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2007 Port of Spain Summit Compliance: Fiscal Measures to Reduce Tobacco Accessibility

Alissa Wang, June 19, 2015

This report assesses compliance with the commitment below from the 2007 Port of Spain Declaration based on actions taken by the Caribbean countries between 15 September 2007 and 15 September 2008.

Commitment

2007-8: [We will] introduce such fiscal measures as will reduce accessibility of tobacco.

Compliance

Member	No compliance	Partial compliance	Full compliance
Anguilla	No references		
Antigua and Barbuda		0	
Bahamas		0	
Barbados			+1
Belize		0	
Bermuda			+1
British Virgin Islands	No references		
Cayman Islands	No references		
Dominica			+1
Grenada		0	
Guyana		0	
Haiti	No references		
Jamaica		0	
Montserrat	No references		
Saint Kitts and Nevis		0	
Saint Lucia	-1		
Saint Vincent and the Grenadines		0	
Suriname		0	
Trinidad and Tobago		0	
Turks and Caicos	No references		
Average	+0.14		

Background

On 15 September 2007, the heads of government of the Caribbean Community (CARICOM) attended a summit at Port of Spain, Trinidad and Tobago, focusing on the theme of "Uniting to stop the epidemic of chronic NCDs." Recognizing that the Caribbean region is one of the worst affected regions by NCDs in the Americas, the leaders took on the challenge of preventing and controlling the NCDs of heart disease, stroke, diabetes, hypertension, obesity and cancer by addressing the causal risk factors: lack of physical activity, tobacco use, alcohol abuse and unhealthy diets.¹ Commitments from 2007-02 to 2007-08 cover tobacco use.

Heads of government gave full support to pursuing a legislative agenda in line with the World Health Organization's (WHO) Framework Convention on Tobacco Control (FCTC).² The FCTC is the world's first global health treaty developed in response to the globalized tobacco epidemic. The convention consists of 38 articles divided into the following sections: objectives and guiding principles; demand-side reduction measures; supply-side reduction measures; protection of the environment; liability; cooperation and communication; institutional arrangements and financial resources; settlement of disputes; development of the convention; and statutory measures.³

Commitment 2007-08 focuses on the introduction of fiscal measures to reduce tobacco accessibility, as set out in in Article 6 of Part III of the treaty, which "encourages price and tax measures as effective means to reduce the demand for tobacco. These include tax increases that result in an increase of the sales price of tobacco products; and prohibiting or restricting sales of tax- and duty-free tobacco products."⁴

Commitment Features

According to the relevant section and article of the FCTC (Part III Article 6), this commitment aims to reduce the demand for tobacco. Fiscal measures, in this case, refer specifically to measures that target the price and tax on tobacco products. Thus, fiscal measures that reduce the accessibility of tobacco refer to pricing mechanisms and taxing mechanisms that directly reduce the demand for tobacco.

As stated in the text of the WHO FCTC, fiscal measures include:

- a) implementing tax policies and, where appropriate, price policies, on tobacco products so as to contribute to the health objectives aimed at reducing tobacco consumption; and
- b) prohibiting or restricting, as appropriate, sales to and/or importations by international travellers of tax- and duty-free tobacco products⁵

¹ Communiqué Issued at the Conclusion of the Regional Summit of Heads of Government of the Caribbean Community (CARICOM) on Chronic Non-Communicable Diseases (NCDs), 15 September 2007, Caribbean Community Secretariat. Date accessed: 6 August 2015

http://www.caricom.org/jsp/communications/communiques/chronic_non_communicable_diseases.jsp

² Press Release, CARICOM. Date accessed: 6 August 2015 http://www.caricom.org/jsp/pressreleases/pres212_07.jsp

³ WHO Framework Convention on Tobacco Control: an overview, WHO. Date accessed: 6 August 2015 http://www.who.int/fctc/WHO_FCTC_summary_January2015.pdf?ua=1

⁴ WHO Framework Convention on Tobacco Control, The WHO Framework Convention on Tobacco Control: an overview. http://www.who.int/fctc/about/WHO_FCTC_summary_January2015.pdf?ua=1

⁵ WHO Framework Convention on Tabocco Control, Date accessed: 6 August 2015.

http://whqlibdoc.who.int/publications/2003/9241591013.pdf?ua=1

The Pan American Health Organization (PAHO) monitors implementation progress on selected measures of the FCTC. Under the monitoring of article 6, implementation is broken down into five categories:

- 1. >75% of retail price of 20-cigarette pack is tax
- 2. 51–75% of retail price of 20-cigarette pack is tax
- 3. 26–50% of retail price of 20-cigarette pack is tax
- 4. $\leq 25\%$ of retail price of 20-cigarette pack is tax
- 5. Data not reported

Within each implementation report, the price of most sold brand cigarettes and the percent of the price composed of taxes are also reported. The average in the Americas for percent of price composed of taxes is 46%.⁶ Based on this regional average, and taking into account the tobacco prices and taxes as of 2008 when the implementation progress was measured, a percent of price composed of taxes higher than 46% counts as full compliance. A percent of price composed of taxes lower than 46% but equal or greater to 25% counts as partial compliance. A percent of price composed of taxes lower than 25% shows a lack of compliance.

WHO also monitors implementation of the FCTC through a reporting instrument. During the compliance period, most CARICOM countries submitted reports to the WHO Implementation Database, which indicates progress on compliance with the commitment. The details of the rate of tax are broken down. The WHO report is used to cross check data from PAHO, or as the sole source should the PAHO report be unavailable.

Any news, press releases, or published bills or the legislative documents available on official government websites that indicate an increase in tax also counts towards compliance.

Scoring Rubric

-	
-1	The country's PAHO report indicates a tax (as percentage of price) lower than 25%
	AND/OR The country's WHO FCTC Implementation Report indicates a tax (as percentage
	of price) lower than 25% AND/OR There are no official documents on tax measures during
	the compliance period on official government websites.
0	The country's PAHO report indicates a tax (as percentage of price) equal or higher than 25%
	(lower than 46%) AND/OR The country's WHO FCTC Implementation Report indicates a
	tax (as percentage of price) equal or higher than 25% (lower than 46%) AND/OR There are
	official documents that indicate a raise in taxes during the compliance period on official
	government websites.
+1	The country's PAHO report indicates a tax (as percentage of price) equal or higher than 46%
	AND/OR The country's WHO FCTC Implementation Report indicates a tax (as percentage
	of price) equal or higher than 46% AND/OR There are official documents that indicate a
	raise in taxes to higher than 46% during the compliance period on official government
	websites.

No references: Some countries may be assigned "no references" if the country is not monitored by the WHO FCTC Implementation Database, not monitored by the PAHO Tobacco Prevention and Control Country Reports, and no references to tobacco related fiscal measures were given on Turks and Caicos official government websites.

⁶ PAHO, Bahamas Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2010/Bahamas_CR.pdf

Anguilla: N/A

No references.

Antigua and Barbuda: 0

Antigua and Barbuda partially complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to PAHO's Antigua and Barbuda Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50% of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 31%, which is below the region's average.⁷

On 29 August 2008, Antigua and Barbuda submitted an implementation report to the WHO FCTC Implementation Database. It was reported that the rate of tax is 15%.⁸ This tax rate is lower than the region's average.

Thus, Antigua and Barbuda has been assigned a score of 0 for partial compliance.

Bahamas: 0

The Bahamas partially complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to the PAHO's Bahamas Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of " $\leq 25\%$ of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 25%.⁹

The Bahamas did not submit an implementation report to the WHO FCTC Implementation Database during the compliance period.¹⁰

On 27 June 2008, the Bahamas assented an act on excise taxes. Under the section concerning passenger's baggage arriving in the Bahamas, the general exemptions for tobacco is not exceed one pound in weight or 200 cigarettes or 50 cigars.¹¹

Thus, the Bahamas has been assigned a score of 0 for partial compliance.

Barbados: +1

Barbados fully complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

⁷ PAHO, Antigua and Barbuda Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2010/AntiguaandBarbuda_CR.pdf

⁸WHO FCTC, Antigua and Barbuda Implementation Report, 3 September 2008. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/sites/implementation/files/documents/reports/antigua_barbuda_r eport.pdf

⁹ PAHO, Bahamas Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2010/Bahamas_CR.pdf

¹⁰ WHO FCTC, Bahamas. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/parties/Bahamas

¹¹ Statute Law of the Bahamas, Chapter 293A Excise. Date accessed: 21 June 2015.

http://laws.bahamas.gov.bs/cms/images/LEGISLATION/PRINCIPAL/2008/2008-0016/ExciseAct_1.pdf

According to PAHO's Barbados Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50% of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 49%, which is above the region's average.¹²

On 15 July 2008, Barbados submitted an implementation report to the WHO FCTC Implementation Database. It was reported that the Barbados implements an import duty of \$44.09 per kg, an excise tax of \$0.94 per five cigarettes an environmental levy of 2% of the value of cost, insurance and freight, and a value-added tax of 15% total value.¹³

Thus, the Barbados has been assigned a score of +1 for full compliance.

Belize: 0

Belize partially complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to the PAHO's Belize Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50% of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 35%, which is below the region's average.¹⁴

On 7 April 2008, Belize submitted an implementation report to the WHO FCTC Implementation Database. It was reported that Belize implemented a sales tax of 14%, a customs and excise tax of BZ\$18 per carton, an import duty of BZ\$34.40 per pound, a revenue replacement of BZ\$117.50 per pound, and an environmental tax of 2% (rate of exchange: US 1.00 = BZ 2.00).¹⁵

Thus, Belize has been assigned a score of 0 for partial compliance.

Bermuda: +1

Bermuda fully complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

In April 2008, Bermuda implemented the Bermuda Tobacco Control Action Plan to increase tax on cigarettes where a pack of 20 cigarettes cost \$8.00.¹⁶ This is above the region's average.¹⁷

¹² PAHO, Barbados Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2011/Barbados_CR.pdf

¹³ WHO FCTC, Barbados Implementation Report. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/sites/implementation/files/documents/reports/barbados_report.p df

¹⁴ PAHO, Belize Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2010/Belize_CR.pdf

¹⁵ WHO FCTC, Belize Implementation Report. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/sites/implementation/files/documents/reports/belize_report.pdf ¹⁶ Bermuda Government Portal, Press Release: Ministry of Health Plans Smoking Cessation Programme for Bermuda, 2 October 2008. Date accessed: 21 June 2015.

www.health.gov.bm/portal/server.pt/gateway/PTARGS_0_2_13031_267_1750_43/http%253B/ptpublisher.gov.bm%25 3B7087/publishedcontent/publish/ministry_of_health_and_family_services/ministry_of_health_press_releases/ministry_of_health_plans_smoking_cessation_programme_for_bermuda_0.doc

Thus, Bermuda has been assigned a score of +1 for full compliance.

British Virgin Islands: N/A

No references.

Cayman Islands: N/A

No references.

Dominica: +1

Dominica fully complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to PAHO's Dominica Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50% of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 49%, which is above the region's average.¹⁸

Dominica did not submit an implementation report to the WHO FCTC Implementation Database during the compliance period.¹⁹

Thus, Dominica has been assigned a score of +1 for full compliance.

Grenada: 0

Grenada partially complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco. Grenada implemented a fiscal measure of taxation on tobacco products, but the rate of taxation is below the region's average.

According to PAHO's Grenada Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50% of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 30%, which is below the region's average.²⁰

Grenada did not submit an implementation report to the WHO FCTC Implementation Database during the compliance period.²¹

No references were provided on tobacco tax related legislation on Grenada's ministry of legal affairs official website, "Laws of Grenada."²²

¹⁷ Although the exact numbers for base cigarette prices were not given, an \$8.00/20 cigarette carton makes its cigarette prices one of the highest in the region, according to the list of cigarette prices as recorded by the PAHO on countries across the Americas. PAHO, Belize Tobacco Control Report. Date accessed: 21 June 2015. http://www2.paho.org/hq/dmdocuments/2010/Belize CR.pdf

¹⁸ PAHO, Dominica Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2010/Dominica CR.pdf

¹⁹ WHO FCTC, Dominica. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/parties/Dominica

²⁰ PAHO, Grenada Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2010/Grenada_CR.pdf

²¹WHO FCTC, Grenada. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/parties/Grenada

²² Grenada Ministry of Legal Affairs, Law of Grenada. Date accessed: 21 June 2015. http://laws.gov.gd/

Thus, Grenada has been assigned a score of 0 for partial compliance.

Guyana: 0

Guyana partially complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to PAHO's Guyana Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50% of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 27%, which is below the region's average.²³

On 12 December 2007, Guyana submitted an implementation report to the WHO FCTC Implementation Database. It was reported that Guyana implemented an import duty of 100%, a rate of excise of 100%, and a value-added tax rate of 16%.²⁴

Thus, Guyana has been assigned a score of 0 for partial compliance.

Haiti: N/A

No references.

Jamaica: 0

Jamaica partially complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to PAHO's Jamaica Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50% of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 45%, which is below the region's average.²⁵

On 18 July 2008, Jamaica submitted an implementation report to the WHO FCTC Implementation Database. It was reported that Jamaica implemented an import duty of 30% value of cost, insurance and freight (CIF), an additional stamp of 56% CIF value, and an excise duty of 23% value per 100.²⁶

On 13 August 2008, Jamaican government released a statement regarding the government's continued commitment to legislation that combats tobacco use. It was stated that "the Government of Jamaica is serious about tobacco control as demonstrated by the stepwise increase in taxation." According to this statement, in 2007 April, the tax raise on tobacco was announced to yield projected revenue of \$2.88 billion per annum.²⁷ However, the exact percentage of tax was not identified.

Thus, Jamaica has been assigned a score of 0 for partial compliance.

²³ PAHO, Guyana Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2010/Guyana_CR.pdf

²⁴ WHO FCTC, Guyana Implementation Report. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/sites/implementation/files/documents/reports/guyana_report.pdf ²⁵ PAHO, Jamaica Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2010/Jamaica_CR.pdf

²⁶ WHO FCTC, Jamaica Implementation Report. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/parties/Grenada

²⁷ Government committed to legislation to combat tobacco use, Jamaica Information Service, 13 August 2008. Date accessed: 21 June 2015. http://jis.gov.jm/govt-committed-to-legislation-to-combat-tobacco-use/

Montserrat: N/A

No references.

Saint Kitts and Nevis: 0

Saint Kitts and Nevis partially complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to PAHO's Saint Lucia Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50% of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 30%, which is below the region's average.²⁸

Saint Kitts and Nevis did not submit an implementation report to the WHO FCTC Implementation Database during the compliance period.²⁹

Thus, Saint Kitts and Nevis has been assigned a score of 0 for partial compliance.

Saint Lucia: -1

Saint Lucia did not comply with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to PAHO's Saint Lucia Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of " $\leq 25\%$ of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 14%.³⁰

Saint Lucia did not submit an implementation report to the WHO FCTC Implementation Database during the compliance period.³¹

Thus, Saint Kitts and Nevis has been assigned a score of -1 for lack of compliance.

Saint Vincent and the Grenadines: 0

Saint Vincent and the Grenadines partially complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to PAHO's Saint Vincent and the Grenadines Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50%"

http://apps.who.int/fctc/implementation/database/parties/Saint%20Kitts%20and%20Nevis

- ³⁰ PAHO Saint Lucia Tobacco Control Report. Date accessed: 21 June 2015.
- http://www2.paho.org/hq/dmdocuments/2011/SaintLucia_CR.pdf

²⁸ PAHO, Saint Kitts and Nevis Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2011/StKittsandNevis_CR.pdf

²⁹ WHO TCTC, Saint Kitts and Nevis. Date accessed: 21 June 2015.

³¹ WHO FCTC, Saint Lucia. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/parties/Saint%20Lucia

of retail price of 20-cigarette pack is tax."³² Specifically, the percentage of the price composed of taxes is 29%.³³

Saint Vincent and the Grenadines did not submit an implementation report to the WHO FCTC Implementation Database during the compliance period.³⁴

Thus, Saint Vincent and the Grenadines has been assigned a score of 0 for partial compliance.

Suriname: 0

Suriname partially complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to PAHO's Suriname Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50% of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 42%, which is below the region's average.³⁵

Suriname did not submit an implementation report to the WHO FCTC Implementation Database during the compliance period.³⁶

Thus, Suriname has been assigned a score of 0 for partial compliance.

Trinidad and Tobago: 0

Trinidad and Tobago partially complied with the commitment to introduce fiscal measures that will reduce accessibility of tobacco.

According to PAHO's Trinidad and Tobago Tobacco Control Report, as of 2008, the country's price and tax measures to reduce the demand for tobacco fall under the category of "26–50% of retail price of 20-cigarette pack is tax." Specifically, the percentage of the price composed of taxes is 37%, which is below the region's average.³⁷

Trinidad and Tobago did not submit an implementation report to the WHO FCTC Implementation Database during the compliance period.³⁸

Thus, Trinidad and Tobago has been assigned a score of 0 for partial compliance.

³² The report indicates "≤25% of retail price of 20-cigarette pack is tax," but the actual number reported is 29%. PAHO, Saint Vincent and the Grenadines Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2011/SaintVinandtheGrenadines_CR.pdf

³³ PAHO, Saint Vincent and the Grenadines Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2011/SaintVinandtheGrenadines_CR.pdf

³⁴ WHO FCTC, Saint Vincent and the Grenadines Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/parties/Saint%20Vincent%20and%20the%20Grenadines

³⁵ PAHO, Suriname Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2011/Suriname_CR.pdf

³⁶ WHO FCTC, Suriname. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/parties/Suriname

³⁷ PAHO, Trinidad and Tobago Tobacco Control Report. Date accessed: 21 June 2015.

http://www2.paho.org/hq/dmdocuments/2011/TrinidadandTobago_CR.pdf

³⁸ WHO FCTC, Trinidad and Tobago. Date accessed: 21 June 2015.

http://apps.who.int/fctc/implementation/database/parties/Trinidad%20 and%20 Tobago

Turks and Caicos: N/A

No references.