

Costs to the Economy

The tobacco industry uses economic arguments to persuade governments, the media and the general population that smoking benefits the economy. It claims that if tobacco control measures are introduced, tax revenues will fall, jobs will be lost and there will be great hardship to the economy.

But the industry greatly exaggerates the economic losses, if any, which tobacco control measures will cause and they never mention the economic costs which tobacco inflicts upon every country.

Tobacco's cost to governments, to employers and to the environment includes social, welfare and health care spending, loss of foreign exchange in importing cigarettes; loss of land that could grow food; costs of fires and damage to buildings caused by careless smoking; environmental costs ranging from deforestation to collection of smokers' litter, absenteeism, decreased productivity, higher numbers of accidents and higher insurance premiums.

Smoking accounted for over

6%

of total health care expenses in the USA in 1999

USA \$76 billion

Canada \$1.6 billion

UK \$2.25 billion

Germany \$14.7 billion

Health-care costs

Health care costs attributable to tobacco
2002 or latest available estimates selected countries

Average days off sick per year in the USA 2001

6.16

smokers

4.53

ex-smokers

3.86

never-smokers

Trash collected in the USA

43 states 1996

cigarette butts 20%

other 80%

"...reflecting 5.23 years of life lost for the average smoker – indirect positive effects [are that] public finance benefits from smoking indirectly, via savings on the health care costs – in pensions – and public housing costs savings."

Report on the Czech Republic, commissioned by Philip Morris, 2001

"Philip Morris Apologizes for Report Touting Benefits of Smokers's Deaths."
Wall Street Journal headline, 2001

Every year

1,000,000

fires are started by children using cigarette lighters

Workplace smoking costs the USA

\$47 billion

every year

Cost of fires caused by smoking

annual global estimates 2000

- percentage of all fire deaths: 10%
- total killed by fires caused by smoking: 300,000
- total cost of fires caused by smoking: US\$27 billion

China 1987:
World's worst forest fire caused by cigarettes

300 killed
5,000 made homeless
1.3 million hectares of land destroyed

China \$3.5 billion

Philippines \$600 million

Australia \$6 billion

New Zealand \$84 million

Annual cost of loss from time off work

\$16.5 million

Telecom Australia employees 1994
Australian \$

\$5.5 million

tobacco

alcohol