

Documentation

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This report presents our analysis on mainly estimating elasticity and forecasting future excise and revenue for DGCE. We find that the elasticity of demand to be vary between -0.5 to -1.1. We also find a strong case for tax-price pass-through for SKM and SPM tobacco type. Our findings corroborates most literature on the Indonesian tobacco use. Unfortunately data limits how much and how robust the analysis can get. In particular, we find very little value of analysis on electric cigarettes, which mainly due to only one year datapoint available for study.

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