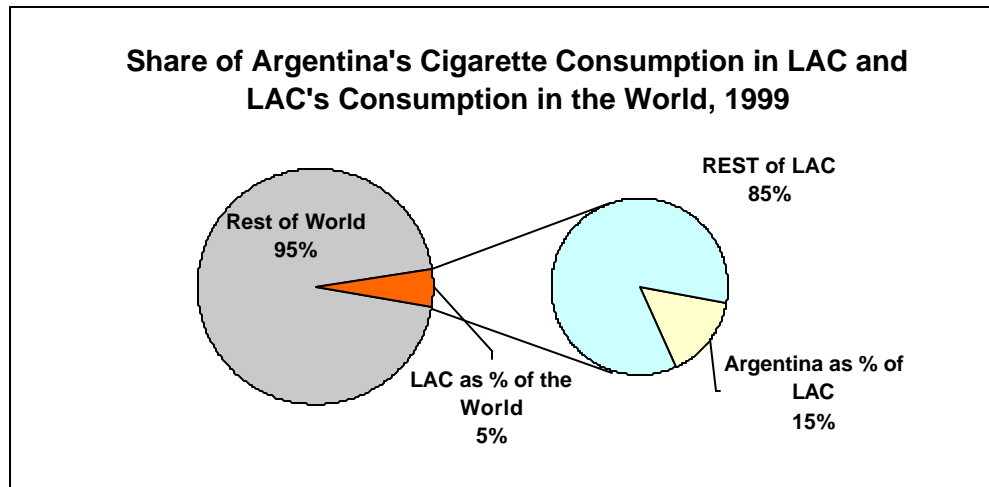


## Economics of Tobacco in Argentina

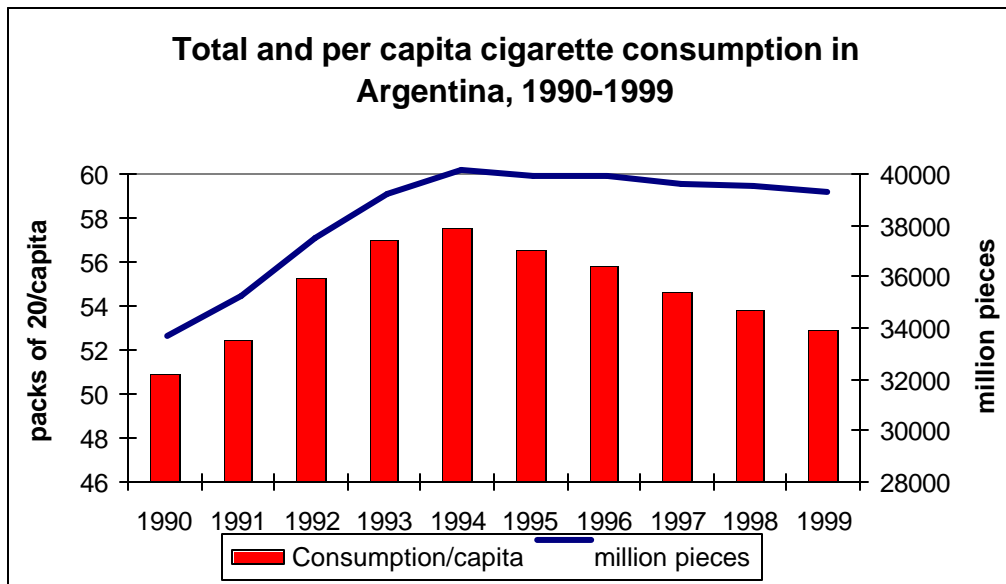
### Consumption and Prevalence

?? In 1999, Argentina was the third largest cigarette consumption country in the Latin America & Caribbean region (LAC), accounted for 15% of regional consumption, only after Brazil (36%) and Mexico (17%). This was so despite that Argentina only accounts for 7% of LAC's population.



Source: USDA

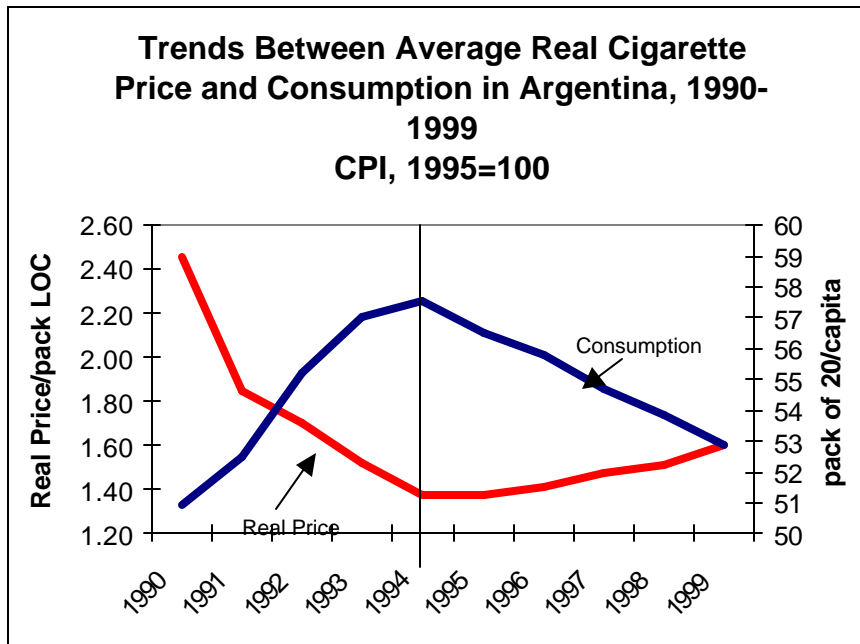
?? In Argentina, cigarette consumption has reduced dramatically since 1994. Total consumption was reduced by 2% from 39,300 million pieces to 38,700 million pieces, but per capita consumption reduced dramatically by 8% from 57.6 pack per capita in 1994 to 52.9 pack per capita in 1999.



Source: USDA, World Bank, Marketfile

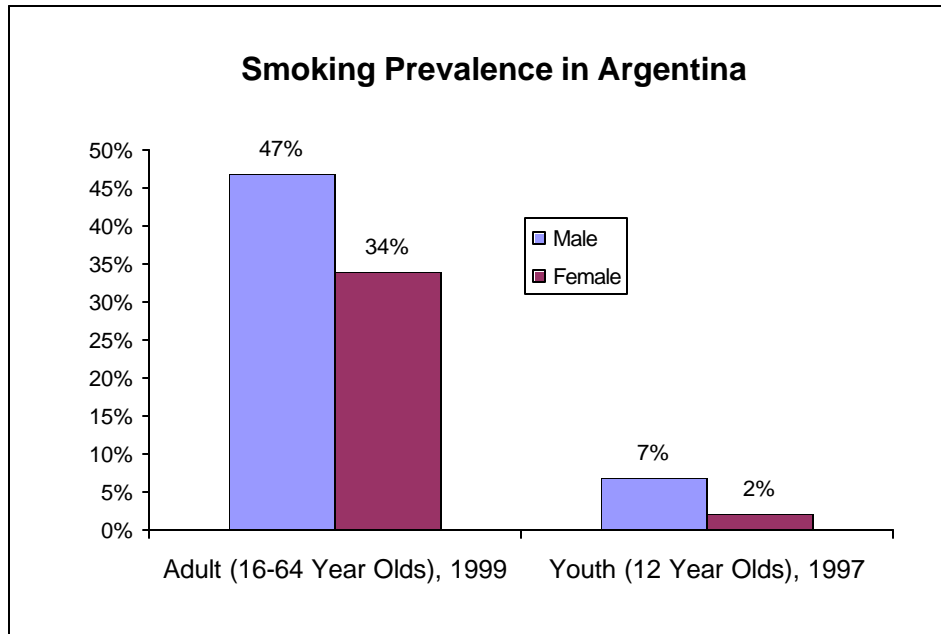
## Cigarette Prices

?? One of the reasons for reduction in per capita cigarette consumption is the increasing real price of cigarettes. As seen in the graph below, real price for cigarettes has been increasing. During 1994-1999, average real price of a pack of cigarettes have increased 16% from 1.38 pesos in 1994 to 1.60 pesos in 1999.



Source: Marketfile and World Bank calculation

?? Although per capita consumption decreased since 1994, smoking prevalence is still quite high for both males and females in Argentina. In 1999, 47% adult males and 34% adult females were smokers.

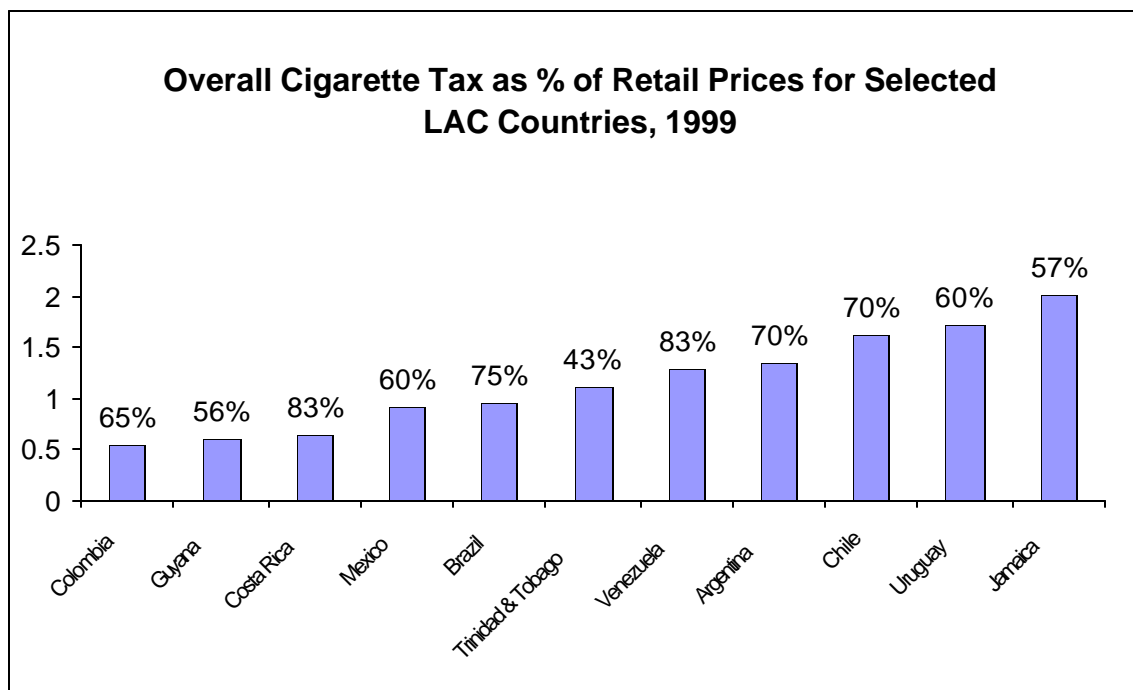


Source: Corrao MA, Guindon GE, Sharma N, Shokoohi DF (eds). *Tobacco Control Country Profiles*, American Cancer Society, Atlanta, GA, 2000.

Original Source: Adult data: Current smoking among the urban population; Rojas, M. [rojasmar@paho.org](mailto:rojasmar@paho.org) (2000, June 19). Re: Smoking prevalence in Latin America. [data transfer via email]. Youth data: Smoking in Buenos Aires measured by the Tobacco or Health Commission, Secretariat of Health; information from Diego Leon Perazzo of the Argentine Anti-tobacco Union.

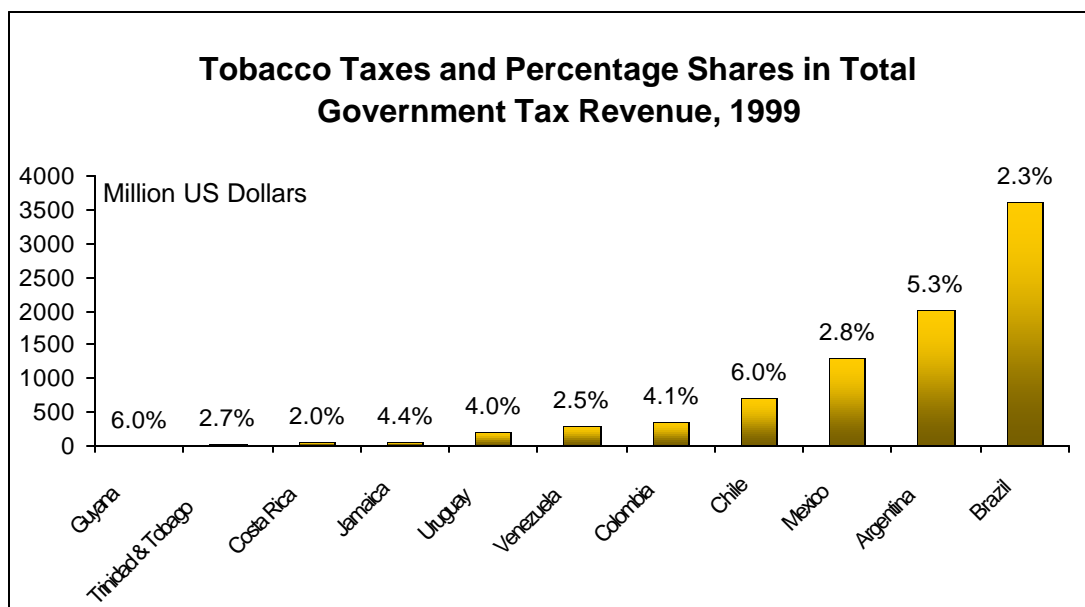
## Tobacco Tax

?? In 1999, cigarette tax accounted for 70% of retail price in Argentina. The average price for local cigarettes was 1.35 US dollars in 1999. In 2000, Argentina government increased taxes and tax was accounted for 73% of retail price but due to pressure from tobacco growers, government agreed to reduced the special tax rate from 21% to 7%, on the condition that TI would generate more federal taxes in 2001 –US\$1.8billion. If not, then TI would have to pay the difference in tax to the Argentina government.



Source: *The World Bank Estimates*

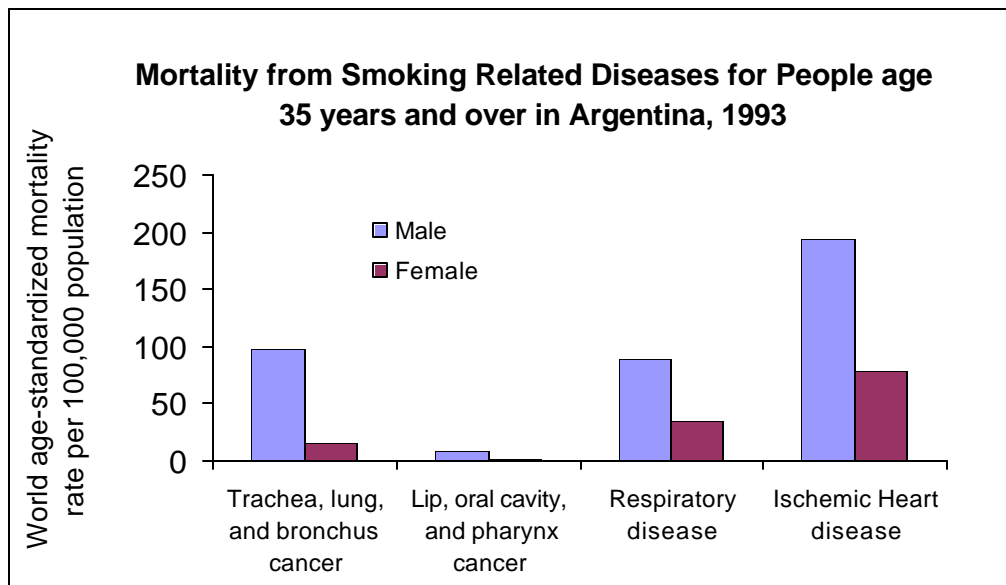
?? In 1999, federal government collected US\$1.4 billion for federal taxes and total cigarette tax (excise, VAT, sales tax, special tobacco fund tax, emergency tax), collected was 2 billion US dollars, accounting for 5.3% of government tax revenue in Argentina. Argentina's cigarette tax revenue ranked number two in LAC region, only after Brazil.



Source: *The World Bank Estimates*

## Health Issue

?? In 1993, the age-standardized mortality rate were 99 per 100,000 males aged over 35 from cancers of the trachea, lung and bronchus in Argentina. By comparison, 16 females 100,000 over 35 died of these diseases. For all smoking related diseases, mortality rates for women are substantially lower than men, reflecting relatively low smoking prevalence among women. A large part of the gender differences in these mortality rates is attributable to tobacco use.



Source: *World Health Organization. (1998). World Health Statistics Annual, 1996. Geneva, Switzerland.*

## Tobacco Control Measures

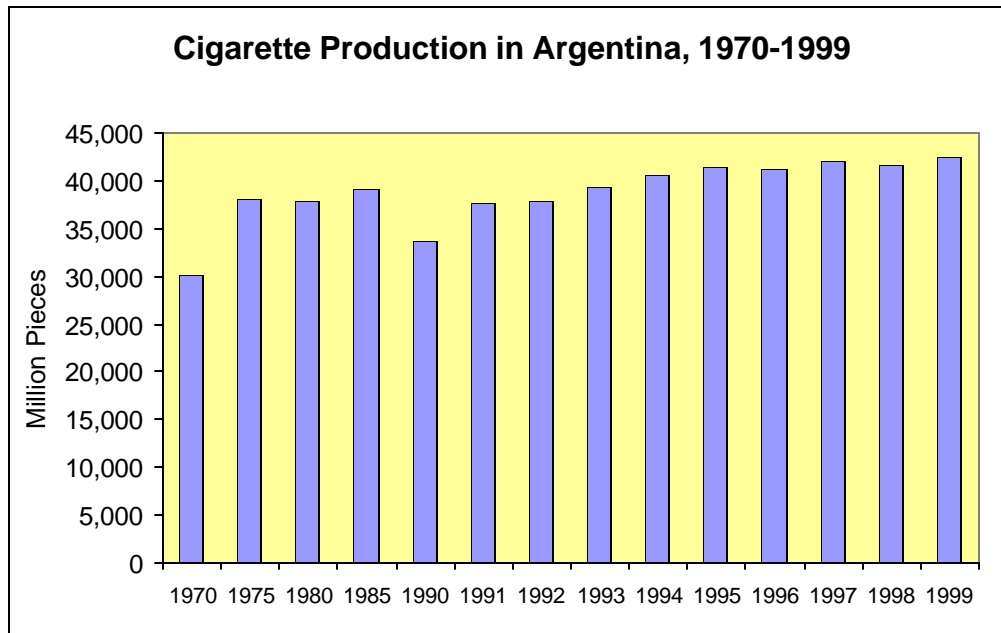
?? In 1986, health warnings on cigarette packs became mandatory. Tobacco advertising is prohibited in publications intended for youth and in theatres to which youth are admitted. Advertising directed at youth is prohibited, and banned from television and radio between 8:00 and 22:00. Distribution of cigarette samples at colleges is prohibited, and single stick sales are banned.

?? Smoking is restricted in health care facilities. In Buenos Aires, smoking is restricted in factories, schools, sports arenas, theatres, and food-processing centers. Smoking is also prohibited on public transport including buses, taxis, and subways.

?? Most tobacco control activities have been developed by non-governmental organizations, especially the Argentine Union Against Smoking, the Public Health Foundation, and the Liga Argentina de Lucha Contra el Cancer (LALCEC). Television and radio spots were produced by the Public Health Foundation, and activities have targeted youth through mass media and schools. LALCEC offers smoking cessation classes.

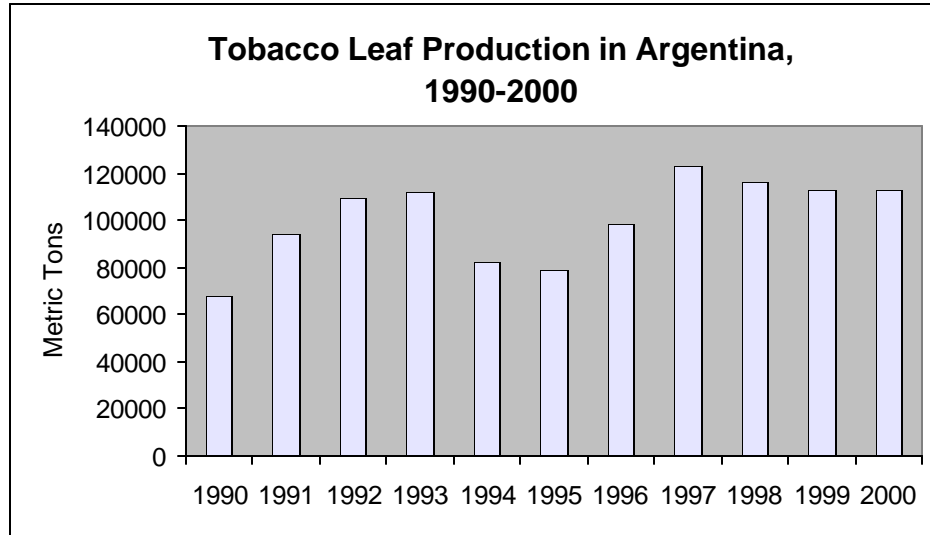
### Production and Trade

?? In 1999, Argentina produced 42,500 million cigarettes. Production increased by 41% during 1970-1999. Currently, there are only two major cigarette companies in Argentina. Massalin Particulares, a subsidiary of Philip Morris, accounts for roughly 60 percent of the market. Nobleza Piccardo, a subsidiary of British and American Tobacco, accounts for about 40% market share.



Source: USDA

?? Argentina is the second biggest tobacco leaf growing country in the LAC region. In 2000, Argentina produced 112,500 metric tons of tobacco leaves, accounting for 12% of LAC total, only next to Brazil (65%).



Source: FAO

?? Argentina is a net tobacco exporter. In 1998, net surplus from tobacco trade was 124 million US dollars, only after Brazil (US\$1481 million), Cuba (US\$167 million), and Venezuela (US\$141 million).

