

# Smokers Consume Fewer Cigarettes When Cigarettes Are Less Affordable

## Key findings:



On average, a one-percent decrease in cigarette affordability results in a three-percent reduction in tobacco consumption in Kosovo.



The results of the study demonstrate the impact of affordability on tobacco consumption in Kosovo; decreasing affordability will decrease consumption of tobacco.



Factors explaining variation in cigarette consumption in Kosovo appear to include employment and civil status and level of education. The findings indicate that individuals who are married, employed, and possess secondary education tend to exhibit higher levels of cigarette consumption compared to their counterparts.

## Background

In 2019, the prevalence of cigarette smoking among adults aged 18 to 85 in Kosovo was 36.4 percent (Table 1). The average cost per pack of 20 cigarette sticks, indicated in Table 2, is relatively low, with prices less than 2 EUR. Figure 1 highlights that smokers in Kosovo spend an average of 80 EUR per month on tobacco. Furthermore, Figure 2 shows that salaries across three sectors have shown a consistent upward trend over the last 10 years.

In addition to its adverse impacts on health, tobacco consumption also hinders the economic development of a nation through the imposition of financial and health-related costs. Given this fact, the high prevalence of smoking in Kosovo—one of Europe's poorest countries—is particularly concerning.

Tobacco excise tax increases have been established as a highly effective tobacco control measure. However, for the tax to act as a deterrent to tobacco consumption, its impact must be balanced with the effects of income growth. This requires that tobacco prices resulting from tax increases must grow at a faster rate than real income.

Consequently, affordability, or the price of tobacco products relative to income, is considered a major factor impacting tobacco consumption. It is also widely employed as an index to gauge the progress of tobacco taxation in low-income countries, where high tobacco consumption often occurs with lower tobacco taxes than high-income countries. Smokers consume an average of 160 cigarette sticks (eight packs) per week (Figure 3), which could decrease with decreased affordability of cigarettes, as shown in Figure 4.

**Table 1**  
Tobacco use

	Overall (%)	Male (%)	Female (%)
Current tobacco smokers	36.4	48.9	23.8
Daily tobacco smokers	34.4	47.0	21.7
Average number of cigarettes smoked per day	20.7	23.6	14.7

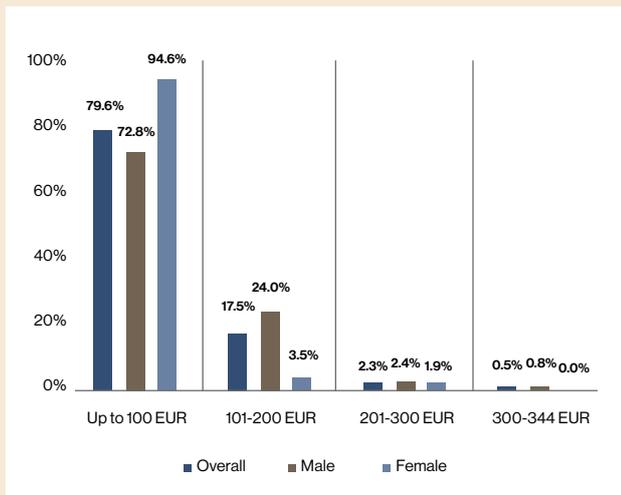
Source: STC-SEE, 2019

**Table 2**  
Average prices per pack of cigarettes

	Overall (EUR)
Average price per pack of 20 manufactured cigarettes	1.98
Average price per 20 hand-rolled cigarettes	1.49

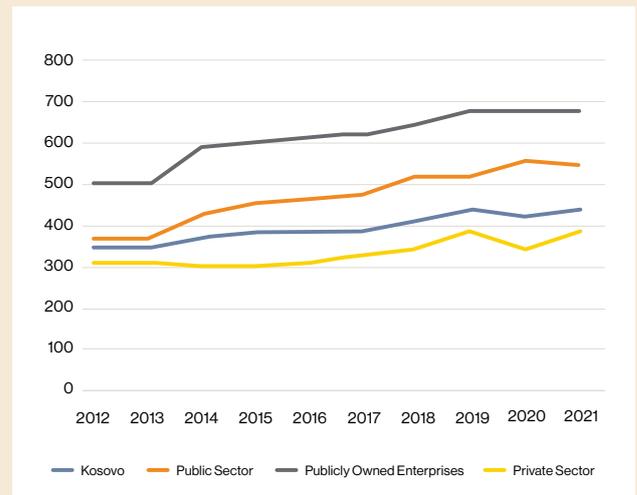
Source: STC-SEE, 2019

**Figure 1**  
Monthly expenditure on cigarettes



Source: STC-SEE, 2019

**Figure 2**  
Average net salary level (in EUR), 2012–2021



Source: Kosovo Statistics Agency

## Methodology

Affordability measures of unit values, disposable household income, and prices are constructed using the Survey on Tobacco Consumption in Southeastern Europe (STC-SEE) and Household Budget Survey (HBS) data. Different variables for cigarette consumption are created using the number of cigarettes smoked per day reported by survey respondents and HBS.

## Results

The study results suggest lower affordability is related to lower tobacco consumption in Kosovo. A one-percent reduction in cigarette affordability is associated with a three-percent reduction in consumption, on average.

Age is also an important factor in cigarette consumption, with a one-year increase in age leading to an average 0.02 percent increase in consumption.

Gender is an important predictor as well, with males in Kosovo consuming about 38 percent more than females, on average.

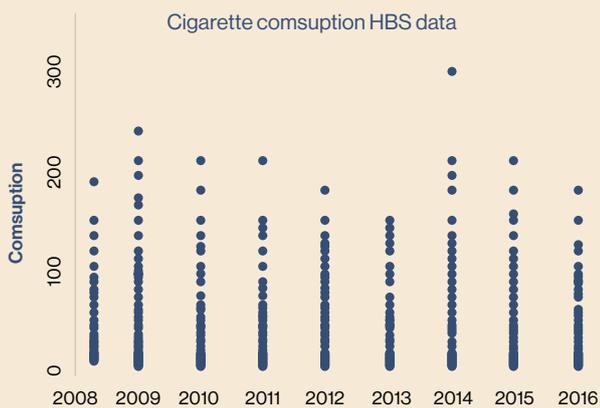
Employment and civil status appear to explain some variation in consumption, with employed individuals consuming around four percent more than the unemployed and married individuals consuming around 0.5 percent more than the unmarried, on average.

Level of education is also a significant factor. Those with a secondary education consume about six percent more than those with only primary or lower levels, while those with tertiary education consume around six percent less.

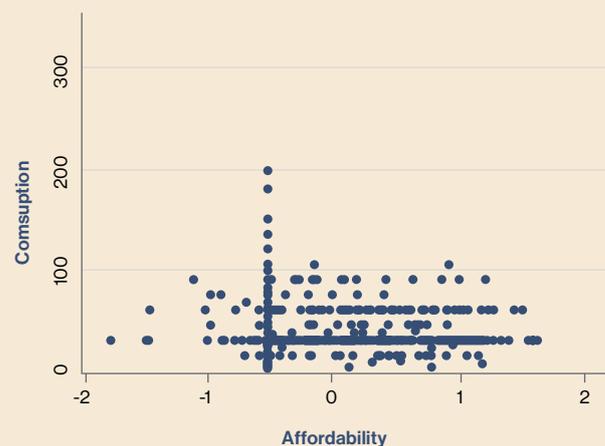
Consumption intensity differs across regions, with residents of urban areas consuming around 0.7 percent less than those in rural areas, on average.

Municipality control variables are also significant, with residents of Gjilan consuming about nine percent more than those of Ferizaj and residents of Mitrovica consuming about two percent more than those of Ferizaj. Citizens of Prishtina, Peja, and Prizren consume less than those of Ferizaj.

**Figure 3**  
Weekly consumption of cigarette sticks per smoker



**Figure 4**  
Cigarette affordability



## Policy Recommendations

### Significant price increase:

Given the limitations of a tobacco excise calendar that operates under the assumption of fixed factors and applies only a small, flat increase in excise annually, the government should adopt a proactive policy approach that accounts for fluctuations in household and individual income, with the aim of consistently and significantly reducing the affordability of cigarettes.

### Allocate the additional tax revenue:

The additional revenue generated from the increase in tobacco excise needs to be allocated towards the Ministry of Health and Ministry of Education to finance programs aimed at promoting human capital development, which is likely to engender significant additional economic growth. These programs may include, but are not limited to, initiatives aimed at improving health care services, advocating for the benefits of quitting smoking, and educating the public on the dangers and detrimental effects of tobacco use.

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