Objective of the session

This session will examine the use of tobacco taxes to reduce harmful behavior for health, and prevent ill health, premature mortality and disability while raising fiscal revenues and reducing health care expenditures, with particular lessons for developing countries.
**Detailed Running Order:**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event Details</th>
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</thead>
<tbody>
<tr>
<td>8.45 am</td>
<td>Speakers should meet in the Green Room, (MC 1-W106) on the left side of the Preston as you face the stage for a meet-and-greet and pre-briefing with the moderator</td>
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<tr>
<td>8:55 – 9:00 am</td>
<td>Speakers arrive from Green Room to Preston; brief photo op taken off-stage; panelists are seated on stage.</td>
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<tr>
<td>9:00 – 9:05 am</td>
<td>Moderator steps out to introduce event, welcomes gathering and online audience, sets the stage for the issue and event, introduces the panel.</td>
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<tr>
<td>9:05 am</td>
<td>Moderator invites GA to the podium.</td>
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<tr>
<td>9:05 – 9:15 am</td>
<td>GA makes his presentation at the podium.</td>
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<tr>
<td>9:16 – 9:20 am</td>
<td>Moderator introduces next speaker PC, who makes presentation.</td>
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<tr>
<td>9:20 – 9:30 am</td>
<td>Moderator recognizes next speaker JF, who makes presentation</td>
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<tr>
<td>9:30 – 9:40 am</td>
<td>Moderator asks next speaker JP to make presentation</td>
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<tr>
<td>9:40 – 9:50 am</td>
<td>Moderator asks RZ to make presentation</td>
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<tr>
<td>9:50 – 10:00 am</td>
<td>Moderator asks FS to make presentation</td>
</tr>
<tr>
<td>10:00-10:05 am</td>
<td>Second round questions: moderator asks two speakers a question and requests 1 minute replies.</td>
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<tr>
<td>10:05-10:25 am</td>
<td>Moderated Q&amp;A from audience and online – online questions may be passed to you on cards</td>
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<tr>
<td>10:25-10:30 am</td>
<td>Moderator asks each speaker to make a commitment (30 sec each)</td>
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<tr>
<td>10:30 am</td>
<td>Moderator thanks audience and panelists, invites all to the coffee break and book signing outside the auditorium.</td>
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</table>
Good morning colleagues and a very warm welcome to all of you. I am Patricio Marquez, a Lead Public Health Specialist at the Health, Nutrition and Population Global Practice at the World Bank Group. I’m delighted to moderate this event, which has brought together a diverse set of people from different institutions and countries committed to taking action and helping bring tobacco taxation as an integral part of the broader global taxation agenda.

Also, I would like to express our sincere appreciation to the Bill & Melinda Gates Foundation and the Bloomberg Philanthropies for the support provided for helping us at the World Bank Group’s Global Tobacco Control Program advance the tobacco taxation agenda as a multisectoral initiative involving teams of specialists working in public health, macro economics and finance, governance, and trade and customs, alongside external partners such as the World Health Organization and Tobacco Free Kids among others.

A warm welcome is conveyed to those who have joined us online. We are livestreaming this event in English, French and Spanish. You can join the conversation by using the hashtags for this session #notobacco and for the conference #Tax4dev.

For the audience here, headsets will provide simultaneous translation on channel 1 for English, channel 2 for French and channel 3 for Spanish.

As a preamble, allow me to begin by stating that the scientific evidence is clear and irrefutable: tobacco consumption kills. Tobacco taxation along with measures to reduce the social acceptability of smoking is one of the most cost effective public health measures to prevent people, particularly the youth, from becoming addicted to a product that causes ill health, premature mortality and disability, as well as high direct and indirect costs for families, communities, and society at large.

Besides the potential health benefits of tobacco taxation, this policy measure could help broaden the tax base of countries and generate additional revenue to support budgetary capacity to finance priority investments and programs that benefit all of us. Indeed colleagues, as recognized in the “Financing for Development Action Agenda” that was approved by the Heads of State and Government and High Level Representatives of countries in Addis Ababa, Ethiopia in mid-July 2015 at the Third International Conference on Financing for Development, and endorsed in September 2015 at the UNGA as part of the SDGs, price and tax measures on tobacco can be not only effective and important means to reduce tobacco consumption and health care costs, but represent a revenue stream for financing for development in many countries.

On that note, let’s move to this exciting session that we have ahead of us.

The first part of the session will be devoted to two presentations to set the overall context for the session. Then, the focus on the second part of the session, will switch to presentations about specific country experiences to illustrate how the adoption of tobacco taxation policies can represent a win-win policy measure that generates both public health and fiscal revenue benefits.
Without further ado, it’s my great honor to invite and welcome **Prof. George Akerlof**, to offer his perspective on the economics of manipulation and deception, taxing to promote public goods, and tobacco taxes. Prof. Akerlof is University Professor at the McCourt School of Public Policy of Georgetown University. In 2001 he was co-recipient of the Nobel Prize in Economic Sciences. The Nobel Committee cited Prof. Akerlof’s 1970 paper, “The Market for ‘Lemons,’” which for the first time described the role of asymmetric information in causing market perversity. Dr. Akerlof has also pioneered in the application of sociology and psychology to the workings of the macroeconomy. He is the co-author with Robert Shiller of Animal Spirits (2009) and Phishing for Phools (2015) and with Rachel Kranton of Identity Economics (2010).

**Panelists will be seated in speaking order.**

**Prof. Akerlof speaks from podium for 10 minutes.**

Thank you Prof. Akerlof. Now I would like to turn to **Prof. Philip Cook**, who would tell us more about the scientific evidence that has accumulated over the last three decades of economic and public health research, which demonstrates that higher tobacco and alcohol taxes and other supply restrictions are effective and underutilized policy tools that can reduce consumption and the societal costs by raising prices and the affordability of the these products that are far cheaper and more readily available today in many countries, particularly in developing countries. Prof. Cook is Professor of Public Policy and Economics at Duke University and former Director of Duke University’s Sanford Institute of Public Policy. His books include Gun Violence, The Winner-Take-All Society, Selling Hope, and Paying the Tab: The Cost and Benefits of Alcohol Control.

**Prof. Cook speaks for 10 minutes from the podium.**

Thank you Prof. Cook.

Our opening speakers have laid out much of the context on the rationale for taxing tobacco. However, as we all know, the key to change is action at a country level. Now we will turn to specific country experiences to illustrate the application of tobacco policy measures at the country level, its impact on public health, and contribution to domestic resource mobilization to help fund domestic priorities.

We’re privileged to have with us **Jason Furman, Chairman of the US President’s Council of Economic Advisers**. Chairman Furman was confirmed by the Senate on August 1, 2013 as the 28th Chairman of the Council of Economic Advisers. In this role, he serves as President Obama’s chief economist and a Member of the Cabinet. Furman has served President Obama since the beginning of the Administration, previously holding the position of Principal Deputy Director of the National Economic Council and Assistant to the President. Immediately prior to the Obama Administration, Chairman Furman was Economic Policy Director for the President’s campaign in 2008 and a member of the Presidential Transition Team. Furman held a variety of posts in public policy and research before his work with President Obama. In public policy, Furman worked at both the Council of Economic Advisers and National Economic Council during the Clinton administration and also at the World Bank. In research, Furman was a Senior Fellow at the Brookings Institution and the Center on Budget and Policy Priorities and also has served in visiting positions at various universities, including NYU’s Wagner Graduate School of Public Policy. Furman has conducted research in a wide range of
areas, such as fiscal policy, tax policy, health economics, Social Security, and domestic and international macroeconomics. In addition to numerous articles in scholarly journals and periodicals, Chairman Furman is the editor of two books on economic policy.

Chairman Furman will provide an account on how since 1986 the US Federal Government has roughly tripled the Federal tax on cigarettes in real terms, the impact achieved on deterring people from smoking and saving lives, and the utilization of the additional fiscal revenue to pay for the expansion of the health insurance for poor children under the Children's Health Insurance Program (CHIP) or CHIP in 2009 (the law that President Obama signed), and more recently, under President Obama’s proposal to expand and harmonize the taxation of tobacco products to pay for universal preschool in 2016.

Chairman Furman speaks for 10 minutes from the podium.

Thank you Chairman Furman. Let me turn to a policymaker with a very different experience, Jeremias Paul, who until last month was the Under Secretary of Finance in the Philippines. In that position he was at the helm of government initiatives to reform the country’s fiscal and tax systems, including the “Sin Tax Reform Law” which restructured the Philippine excise tax system for alcohol and tobacco products. He also served as Assistant Secretary of the International Finance Group and as Undersecretary of the Corporate Affairs Group in the Ministry of Finance of the Philippines. In 2005-2006, he served as Alternate Executive Director of the World Bank Group in Washington D.C., and spearheaded governance reforms in G-24 when the Philippines was Chair. Now he leads the tobacco taxation team at WHO.

Jeremias will tell us about how the Philippines’s Sin Tax Reform has helped transform public finance, public health, and governance for more inclusive development in the country.

Jeremias speaks for 10 minutes from the podium.

Our next presenter is Rose Zheng, Economics and Tax Professor, School of International Trade and Economics (SITE), University of International Business and Economics (UIBE), Beijing, China, and Director of China’s WHO Tobacco Control Collaboration Center. She will present and offer a perspective on the initial impact of the 2015 tobacco tax increase in China and the challenges ahead. Overall, this is an important reform taking into account that more than 300 million people smoke in China, 1 people die each year of tobacco-related diseases, and Chinese tobacco industry is a government-owned national monopoly, the State Tobacco.
Rose speaks for 10 minutes from the podium.

Thank you Rose. I turn now to Fernando Serra, who is the Director of the Tax Advisory Unit at the Ministry of Economy and Finance of Uruguay. Fernando will cover the tobacco taxation policy experience adopted in the country with the full support and encouragement of President Tavare Vazquez, who is a cancer expert, as part of a comprehensive tobacco control strategy. As part of his presentation, Fernando will also discuss the industry reaction in the form of an ongoing litigation with Philip Morris International (PMI) that sued the Government of Uruguay for adopting measures to reduce tobacco use.

Fernando speaks for 10 minutes from the podium.

Q&A from the floor

Our speakers have covered a wide range of issues related to the use of tobacco (and alcohol) taxation both for public health and domestic resource mobilization objectives.

As Chairman Furman stated in a recent presentation to New York State Bar Association Tax Section, although there is less political consensus across the world, there is broad agreement among economists and other policy experts as we have hear during this session about an expanded role for these taxes that address negative externalities in a simple, efficient, and effective manner.

So before inviting the audience to pose questions to the speakers, I would like to ask what can we do to fully incorporate and mainstream tobacco taxation as an integral part of the global tax agenda, particularly in developing countries that have become an attractive and under-tapped market as tougher regulations, high taxes, and greater consumer awareness of the dangers of smoking in developed countries are “closing the door” to tobacco sales and leading to significant drops in consumption.

I would like to invite a couple of our speakers to address this question with brief one minute replies, before we open it up for questions.

Question to two speakers.

Now let’s take a few questions or comments from our audience. I request you to keep your question brief so we can address as many as possible.

[Take at least 3 questions from the floor or online audience, response from 1-2 speakers - 1 min each.]
CLOSING

Before closing, I would like to invite all during the coffee break to a book signing just outside this Auditorium. Prof. Akerlof will sign his recent book “Phishing for Phools. The Economics of Manipulation & Deception” co-authored with Prof. Robert J. Shiller, winner of the 2013 Nobel Prize in Economics. Prof. Cook will sign his book “Paying the Tab” The Costs and Benefits of Alcohol Control”,

Please join me in thanking the panelists for a great discussion. And let’s continue the discussion online at #notobacco.

Thank you to the speakers for presentations and having allow me to be your panel moderator, and to the audience for having accepted our invitation to be part of this session. Have a great rest of the day and conference.