

UGANDA ALCOHOL POLICY ALLIANCE (UAPA)

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23rd May, 2024

The President of the Republic of Uganda
His Excellency Yoweri Kaguta Museveni
State House, Kampala, Uganda

Your Excellency,

RE: PETITION TO REVIEW THE EXCISE DUTY AMENDMENT BILL 2024 TO CONSIDER REVISION OF TAXATION RATES ON ALCOHOL AND TOBACCO PRODUCTS.

We write on behalf of the Public Health-oriented Civil Society in Uganda to appeal to you to **WITHHOLD ASSENTING** to the Excise Duty Amendment Bill 2024 recently passed by the Parliament of Uganda and to sanction a comprehensive review and revision of these tax changes with particular regard to alcohol and tobacco products.

Reference is made to section 4.3 of the report of the committee on finance, planning and economic development on the excise duty (Amendment) Bill 2024, where Clause 3 of the Bill seeks to amend the Second Schedule to the Act, providing for Excise duty imposed on opaque beer from 20% or Shs. 230 /= per litre, whichever is higher to 10% or Shs. 150 per litre whichever is higher and Parliament endorsed it on 16th May 2024. This undertaking makes alcohol cheaper thus increasing consumption by young people and other vulnerable populations. Unfortunately, the bill doesn't even talk about amending taxes on tobacco products which were last revised in 2020!

Your Excellency, alcohol and tobacco consumption pose significant threats to public health and impose substantial economic burdens on societies worldwide. According to the World Health Organization (WHO), alcohol and tobacco use are leading risk factors for preventable deaths globally, contributing to numerous diseases, cardiovascular diseases, and respiratory illnesses, addiction, and various types of cancer. Alcohol consumption impacts 14 of the 17 Sustainable Development Goals (SDGs), contributing to issues like poverty, gender-based violence (GBV), and other social and economic problems.

Alcohol use among children and youth in Uganda is a growing public health concern, with several studies indicating a significant prevalence and associated risks. A recent study by the Ministry of Health revealed that approximately 25% of primary school children (ages 6-13) in Mbale District have consumed alcohol at some point in their lives. Notably, over 60% of these children began drinking between the ages of 12 and 14, (MoH, 2023). Data from the WHO-commissioned 2014 nationwide Non-communicable Risk Factor Survey (STEPS) showed that 25.9% of men and 14.3% of women in Uganda were heavy alcohol users. Latest WHO report on alcohol also indicated a per capita consumption of 12.2 liters compared to 6.0 liters in the African region and 5.8 globally. Your Excellency, about 20% of the admissions at Butabika National Referral Hospital are due to alcohol or other drugs. A prevalence of 13.7% Alcohol use

Vision: A nation free of alcohol related harm

disorders (AUDS) in the Uganda population is higher than the African average (3.7%) and global average of 5.1%. Besides the AUDs, alcohol is associated with seven types of cancer which further raises the health burden on the economy.

On the other hand, over 15% of boys and 13% of girls aged 13-15 years start smoking annually. It is estimated that tobacco kills 204 Ugandans weekly, which is more than HIV, tuberculosis, malaria, accidents, and crime put together. Despite this high mortality rate, more than 1,020,500 men and 1 in 10 persons in Uganda smoke cigarettes daily, making it an ongoing and dire public health threat. The economic cost is also astronomical; with tobacco use accounting for an estimated USD 126 million in direct medical care for adults and indirect costs due to lost productivity as a result of premature mortality and morbidity. For alcohol-related cancers only, the cost of treating ten alcohol-associated cancers in Uganda is \$ 677,990,237, equivalent to 2,508,563,876,900 UGX per annum.

Your Excellency, Uganda supported the adoption of the WHO Global Alcohol Strategy in 2010 and the adoption of the WHO Global Alcohol Action Plan in 2022. Uganda has also committed to the Agenda 2030 and the 17 SDGs, as well as the Global NCDs Action Plan, adopted in 2013. With each of these decisions, Uganda has made voluntary commitments to improve and accelerate action on alcohol policy. For example, the WHO Global Alcohol Action Plan commits governments to achieve a 20% reduction of per capita alcohol use by 2030 – using high-impact alcohol policy measures. The World Bank, the International Monetary Fund, and the World Health Organization all recommend governments to increase taxes on harmful products because of their TRIPLE WIN effects; addressing their respective burden, increasing revenue and improving the society's welfare.

Your Excellency, raising taxes on alcohol and cigarettes will lead to price increase on these products which will in the long run prevent initiation of young people to these addictive products. It will also generate revenue that can be allocated towards public health initiatives, education programs, or other beneficial endeavors. Also, the revenue generated from higher sin taxes can be substantial, as evidenced by the projected increase from US \$95.3 million in FY 2022/23 to US \$726.49 million in FY 2026/27.

Therefore, considering the empirical evidence on the negative social and health impact of alcohol and tobacco, we recommend a **20%** tax increase on their respective products.

Thank you for your attention to this critical issue.

Yours Faithfully,



JULIET NAMUKASA (Ms)

CHAIRPERSON (UAPA) & MEMBER OF THE UGANDA TOBACCO TAX COALITION

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