Trend in the affordability of tobacco products in Bangladesh: findings from the ITC Bangladesh Surveys


Abstract
Background: The price of tobacco products in relation to the income of tobacco users—affordability—is recognised as a key determinant of tobacco use behaviour. The effectiveness of a price increase as a deterrent to tobacco use depends on how much price increases in relation to the income of the potential users. The aim of this paper is to examine the distribution of and trends in the affordability of tobacco products in Bangladesh.

Method: Using four waves of International Tobacco Control Survey data on Bangladesh, this study measures affordability of tobacco products at the individual level as the ratio of self-reported price and self-reported income. The trends in affordability by brand categories of cigarettes and of bidi and smokeless tobacco are estimated using multivariate linear regression analysis.

Results: Despite significant increase in price, the affordability of cigarettes increased between 2009 and 2014–2015 due to income growth outpacing price increase. The increase was disproportionately larger for more expensive brands. The affordability of bidis increased over this period as well. The affordability of smokeless tobacco products remained unchanged between 2011–2012 and 2014–2015.

Conclusion: The tax increases that were implemented during 2009–2015 were not enough to increase tobacco product prices sufficiently to outweigh the effect of income growth, and to reduce tobacco consumption. The findings from this research inform policymakers that in countries experiencing rapid economic growth, significant tax increases are needed to counteract the effect of income growth, in order for the tax increases to be effective in reducing tobacco use.

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