Technical assistance visit to Jakarta, Indonesia
December 4 -7, 2017
Attended by Hana Ross

Background:
Based on feedback from other Bloomberg partners there is a need to conduct research on illicit trade in Indonesia. UIC identified a group called Prakarsa to do the study. They have a strong history in tax justice issues with some research capacity. The goal is to engage them in tobacco tax work since they are best positioned to make tobacco tax part of the broader tax justice narrative in Indonesia. This tax justice movement has been very influential in Indonesia and has the ability to position tobacco taxes as a pro-poor, progressive and anti-poverty policy. Prakarsa are well positioned to conduct research on illicit cigarette trade and make it a tax justice issue.

However, Prakarsa are new to tobacco control. The goal of this technical assistance visit was to spend a few days with them helping them understand the political economy and global experience of illicit trade and to better acquaint them with the methods to estimate illicit trade. In dialog with Prakarsa, we wanted to define an appropriate methodology for illicit trade measurement in Indonesia and design a practical research plan.

Day 1 - Evan and Hana met with Prakarsa and discussed program for the next 4 days.

Day 2 – Hana presented on the economic background of illicit trade studies; Evan presented on the political economy of illicit cigarette trade.

Day 3 – Hana presented on methods to estimate the size of illicit cigarette trade; Evan delved deeper into some of the methods using South African data.

Day 4 – Evan and Hana went back to the Prakarsa office to discuss next steps and to plan for the design of an illicit trade study in Indonesia. Prakarsa will investigate if they can implement 3 methods: gap analysis, econometric method, and pack collection from smokers (from 5 largest cities). They will start with desktop research to catalogue the existing data and access to them. Then they will assess whether they can apply these methods.