

Smoke-Free Cities

Smoke-Free Laws Benefit Businesses



Overwhelming evidence demonstrates that smoke-free laws lead to improved economic outcomes for businesses. Often, the tobacco industry falsely argues that comprehensive smoke-free laws cause direct harm to businesses, particularly in the hospitality and tourism industries, suggesting that banning smoking in bars and restaurants will deter smokers from patronizing their business, and reduce employment and revenue. Decades of experience and evidence demonstrate quite the opposite — that smoke-free laws benefit health without harming business and in fact produce many economic benefits.

Evidence shows that smoke-free laws benefit health without harming business and in fact produce many economic benefits.

Smoking in the Workplace Reduces Productivity and Increases Costs to Businesses.

Comprehensive smoke-free laws protect employee health, reduce business costs, and boost workplace performance.

- Smoking in workplaces increases absenteeism, reduces productivity, increases health and life insurance costs, and increases cleaning and maintenance costs.¹
- According to WHO's MPOWER report, comprehensive smoke-free laws — aligned with the WHO FCTC — directly reduce these

costs by preventing exposure to secondhand smoke and helping people quit.²

- Smoke-free workplaces encourage and help employees quit smoking, improving health and productivity.³
- A study across seven countries found that smokers are absent more often than both former and never smokers. In China, smokers missed work 61% more often than former smokers.¹

Smoke-Free Laws Attract Customers and are Good for Business.

Most people don't smoke — so smoke-free environments attract more customers and help businesses thrive. Smokers adjust quickly to going outdoors to avoid exposing fellow customers to secondhand smoke.

- Businesses benefit when families, non-smokers, and tourists feel welcome and comfortable in smoke-free environments.
- Research shows smoke-free laws benefit the hospitality industry, even in countries with high smoking rates.⁵

- A 2017 study across 19 European countries found no negative effect on revenue, profit, or employment in bars and restaurants after smoke-free laws were adopted.⁶
- A 2014 global review of 39 studies found that smoke-free laws had no negative impact on sales or employment. Restaurants saw modest economic gains, and any initial bar revenue losses were temporary.⁷

Global Evidence Shows Consistent Economic Performance After Smoke-Free Laws.

Country after country, smoke-free laws show no economic harm, and often bring economic gains.



Argentina

Buenos Aires saw a 7-10% increase in sales at bars and restaurants after going smoke-free.^{2,3}



Georgia

Following smoke-free legislation, food service facilities, hotels, and international visitors all increased.⁴



Ireland

No significant impact on bars three years after its 2004 comprehensive national smoke-free law.⁵



Mexico

Revenues and employment in bars and restaurants remained stable following smoke-free law; some wage increases occurred.⁶



Norway

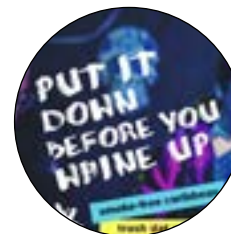
Smoke-free laws have not had a significant impact on restaurant and bar sales even in colder climates where outdoor smoking is harder.⁷

Smoke-Free Laws Benefit Tourism.

Healthy environments make countries more attractive to tourists. Tourists prefer clean, healthy environments — and smoke-free laws support that.



New Zealand saw a 1.5% increase in overseas visitors and a 3.3% increase in tourist spending the year after its smoke-free law.¹⁴



In the **Caribbean**, countries like **Barbados, Guyana, Jamaica,** and **Trinidad and Tobago** saw no decline in tourism arrivals or spending after going smoke-free.¹⁵

“Smoking bans have positive economic impacts upon businesses and tourism.”⁴

2023 MPOWER Report

Key Takeaways

- **Allowing smoking in workplaces decreases productivity and increases costs.**
- **The hospitality and tourism industries often benefit and are not harmed by smoke-free laws.**
- **Businesses can support and embrace smoke-free laws, confident that they will continue to thrive with a healthier workplace and workforce.**
- **Comprehensive smoke-free laws are the cheapest, fairest, and only effective way to protect everyone's right to breathe clean air, saving lives while benefitting business and the economy.**

References

1. World Health Organization International Agency for Research on Cancer. Evaluating the Effectiveness of Smoke-free Policies. IARC Handbook of Cancer Prevention. Lyon: WHO IARC, 2009.
2. World Health Organization. Tobacco. Published June 25, 2025. Accessible at: <https://www.who.int/news-room/fact-sheets/detail/tobacco>
3. Fichtenberg CM, Glantz SA. Effect of smoke-free workplaces on smoking behaviour: systematic review. *BMJ*. 2002;325(7357):188. doi:10.1136/bmj.325.7357.188
4. Baker CL, Flores NM, Zou KH, et al. Benefits of quitting smoking on work productivity and activity impairment in the United States, the European Union and China. *Int J Clin Pract*. 2017;71(1):e12900
5. U.S. National Cancer Institute and World Health Organization. The Economics of Tobacco and Tobacco Control. National Cancer Institute Tobacco Control Monograph 21. NIH Publication No. 16-CA-8029A. Bethesda, MD: U.S. Department of Health and Human Services, National Institutes of Health, National Cancer Institute; and Geneva, CH: World Health Organization; 2016.
6. Pieroni L, Salmasi L. The Economic Impact of Smoke-Free Policies on Restaurants, Cafés, and Bars: Panel Data Estimates from European Countries. *Journal of Policy Analysis and Management* 2017;6(4):853-79.
7. Cornelsen L, McGowan Y, Currie-Murphy LM, Normand C. Systematic review and meta-analysis of the economic impact of smoking bans in restaurants and bars. *Addiction* 2014;109(5):720-7.
8. González-Rozada M, Molinari M, Virgolini M. The Economic Impact of Smoke-Free Laws on the Sales of Bars and Restaurants in Argentina. Documento de Trabajo 03/2008. Centro de Investigación de Finanzas, Escuela de Negocios, Universidad Torcuato Di Tella, 2008.
9. Candioti C, Rossini G, Guiguet E, Costa O, Schoj V. Economic evaluation of a 100% smoke-free law on the hospitality industry in an Argentinean province. *Salud publica de Mexico* 2012;54(3):225-32.
10. Bakhturidze GD, Popova L, Kirpich A, Berg CJ, Eriksen MP. Smoke-free legislation impact on the hospitality sector in the Republic of Georgia. *Tob Control*. Published online August 30, 2024;tc-2023-058513. doi:10.1136/tc-2023-058513.
11. Cornelsen L, Normand C. Impact of the Irish smoking ban on sales in bars using a large business-level data set from 1999 to 2007. *Tobacco Control* 2014;23(5):443-8.
12. Guerrero López CM, Jiménez Ruiz JA, Reynales Shigematsu LM, Waters HR. The economic impact of Mexico City's smoke-free law. *Tobacco Control* 2011; Published online first.
13. Melberg HO, Lund KE. Do smoke-free laws affect revenues in pubs and restaurants? *The European Journal of Health Economics* 2012;13:93-99.
14. Edwards R, Thomson G, Wilson N, Waa A, Bullen C, O'Dea D, et al. After the smoke has cleared: evaluation of the impact of a new national smoke-free law in New Zealand. *Tobacco Control* 2008;17(1):e2.
15. González-Rozada M, Prieto-Lara E, Sandoval GA. Effect of comprehensive smoke-free legislation on the tourism industry in countries of the Caribbean Community. *Revista Panamericana de Salud Pública*. 2022;46:1. doi:10.26633/RPSP.2022.146.