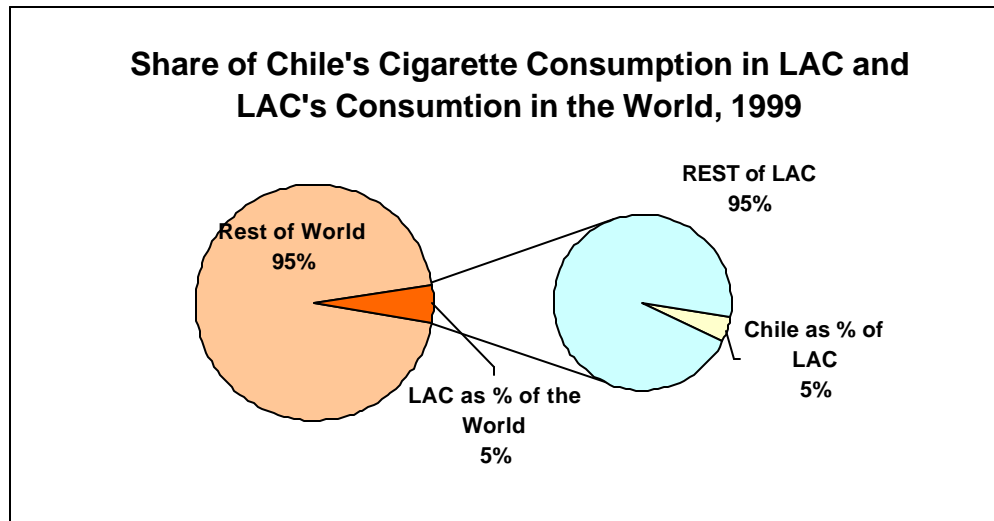


## Economics of Tobacco in Chile

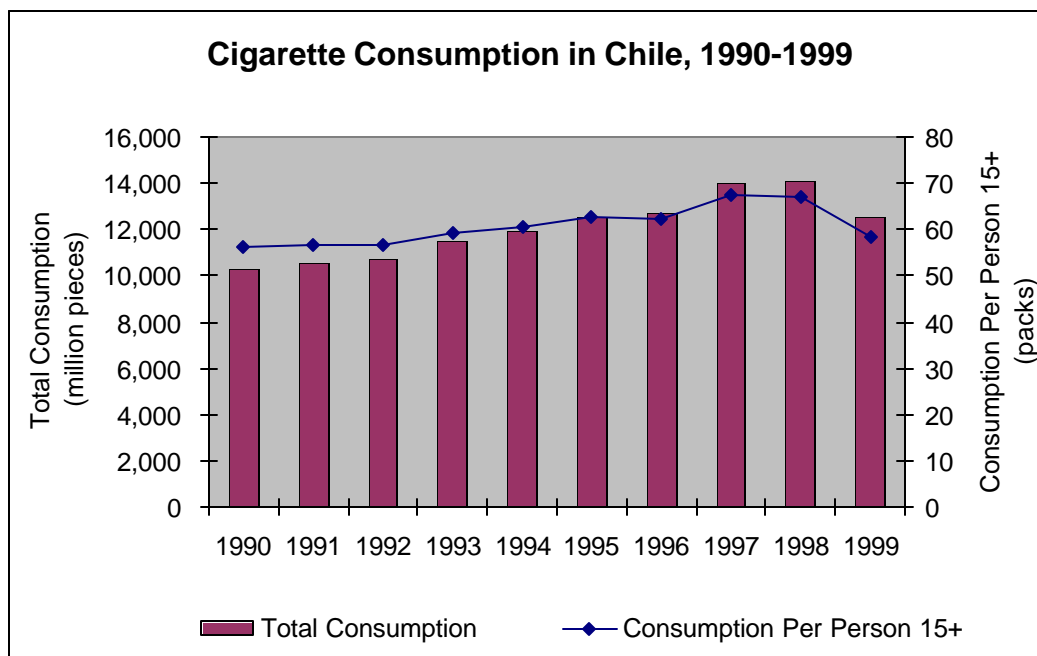
### Consumption and Prevalence

?? In 1999, Chile consumed 12,545 million cigarettes, or 5% of the total LAC consumption, despite the fact that Chile only accounts for 3% of LAC's population.



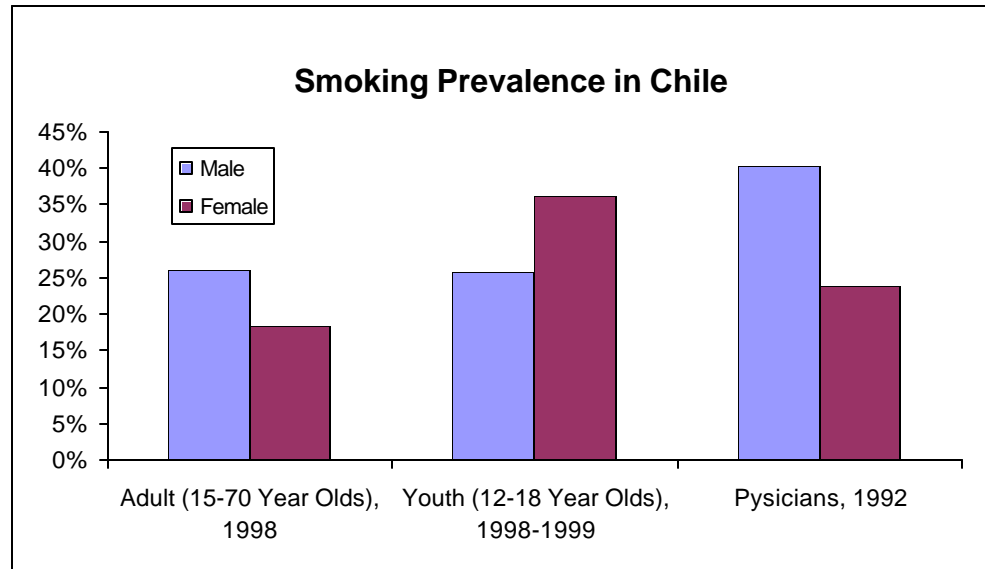
Source: USDA

?? In Chile, during 1990-1999, total cigarette consumption increased by 22%, while cigarette consumption per person aged 15 or older increased by 4%, from 56 packs in 1990 to 59 packs in 1999.



Source: USDA, ILO

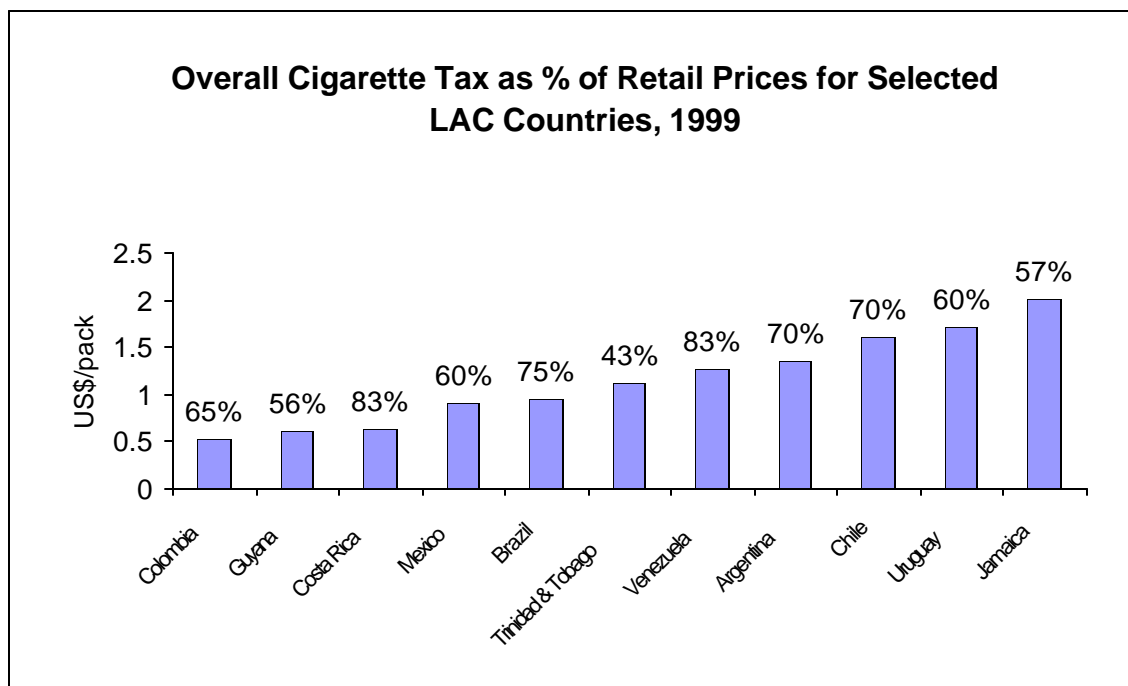
?? In 1998, 26% of adult males and 18% of adult females were smokers in Chile. Smoking prevalence for young people were 26% and 36% for males and females, respectively. In 1992, 40% male physicians and 24% female physicians in Chile were smokers.



Source: Adult data: Daily tobacco smoking in the three months prior to the survey; Departamento Información Social Mideplan. (1998). *Prevalencia de tabaquismo Chile (Casen)*. Youth data: Smoking in the last month or last year in the urban population; Consejo Nacional para el Control de Estupefacientes (CONACE). (1999). [Third National Household Survey on drug abuse in Chile: 1998- Summary] [Spanish]. Santiago. Physician data: Smoking one or more cigarettes per day among physicians in Santiago, Chile; Cornejo, E. et al. (1994). *Attitude and behavior towards smoking among Chileans physicians. Rev Med Chile*, 122, 1087-1094.

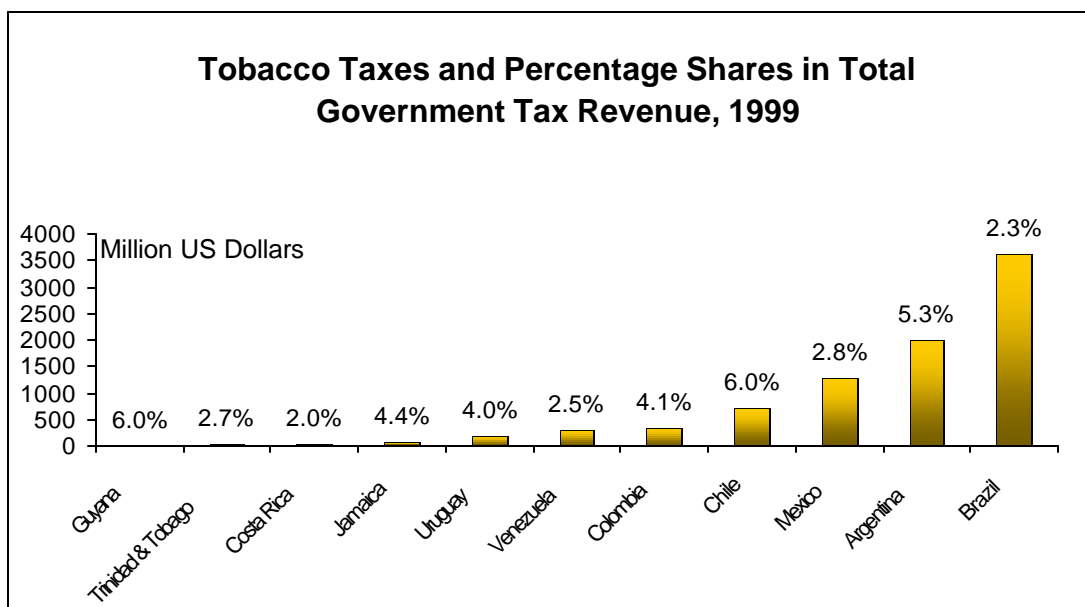
## Tobacco Tax

?? In 1999, cigarette tax accounted for 70% of retail price in Chile. The average price for local cigarettes was 1.62 US dollars in 1999.



Source: *The World Bank Estimates*

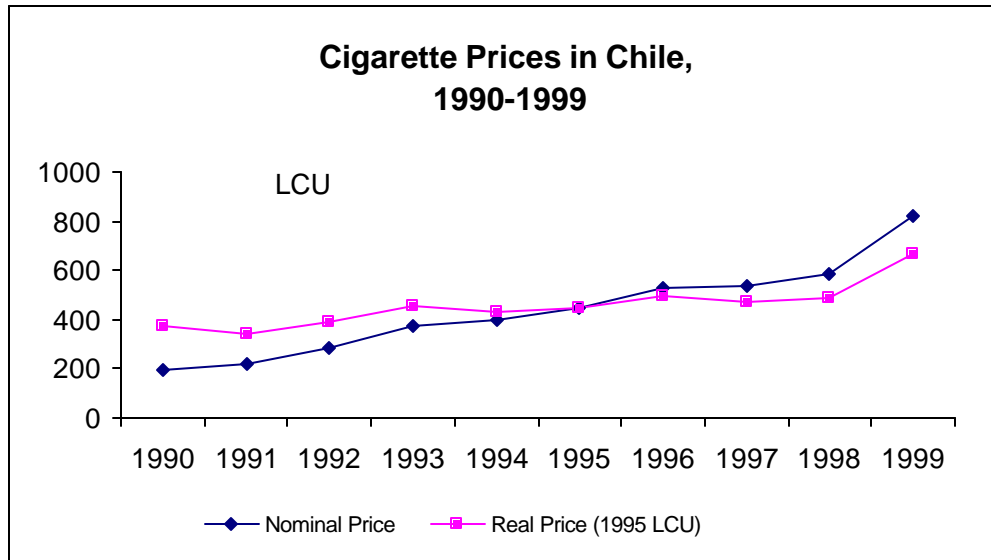
?? In 1999, total cigarette tax collected was 711 million US dollars, accounting for 6% of government tax revenue in Chile. Among these major LAC countries, Chile has the highest percentage of cigarette tax in total tax.



Source: *The World Bank Estimates*

## Cigarette Prices

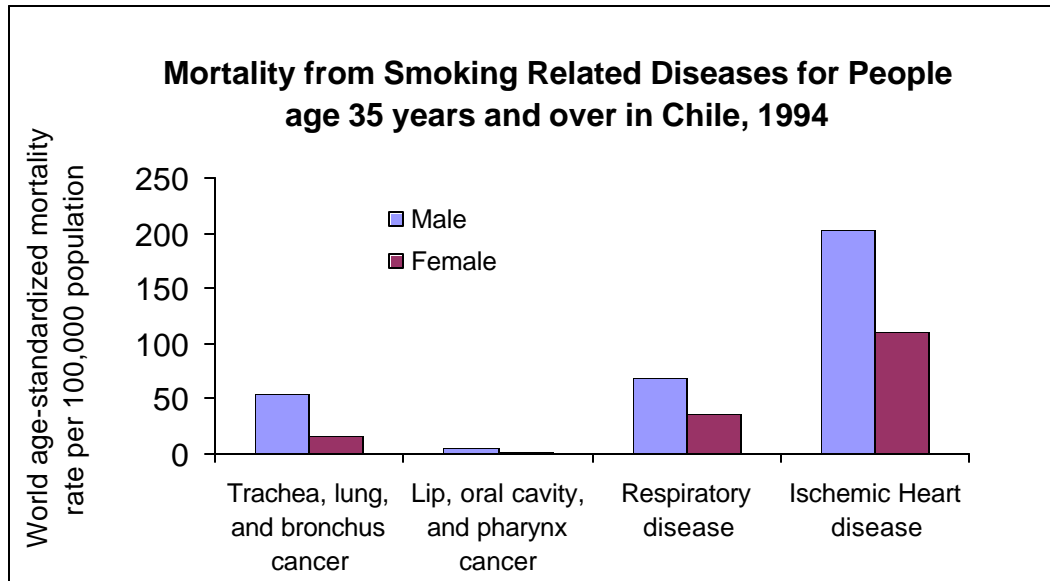
?? In Chile, nominal price of cigarettes has increased by 320% during 1990-1999. The real price has been more stable. However, real cigarette price also increased by 78% during this period.



Source: EIU

## Health Issue

?? In 1994, the age-standardized mortality rate were 54 per 100,000 males aged over 35 from cancers of the trachea, lung and bronchus in Chile. By comparison, 17 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.

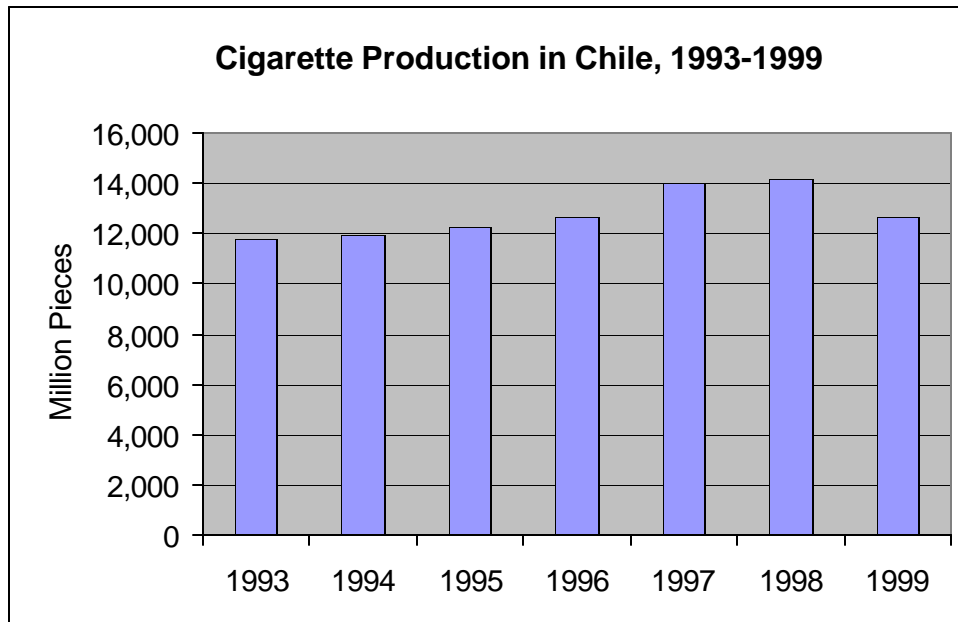
### **Tobacco Control Measures**

- ?? Nicotine and tar yields of cigarettes manufactured in Chile must be published, but limits on these substances have not been set by law. No restrictions on sale of tobacco products to minors exist. Health warnings on cigarette packs must say "Tobacco may cause cancer". No tobacco advertisements may be broadcast on television before 21:30, and a health warning is required on advertisements for tobacco products in print media, television, radio, cinemas and at point of sale
  
- ?? In 1981, the Ministry of Health prohibited smoking by staff on National Health System venues, including waiting rooms, administrative offices, elevators, auditoriums, and meeting rooms. Smoking is restricted in educational facilities through administrative orders, and on buses by law. Enforcement is not reported.
  
- ?? The Ministry of Health has developed several public information and education activities. These include workshops for mid-level managers in health, education, and other sectors, and anti-tobacco education for school children. The Chilean Society of Respiratory Disease (CONAC) produced television messages, and the Association of Laryngectomy Patients organized a mobile presentation for schools, offices, and worksites. The National Cancer Society is active in media

presentations and in training schoolteachers to prevent smoking among their students.

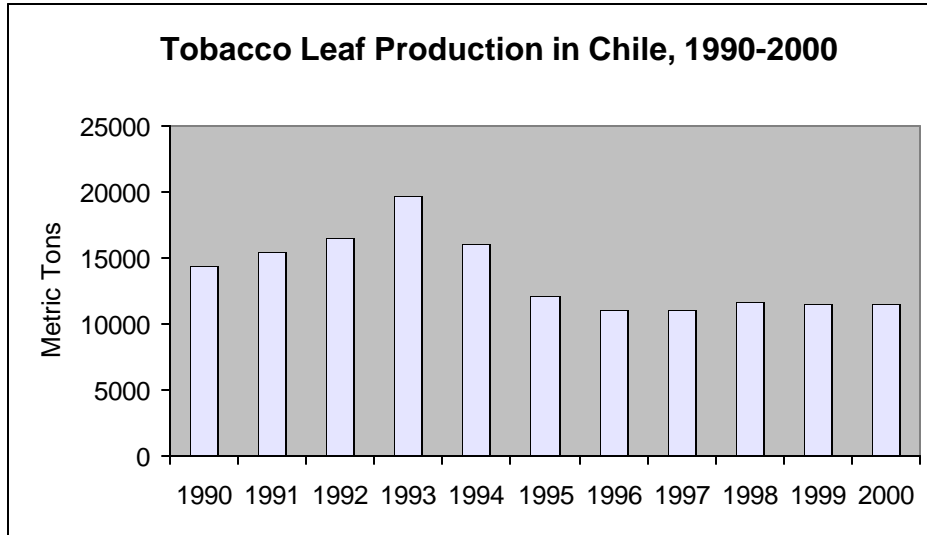
### Production and Trade

?? In 1999, Chile produced 12,640 million cigarettes, up by 7% on the production level of 1993. Chiletabacos, a subsidiary of the British American Tobacco Company, is the sole cigarette manufacturer in Chile.



Source: USDA

?? In 2000, Chile produced 11,500 metric tons of tobacco leaves, accounting for 1% of LAC total. Tobacco leaf production increased during 1990-1993, but decreased after that.



Source: FAO

?? Chile has been a net tobacco exporter in most of 1990s. However, in 1998, Chile recorded a net tobacco deficit of 2.2 million US dollars.

