

Differential responsiveness to cigarette price by education and income among adult urban Chinese smokers

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Abstract

Background: Few studies have examined the impact of tobacco tax and price policies in China. In addition, very little is known about the differential responses to tax and price increases based on socioeconomic status in China.

Objective: To estimate the conditional cigarette consumption price elasticity among adult urban smokers in China and to examine the differential responses to cigarette price increases among groups with different income and/or educational levels.

Methods: Multivariate analyses employing the general estimating equations method were conducted using the first three waves of the International Tobacco Control (ITC) China Survey. Analyses based on subsample by education and income were conducted.

Findings: Conditional cigarette demand price elasticity ranges from -0.12 to -0.14 . No differential responses to cigarette price increase were found across education levels. The price elasticity estimates do not differ between high-income smokers and medium-income smokers. Cigarette consumption among low-income smokers did not decrease after a price increase, at least among those who continued to smoke.

Conclusions: Relative to other low-income and middle-income countries, cigarette consumption among Chinese adult smokers is not very sensitive to changes in cigarette prices. The total impact of cigarette price increase would be larger if its impact on smoking initiation and cessation, as well as the price-reducing behaviours such as brand switching and trading down, were taken into account.

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