WHY, DESPITE THE BAN, THE DECREASE OF SMOKERS, THE INCREASE OF PRICES ARE WE HAVING AN INCREASE OF TOBACCO PRODUCTS SALES IN ITALY?

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BACKGROUND

On January 10, 2005, the Italian Government implemented a ban of smoking in all indoor public places, including workplaces, pubs, bars and restaurants.

The law was designed to protect the health of non-smokers.

In order to evaluate the effects of the law Ministry of Health is collecting monthly data about tobacco products sales and prices, and all periodic surveys on tobacco consumption.

According to Health National Institute current smokers and average daily smoked cigarettes decreased from 2003 to 2006

-12% IN PREVALENCE OF SMOKERS AND
-13.6 IN CIGARETTES PER DAY

DATA

Monthly data collected from The Italian Agency for Tobacco Sales;
They represent the wholesales from the wharehouse to the tobacco shops
Data on smokers' prevalence from National Institute of Statistics (ISTAT) and Italian Health Institute (ISS)
Data on tobacco products prices from Italian Ministry of Finance

Data come from annual surveys performed during march-april which include more than 3,000 subjects using a structured questionnaire in the context of a computer assisted personal in-house interview.

During the period 2003—2006 the Ministry of Finance raised the prices of tobacco products from 2.6€ to 3.8€ (+46%).

According to World Bank findings we were expecting a decrease around 18% of tobacco consumption.

Cigarettes sales

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</thead>
<tbody>
<tr>
<td>Cigarettes</td>
<td>101,502,000</td>
<td>98,816,407</td>
<td>92,622,300</td>
<td>93,087,356</td>
<td>-7.7%</td>
<td>-4.1%</td>
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<tr>
<td>Snus</td>
<td>13,000</td>
<td>12,219</td>
<td>11,398</td>
<td>11,724</td>
<td>9.8%</td>
<td>6.7%</td>
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<tr>
<td>RYO</td>
<td>528,000</td>
<td>656,579</td>
<td>777,283</td>
<td>855,628</td>
<td>62.1%</td>
<td>11.8%</td>
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<tr>
<td>Cigars</td>
<td>629,000</td>
<td>667,697</td>
<td>645,200</td>
<td>694,348</td>
<td>10.4%</td>
<td>3.4%</td>
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</tr>
<tr>
<td>Total</td>
<td>1,040,502,000</td>
<td>1,012,316,407</td>
<td>938,622,300</td>
<td>936,087,356</td>
<td>-7.7%</td>
<td>-4.1%</td>
</tr>
</tbody>
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Products monitored are cigarettes, Snus, Roll Your Own cigarettes, Cigars and cigarillos. From 2003 to 2006, despite the raise of cigarettes price, we observed an increment of 1.1% of tobacco products sales (in particular Roll Your Own products increased of 62% from 2003 to 2006).

WE OBSERVED AN INCREMENT OF TOBACCO PRODUCTS SALES FROM 2005 TO 2006 IN PARTICULAR CIGARETTES SALES INCREASED OF 1.1% IN FRONT OF A DECREASE OF -7.7% IN 2003-2006 AND -6.1% IN 2005/2004

Data from National Institute of Statistics show a small increase of smokers’ prevalence from 2005 to 2006 both for male and female

What is happen behind the apparent increase of tabacco product sales and smokers’prevalence (observed from National Institute of Statistics) during year 2006?

The aim of the ban was to protect non smokers health not properly to reduce smokers prevalence
The attention about the smoking ban by media and institutions could have decreased
Year 2006 has been a “special” year with a warm winter that allowed outdoor smoking
Owners organized special heaters out from bar, restaurants and pubs that allow a more confortable outdoor smoking
Year 2006 showed an increase of italian economy with a consequent growth of the consumptions