

2.6 Quiz

Quiz Result

Excellent! You are gaining a good understanding of the module. Well done! You may now proceed to the next activity.

Started on	Wednesday, 31 January 2024, 12:49PM
State	Completed
Finished on	Wednesday, 31 January 2024, 12:59PM
Time taken	10m 30s
Grade	10/10

2.6 Quiz

1. Globally, tobacco, alcohol, and unhealthy diets are responsible for about 17 million premature deaths and result in significant economic costs every year.

Your Answer (Correct):

• True

Correct Answer:

• True

A significant portion of the 40 million NCD deaths and 5 million injury deaths are caused by

three risk factors: tobacco, alcohol, and obesity. While obesity has many causes, one significant factor is the growth of consumption of highly processed foods and sugary beverages worldwide.

Mortality from tobacco, alcohol, obesity, 2016

Risk Factor	Annual Deaths
Tobacco	7 million
Alcohol	3.3 million
Obesity	4.5 million

These health risks are responsible for significant and growing health and economic burdens in the developing world, where greater effort to implement effective policies is urgently needed.

To learn more, click here:

<https://data.bloomberglp.com/dotorg/sites/2/2019/04/Tobacco-alcohol-and-sugary-beverages-in-low-and-middle-income-countries-harms-consumption-and-costs.pdf>

2. Which of the following is the most cost-effective intervention to tackle non-communicable diseases (NCDs)?

Your Answer (Correct):

- Health taxes

Correct Answer:

- Health taxes

Health taxes are taxes imposed on unhealthy products, such as tobacco, alcohol, or sugar-sweetened beverages. Consumption of these products is linked with many non-communicable diseases, such as heart disease, cancer, obesity, and diabetes.

The primary purpose of health taxes is to reduce consumption of these unhealthy products, by design they change the relative price of the targeted products relative to other products.

When well designed — with a focus on the right rates, structures, base and supported by complementary administrative measures — they constitute one of the most cost-effective ways to curb the use of unhealthy products and save lives while raising much-needed revenue.

3. Which of the following taxes are “best buys” that cost less than 100 international \$ per DALY averted in low- and middle-income countries?

Your Answer (Correct):

- Tobacco and alcohol

Correct Answer:

- Tobacco and alcohol

Tobacco is the ‘best buys’: effective interventions with cost-effectiveness analysis (CEA) \leq I\$100 per DALY averted in low and middle-income countries (LMICs): the recommended intervention include

- increase excise taxes and prices on tobacco products,
- implement plain/standardised packaging and/or large graphic health warnings on all tobacco packages,
- enact and enforce comprehensive bans on tobacco advertising, promotion and sponsorship,
- eliminate exposure to second-hand tobacco smoke in all indoor workplaces, public places, public transport, and
- implement effective mass media campaigns that educate the public about the harms of smoking/tobacco use and secondhand smoke.

Alcohol is the ‘best buys’: effective interventions with cost-effectiveness analysis (CEA) \leq I\$100 per DALY averted in low- and middle-income countries (LMICs), the recommended intervention include

- increase excise taxes on alcoholic beverages,
- enact and enforce bans or comprehensive restrictions on exposure to alcohol advertising (across multiple types of media) and
- enact and enforce restrictions on the physical availability of retailed alcohol (via reduced hours of sale).

4. What is health tax?

Your Answer (Correct):

- A tax levied on products (unhealthy goods) that have a negative public health impact (e.g.

tobacco, alcohol, and sugar-sweetened beverages).

Correct Answer:

- A tax levied on products (unhealthy goods) that have a negative public health impact (e.g. tobacco, alcohol, and sugar-sweetened beverages).

These unhealthy goods are behavioral risk factors for death and disease. Health taxes are considered win-win-win policies because they save lives and prevent disease while advancing health equity and mobilising revenue for the general budget.

5. The investment in non-communicable disease (NCD) Best Buys are highly cost-effective interventions and can have a significant impact. Which of the following statements are true?

Your Answer (Correct):

- Global estimates have shown that investment of USD 1 in tobacco control (of which taxes are a key component) will yield a return of USD 7.11 in reduced costs from deaths and diseases averted and averted loss in productivity.
- Global estimates have shown that investment of USD 1 in alcohol control (of which taxes are a key component) will yield a return of USD 8.32 in reduced costs from deaths and diseases averted and averted loss in productivity

Correct Answer:

- Global estimates have shown that investment of USD 1 in tobacco control (of which taxes are a key component) will yield a return of USD 7.11 in reduced costs from deaths and diseases averted and averted loss in productivity.
- Global estimates have shown that investment of USD 1 in alcohol control (of which taxes are a key component) will yield a return of USD 8.32 in reduced costs from deaths and diseases averted and averted loss in productivity

For more information, please read the report below: World Health Organization. (2021). Saving lives, spending less: the case for investing in noncommunicable diseases. Geneva, World Health Organization.

6. An increase in the tax on tobacco, alcohol, or sugar-sweetened beverages (SSBs) will lead to

Your Answer (Correct):

- increased prices (higher prices make the products less affordable, reduce consumption of harmful products)
- reduces premature deaths and diseases from NCDs
- decreased health expenditures
- a healthier and more productive society
- increased revenues provide more space for development priorities

Correct Answer:

- increased prices (higher prices make the products less affordable, reduce consumption of harmful products)
- reduces premature deaths and diseases from NCDs
- decreased health expenditures
- a healthier and more productive society
- increased revenues provide more space for development priorities

All the above. For more information, please read the report below: The Task Force on Fiscal Policy for Health. (2019). Health Taxes to Save Lives: Employing Effective Excise Taxes on Tobacco, Alcohol, and Sugary Beverages. New York, Bloomberg Philanthropies.

7. When the price increases, consumers who are sensitive to what affects their wallet will reduce their consumption by a certain quantity, in other words, it measures how demand for a good responds to a change in price. It is commonly referred to as

Your Answer (Correct):

- Price elasticity of demand

Correct Answer:

- Price elasticity of demand

The price elasticity of demand measures the responsiveness of consumer demand to changes in prices. Policy-makers need to know the elasticity of demand – including price elasticity (own-price and cross-price) and income elasticity – for tobacco products in the country to correctly assess the impacts of potential policy changes on consumption and subsequent revenues. These estimates need to be made regularly to capture changes in demand over time.

8. The value of price elasticity for tobacco and alcoholic products is between 0 and 1, which means that demand is inelastic. The reduction in demand will proportionately go down less than the increase in price. The revenues go up despite a reduction in demand.

Your Answer (Correct):

• True

Correct Answer:

• True

Tobacco and alcoholic beverages are relatively price-inelastic – consumption does indeed fall but by less than price increases. As a result, tax increases on these products raise rather than reduce tax revenues, at minimum in the short- and medium-term.

9. Based on the global estimates, the price elasticity for cigarettes is -0.4, an increase in prices of 10% reduces consumption by 4% in high-income countries and 5% in low- and middle-income countries (price elasticity is higher at -0.5).

Your Answer (Correct):

• True

Correct Answer:

• True

The price elasticity of demand for tobacco is on average -0.4 in high-income countries (ranging from -0.2 to -0.6). Estimates for LMICs are more variable, clustering around -0.5 (ranging from -0.2 to -0.8). A price elasticity of -0.5 means that a 10% increase in price would lead to a 5% reduction in consumption.

10. In Thailand, the excise tax rate on cigarettes increased regularly over a period of 30 years (1991 to 2020) which has led to

Your Answer (Correct):

- reduced consumption (from 1,942 million to 1,682 million packs)
- reduced smoking prevalence (from 32% to 19.1%)
- increased revenues over the years

Correct Answer:

- reduced consumption (from 1,942 million to 1,682 million packs)
- reduced smoking prevalence (from 32% to 19.1%)
- increased revenues over the years

All the above. Thailand raised its cigarette excise rates 11 times (from 55% to 87% of factory price) between 1991 and 2012, The Thai government further increased the tax rate to 90% in early 2016 and introduced a new tax structure starting in 2018 where the tax is being calculated based on the retail price, instead of ex-factory or CIF (cost, insurance, and freight) prices.

The government has long-term policies on the tobacco taxation structure with regular monitoring and adjustments resulting in reducing the number of smokers (from 32% (1991) to 19.1% (2017) and raising tax revenue (from USD 530 million to USD 2,287 million) in the same period.