Higher tobacco taxes reduce tobacco consumption and improve public health, while also increasing government revenues that can be used to fund priority investments and programs that benefit the entire population. These investments are critical for meeting the Sustainable Development Goals (SDGs) and for slowing the rise in non-communicable diseases, bringing us closer to the SDGs.

**A WIN-WIN FOR HEALTH AND THE ECONOMY**

A recent study in China estimated that a 50% increase in the price of tobacco through excise tax would lead to 231 million years of life gained, and the cost of treating tobacco-related diseases would decrease by US$ 24 billion. (Verguet, S., Gauvreau, C.L., Mishra, M., et al, 2015)

**INCREASING TOBACCO TAXES**

In 2012, the Philippines raised cigarette prices by 22%, compared to a 20% recommendation from the World Health Organization (WHO). In 2014, the government introduced a 30% tax on tobacco products, which raised USD 2.64 billion in excise tax that year—more than 5 million due to direct tobacco-related premature death. (US Dept of Health and Human Services, 2014)

**TAX STRATEGIES GO FAST.**

To counter the tobacco industry's influence, governments should focus on tax strategies that involve combining price increases for politically popular uses and earmarking revenues. "Soft" earmarking means using revenue for non-tobacco health programs that benefit the entire population, such as funding priority investments and programs that reduce tobacco use while more than 600,000 people die of tobacco-related NCDs. (Parliament of the Republic of Botswana, 2013)

**Raising cigarette taxes in countries across the world increases early health gains first, then on fiscal health gains later.**

Higher taxes on tobacco products reduce tobacco consumption and improve health gains. In 2016, the government introduced a 30% tobacco excise tax of 39% of retail prices, a mandated specific increase in subsequent adjustments will be made for inflation and generate about US$ 350 million in additional revenue while reducing the risk of NCDs, which account for 75% of global deaths. (MoH, MoF, WBG, 2016)

**US$ 1.4 TRILLION**

The total economic cost of smoking amounts to US$ 1.4 trillion per year, which is 14% of the world’s annual economic output. Cost is a key factor in establishing policies that control tobacco use.