

## Appendix

**Table A1: Calculation of the changes in cigarettes consumption and government revenues after the proposed the changes in the specific excise**

		baseline	scenario 1		scenario 2		scenario 3	
	calculation	Values	Values	% change	Values	% change	Values	% change
1	Cigarettes consumption (packs)	655,783,719	547,172,819	-16.6%	505,399,396	-22.9%	463,625,973	-29.3%
2	Weighted average price	2.04	2.57	26.0%	2.78	36.0%	2.98	46.0%
3	Excise (specific)	0.58	0.95	63.8%	0.95	63.8%	0.95	63.8%
4	Excise (ad valorem)	33%*[2]	0.67	26.0%	0.92	36.0%	0.98	46.0%
5	Total excise	[3]+[4]	1.25	43.5%	1.87	48.9%	1.93	54.2%
6	VAT	[2]*16.7%	0.34	26.0%	0.46	36.0%	0.50	46.0%
7	Tax burden	[5]+[6]	1.59	39.8%	2.33	46.1%	2.43	52.5%
8	Net-of-tax price	[1]-[7]	0.45	-23.0%	0.45	0.0%	0.55	22.9%
9	Total tax (in million RSD)	[1]*[7]	1,045.24	16.6%	1,177.01	12.6%	1,126.73	7.8%
	Price structure							
10	Excise (specific)	[3]/[2]	28.4%	36.9%	34.2%		31.9%	
11	Excise (ad valorem)	[4]/[2]	33.0%	33.0%	33.0%		33.0%	
12	Total excise	[5]/[2]	61.4%	69.9%	67.2%		64.9%	
13	VAT	[6]/[2]	16.7%	16.7%	16.7%		16.7%	
14	Tax burden	[7]/[2]	78.1%	86.6%	83.9%		81.5%	
15	Net-of-tax price	[8]/[2]	21.9%	13.4%	16.1%		18.5%	