

Smoking experimentation among Albanian youth – the impact of price and policies

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Structure of the presentation

- Background/Country Context
- Research objectives and methods
- Research results and implications
- Dissemination

Background/ Country Context

Country Context: some data on smoking

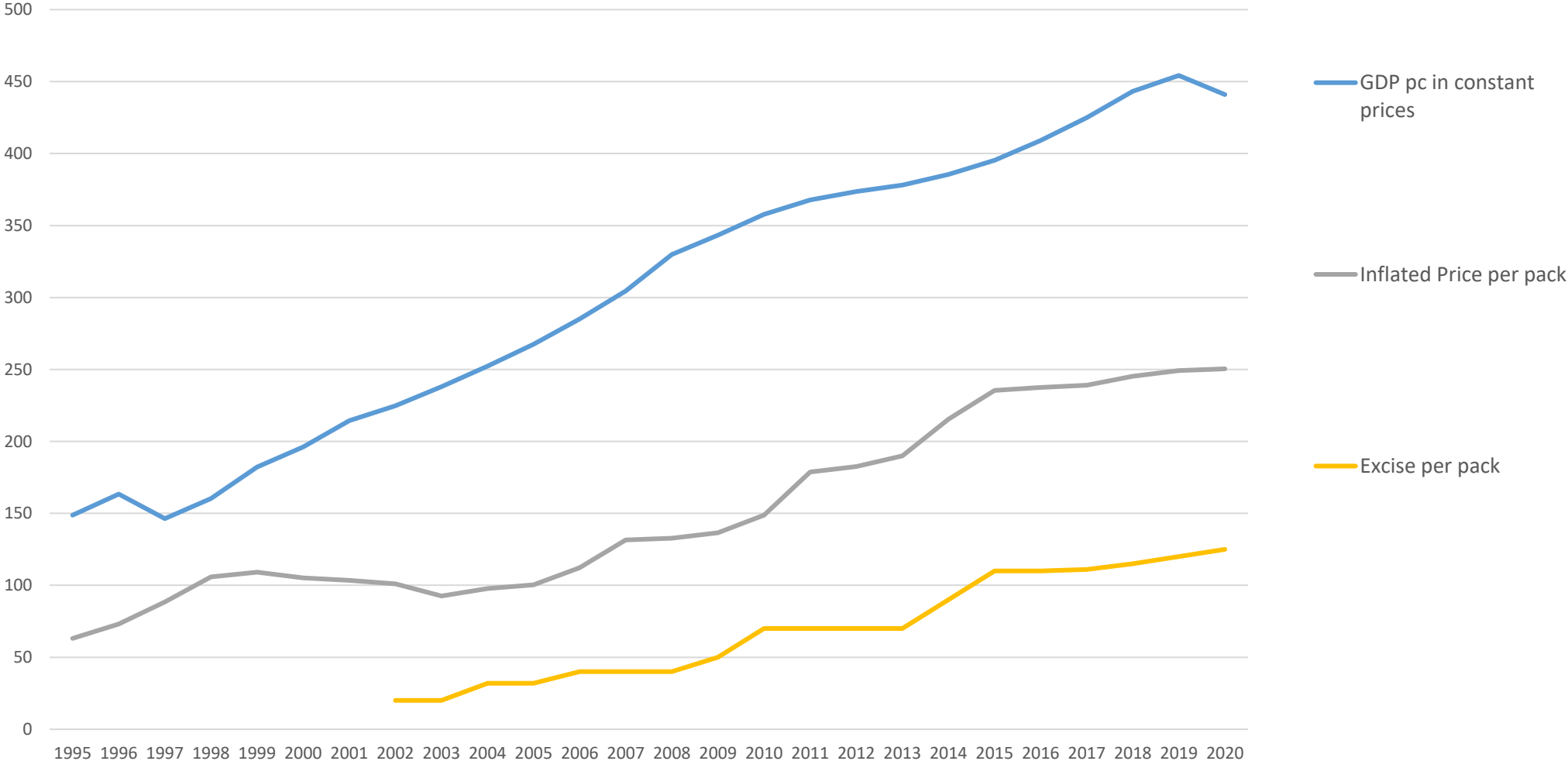
- The country has a high **smoking prevalence**
 - with almost half of males (42%) and 7% of females using tobacco, higher than the global average rates and even more so the OECD countries' average.
 - The prevalence is even higher among young males of 25 to 34 years old, **with more than half of them smoking** (DSA, 2019).
- Almost 22% of **all deaths** are attributable to smoking in Albania (GBD, 2019).
- The government spends almost 11 billion ALL in **health expenditures** attributable to smoking (DSA, 2023).
- About 10 percent of all **out-of-pocket health expenditures** of households can be attributed to the excess health costs associated with smoking (DSA, 2023).
- The impoverishing effect of smoking in the country has pushed 13,000 households with 60,000 members, including more than 10,000 children, below the poverty line, and continues to make the already poor, poorer (DSA, 2022).

Country Context: the excise

- Tobacco excise taxes in Albania are low
 - Albania applies a specific excise tax on cigarettes almost 72 euros per 1,000 cigarettes (2024) or 1,45 euro per pack.
- The excise levels in Albania will need to increase substantially to reach the minimum required by the EU (90 euros per 1,000 cigarettes).
- Excise increases with fixed nominal values (according to an approved calendar) - 2.5 euro per 1000 cigarettes (0,05 euro per pack) every year.
- Cigarette price have been outpaced by **economic growth** levels and **inflation** (most recently) – thus, cigarettes have become cheaper in relative terms, as excise is not subject to inflation indexing.

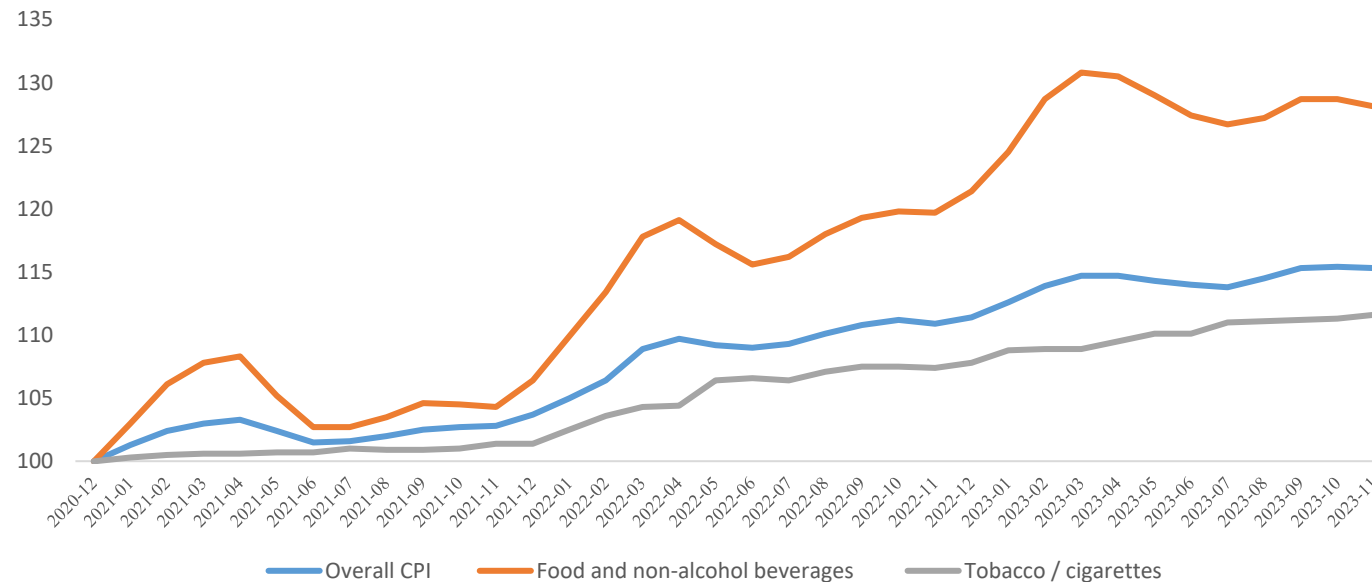
Exchange rate 1 EUR=100 ALL, as of June 2024

Trends of Price, Excise, GDP: 1995-2020



Cigarettes price: inflation

- The current law on excise, **exempts tobacco excise from the inflation- based indexation**, applicable to all other excise goods, and instead provides for a separate annual increase calendar for tobacco excise. Such increase is a fixed amount (not a fixed percentage)
- From December 2020 until November 2023, the price of cigarettes and tobacco rose by nearly **12 percent**. During the same period overall inflation was **15 percent**, and food costs surged by **28 percent**. **Consequently, the increase in food prices has been more than double that of cigarette prices, rendering cigarettes considerably more affordable for Albanian consumers (DSA, 2024).**



Country context: tobacco control policies

In addition, the Government of Albania has introduced several tobacco control policies since 2000 with unclear impacts due to weak law enforcement during the early post-socialist transition.

- In 2013, a new law entered into force for controlling **informal tobacco production, sales and advertising**.
 - This law included several measures such as nearly doubling the maximum fines.
- In 2014, an additional law was introduced to better **restrict tobacco use in indoor spaces**, reassert the obligation to include educational programs for the protection of health from tobacco products and raise the maximum level of fines for smokers and managers/administrators of public or private entities in cases of violations.

Country context: youth smoking

- 15.3 percent of teenagers (ages 13 to 15 years old), were currently tobacco smokers, while 37% were ever smokers (experienced tobacco products) (GYTS, 2020).
- More than half of daily smoking males aged 25 to 34 start before 18 years old.
- The average age of smoking experimentation is 12.95 (similar for both sexes).

Research objectives and methods

Why target youth?

- The earlier a smoker starts, the more likely they will be a lifelong smoker.
- Youth are consistently more responsive to **cigarette price changes** than adults due to
 - a higher share of tobacco expenditure in overall expenditures.
 - typically **have lower smoking addiction** because of shorter smoking histories

Thus, policymakers concerned with tobacco control/reducing smoking can best target youth – focusing on initiation among youth.

Objective of the study

The aim of the study is to assess the **impact of price** (and indirectly, the factors affecting price such as excise taxes) and other tobacco policies on youth experimentation in Albania, controlling for socio-economic factors like (gender, family, peer relationships, income).

Data and methodology

- Data of GYTS 2004, 2009, 2015, 2020. The Global Youth Tobacco Survey (GYTS) is a nation-wide survey on the use of tobacco products among school children aged 11 to 17 years old.
- The best methodology to employ on data is Survival Analysis addresses the issue of incomplete information from individuals who may not have experienced smoking initiation before the end of the data collection.
 - Observations from these individuals are right censored and excluding these individuals, as happens in standard methodologies, distorts the distribution of event duration.
- Within survival analyses models, the **split population model** was more accurate to analyze tobacco initiation, which is a discrete-time proportional hazard (cloglog) model, with an additional restriction that supposes a proportion of the population never fails (i.e., initiates smoking).
 - Splitting the population in a group that will not fail and another group that will eventually fail - makes the model more accurate.

Estimation strategy

- We infer the year of smoking initiation from the question “How old were you when you first tried a cigarette?”. Knowing the respondent’s current age at the year of the interview we can track the smoking status of the students for the entire period of analysis.
- We created a pseudo-longitudinal dataset that enables us to analyze **the effects of tobacco policies from 1994-2020**.
- One key assumption of survival models, known as ***non-informative censoring*** is that survival and censoring are independent. To deal with this limitation, as we excluded younger respondents who are less likely to have initiated smoking and more likely to be censored and focused on individuals aged 15 to 17 years at interview.

Research results and implications

Results from the survival analysis

Hazard of smoking initiation	Split population model	
	Model 1	Model 2
Price of cigarettes	-0.169 ^{***}	
Price*Female		-0.201 ^{***}
Price*Male		-0.140 ^{**}
Producers, traders, advertisers control policy	0.121	0.103
Indoor smoking control policy	-0.230 ^{**}	-0.248 ^{**}
Female	-0.519 ^{***}	
A family member smokes in home premises	0.529 ^{***}	0.503 ^{***}
Most of the peers smoke	0.690 ^{***}	0.649 ^{***}
GDP per capita	0.15 ^{***}	0.15 ^{***}
Duration dependence	yes	yes
Observations	55291	55291

Results and implications

- Price, policies, and parents' and peers' behavior significantly influence tobacco experimentation in youth in Albania.
- Increases in excise taxes on tobacco products that lead to higher prices are likely to be one of the strongest possible interventions for driving down smoking among youth.
 - This will be one of the most effective and cost-effective strategies to drive down smoking overall.
 - This means lower health care costs and higher economic productivity for Albania.
- The enforcement of companion non-price/tax tobacco control policies and programs to increase awareness of tobacco harms will also contribute to significant decreases in tobacco initiation and consumption.

Dissemination

Dissemination

- Yearly **round tables** with representatives from government, parliament, civil society and media.
- **Frequent meetings** with representatives from the Ministry of Finance and other relevant institutions.
- **Strong presence in the media.**

Dissemination – joint round table with the Parliament

October 2, 2023, in Tirana, "Parliamentary Club for the Young" of the Assembly (Parliament) of Albania, chaired by the head of this group, MP Mrs. Andia Ulliri, jointly with DSA (Development Solutions Associates), organized a round table on the framework of tobacco prevention and control measures with a focus on youth.




Attended by MPs from different political parties

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18/10/2023



**DRIN IMAMI**

Petagog | UBT

Afro 13 mijë familje në vend me 60 mijë anëtarë rrezikojnë të bien nën nivelin e varfërisë për shkak të kostove që kanë nga konsumi i duhanit. Studimi është bërë nga qendra Partnerë në Zgjidhje dhe Zhvillim (DSA) dhe analizon kostot indirekte që lidhen me shpenzimet për sëmundje të shkaktuara nga duhanpirja si dhe kostot direkte.

Thank you