

Illicit Cigarette Trade in Zambia| NATIONAL SURVEY 2023

Key Findings and Recommendation

Background

Tobacco use in Zambia is on the rise, with increasing prevalence and deaths related to tobacco use. Zambia ratified the WHO FCTC in 2008 to tackle the health and economic impacts of tobacco use, with Article 6 acknowledging the importance of tax and price policies in influencing tobacco consumption, but the prevalence of illicit tobacco trade undermines pricing and taxation measures, making tobacco products more accessible and affordable. No study has assessed the proportion and extent of illicit cigarette trade in Zambia.

Objectives

The study sought to determine the proportion of illicit cigarettes consumed and the extent of tax evasion in Zambia.

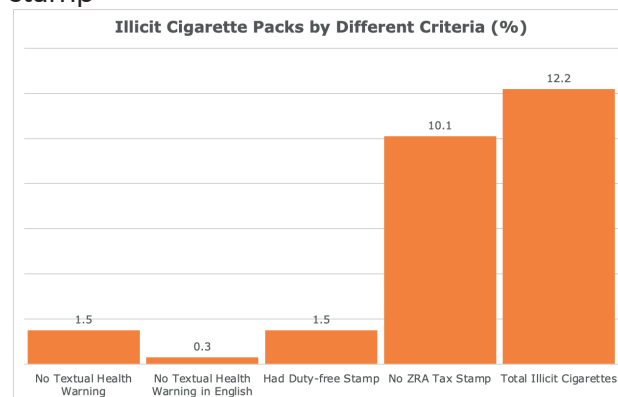
Methodology

A cross-sectional observational study was conducted to estimate the prevalence of illicit cigarette consumption for all the ten (10) provinces of Zambia, using empty cigarette packs as evidence. The empty cigarette packs were collected from retailers and the streets/bins in 25 districts, including 9 border districts and 16 non-border districts, covering all 10 Provinces, which were further stratified as either urban or rural. A cigarette pack was deemed illicit if it lacked any or all the following: a textual health warning in English stating "TOBACCO IS HARMFUL TO HEALTH," a tax stamp from ZRA, or had a duty-free stamp obtained from an unauthorized retailer.

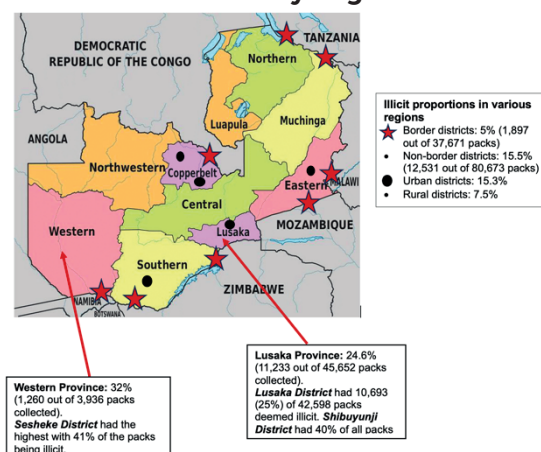
Highlights:

A total number of 118,344 cigarette packs were collected and analyzed. 96,986 (82.0%) and 21,358 (18.0%) were collected from retailers and streets/bins, respectively. Out of the total packs, 14,428 (12.2%) were deemed illicit based in various criteria. 1792 (1.5%) did not have a Textual Health Warning, 343 (0.3%) packs did

not have a Textual Health Warning in English, 1490 (1.3%) had duty-free stamps even though they were purchased from retail outlets that were not duty-free shops, and, lastly, 11,939 (10.1%) packs of the total did not have a ZRA stamp



Illicit Packs Prevalence by Region and District



Illicit Packs Prevalence by Cigarette Brands

The most notable brand with no Textual Health Warning was Liberty. The label did not comply with the Zambia Public Health Statutory Instrument, which mandates a textual health warning. The brand most observed without tax stamps was Chelsea with 100% of all packs of this brand not complying.

Conclusion & Recommendations

There is a notable issue of illicit cigarette trade in Zambia, particularly concerning tax evasion within the cigarette market. The prevalence of Illicit cigarette trade in Zambia was 12.2%. This results in revenue loss for the government and poses health risks to smokers. The Government should consider ratifying and implementing the WHO Protocol on Illicit Tobacco Trade (ITP) for a track and trace system to ensure tax collection and detection of counterfeit/smuggled cigarettes.