

# An overlooked market: loose cigarettes, informal vendors and their implications for tobacco taxation

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## Abstract

**Objective:** To examine the features of markets for loose cigarettes in several low-income and middle-income countries and their effects on tobacco control policies, particularly taxation.

**Design:** An analysis of survey data targeting people who smoke in two African, one Southeast Asian and two South Asian countries and retailers across 16 African countries to study loose cigarette markets and examine how prices in these markets move relative to the prices for cigarette packs.

**Results:** Markets for loose cigarettes are large, and their consumer base tends to differ from the wider population of people who smoke. Loose cigarette prices are on average higher than those of cigarettes bought in packs, and they respond differently to tax increases, at least partially due to a denomination effect.

**Conclusions:** The features of the loose cigarette markets present a challenge for tobacco control policy, especially tobacco tax policy. One way to overcome this challenge is to aim for large, rather than incremental, tax increases.

## Recommended Citation

Gallien, M., Occhiali, G., Ross, H. (2023). An overlooked market: loose cigarettes, informal vendors and their implications for tobacco taxation. *Tobacco Control*, [Published online May 23, doi: 10.1136/tc-2023-057965].

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