



CONTRIBUTING TO HEALTHIER POPULATIONS, WEALTHIER BUDGETS, AND A MORE PROSPEROUS ECONOMY WITH E-CIGARETTE TAXATION

BACKGROUND

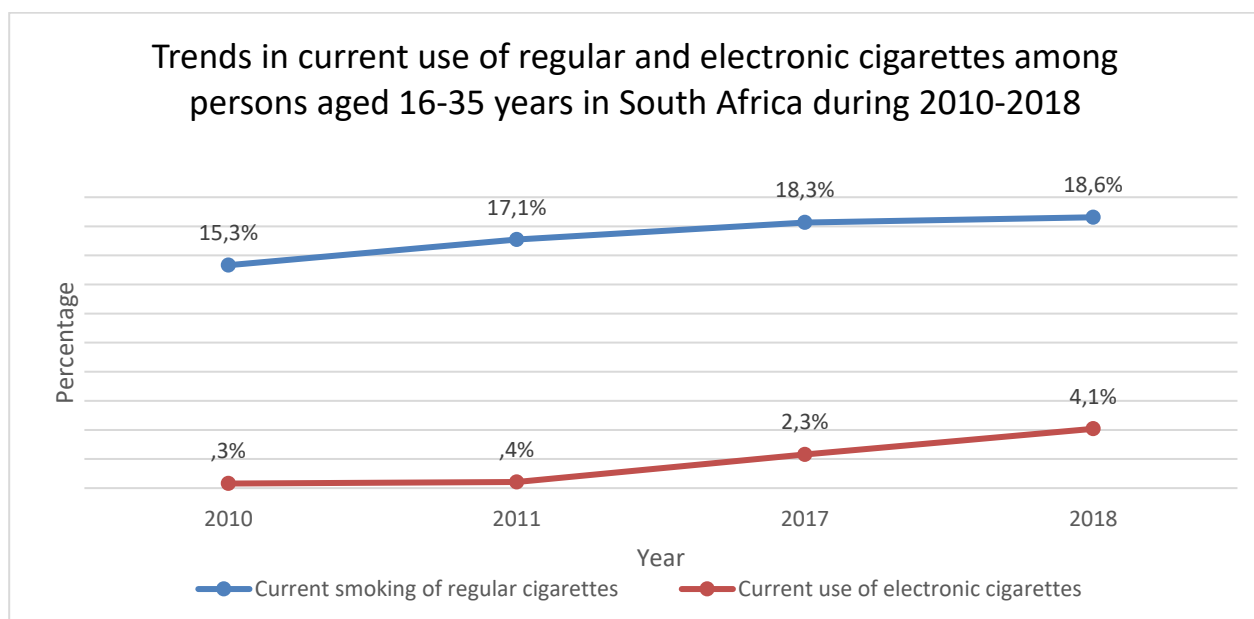
E-cigarettes have become very popular in South Africa since they were introduced into the country about a decade ago. When combined with other evidence-based population-level interventions, e-cigarette taxation can help reduce nicotine dependence. Three overarching issues make e-cigarette taxation imperative and urgent in South Africa:

- Issue #1: E-cigarette use is increasing at an alarming rate and youths are at most risk.
- Issue #2: E-cigarette use has potential harms at the individual and population levels.
- Issue #3: The way e-cigarettes are used in South Africa makes it unlikely for them to help smokers quit combustible tobacco smoking.

WHAT DOES THE DATA SHOW?

Issue #1: E-cigarette use is increasing at an alarming rate and youths are at most risk.

- The percentage of South Africans aged 16+ years who had ever used an e-cigarette increased four-fold in less than a decade, from 1.10% in 2010, to 4.08% in 2018.
- During 2018, an estimated 1.09 million South Africans aged 16+ years reported using e-cigarettes every day or on some days.
- Most of those who were current e-cigarette users in South Africa were youth and young adults. Of all current e-cigarette users during 2018, 3 in 4 (75.93%) were aged 34 years or younger, while 1 in 3 (33.83%) were aged 24 years or younger.
- While prevalence of current cigarette smoking did not differ significantly in 2011, 2017, and 2018 when compared to 2010 among those aged 16-35 years, for e-cigarettes, significant increases were seen in 2017 and 2018 when compared to 2010 among this same age group (Figure).



Issue #2: E-cigarette use has potential harms at the individual and population levels.

- Youth e-cigarette use is of public health concern because nicotine exposure during adolescence can cause addiction and can harm brain development which continues well into the third decade of life. The synapses or connections in the adolescent brain are more numerous and more plastic and can “learn” addiction faster at lower levels of nicotine exposure. Those addicted to nicotine at a younger age are also more likely to have difficulty quitting and less successful at quitting.
- E-cigarette use may divert disposable income that could have been spent on family essentials such as food, into maintaining a costly habit that makes users more addicted with more use. The average South African daily e-cigarette user spends between R8,575 to 19,781 on e-cigarettes per year.
- E-cigarette use in public places, including school buildings, stores, restaurants, and sports arenas, can potentially renormalize tobacco use among youth and send a mixed message about tobacco-related harms.

Issue #3: The way e-cigarettes are used in South Africa makes it unlikely for them to help smokers quit combustible tobacco smoking.

- E-cigarettes have the potential to benefit non-pregnant adults who smoke cigarettes if used as a complete substitute for all combusted tobacco products.
- However, the evidence is currently insufficient to recommend e-cigarettes for smoking cessation, and most South African adults who use e-cigarettes continue to smoke cigarettes. Cutting cigarette consumption by half does not reduce the risk of disease and death by half. Smokers need to quit completely.
- Between 2010 and 2017, e-cigarette use increased in South Africa, but cigarette quit attempts did not change. Contrary to industry claims, e-cigarette use in a recent South African study, was associated with higher odds of relapse after quit attempts and was associated with concurrent cigarette smoking.

POLICY RECOMMENDATIONS

- » E-cigarette taxation is an evidence-based strategy that has been implemented in many countries around the world.
- » About 60% of the South African adult population in 2017 supported that e-cigarettes should be regulated the same way as cigarettes as far as advertisement bans. By extension, taxation is another way cigarettes are currently regulated that could also be applied to e-cigarettes.
- » The South African government proposed taxing e-cigarettes at 75% of the cigarette excise tax rate. If this is implemented, this will generate revenue of over R 2 billion in a year from e-cigarette taxes based on current consumption patterns.
- » Such funds could be invested in providing barrier-free, evidence-based smoking cessation aids, supporting national toll-free quit lines, evaluating the impact of tobacco control policies, and supporting advocacy at all levels of government and grassroot organizations.
- » To reduce the likelihood that e-cigarette companies will manipulate product packaging to avoid taxes, the government should use easily measurable attributes to benchmark taxation such as volume, for e-liquids, rather than things that can be easily manipulated, such as the labelled nicotine concentration levels.
- » The urgent enactment of the Control of Tobacco Products and Electronic Delivery Systems Bill, would accelerate progress towards comprehensive e-cigarette regulation in South Africa.

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