

## **Summary of the Report on The Economic Cost of Tobacco Use in Bangladesh**

The voices of cancer organizations around the world are strong and powerful in conveying the message of cancer prevention. For example, for decades, the American Cancer Society has fought the tobacco use epidemic: the largest preventable cancer risk factor. Throughout this time, we have often partnered with our colleagues around the world. Beginning in 2018, we partnered with Cancer Research UK to support the Bangladesh Cancer Society and the University of Dhaka in research to support increases in tobacco taxation, which is widely recognized as the most effective intervention to decrease consumption of tobacco products. The Bangladesh Cancer Society is at the forefront of the fight against cancer in using its voice to promote proven cancer prevention strategies such as tobacco control. The University of Dhaka is one of the leading universities in Bangladesh.

On March 1<sup>st</sup>, 2020, the Bangladesh Cancer Society—with technical support from American Cancer Society researchers— published the report “The Economic Cost of Tobacco Use in Bangladesh: A Health Cost Approach,” based on a comprehensive national-level study. This research estimated that tobacco use caused nearly 126,000 deaths, accounting for 13.5 percent of deaths from any cause in Bangladesh in 2018. In addition, the study revealed that approximately 1.5 million adults were suffering from diseases attributable to tobacco use and nearly 61,000 children were suffering from diseases due to exposure to secondhand smoke.

The estimate of the direct healthcare costs attributable to tobacco use amounted to BDT 83.9 billion annually, 76 percent of which was paid by tobacco users’ households. The remaining 24 percent was financed through the public health sector budget, representing nearly nine percent of total government health expenditures in the fiscal year 2018-19.

The annual productivity loss, due to morbidity and premature mortality from tobacco-related diseases, was estimated to be BDT 221.7 billion. The total annual economic cost thus amounted to BDT 305.6 billion (\$3.61 billion), which was equivalent to 1.4 percent of the entire gross domestic product (GDP) of Bangladesh in 2017-18.

The total economic contribution of the tobacco sector (in terms of household final consumption expenditure, private and public domestic investment and net export) to the GDP in Bangladesh was estimated at BDT 229.1 in 2016-17 fiscal year in 2018 prices. This is BDT 76.5 billion short of the estimated total cost of tobacco, BDT 305.6 billion. It is reasonable to say that tobacco is causing net economic loss to the economy of Bangladesh.

Worse still, the situation is deteriorating. The annual estimate of total economic cost of tobacco in Bangladesh has more than doubled since 2004 when the last major analysis of this kind was generated. Productivity loss accounted for most (83 percent) of the increase in tobacco-attributable costs, and increased health care expenditures explain the rest. Moreover, for a rapidly-growing economy such as Bangladesh’s, this cost is expected to get larger over time and undermine the growth potential of households who fall prey to the scourge of the tobacco epidemic. It is therefore critical that the government act on curbing the epidemic for sustaining the momentum of rapid economic growth with equity.

By presenting evidence-informed arguments that the economic costs of tobacco to society significantly outweigh the benefits, policymakers can be supported vigorously to introduce strong policy measures, like raising excise taxes on tobacco products.