ECONOMICS OF TOBACCO CONTROL: NIGERIA

Fostering effective tobacco control policy implementation in Nigeria

“Weak tobacco control in Nigeria, coupled with increasing smoking rates and little enforcement of existing tobacco control policies, highlights an urgent need for research in this space. We will inform key government and policy stakeholders on the steps they need to take to reduce the burden of tobacco in Nigeria and West Africa.”

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INTRODUCTION

Tobacco is damaging to health, poses enormous economic costs, and accounts for a significant proportion of health inequities. Although smoking prevalence is low in Nigeria (17.5% in 2015), it is growing at an average of 4% per year. The tobacco industry is also increasingly expanding its customer base with the direct and indirect marketing of its products to women and children in rural areas of Nigeria. Yet, Nigeria’s policies for tobacco control are weak and poorly enforced.

The tobacco industry is reliant on Nigeria as a hub for tobacco production. In 2003, British American Tobacco made one of the largest investments by a tobacco company in Sub-Saharan Africa, and commissioned a manufacturing plant in Nigeria. This plant produces about 18.4 billion packs of cigarettes that are exported across West Africa each year.

The apparent difficulty in implementing tobacco control measures is partly due to strong lobbying from the tobacco industry, who peddle false claims about the severity of the impact of tobacco control policies on employment and the economy. Frustratingly, this strategy by the tobacco industry has proven effective in many low- and middle-income countries (LMICs) due to scarce or otherwise weak research evidence to refute misleading and extremely exaggerated claims.

More so, while there are laws restricting smoking to designated places, regulations that could clarify the placement and construction of any designated smoking areas have not been issued by the Ministry of Health. This project will complement the research conducted by the CRUK-IDRC funded group led by the School of Economics, University of Cape Town.
THE RESEARCH

This project is led by the Centre for the Study of the Economics of Africa (CSEA) in Nigeria. The CSEA is a not-for-profit Think Tank that conducts independent and high-quality research on economic policy issues in Africa. The team will actively engage and work closely with the Federal Ministry of Finance, the Federal Ministry of Health, the Tobacco Control Unit, and other research institutions and advocacy groups over the course of the project. CSEA is a member of the National Tobacco Control Alliance (NTCA).

They will be generating robust local evidence, which is scarce and acutely needed, to inform the implementation of fiscal and other policy solutions for effective tobacco control.

The main research focus of this project will be to obtain local evidence on the optimal taxation structure and levels for tobacco products, the burden of tobacco-related diseases, and tackle the false concern that take hikes will increase illicit trade. The team will collect their own data through surveys, and maximise the use of any existing data. Their sample will encompass retailers of different tobacco products (e.g. cigarettes, cigars, shisha) across brands - economy brands to premium - in 18 states across Nigeria.

Using this information, the team will simulate model tax impositions, using the Tobacco Excise Tax Simulation Model developed by the University of Cape Town. The team will also collect survey data from public hospitals, which will then be used to create economic micro-simulations. From these, they will estimate the optimal tobacco tax rate and structure; assess the economic costs of tobacco-use across different groups, as well as the cost-effectiveness of control interventions; and identify the impact of tax changes on illicit trade as well as identifying cost-effective measures of curbing illicit trade on tobacco products.

THE IMPACT

Tobacco control is central to meeting the United Nations 2030 Sustainable Development Goals (SDGs), notably SDG 1—to end poverty—and SDG 3—to ensure healthy lives. The team aim to produce local evidence to support tobacco-control policymaking and implementation in Nigeria. Moreover, local evidence provides the context-specific information and tools that are needed to design policies and tax structures to improve public health and generate government revenue to support health-promoting programmes.

The weak regulatory environment for tobacco control in Nigeria is not just due to total lack of regulation, rather it is further weakened by failure of relevant enforcement agencies of government to carry out their responsibilities. Therefore, a key part of the proposed project is geared at creating awareness among the government agencies saddled with the responsibility of enforcing regulations, as well as train their staff and equip them with tools needed for more effective enforcement of existing regulations. Tighter tobacco control policies in Nigeria will also have spill-over benefits to neighbouring countries.