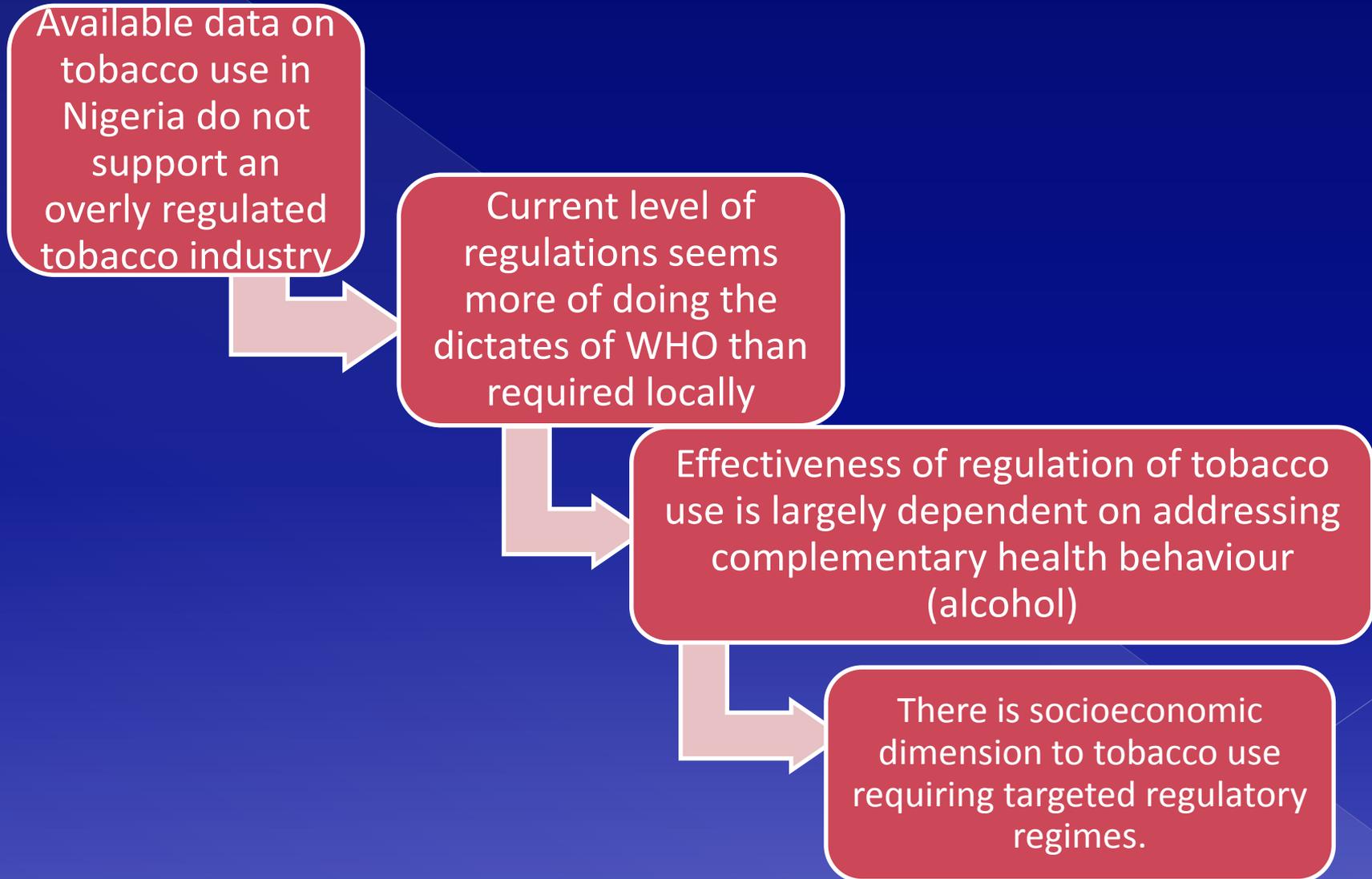


Balancing Regulation with
Product Health Hazards:
case for tobacco use in
Nigeria

Damilola Olajide, PhD

Summary



Reasons for Regulation

- ⦿ Regulation is required to correct market failure.
 - > When the production, distribution, or consumption of a product or service imposes some externalities (e.g. health hazard) on the public, the market price for the product or service will not capture the associated hazards imposed on the society. Regulation is essentially important to ensure that the public interest is protected.
- ⦿ Regulation often takes the form of interventions by govt agency in the private market to implement policy and efficient outcomes.

Key Issues in Regulation

- ⦿ **Targeting regulation** –identifying & understanding where market failure occurs.
- ⦿ **Regulatory capture** - when the supposed regulator becomes the regulated largely because of self-interests.
- ⦿ **Government failure** – regulation may produce inefficient outcomes. E.g. subsidies, excessive taxation.
- ⦿ **Signalling effects of regulation**: when regulation creates incentives that lead people affected to undermine the regulation.
- ⦿ **Complementary regulation**: important for complementary products. When consumption of one product also induces consumption of the other.

Health Hazards of Tobacco Use

- Tobacco use and/or exposure to environmental tobacco smoke (ETS) increases the risk of many chronic diseases, including: Lung and mouth cancer; Ischemic heart disease (IHD); Chronic obstructive pulmonary disease (COPD); Tuberculosis; Stroke, etc.
- Physical deformation of heavy users.
- Generally perceived as a leading preventable cause of death in the world.

Tobacco Regulation in Nigeria

- Nigeria is a party to Article 11 of the WHO Framework Convention on Tobacco Control (WHO FCTC), requiring Parties to implement large, rotating health warnings on all tobacco product packaging and labelling.
- 1990 Tobacco (Smoking) control decree.
- The National Tobacco Control Act, 2015 regulates all aspects of tobacco in Nigeria, including
 - > smoke free places; advertising, promotion, and sponsorship,
 - > packaging and labelling,
 - > prevention of tobacco industry interference,
 - > tobacco product disclosures,
 - > creation of a National Tobacco Committee,
 - > tobacco product sales, prohibiting sale of single sticks, & others.
 - > Authorizes the Ministry of Health to issue certain regulations.

Tobacco Regulation in Nigeria 2

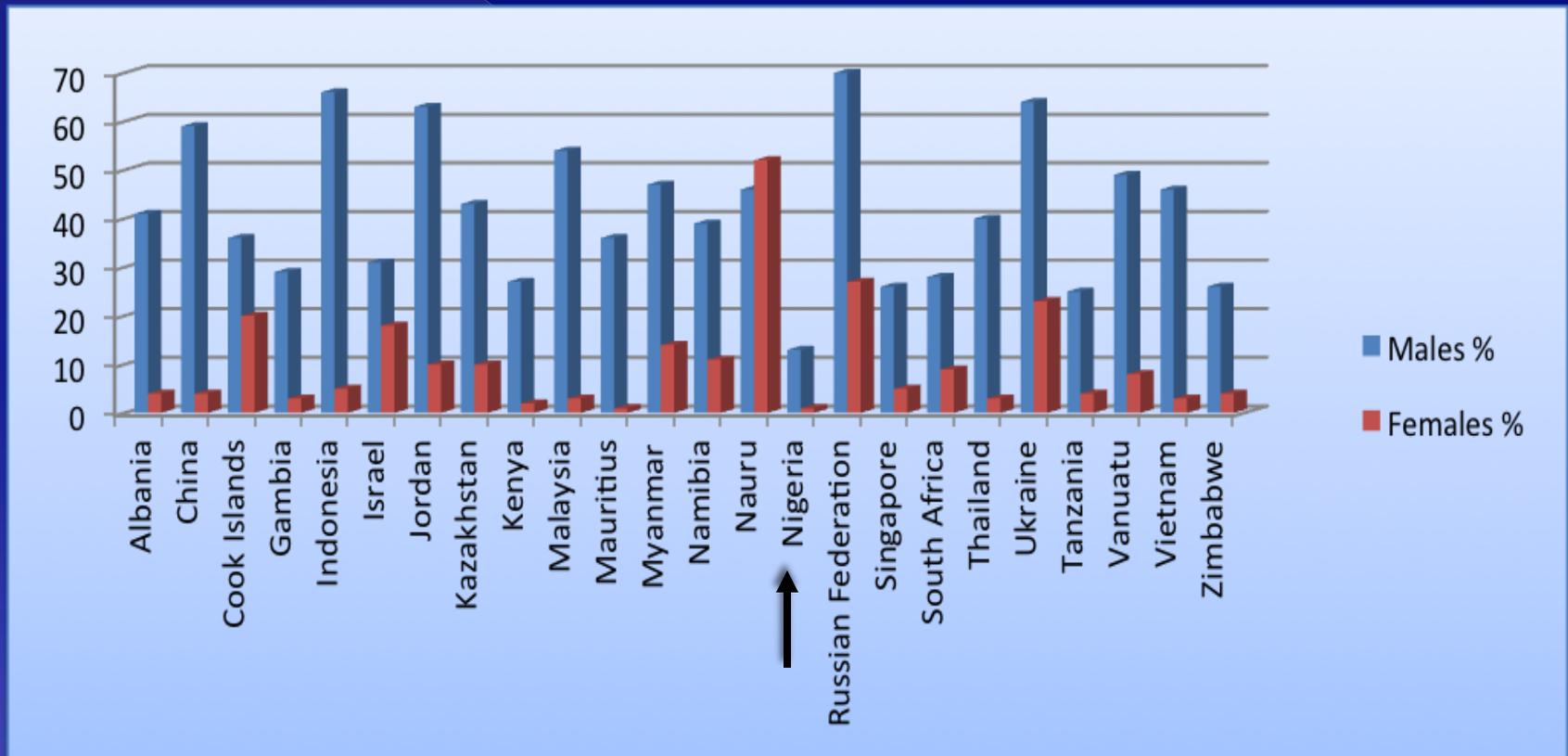
- ⦿ **Excise Tax** as a % of cigarette price is an effective regulatory measure.
 - > Less than 20% in Nigeria, compared to WHO benchmark of 75%.
- ⦿ Very little is known on what tax revenue collected are used for.

Balancing Regulation with Health Hazards

- Some data on tobacco use in Nigeria
- Focusing on key areas of tobacco use that requires regulation:
 - > Minimizing nicotine addiction in cigarettes
 - > Address inequalities in tobacco use
 - > Complementary regulation
 - > More effective use of tax revenues

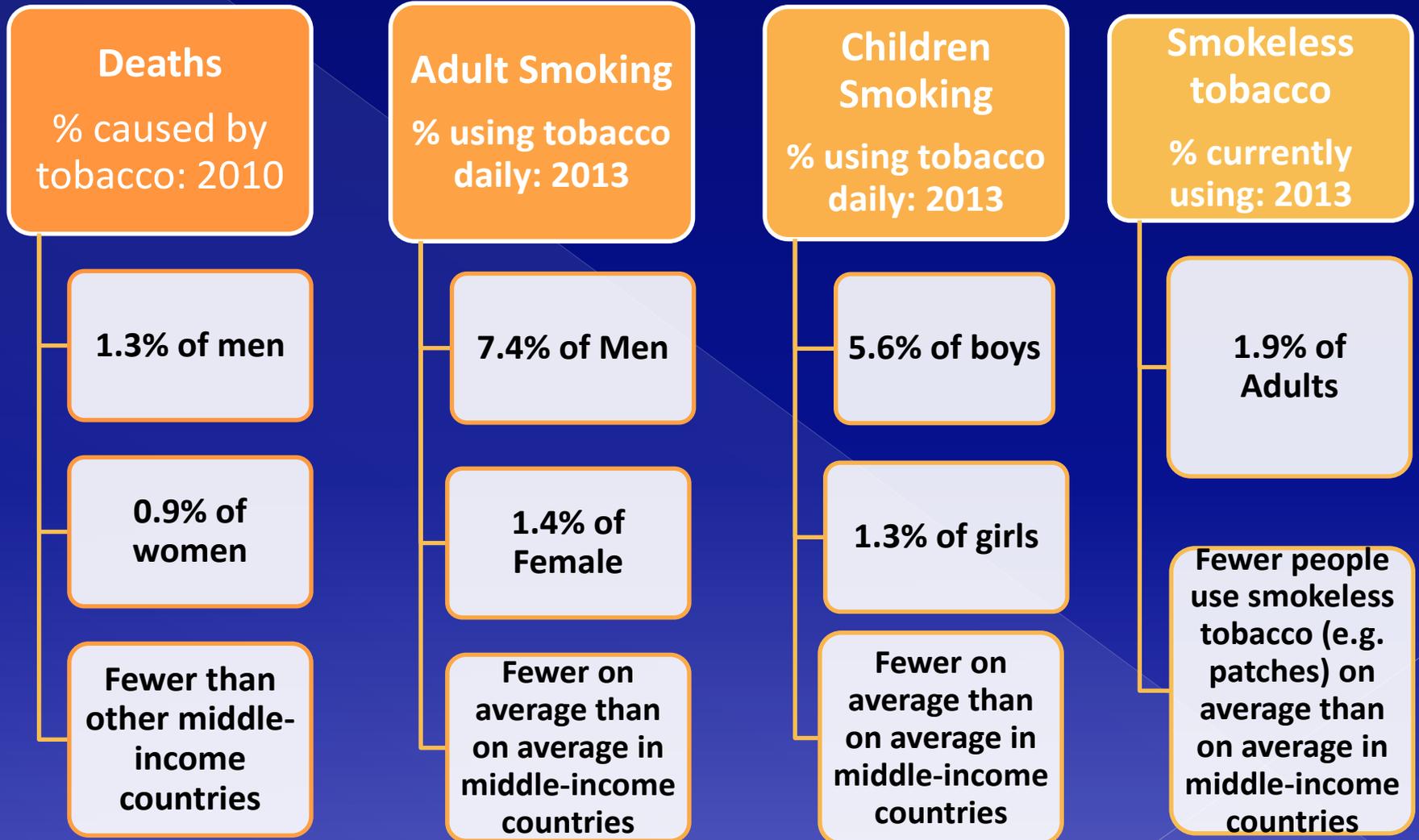
Some Data on Tobacco Use in Nigeria

One of the lowest prevalent rates in the world



Source: *Tobacco Atlas (Third edition)*

Tobacco Use in Nigeria



Inequalities in Tobacco Use

- There is a socioeconomic gradient in the health hazards and are associated with health inequalities. E.g.
 - > Leading risk factor for men, 2nd risk factor for women (after HBP),
 - > More prevalent in low socioeconomic segments of the society.
- Never smokers and ex-smokers exposed to ETS are also at risk. No record on ETS.
- Other health behaviour also contribute to health hazards associated with smoking and inequalities. E.g. alcohol.

Attention Areas for Effective Regulation

Nicotine level in cigarettes

- Addressing the crucial level and potency of nicotine in cigarettes looks promising.
- Reduces addiction in cigarettes
- Opportunity for self-regulation.

Complementary regulation targeting alcohol

- Tobacco is no worse than alcohol consumption.
- They are complementary
- Alcohol prevalence rate is at 6.7% of the entire population aged 15+.
- Alcohol should be equally targeted for heavy regulation.

Address inequalities in tobacco use

- Exploit the socioeconomic gradients in tobacco use to better target regulation

Future Dimension of Regulation of Tobacco in Nigeria

- ⦿ **Addressing the crucial level and potency of nicotine in cigarettes looks promising:**
 - > US FDA is proposing this.
 - > Reducing the nicotine level that renders cigarettes 'non-addictive'.
 - > Potential for self-regulation by manufacturers.
- ⦿ **Tobacco use is no worse than alcohol consumption.** Tobacco use and alcohol consumption are complementary. Complementary interventions are required for effective regulation.

Future Dimension of Regulation of Tobacco in Nigeria 2

- **National smoking cessation services is highly cost-effective.** E.g. Quit4U scheme with financial incentives. The cost of providing the service is much lower than the cost of treating tobacco related diseases.
- **Address inequalities - by targeting the most relatively poor areas where prevalence is relatively high.**
- **Will e-cigarettes and vaping products work?** They work but they also have peculiarities relating to potential harmful effects.
- **Overly regulated tobacco industry will deprive manufacturers of their social responsibility to the society.** E.g. Funding cancer research in health institutions or smoking cessation programs.

Concluding Thoughts on Policy Action

Nigerian tobacco industry is already comprehensively regulated. Caution on pervert incentives, regulatory capture, govt failures. Encourage greater social responsibility amongst manufacturers

Policy to pay attention on reducing inequalities in smoking-related diseases, esp targeting poor segments where prevalence is relatively high

Complementary interventions targeting other unhealthy behaviour such as alcohol are required.

Policy makers should make more effective use of the tax revenues for more interventions such as smoking national cessation services
Quitline services

Policy to encourage self-regulation by manufacturers, e.g. by reducing tobacco addiction to barest minimum

Thanks for listening