

In contrast to the stable trend of declining cigarette consumption, which has been present for almost two decades, in the past few years the consumption of tobacco products in Serbia and the region has stagnated. Estimates from the Institute of Economic Sciences (IES) show that after a long time, the consumption of tobacco products will increase during 2021, which is also an economic problem, because smoking households spend almost a tenth of their budget on cigarettes instead of more productive goods and services.

“This trend will have extremely negative consequences on health and financial aspects, but also for Serbian society as a whole. One of the reasons is the availability of cigarettes, which has been growing since 2020, which encourages their consumption. Adverse effects are manifested in at least 15,000 premature deaths on an annual basis, in rising health costs and declining productivity, as well as in poorer quality of consumption because smokers’ households spend less on education and food and more on alcohol,” the IES said.

The data show that the purchase of 2,000 cigarettes in Serbia requires 3.7 percent of GDP per capita, which is comparable to Romania and Montenegro, but significantly less compared to Bosnia and Herzegovina.

In previous years, the affordability of cigarettes has remained almost unchanged and thus has no effect on reducing their consumption.

The results of the research indicate the need for tax policy reform, in order to reduce the affordability of tobacco products.

“This would lead to a decrease in the prevalence of smoking, an increase in state tax revenues, but also an increase in the quality of life through improving the structure of spending and freeing part of the household budget for other, more productive purposes, which is rarely discussed in public. Slightly more than nine percent of its budget is for tobacco products, which mostly translates into lower expenditures for food and non-alcoholic beverages compared to non-smoking households,” the statement added.

In addition to food expenditures, smoking costs also reduce expenditures on clothing and education, and this effect is strongest in low-income households.

“Lower costs of food, clothing and education also have a long-term effect on the health and development of children in these households. Consumption of tobacco products sometimes causes so-called secondary poverty - although they have enough resources, households use them unproductively (tobacco or alcohol). so they do not have enough funds for basic living needs. In addition, it is necessary to strengthen non-financial measures in the fight against smoking, such as the ban on smoking in cafes and restaurants, the application of existing laws restricting tobacco advertising, smoking at work and in public places, increase investment in smoking cessation support and put visual warnings about the consequences of smoking on packs,” the IEP added, Nova Ekonomija reports.