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| **Title of Innovation in policy and practice presentation** Standardised tobacco retail pricing: How governments can limit tobacco industry power, help smokers and improve health equity |
| **Setting/problem**Smoking is a major health equity issue. Tobacco price increases are effective in decreasing smoking prevalence and reducing inequities. Tobacco companies have undermined tax as a mechanism to control tobacco prices, by introducing new ‘budget’ brands, differentially increasing prices (eg, less for budget brands), and running low price promotions. They also minimise price shocks through gradual retail price increases.The Framework Convention on Tobacco Control recognizes the importance of both tax and price, but has no guidance on how countries can ensure that tobacco companies’ pricing strategies do not undermine tax policy. Minimum tobacco retail price laws have limitations.**Intervention**We devised a tobacco retail pricing strategy to enable governments to prevent the use of tobacco pricing as a marketing strategy, and control the tobacco industry’s profit margins. Price regulation systems are widely used to control commercial profits and protect communities faced with private monopolies or restricted markets, such as power, fuel, communications or other networks.**Outcomes**Standardised tobacco retail pricing fixes the price per weight of tobacco at the retail stage (to consumers), regardless of brand. A specific tobacco taxation rate per weight of tobacco, or package weight of manufactured cigarettes or loose tobacco, would enable governments to establish a fixed price/weight before tax that could be shared by the whole chain of manufacturers, wholesalers and retailers. The basis for the fixed price could be the costs involved to the industry, not including marketing costs.Along with the standardised retail price per weight, a regulated standard cigarette pack weight and a standard weight of a loose tobacco pouch would be necessary. This would ensure that the industry could not market lower priced products by reducing pack or pouch weights. The intervention should also be accompanied the dedication of tobacco tax revenue to make by a comprehensive environment that supports smokers to quit.**Implications**Active control of tobacco retail prices would move power from the tobacco industry to governments, would counter industry tactics to blunt the impact of tobacco tax increases, and prevent marketing by price. The control of profits would encourage the movement of investors away from tobacco companies. The strategy would also allow the same or greater ability to raise tobacco tax revenue as in the conventional unregulated retail price system.**Preferred presentation format**Oral  |