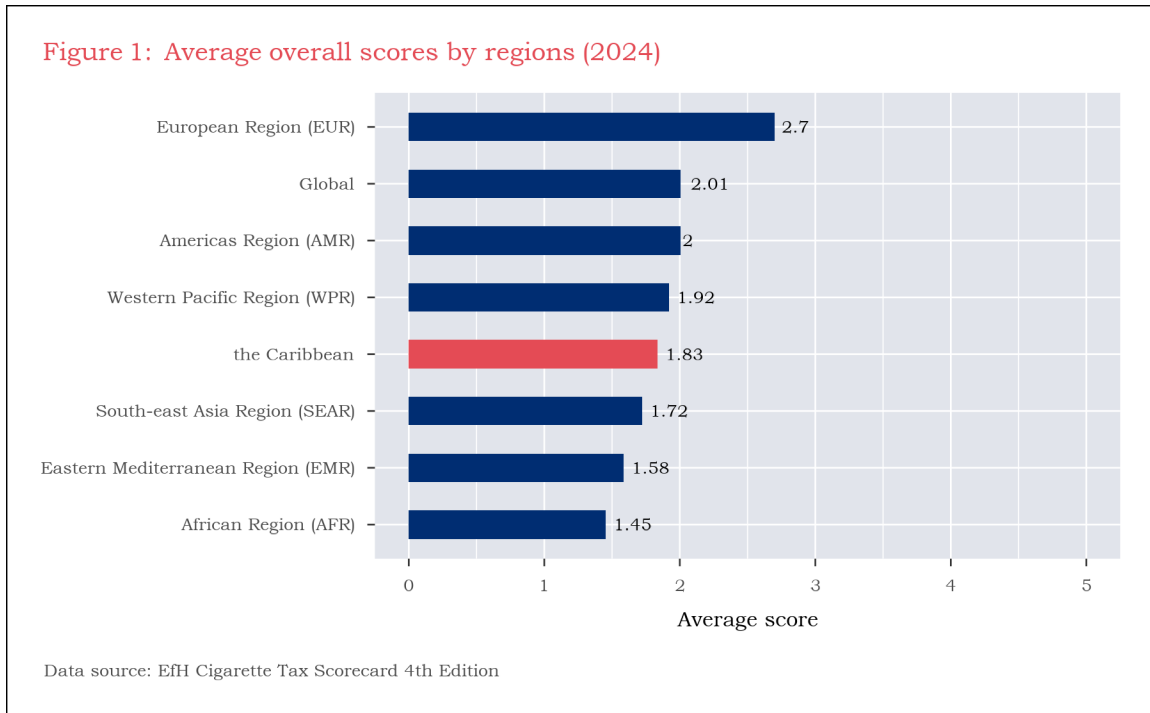


Cigarette Tax Scorecard: Spotlight on the Caribbean



Key Messages

1. In the fourth edition of the Economics for Health Cigarette Tax Scorecard, the average overall score in 2024 in the Caribbean is 1.83 out of 5 points. Although this is higher than other regions except Europe, the greater Americas (which includes the Caribbean and Latin America), and Western Pacific, the Caribbean average score is less than two points out of a possible 5 points—thus, there is plenty of room for improvement.
2. Out of the four components used to calculate the overall score in the Scorecard, the Caribbean countries performed best on tax structure, with an average score of 3.25 points. This suggests that tax structures in the region are somewhat effective, but there still remains room for improvement in some countries.
3. Higher excise tax rates would help to reduce the affordability of cigarettes—the average score in the affordability change component is only 0.32 points out of 5. Cigarette prices have not increased at the same pace as real income and inflation. This underscores the importance of introducing real income growth and inflation adjustments to make sure affordability is reduced.
4. Out of the countries in the region, Dominica is the highest performer, with an overall score of 2.75 points, while Antigua and Barbuda lags behind the regional average with only 1 point out of 5.

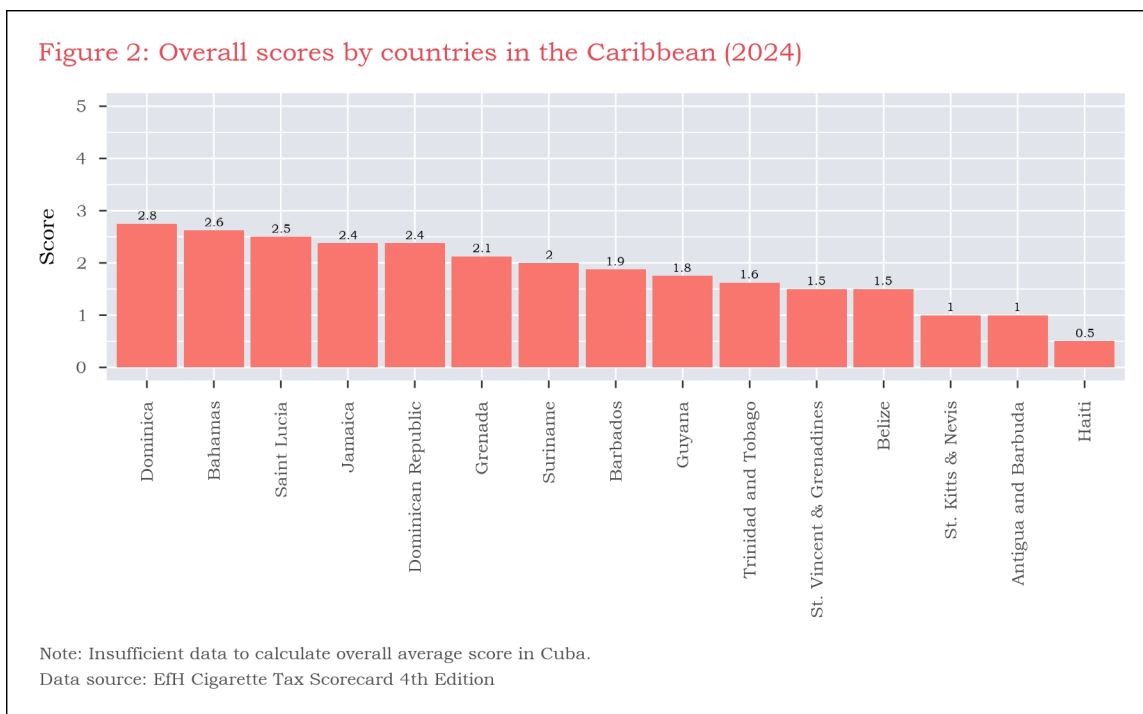
Introduction

The Economics for Health Cigarette Tax Scorecard evaluates countries' cigarette tax systems based on a five-point rating system that incorporates international guidance and best practices in tobacco taxation. The five-point index uses data from the World Health Organization and other sources to score countries on the following four components: cigarette price, changes in the affordability of cigarettes over time, the share of taxes in retail cigarette prices, and the structure of cigarette taxes. The total score reflects an average of the four component scores.

The Caribbean region on average scored less than 2 out of 5 in 2024. Improving cigarette tax policies would decrease smoking prevalence,

while raising additional tax revenues for governments.

There is significant variation across the Latin American region for overall scores in 2024. Dominica scored the highest with 2.75 points out of 5, followed by Bahama and Saint Lucia, which scored 2.6 and 2.5 points respectively. Haiti had the lowest score of 0.5, and Antigua and Barbuda and Saint Kitts and Nevis followed with a score of 1. All Caribbean countries, except Dominica, Bahama, and Saint Lucia, received less than half of the possible points. These findings suggest that there is significant room for improvement in tobacco taxation policies throughout the region.



Key Component Findings

Cigarette Price

Price is a key determinant of cigarette use—generally as the price increases, demand decreases. In 2024, the average score in the Caribbean region in this component is 3 out of 5 points. Jamaica, Dominican Republic, and Bahamas perform the best in this component, scoring 5 points each. In contrast, Haiti scores 1 point. Such price variation across the region can threaten the effectiveness of high prices in countries.

Change in Cigarette Affordability

To reduce demand, cigarettes must become less affordable. As cigarettes become less affordable, consumers buy fewer and many will stop smoking. As part of this effort, at a minimum, cigarette prices must outpace inflation and income growth.

This component requires significant improvement in the Caribbean. The regional average score is the lowest among four components with only 0.32 points out of 5. Apart from Dominica which scores the highest possible 5 points, all other countries score zero points for this component in 2024.

Tax Share

High tax share of price is essential to raise government tax revenues from cigarettes and is typically a good indicator of tax performance.

The average for this component of the score in the Caribbean is 0.75 points. Grenada received highest with 3.5 points out of 5, followed by Cuba and Saint Lucia with 3 and 2 points. Half of the countries in the region receive zero points, signifying the ample opportunity for improvement in tax share.

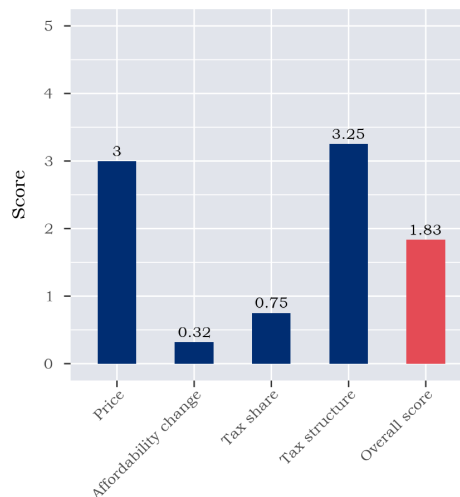
Note that if prices are low, tax shares can still be high. So, it is best to view these two component scores together.

Tax Structure

Tax structures vary in their effectiveness when it comes to reducing tobacco use and collecting tax revenue. Uniform specific excise tax systems that are adjusted upward regularly are generally the most effective and easiest to administer.

The average score in Caribbean for this component is 3.25 out of 5 in 2024. Except Antigua and Barbuda, Grenada, Saint Kitts and Nevis, Haiti, and Cuba, all other countries receive 4 points each in this component. This finding is important because it indicates that countries need to add upward adjustments for inflation and real income growth, which is the largest tax structure challenge in the region.

Figure 3: Average component and overall scores of the Caribbean (2024)



Data source: E4H Cigarette Tax Scorecard 4th Edition

Scores Over Time

There is significant variation in progress on cigarette tax policies in the Caribbean region. Over a ten-year period, the region saw a modest increase in overall scores from 1.77 points in 2014 to 1.83 points in 2024. Bahamas and Suriname saw their scores decreasing in 2024 compared to their scores in 2022. All the remaining countries demonstrate only a modest increase or no change in their overall score. It should be noted, however, that the

Scorecard uses data from 2024, so it does not incorporate tax changes in Jamaica in 2026.

Each country in the Caribbean should seize the opportunity to improve their cigarette tax policies going forward. Not only will this improve the population’s health, but governments will reap significant fiscal benefits as well.

Table 1: Trend of average component and overall scores in the Caribbean, 2014-2024

Component	2014	2016	2018	2020	2022	2024
Price	2.29	2.33	2.38	3.18	2.67	3.00
Affordability change	0.87	0.94	1.34	1.00	0.07	0.32
Tax share	1.10	1.03	0.89	0.32	0.44	0.75
Tax structure	3.00	2.94	3.29	3.64	3.06	3.25
Overall score	1.77	1.84	1.88	2.13	1.60	1.83

Annex 1: Component and overall scores by countries in the Caribbean (2024)



