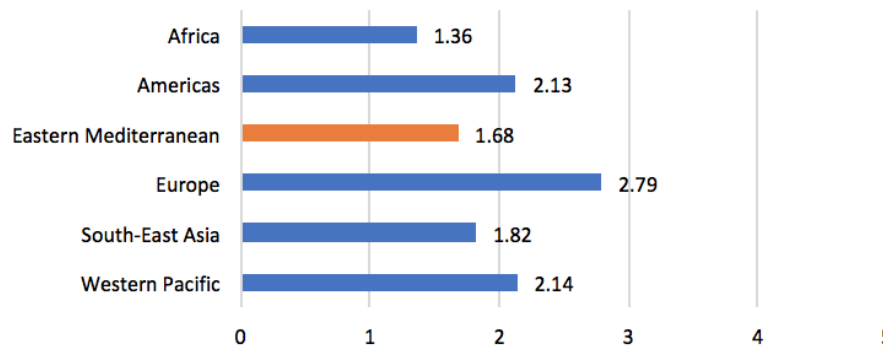


## Cigarette Tax Scorecard: Spotlight on the Eastern Mediterranean Region

Average overall scores by WHO region, 2018



### Key Messages

- In the Tobacconomics Cigarette Tax Scorecard, the average overall score in 2018 in the Eastern Mediterranean Region is 1.68 out of 5 points. This is lower than almost all other regions, as well as the global average. There is significant room for improvement in the region's cigarette tax policies.
- Out of the four components used to calculate the overall score in the Scorecard, Eastern Mediterranean countries performed best on cigarette price, although the average score is only 1.9 points. This suggests that cigarette prices are still low across the region.
- The region would benefit enormously from improving the excise tax structure on cigarettes—the average score in that component is only 1.3 point out of 5. In the Eastern Mediterranean, no countries use the optimal uniform specific excise tax with regular adjustments for inflation or income growth.
- Out of the Eastern Mediterranean countries, Bahrain and Saudi Arabia are the highest performers with an overall score of 3.8 points, while Iraq lags behind with a score of 0 points.

### Introduction

The Tobacconomics Cigarette Tax Scorecard evaluates countries' cigarette tax systems based on a five-point rating system that incorporates international guidance and best practices in tobacco taxation. The five-point index uses data from the World Health Organization to score countries on the following four components: cigarette price, changes in the affordability of cigarettes over time, the share of taxes in retail

cigarette prices, and the structure of cigarette taxes. The total score reflects an average of the four component scores.

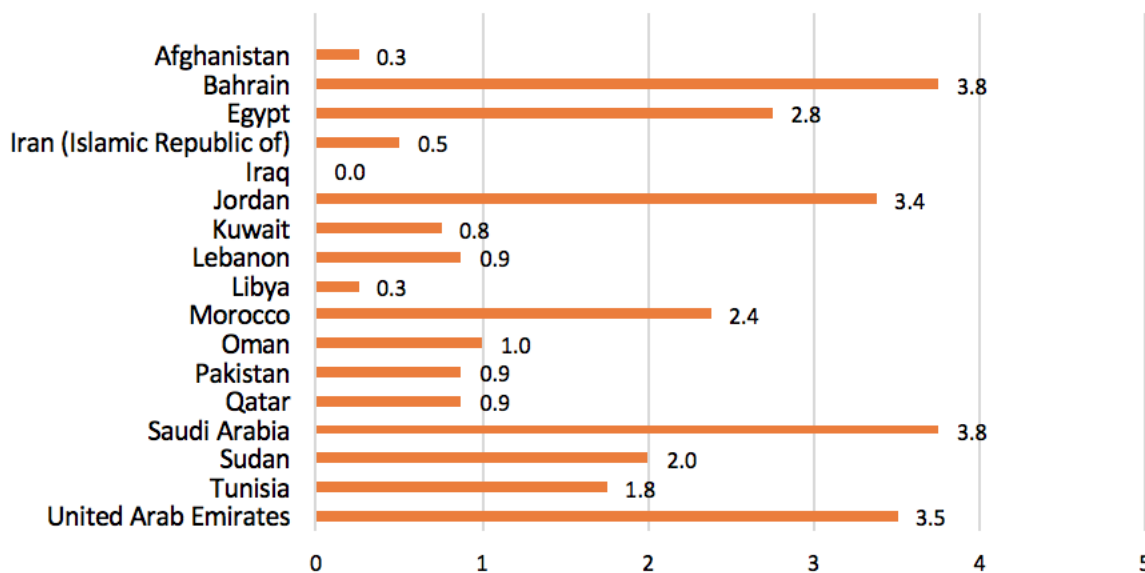
The Eastern Mediterranean countries did not perform well in 2018, with an average score of only 1.68 points. Improving cigarette tax policies throughout the region is necessary to decrease smoking prevalence, while raising additional tax revenues for governments.

## Regional Findings

There is significant variation in the overall scores across the Eastern Mediterranean in 2018. The highest score in the region, 3.8 points out of 5, is awarded to both Bahrain and Saudi Arabia. In contrast, Iraq's overall score is the lowest with 0

points in 2018. Most of the countries in the region are not performing well and score only 1 point or less. There is substantial room for improvement in tobacco taxation policies throughout the region.

Overall scores, 2018, Eastern Mediterranean



Note: There are insufficient data for Djibouti, Somalia, the Syrian Arab Republic, and Yemen.

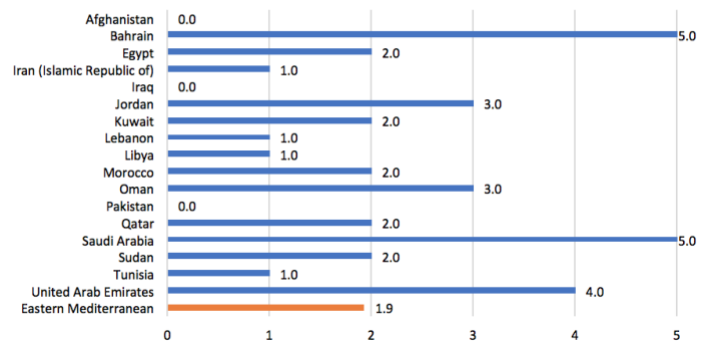
## Key Component Findings

### Cigarette Price

Price is a key determinant of cigarette use— as the price increases, demand decreases.

In 2018, the average score in the Eastern Mediterranean region for this component is 1.9 points out of 5. Two countries in the region: Bahrain and Saudi Arabia receive the maximum 5 points for their high cigarette prices. Only five countries out of eighteen in the region with available data score more than half of the points. Cigarette prices are especially low in Afghanistan, Iraq, and Pakistan; and they receive 0 points.

Cigarette price, 2018, Eastern Mediterranean

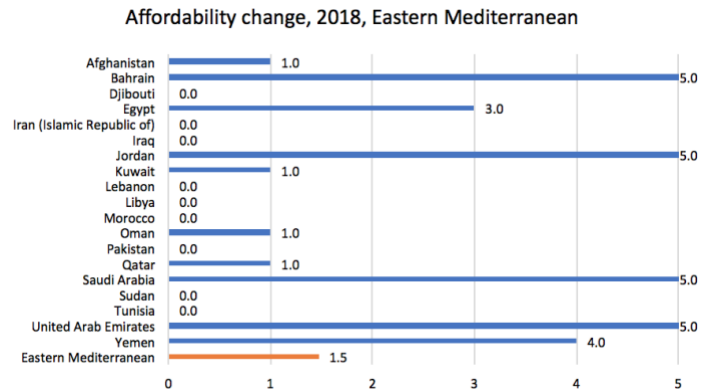


Note: There are insufficient data for Djibouti, Somalia, the Syrian Arab Republic, and Yemen.

## Changes in Cigarette Affordability

To reduce demand, cigarettes must become less affordable. As cigarettes become less affordable, consumers buy fewer and many will stop buying them altogether. As part of this effort, at a minimum, cigarette prices must be updated for inflation and income growth.

The average score for 2018 in the Eastern Mediterranean is 1.5 point out of 5. Bahrain, Jordan, Saudi Arabia, and the United Arab Emirates receive 5 points, meaning affordability was significantly reduced between 2012 and 2018. In contrast, nine countries did not earn any points. There is opportunity for these countries to follow the lead of leaders in the region.

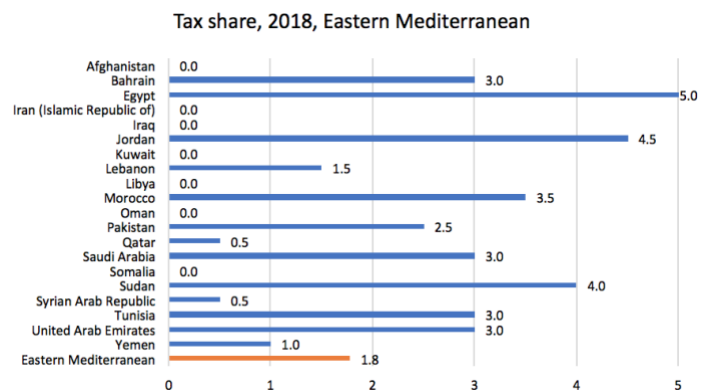


Note: There are insufficient data in Somalia and Syrian Arab Republic.

## Tax Share

High tax share of price is generally a good indicator of cigarette tax effectiveness and is essential to raise government tax revenues from cigarettes.

The average for this component of the score in the Eastern Mediterranean is 1.8 points out of 5. Egypt leads the region in this component, receiving all 5 points. On the other hand, seven countries did not receive any points, indicating that the tax share of price is generally very low. Many governments could be reaping significantly more benefit from cigarette taxes by increasing their share of price.

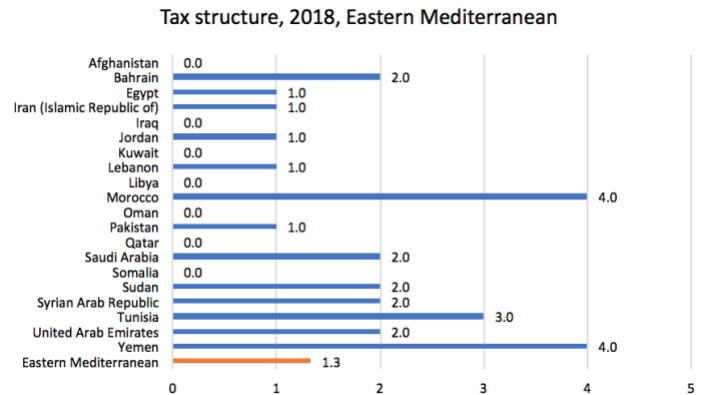


Note: There are insufficient data in Djibouti.

## Tax Structure

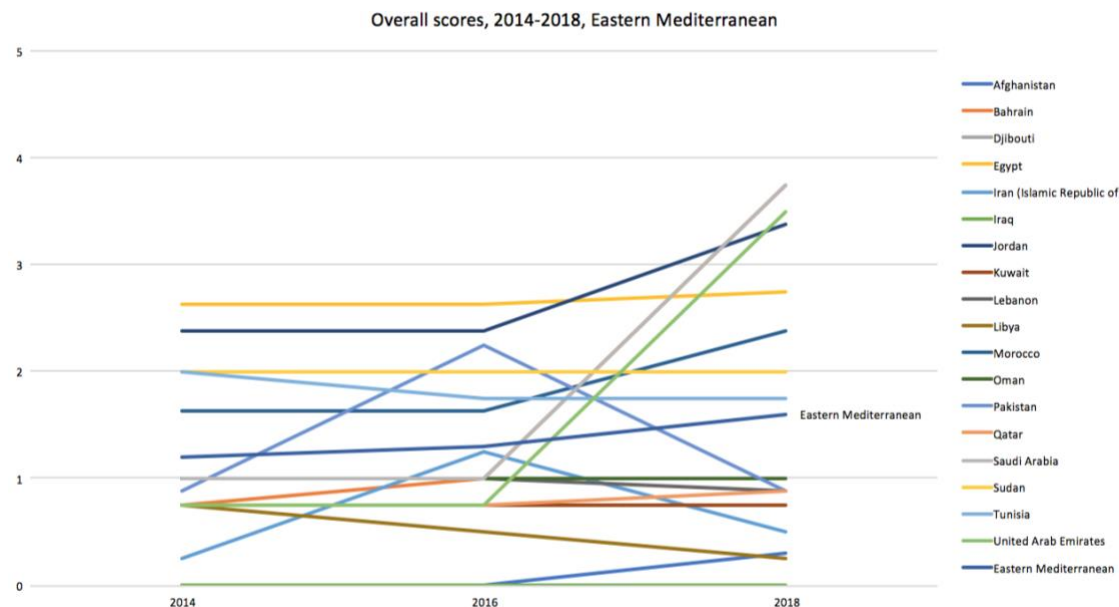
Tax structures vary in their effectiveness when it comes to reducing tobacco use and collecting tax revenues. Uniform specific excise tax systems that at least adjust annually for inflation are generally the most effective and easiest to administer.

This component requires the most improvement in the region, as the average score for 2018 is only 1.3 points. Morocco and Yemen perform the best in the region, with 4 points. Only three countries out of the twenty that have data available in the region receive more than half of the points and seven receive zero points.



Note: There are insufficient data for Djibouti.

## Scores Over Time



Note: There are insufficient data for the overall score in Somalia, Syrian Arab Republic, and Yemen for all years. There are insufficient data for Djibouti for 2014 and 2018.

Between 2014 and 2018, the average overall score in the Eastern Mediterranean, increased slightly from 1.2 to 1.6 points. Bahrain and Saudi Arabia saw the most improvement in that time, with scores increasing from 0.8 to 3.8 and 1 to 3.8, respectively. Libya saw the largest decrease in the region, from 0.8 points to 0.3 points out of 5. Iran and Pakistan's overall scores rose in

2016 before decreasing in 2018. Most of the countries in the region, though did not see substantial changes to their overall score.

Significant improvements in cigarette tax policies are needed across the Eastern Mediterranean. Not only will this improve population health, but governments in the region will reap significant fiscal benefits as well.