



Uganda Tobacco-Taxation Coalition (UTTC)

April 8, 2025

PETITION TO INCREASE EXCISE TAX ON TOBACCO PRODUCTS IN UGANDA

The Chairperson, Parliamentary Committee on Finance, Planning and Economic Development

We, the undersigned citizens from Kimombasa – Bwaise, Kawempe Division, Kampala District, partners from Civil Society Organizations and the Uganda Tobacco Tax Collision (UTTC), Health Professionals, Youth Leaders, appreciate the Parliamentary Committee on Finance, Planning and Economic Development and Government of Uganda for the proposed tax increase on tobacco products [Excise Duty (Amendment) (No. 2) Bill 2025]. However, we have concerns that the proposed increase will not achieve the intended objectives as a critical measure to reduce tobacco consumption, protect public health, and enhance national revenue, unless these concerns are prioritized, and taken care of.

Why increase tobacco taxation?

Tobacco use is a leading cause of preventable death in Uganda, driving epidemics of cancer, heart disease, and respiratory illnesses. The World Health Organization (WHO) recommends that excise taxes should constitute at least 70% of the retail price of tobacco products to effectively reduce consumption. However, Uganda's excise taxes cover only 35% of the cigarette prices, keeping them affordable for youth and low-income populations.¹ Since 2017, **Uganda has not increased cigarette taxes**, and also the current structure still provides for differential tax tiers (e.g., “soft cap” vs “hinge lid”) which are in contravention of the WHO FCTC and makes government loose revenue. A single-tier (uniform) tax system would close these loopholes, simplify enforcement, and ensure all cigarettes are equally taxed.

Our concerns

The Excise Duty (Amendment) (No. 2) Bill 2025] proposes taxing the largely consumed products a small increment compared to the low consumed products. This means that:

- 1) Consumption will shift from the imported to the locally produced products which take a larger market share
- 2) This promotes tobacco use among the young and underprivileged population groups. Our current research shows increase in tobacco use among the youth (3.8% in 2013 vs 4.1% in 2023, males (14.3% in 2028 vs 15% in 2023), increase in consumption of manufactured cigarettes (from 62.7% in 2013 to 67.9% in 2023) and shisha (0.8% to 2%) in the same period².
- 3) Government will not achieve the intended financial benefits of increasing tax
- 4) Uganda will not meet WHO FCTC requirement as a member country

¹ Global Tobacco Industry Interference Index, 2023

² The Tobacco Tax Policy in Uganda; A secondary data analysis 2014 -2024





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Following the coalition's national engagements, which concluded with the recent community dialogue held in Kimombasa, Bwaise, Kawempe Division, Kampala District on February 14, 2025, Lumumba Avenue on 8th March, Katabi town, Entebbe on 15th March 28, 2025, Makerere Kavule on the 18th March 28, 2025 and Nsambya and Kikoni on 27th March 28, 2025, with support from the Uganda Cancer Society, United Nations Associations of Uganda, Uganda Alcohol Policy Alliance and Way Forward Uganda; the community demonstrated support and the critical realities for higher tobacco taxes as highlighted below;

1. Peer pressure and relapses are common: One participant shared: Even after quitting, walking past smokers in Kimombasa triggers cravings. Last week, I relapsed after smelling smoke near the market, shared, a 19-year-old from Kimombasa Parish."
2. Public smoking aggression: Residents expressed frustration by the hostility they face when they ask smokers to comply with the Tobacco regulations.
3. Limited access to rehab/cessation services: Many smokers want to quit but lack medical or psychological support.
4. The participants in all the community engagements proposed a price increase of a cigarette stick to Ugx 10,000! Let's see who can afford it, expressed the community.

Like the cries of the community voices, the recently concluded Global Adult Tobacco Survey 2024 (GATS 2024) showed that majority of Ugandans (87%) support increasing tobacco taxes.

CALL TO ACTION:

5. Double the current Excise Duty tax on both the locally manufactured hinge lid and soft cap. For hinge lid variants, tax rises from UGX 80,000 to UGX 160,000 per 1,000 cigarettes, while soft caps an increase from UGX 55,000 to UGX 110,000 per 1,000 cigarettes. Maintain the proposed increase on the imported products.
6. Adopt a Single-Tier Tax System.
7. Implement a progressive Annual Tobacco Tax Increase in line with inflation and income growth, ensuring that tobacco remains less affordable over time.

The Time to Act is Now!

We, the undersigned, strongly urge the Government of Uganda to take decisive action to **increase tobacco taxation** and **prioritize public health**. The evidence is overwhelmingly clear: **raising tobacco taxes is a win-win solution** for Uganda's economy and the well-being of its citizens.

We stand together for a **healthier, tobacco-free Uganda!**

[Signatures]

Cc: The Commissioner General, Uganda Revenue Authority
The Minister, Ministry of Trade, industry and cooperatives and related agencies
The Minister, Ministry of Health

