



## MEETING ON HEALTH TAX POLICIES IN THE CARIBBEAN

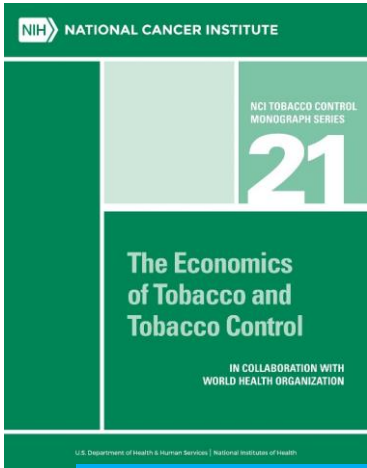
Mark Goodchild, Economist, Fiscal Policies for Health, World Health Organization  
Barbados, 1-3 November 2023

# PART I: HEALTH TAX RESOURCES AND MONITORING

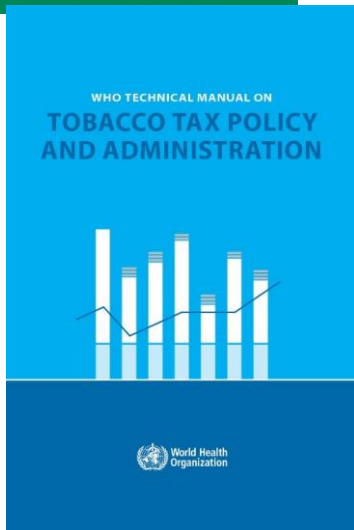


# TOBACCO

## Evidence & Policy



(2017)



(2021)

## Monitoring



(latest 2023)

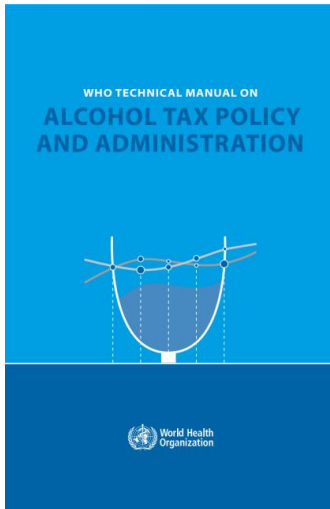
## Tax Modelling



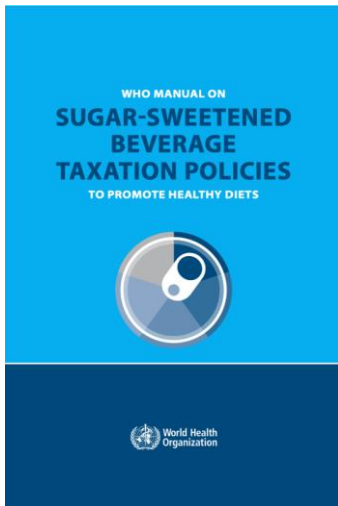
(latest 2023)

# ALCOHOL AND SSBs

## Evidence & Policy



(forthcoming 2023)



(2022)

## Monitoring

Global report on the use of alcohol taxes, 2023 (forthcoming)

*Watch this space*

## Tax Modelling

*Watch this space*

SSB TaXSiM pilot model



# ALCOHOL TAX POLICY AND ADMINISTRATION (FORTHCOMING)

First key message: The diversity of alcoholic beverages creates a variety of challenges for taxing them compared to other goods. Understanding the various alcoholic beverages, and their consumption patterns, is key to designing effective fiscal policy.

## GLOBAL REPORT ON THE USE OF ALCOHOL TAXES (FORTHCOMING)

- Presents the global coverage of the policy, with excise on alcohol being applied in at least 148 countries.
- Provides an overview of the design of excise taxes on alcoholic beverages across countries.
- Presents estimations of the **share of taxes** in the retail price for 330 ml of the most sold brand of beer and 750 ml of the most sold brand of the most sold type of spirits.
- Focuses on tax and price levels. While there is no set empirical best practice for effective alcohol tax levels, excise taxes do need to be sufficiently high to impact affordability.

# EXAMPLE OF COUNTRY DATA AND CALCULATIONS

**Table 1A: Tax-share of 330ml of the most sold brand of beer [Piton]**

	Country-reported value	Country-reported base	WHO's calculation of comparable estimate	WHO's comparable estimate
A Tax inclusive retail sales price*	4.25 XCD	275 ml	A + (Base + 330)	5.10 XCD
B Factory (gate) / CIF price	-	0	0	0
C Excise alcohol-content-based specific	-	0	0	0
D Excise volumetric (unitary) specific	0.37	1 litre	D + A* + (Base + 330)	2.4%
E Ad valorem excise	-	0	0	0
F Value added tax/ Sales tax	12.5%	A before F	F + (1 + F)	11.1%
G Import duty	-	0	Product not imported	0
H Other Tax	-	0	0	0
I Alcohol by volume (ABV %)	5.0%			
<b>Total tax</b>				<b>13.5%</b>

\* Retail price and tax data representing only the Province of Ontario

## PART II: DATA FOR HEALTH TAX MODELLING

# CORE DATA NEEDS AND POTENTIAL COLLECTION SOURCES

Unhealthy product	Tobacco (cigarettes)	Alcohol	SSBs
Tax system	Ministry of Finance or tax law		
Retail prices	Ideally high, mid, low price brands (or at least most popular brand). Producer déclarations or retail store surveys.	Representative values for each category (sodas, juices, etc) as well as for substitute products both merit <i>and</i> demerit. Producert déclarations or retail store surveys.	
Base (e.g. CIF price or volume)	MoF data or estimates (secondary sources).	MoF data or estimates (secondary sources). labelling or testing when base is content.	
Price elastities	Country-level study or averages from international evidence.		
Consumption	MoF data; household survey data or other official statistics; market survey companies; other computed estimates.		
Linkage to health impact	Smoking prevalence.	Consumption volume per capita. Sugar or alcohol content per capita.	



## AN EXAMPLE: CIGARETTE TAXATION IN BARBADOS

- **Tax System:** Specific excise of 1.18 per 5 sticks and a statutory VAT rate of 17.5% (14.9% applied) on the retail price (WHO GTCR 2022).
- **Retail prices:** Marlboro, Embassy & Pall Mall reported as USD 20, 17 and 14 per pack of 20 sticks (WHO GTCR 2022)
- **Smoking rate:** 4.9% of adults smoke cigarettes (WHO Global Report on Trends in Prevalence of Tobacco Use 2000–2025).
- **Consumption:** computed in absence of immediately available data at about 2 million packs per year (smoking rate  $\times$  adults  $\times$  9 sticks/day).