

Taxation of tobacco products in Congo (Source: Needs Assessment Report 2015)

Currently in Congo, the Excise tax is composed of two types: an Ad Valorem tax (24% of CIF value), and since 2013, a specific tax (see the Finance law n°41-2012 of December 2012 bearing the finance act of year 2013 and custom cost, 40 FCFA per pack of 20 cigarettes). However, for unknown reasons, in the Law of finance of 2014, the specific tax was reduced from 50 FCFA per cigarette pack in 2013 to 40 FCFA per cigarette pack in 2014. According to the Ministry of Finance, in 2013 the specific tax only applied to tobacco, and in 2014 the tax also applies to alcoholic drinks and all soft drinks.

According to the Ministry of Economy, Finance, Planning, Public Portfolio and Integration in charge of customs, imported products (including tobacco products) in Congo are taxed with an Excise (Ad Valorem, specific taxes), VAT and other taxes only applied on imports (import duty, community taxes, etc.), to discourage the importation of tobacco.

In theory, all 6 countries of the CEMAC (of which Congo is a member) are restricted in the application of their excise tax (they cannot exceed the 25% ceiling). At the beginning, in the 1997s, the rate was 12%. The current ad valorem of 24% in Congo is however still very low. The country, as part of its membership in the CEMAC has attended meetings on the harmonization of tax charges in the community. Following this meeting, all members of the CEMAC countries have instituted a tax on "luxury goods and products harmful to health", including tobacco products. Thus, in order to be able to increase this tax, the Congolese Government has the intention to remove tobacco products from this list by 2015-2016.

The retailing price of cigarettes in Congo is determined by the seller. Before the finance Law of 2012 was enacted instituting a specific tax on tobacco, the price of one cigarette stick was 25 FCFA, and today it costs 50 FCFA (double). A pack of "Fine" (a Congolese brand) now costs around 600-700 FCFA (and 800 FCFA in some kiosk). According to the 2014 implementation report of Congo, domestic cigarettes (Fine Rouge, Mustang and Sprint rouge) cost 600 FCFA per pack of 20, and imported products (Marlboro, Dunhill and Camel) cost 1000 FCFA per pack of 20 (prices from points of sales and duty free shops). Data show that prices have steadily increased over time although taxes have not evolved; which means that there is an increase in the margin made by the manufacturers. Therefore, the decision to increase taxes came also from the will to increase governments' revenues as well. The Rocat (network of civil societies NGOs) also advocated for increased taxes, writing directly to the Government.