

Intelligence MEMOS



From: Ian Irvine
To: Canadians Concerned About Vaping
Date: September 3, 2020
Re: **TOBACCO HARM REDUCTION (PART TWO) – NICOTINE USE IN CANADA**

Statistics Canada released data on smoking prevalence in Canada last month. It was great news for the health community in that it signalled the biggest decline in smoking prevalence experienced in a lifetime. Current smoking prevalence fell by 5 percent between 2018 and 2019, while daily smoking prevalence fell by a whopping 7 percent. These declines are historic.

These data come from Statistics Canada's annual Canadian Community Health Surveys that interview 60,000 people each year. The declines are mirrored precisely in the monthly sales data from producers to vendors in Canada. The Figure below shows the cumulative sales trend.

It is important to uncover the source of this recent decline.

It could have been caused by a shock to the marketplace by a new disruptive force, a substantial price increase, a switch to the illegal sector, new tobacco regulations, or a switch to newly legalized cannabis.

Cigarette prices increased by about 3 percent in real terms in this period and would [historically account](#) for an annual decline in sales of a single point.

It is unlikely that smokers switched to the illegal market on any scale: the price increase was about the same as in the preceding several years, and there was no evident comparable decline in legal sales in those years.

The biggest new restriction on smoking was the ban on menthol at the federal level in 2017. However, several provinces had banned its use earlier, and therefore its impact on data post-September 2018 is likely negligible.

Cannabis was legalized late in 2018 and cannabis and tobacco are generally believed to be 'substitute' goods. However, the slow rollout of legal retail outlets in Ontario and Quebec, in addition to a well-developed illegal sector throughout Canada, meant that the legal market expanded at a disappointingly low rate, and did not appear to siphon off significant expenditures from tobacco.

All of this leads to the conclusion that the recent decline in tobacco use is primarily attributable to something other than traditional factors. The Canadian Tobacco and Nicotine Survey of 2019 shows that e-cigarettes, measured as cigarette equivalents, account for approximately 10 percent of all nicotine ingested in Canada. While there is no comparable number from earlier surveys, past-30-day [prevalence rates increased](#) from 3 percent in 2017 to [5 per cent](#) in 2019.

The decline in sales appears to have come to an end towards the end of 2019. A surmise is that the EVALI scare (e-cigarette and vaping associated lung illness) of the summer of 2019 may have reduced smokers' willingness to experiment with electronic cigarettes. All during the fall of that year, even though there was strong evidence that the cause of the deaths was the use of vitamin E acetate as a suspension agent in the liquid, the US Centers for Disease Control and other health bodies in North America continued to encourage the population to refrain from all forms of vaping.

What about youth use? Canada has faced a constant barrage of commentary about the 'epidemic' of youth vaping.

This is a two-sided story. On the one hand, vaping has taken off among young people, and on the other smoking has declined by barely believable amounts. Whether we look at reports from Canada or the US, the trend is the same. Daily vaping rates are in the 5-6 percent range among high school students, and daily smoking rates are about 2 percent (these numbers are consistent across several different surveys). The 2 percent number is a result of smoking declines of almost one quarter in each of the last two years.

The scale of this decline in youth smoking must be recognized in policymaking. It is again historic, and all the more remarkable given that the declines came at a point when youth prevalence was already low.

The [Ontario Student Drug Use Survey](#) illustrates that, beyond the dramatic and opposing movements in vaping and smoking rates, youth are increasingly conscious of safe behaviour. In addition to switching to a less toxic form of nicotine, we have seen major declines in alcohol abuse and drunkenness and other hazardous behaviors. For example, the Ontario survey points to a decline of 50 percent from 2011 to 2019 in the rate at which youth are willing to accept a ride from a driver who has consumed alcohol or cannabis.

While risk taking among youth is more prevalent than among adults, Canadian youth has demonstrated a major reduction in risky behavior as it pertains to alcohol, tobacco and dangerous driving. These patterns indicate that youth can and do moderate their behavior in the face of increasing awareness of risk.

To emphasize this fact: Daily vaping rates today among Grade 12 students are about 5 percent. Their parent's daily smoking rate in the late nineties stood at about 25 percent. Public Health England puts the toxicity level of an e-cigarette at one twentieth of a combustible cigarette. This indicates daily Grade 12 vapers get about one one-hundredth of the toxins consumed by their daily-smoking parents.

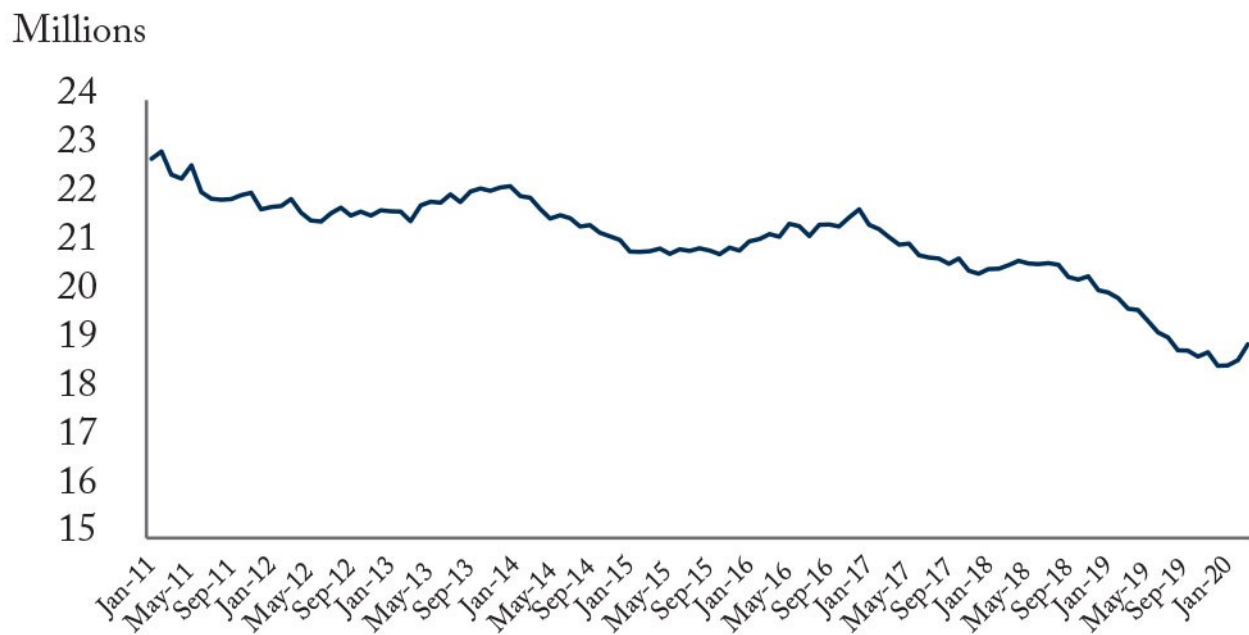
In the final part of this series, we'll explore what these patterns imply for regulation.

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Chart: Sales of Cigarettes in 000s, Canada 2011-2020, Cumulative 12-month Totals



Source: *Statistics Canada Table: 16-10-0044-01.*