

Economics of Tobacco for the Africa (AFR) Region

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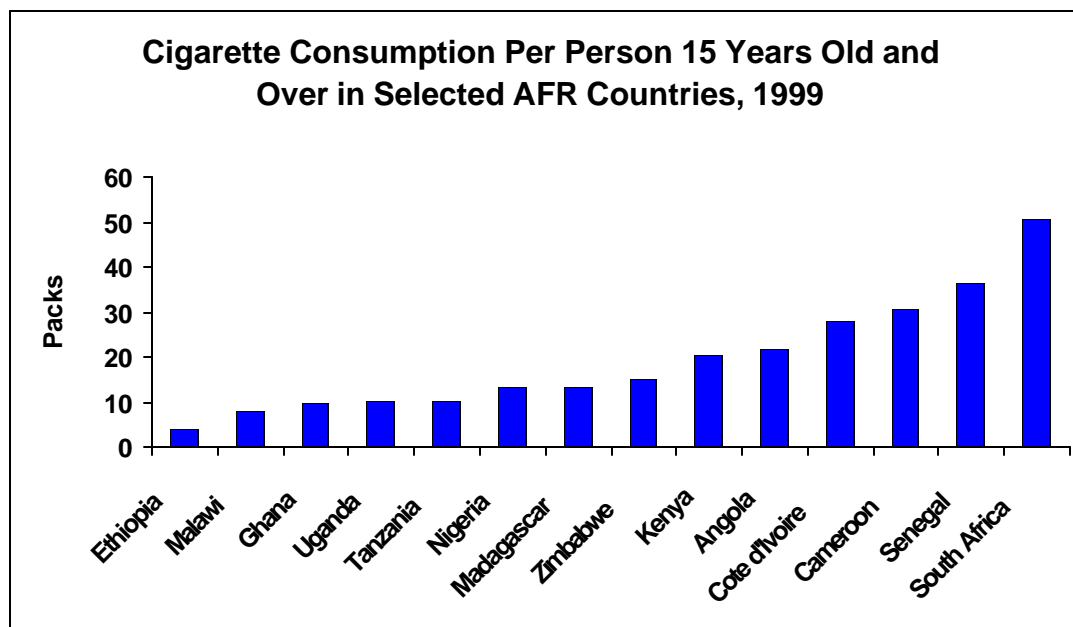
I: Executive Summary

The Africa (exclude North Africa) region includes 48 countries: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Republic of Congo, Cote d'Ivoire, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea,, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Reunion, Rwanda, Sao Tome and Principal, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia and Zimbabwe. In 1999, AFR region accounted for 2% of the world's total cigarette consumption, with 11% of the world's population. Average cigarette consumption per person 15 years and older was only 16 packs in 1999. Despite the large number of countries and large population, relatively little is know for this region in terms of tobacco usage.

II: Cigarette Consumption and Smoking Prevalence

In 1999, among major AFR countries, South Africa showed the highest per 15+ consumption of 51 packs. On the other side, Ethiopia people consumed only 4 packs of cigarette on average.

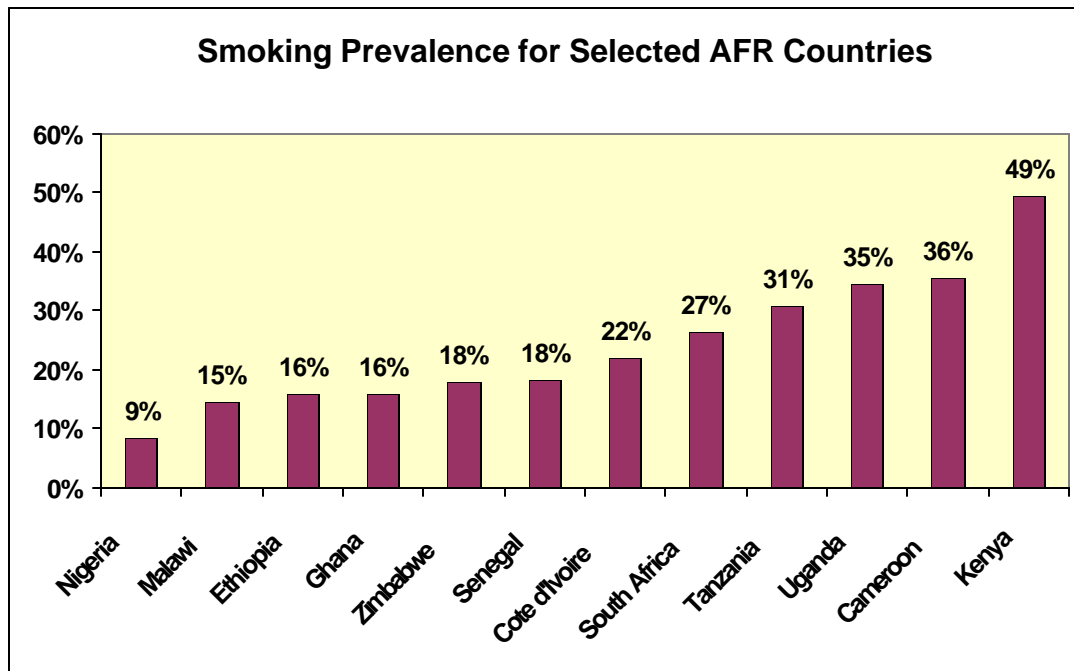
Figure 1: Cigarette Consumption per Person 15 Years and Older, 1999



Source: World Bank Estimates

Smoking prevalence is not very different among AFR countries, from 9% in Nigeria to 49% in Kenya. Overall, about 21% of adult population in the region are smokers and average annual consumption for these smokers was 16 packs in 1999.

Figure 2: Overall Smoking Prevalence in Selected AFR Countries

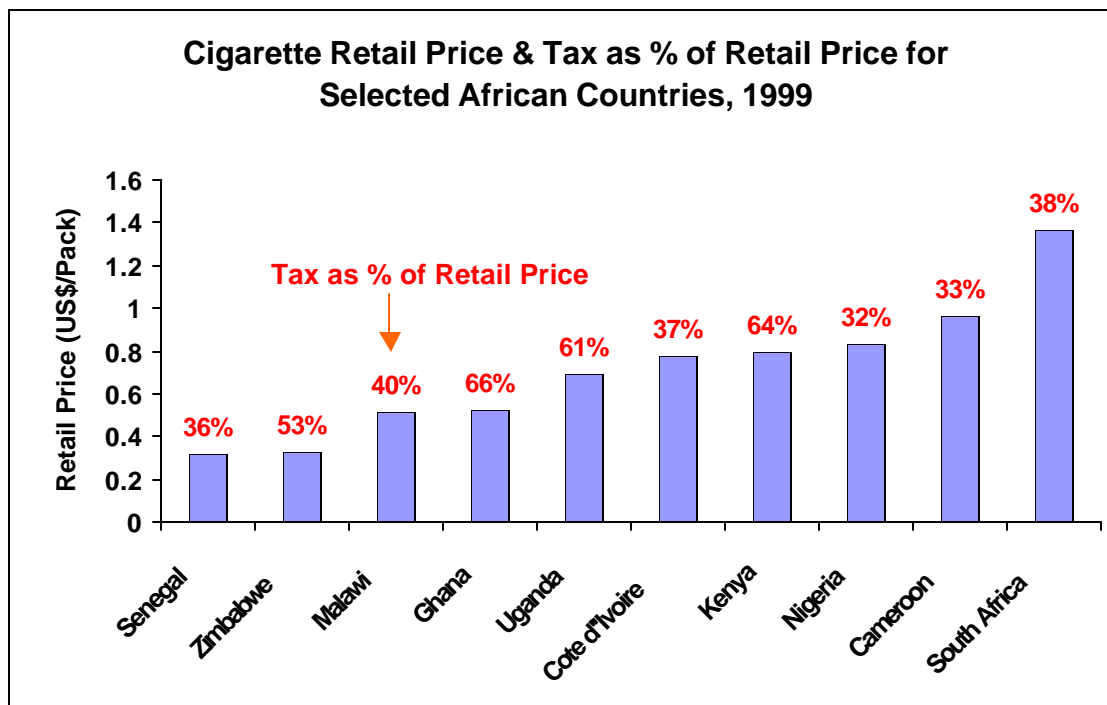


Source: World Bank Estimate

III: Cigarette Taxes and Prices

In 1999, total cigarette tax as percentage of retail price (excise and VAT) varied from 32% in Nigeria to 66% in Ghana.

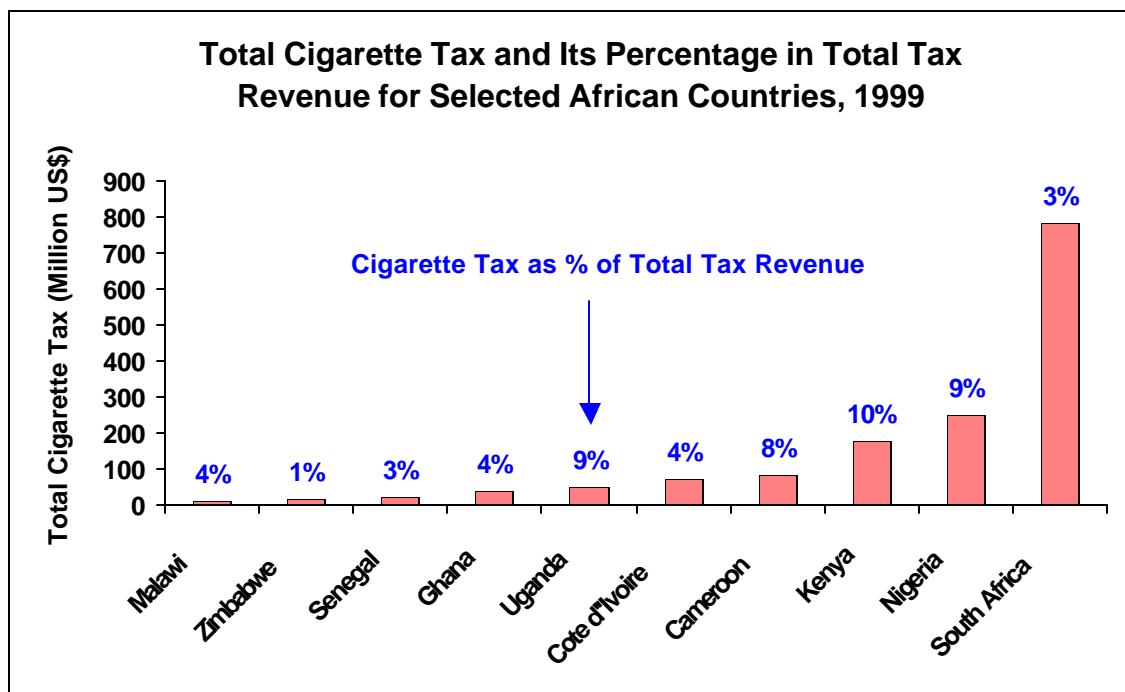
Figure 3: Retail Prices and Cigarette Tax as % of Retail Price, 1999



Source: World Bank Estimates

The importance of tobacco tax as a source of government revenue also differs widely across the AFR region. For countries for which information is available, the share of cigarette taxes in total government revenue is shown below.

Figure 4: Tobacco Tax as % of Total Government Tax, 1999

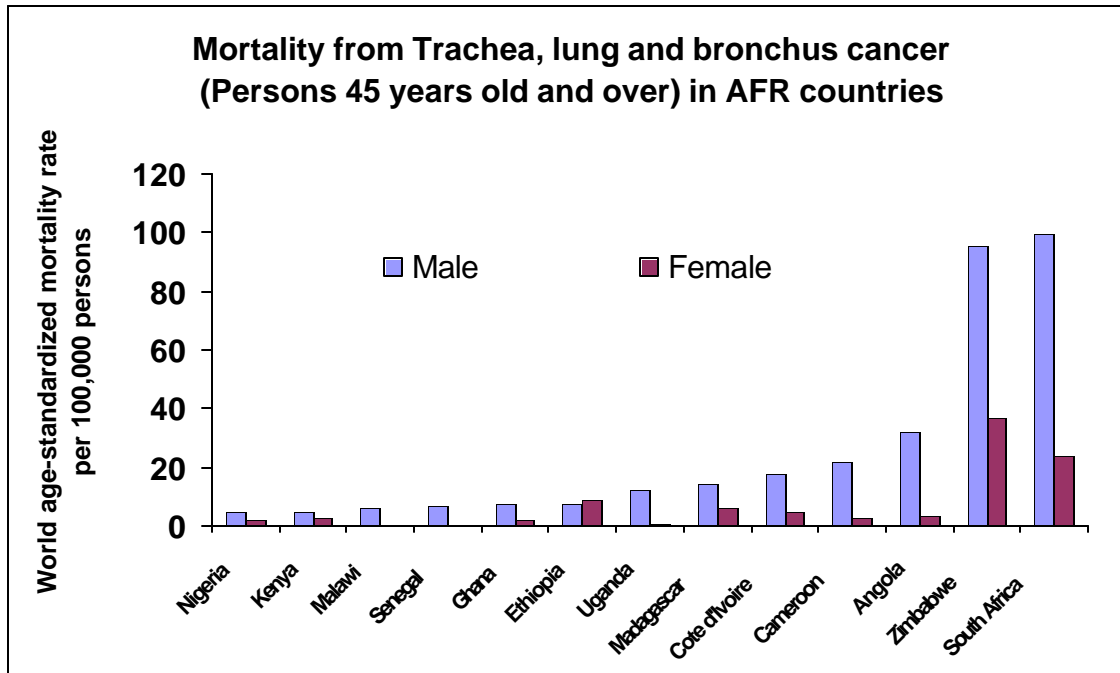


Source: World Bank Estimates

IV: Health Issues

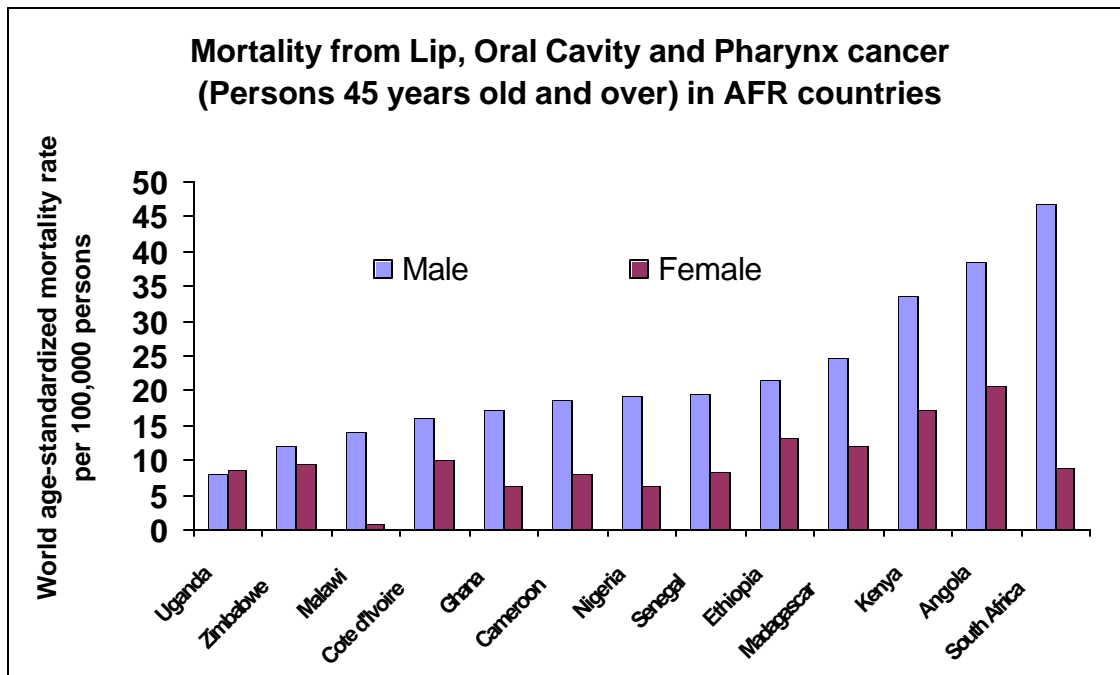
For all MNA countries, mortality from smoking related diseases is much higher for men than for women, reflected much higher historical smoking prevalence rates among men. However, as in other countries where much higher percentages of women have become smokers in recent decades, women's mortality rates will soon begin to reflect the serious health impact of smoking.

Figure 5: Standard Death Rates from Trachea, Lung, and Bronchus Cancer Per 100,000 Persons for AFR Countries, 1990



Source: Ferlay, J., Parkin, D.M., & Pisani, P. (1998) *GLOBOCAN 1: Cancer incidence and Mortality Worldwide*. [CD-ROM]. International Agency for Research on Cancer.

Figure 6: Standard Death Rates from Lip, Oral Cavity, and Pharynx Cancer Per 100,000 Persons for AFR Countries in 1990



Source: Ferlay, J., Parkin, D.M., & Pisani, P. (1998) *GLOBOCAN 1: Cancer incidence and Mortality Worldwide*. [CD-ROM]. International Agency for Research on Cancer.

V: Tobacco Control Measures

The operating environment for the tobacco industry remains relatively unregulated although laws against smoking exist in several countries in the region. Most nations in Africa are still attempting to control infectious diseases and reduce infant mortality rates. Inevitably, tobacco control has not been assigned the same priority as these other health problems.

The regulation of smoking in public places, especially schools and health care facilities, is the most common form tobacco regulation. Given the low level of cigarette consumption in most countries, compliance with these regulations is usually good. Smoking is banned on airlines in Zimbabwe, Ghana, Mauritius, South Africa and on one of the main regional carriers, Air Afrique.

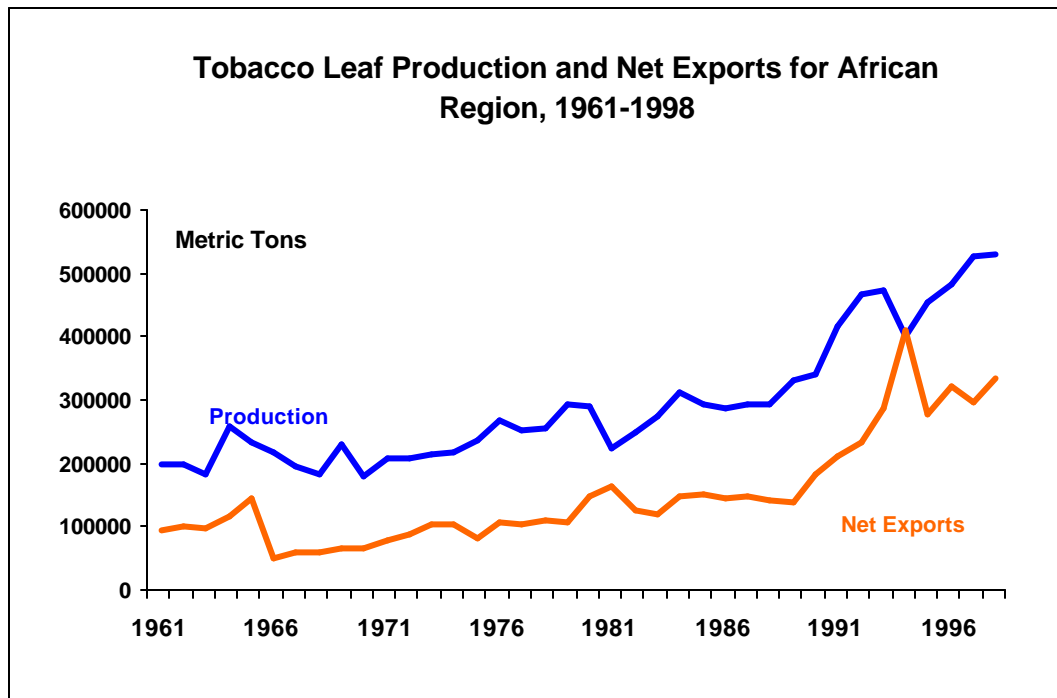
Health warnings on cigarette packets are required in 16 countries. In most countries the warning is vague and general. Strong, prominent and rotating health warnings are required in three countries (South Africa, Mauritius and Nigeria) while only two countries regulate the components of tobacco smoke (South Africa and Mauritius).

Encouragingly, there are either total bans or strong partial bans on tobacco advertising and promotion in at least 10 countries. In a number of countries, non-governmental organizations committed to tobacco control exist. These NGOs together with cancer associations, and religious groups have provided some leadership in policy development. These efforts include media advocacy, and public education.

VI: Production and Trade

Tobacco leaf production and net exports have been increasing since 1960s. In 2000, total leaf production in this region was 528,318 metric tons, of which 331,621 were net exports.

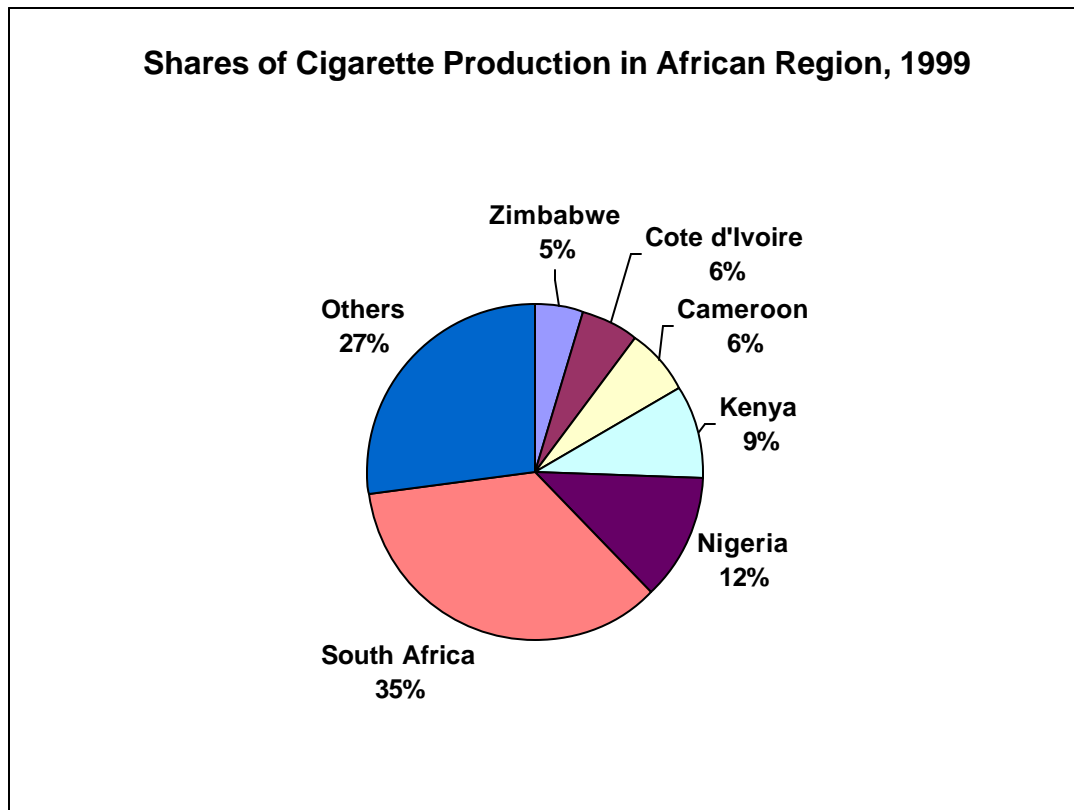
Figure 7: Tobacco Leaf Production and Net Exports in AFR, 1961-1998



Source: FAO

In 1999, AFR countries collectively produced 83,875 million cigarettes. South Africa is the largest cigarette producer in the region, with 29,500 million cigarettes, or 35% of the region's total in 1999.

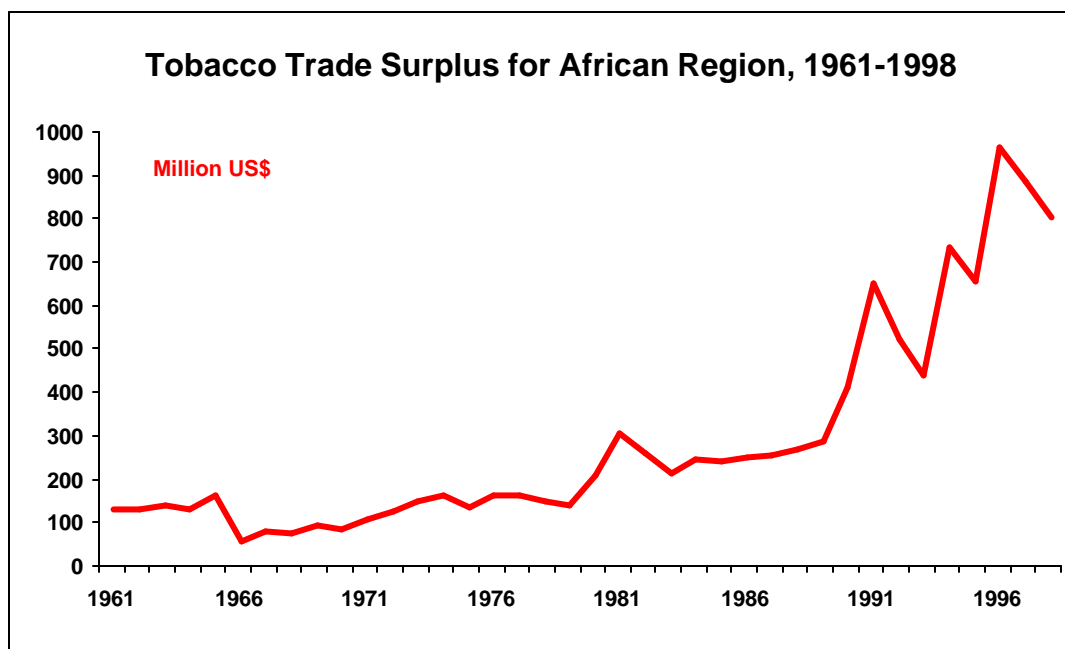
Figure 8: Percentage Share of Cigarette Production, 1999



Source: USDA

Overall SA region is a net tobacco exporters. Net tobacco trade surplus increased steadily since 1961. In 1998, total net surplus was US\$763 million.

Figure 9: Tobacco Trade Net Surplus for AFR region, 1961-1998



Source: FAO