

## POLICY BRIEF

### **Review of tobacco control policies and legislation in Albania – current gaps and the way forward**

#### **Background**

Over the past decades, tobacco consumption has been decreasing in Albania, following enhanced health awareness and tobacco control policies. However, the country has still a high smoking prevalence with almost half of males (42%) and 7% of females using tobacco, higher than the global average rates and even more so the OECD countries' average. The prevalence is even higher among young males of 25 to 34 years old, with more than half of them smoking. Most smokers in Albania initiate regular smoking before the age of 18 (DSA, 2019).

In terms of health and economic impacts of smoking, earlier research has found that every year in Albania thousands of people lose their life due to tobacco, while smoking is one of main risk factors responsible for the disease burden. The impoverishing effect of smoking in the country has pushed 13,000 households with 60,000 members, including more than 10,000 children, below the poverty line, and continues to make the already poor, poorer (Merkaj et al, 2023).

As to the smoking predictors, especially among youngsters, cigarette price affordability, surrounding smoking behavior of peers/family members, and effective implementation of tobacco control legislation, were found to be strongly linked to the likelihood of smoking initiation or quitting (Merkaj et al, 2022).

Given the importance and impact of tobacco control policies, it is crucial to review and improve them, so that they can be used to further reduction of tobacco consumption. In this context, in view of current smoking levels, especially among young people, a mapping and analysis of the current tobacco control framework in Albania was conducted, in order to provide concrete recommendations for its improvement towards significant decline of smoking prevalence. E-cigarette control legislation is not part of this policy brief document.

#### **Mapping the tobacco control legislation in Albania**

##### *International and EU tobacco control framework*

Albania has ratified most key international conventions related to tobacco control and health protection, including that of children, from harmful effects of smoking, such as, the WHO Framework Convention on Tobacco Control (FCTC), the International Covenant on Economic, Social, and Cultural Rights, the UN Sustainable Development Goals (SDGs), and the UN Convention on the Rights of the Child (UN CRC). However, Albania has not yet ratified the FCTC Protocol on the Elimination of Illicit Trade in Tobacco Products, which is an important additional instrument to remove access to cheaper illicit tobacco.

### *Tobacco tax- control measures*

Earlier research in Albania, in Europe and across the globe, indicates that price (mainly driven by tobacco taxation policy), has a strong impact on smoking prevalence. A price increase results both in higher smoking quitting rates and lower smoking initiation rates. For example, recent research on Albania indicated that a price increase by 10 % reduces the likelihood of smoking initiation by 5 % (Merkaj et al, 2022).

Excise tax/price increases of cigarettes have been instrumental for reducing tobacco consumption in Albania. However, current excise rate on tobacco, and consequently cigarette price, has not made them less affordable, being outpaced by inflation and economic growth levels, and thus remaining the lowest tobacco excise rate among the region’s countries and considerably less compared to the EU minimum requirement.

More specifically, the current law on excise, as amended in 2021, by law no. 114, article 2, exempts tobacco excise from the inflation-based indexation, applicable to all other excise goods, and instead provides for a separate annual increase calendar for tobacco excise. Such increase is a fixed amount (not a fixed percentage) - more specifically, the current law on excise provides for an excise tax for tobacco and its by-products, at the current (2023) rate of ALL 7000 (70 EUR<sup>1</sup>)/ 1000 cigarettes and an increase calendar of tobacco excise by ALL 250 per year, for the period 2022- 2026.

### *Non-fiscal tobacco control legislation*

In addition to fiscal tobacco control policies, also non-fiscal tobacco control policies have shown quite effective in controlling smoking initiation and consumption among young

people. These rules include, among others, smoking restrictions in public spaces, age-related and other sale restrictions of cigarette packs, placing on the market and labeling obligations, and bans on tobacco advertising or sponsorship. Research shows that the introduction of penalties against both businesses and individual smokers smoking in public spaces (e.g. bars) resulted in 20-30 percent lower smoking initiation among youth (Merkaj et al, 2022).

Legislation which covers aspects of non-fiscal tobacco control/protection of health from harmful effects of smoking include, the anti-tobacco law of 2006, as amended, the law on production and trade of tobacco and cigarettes of 2000, the public health law of 2009, the health care law of 2009, the pre-university education law of 2012, the child protection law of 2018, and the audiovisual media law of 2013, as well as their implementing secondary legislation.

The anti-tobacco law no. 9636 dated 06.11.2006, as amended, is the main piece of non-fiscal tobacco control legislation in Albania, which provides among others, labelling and putting on the market requirements, tobacco sale restrictions, smoke-free areas to protect from passive smoking, advertisement, promotion and sponsorship restrictions, as well as penalties and law enforcement mechanisms.

Changes to the law in 2006 and 2019 aimed at better regulating smoke –free areas, law enforcement bodies and introduction of fines on smokers, harsher fines on businesses and including e-cigarettes under its scope of application. However, the 2014 amendments narrowed protection from passive smoking qualifying public spaces as only “enclosed ones”.

<sup>1</sup> Exchange rate 1 EUR=100 ALL, as of 7 May 2024

## **Recommendations for Legal and Strategic Improvements on tobacco control Albania**

### *On international / EU harmonization*

Albania should ratify the WHO FCTC Protocol on the Elimination of Illicit Trade in Tobacco Products, without further delays, as an important additional instrument to remove access to cheaper illicit tobacco.

In line with the EU policy framework on the fight against cancer and tobacco control, Albania should develop its strategic framework towards a tobacco –free generation by 2040, and align its tobacco - control legislation with that of the EU.

### *On fiscal control rules*

An increased tobacco taxation is beneficial to the society, as it will not only lead to reduced public health care costs and lower poverty among poorer households, but also increased budget revenue, due to relatively overall low price elasticity and net value resulting from a difference between higher excise and reduced consumption. Most importantly, making cigarettes more expensive can effectively target especially young people, due to their socio-economic conditions and less smoking history/ addiction, and poorer households, due to a higher share of smoking related costs in their overall expenditures.

Also the WHO FCTC, ratified by Albania since 2006, recognizes the fact that price and tax measures are an effective and important means of reducing tobacco consumption. The same approach is taken also by EU policy and legislative measures, to achieve a smoke-free generation by 2040.

Making tobacco excise subject to inflation-based indexation, similar to other excise goods (e.g. fuel, alcohol) is important to at best avoid making tobacco more affordable

in relative terms (e.g. compared to food) and increasing excise beyond inflation rate is crucial to make tobacco less affordable and thereby reduce its consumption, while speeding up EU tobacco taxation minimum requirements fulfillment.

In addition, new revenues from tobacco excise tax increases should be allocated for anti-tobacco and related measures such as, health –care related / cancer treatment costs, specialized services against addictions for young / smokers, promotion and education campaigns, etc.

### *On non-fiscal control rules*

Implementation of anti-tobacco law (no. 9636, dated 06.11.2006) should be strengthened through more inspections, especially with regard to respecting smoke-free areas, cigarette sale restrictions, adequate labelling and tobacco promotion restriction compliance, etc.. Also, the anti-tobacco law should be further improved to include under smoke -free areas also non-enclosed public spaces as the original version before the 2014 amendments.

Other tobacco control related legislation such as the laws on tobacco production and trade, on public health, on health care, on pre-university education, on child protection and on audio-visual media, should be improved and better implemented, especially with regard to labeling requirements, sale restrictions, education and awareness campaigns on harmful effects of smoking, targeting children and parents, specialized services to support quitting and prevention, regulating smoking promotion in “reality” programs, etc. Moreover, these laws should be harmonized to provide a comprehensive and coherent legislative regime for the protection against harmful effects of smoking, with a child centered approach.

## References

DSA (2019) Survey on Tobacco Consumption in SEE Countries (STC-SEE)

Merkaj, E., Zhllima, E., Imami, D., Gjika, I., Manuel, C., & Guerrero-López, J. D. (2022). Impact of Cigarette Prices and Tobacco Control Policies on Smoking Onset Among Young People in Albania. *Tobacconomics Working Paper No. 22/9/1*. University of Illinois, Chicago.

Merkaj, E., Imami, D., & Zhllima, E. (2023). The Impoverishing Effect of Tobacco Use in Albania [Working Paper Series]. DSA. <https://www.tobacconomics.org/research/the-impoverishing-effect-of-tobacco-use-in-albania-working-paper-series/>

## Acknowledgments

Development Solutions Associates (DSA) has been working in cooperation with the Tobacconomics program now at Johns Hopkins University (JHU) (previously housed at the University of Illinois Chicago (UIC)) to conduct economic research on tobacco taxation in Albania. JHU is a partner of the Bloomberg Initiative to Reduce Tobacco Use. The views expressed in this document cannot be attributed to, nor do they represent, the views of JHU, UIC, or Bloomberg Philanthropies. The author of this policy brief is thankful to the DSA team, particularly Dr. Drini Imami and Dr. Edvin Zhllima, and to Dr. Jeffrey Drope from JHU, for the valuable support.

## Suggested citation

Kondo, M. (2024). *Review of tobacco control policies and legislation – current gaps and the way forward*. Development Solutions Associates.