



**THE ECONOMICS OF ADDICTION
THE COST OF TOBACCO, ALCOHOL,
GAMBLING, AND DRUG ADDICTION
TO THE TURKISH ECONOMY**



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THE ECONOMICS OF ADDICTION THE COST OF TOBACCO, ALCOHOL, GAMBLING, AND DRUG ADDICTION TO THE TURKISH ECONOMY

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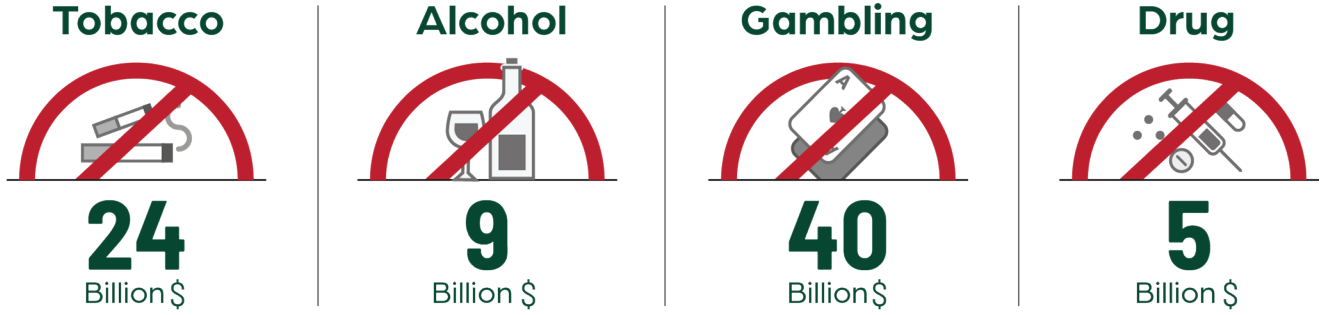
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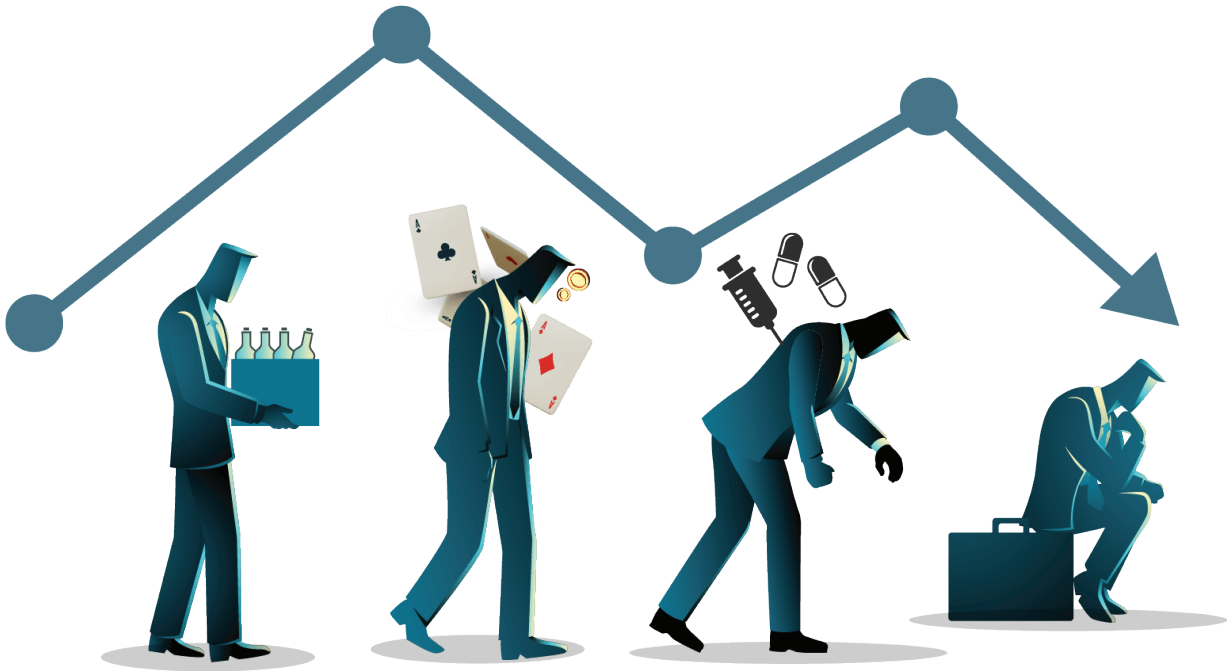
Executive Summary

In this report, the economic costs of **four main types of addiction—smoking, alcohol, drugs, and gambling**—have been calculated. The results show that the costs of these addictions to Türkiye's economy are very high. According to the analysis in this report, the annual economic costs of the four main addiction types are as follows:



As a fundamental calculation method, the total yearly cost of these four addictions to the Turkish economy is determined to be **78 billion dollars**. When compared to Türkiye's energy imports, which are estimated at 65 billion dollars in 2024 based on Central Bank data, it becomes clear how substantial the cost of addictions is for Türkiye's economy.





1. Introduction

Addiction is a chronic brain disease with biological, social, and behavioral dimensions. It can be cured but may recur with the repeated use of addictive substances or behaviors. The economic costs of addictive substances such as cigarettes, alcohol, and drugs affect many areas, including household expenses, social losses, and public expenditures.

The purpose of this scientific study is to reveal the economic costs of cigarette, alcohol, drug, and gambling addictions to Türkiye.

The analyses are structured based on comprehensive literature review, data from Yeşilay (Green Crescent), and information obtained from open sources. Additionally, consultations with relevant institutions were included to contribute to the methodological process.

While calculating the economic impact of addictions in Türkiye, mainly clear and directly measurable costs have been used. Many indirect costs, which are significant in the total cost of addiction, have not been included in this report.

The data included in this report reveal the impact of addiction costs on Türkiye's economy, encompassing individual expenditures, healthcare expenses, burdens on the public budget, and workforce losses.

2. The Economic Cost of Smoking Addiction

Smoking is the leading type of addiction in Türkiye, with 20 million¹ people known to use cigarettes. The economic cost of smoking is not limited to the purchase of cigarettes; it extends across many areas, from environmental pollution to healthcare expenditures, and from fires to workplace productivity losses.

Türkiye ranks as the **third highest** country in smoking rates among OECD nations.² 41.3% of men and 15.5% of women use cigarettes. It has been determined that an average of 28.3% of individuals over the age of 15 in Türkiye use tobacco products.³ Among daily smokers, 39.9% of women and 57.7% of men state that they started smoking daily before the age of 18. In the last 20 years, cigarette sales volume has increased by 39%, rising from 108 billion units to 150 billion units.⁴

Accordingly, cigarette butts alone reach a volume that would fill **5,000 garbage trucks** annually. Considering that only one-third of cigarette butts can be collected, it is evident that nearly 100 billion butts cause significant environmental pollution in our country every year.⁵ Some of these butts end up in lakes and seas, causing water pollution and ecological problems whose harmful effects last for 10 years.⁶

Based on this data, the annual expenditure of households in Türkiye to purchase cigarettes corresponds to **15 billion dollars**.

The Impact of Tobacco Addiction on Healthcare Expenditures

Cigarette use affects healthcare spending both directly and indirectly. Smoking is associated with many diseases such as lung cancer, cardiovascular diseases, and COPD. Türkiye's annual healthcare expenditure in 2023 was 1.24 trillion TL.⁷ Calculations show that the impact of smoking on the health sector in Türkiye accounts for **9% of total healthcare expenditures**.⁸ Among OECD countries, the share of smoking-related healthcare spending is around 6.7%.⁹

In light of this information, the annual cost of smoking-related healthcare expenditures to Türkiye is 5 billion dollars.

The cost of smoking-related diseases to the Turkish health system reaches billions of liras both directly and indirectly. For example, the treatment of smoking-related illnesses and the loss of productivity resulting from premature deaths constitute a significant portion of healthcare spending. Although there is no specific up-to-date total cost data for Türkiye, it is estimated that in high-income countries globally, the social cost and indirect financial loss caused by smoking constitute 2.2% of the GDP. Considering that smoking rates in Türkiye are higher than in peer countries, it is known that the share of this cost in the national income will be even higher.

¹ Türkiye Hanehalkı Sağlık Araştırması, T.C. Sağlık Bakanlığı, 2025

² <https://www.tobaccopreventioncessation.com/Tobacco-control-in-Turkiye-A-brief-review-of-achievements-challenges-and-prospects,191783,0,2.html>

³ <https://data.tuik.gov.tr/Bulten/Index?p=Turkiye-Saglik-Arastirmasi-2022-49747>

⁴ <https://www.tarimorman.gov.tr/TADAB/Menu/22/Tutun-Ve-Tutun-Mamulleri-Daire-Baskanligi>

⁵ <https://www.nationalgeographic.com/environment/article/cigarettes-story-of-plastic>

⁶ <https://pmc.ncbi.nlm.nih.gov/articles/PMC3088407/>

⁷ <https://data.tuik.gov.tr/Bulten/Index?p=Saglik-Harcamaları-Istatistikleri-2023-53561>

⁸ <https://www.aa.com.tr/tr/saglik/saglik-harcamalarinin-yuzde-9u-tutun-urunlerine-bagli-hastalıklara/1161443>

⁹ <https://tobaccocontrol.bmj.com/content/27/1/58>

The Cost of Smoking-Related Fires

According to data from the Istanbul and Izmir Fire Departments, smoking ranks first among the causes of fires. Approximately **40%** of the 27,000 fires that occur in Istanbul annually are caused by cigarette butts and matches. This rate is around 10% to 15% in European and North American countries.¹⁰

According to a statement by the Association of Turkish Construction Material Producers (İMSAD) Structural Fire Safety Working Group, the total annual cost of fires to Türkiye is **\$9.8 billion**. In this context, it is estimated that the total cost of smoking-related fires is **\$4 billion**. This figure does not include the destruction and financial losses caused by forest fires.

In summary, when healthcare costs, household expenditures, and fire damages are considered, the direct annual cost of tobacco addiction to Türkiye reaches **\$24 billion**.

The Social Cost of Smoking

Beyond the items included in this study, smoking consumption also entails many social costs. These include premature deaths, workplace productivity losses, traffic accidents, premature births and infant deaths, environmental pollution from butts, loss of biodiversity, and costs such as anti-smuggling operations.

These types of cost items were not addressed in this report. However, cost calculations conducted in many countries reveal that the costs of premature deaths, productivity losses, traffic accidents, and pollution caused by cigarette butts amount to tens of billions of dollars. Within the scope of this report, only the direct costs created by smoking have been included.



¹⁰ https://www.yanginguvenlik.com.tr/yayin/810/gelismis-ulkelerde-ve-turkiye-de-yangin-nedenleri_23867.html

3. The Economic Cost of Alcohol Addiction

Some types of addictive substances cause more harm to the individuals themselves, while others cause more harm to society. It is known that the harm alcohol causes to both is higher compared to other addictive substances. When various harmful effects of addictions are classified, alcohol ranks as the most dangerous among known drugs due to its prevalence of use and high potential for harming others.¹¹

In calculating the economic cost of alcohol addiction, factors considered include household expenditures for alcohol consumption, the increase in alcohol-related diseases, decline in quality of life, loss of work productivity, and tangible risks associated with involvement in crime and accidents. As a result of these potential risks, direct costs such as loss of life and property, treatment expenses, legal costs, premature death, and unemployment may arise, as well as indirect costs like lost or reduced productivity due to death or illness.

In Türkiye, 10.2% of individuals over the age of 15 declare¹² that they have consumed alcohol within the last 30 days, and the annual alcohol consumption is known to be **1.3 billion liters**.¹³ Household expenditures for this alcohol consumption are projected to be **\$5.5 billion** annually.¹⁴

The economic cost of alcohol includes different cost items beyond household spending, such as traffic accidents. It is stated that **22%** of traffic accidents in our country are alcohol-related.¹⁵ Considering that the annual cost of traffic accidents is approximately \$15 billion, it is evident that the annual cost of alcohol-related traffic accidents to Türkiye is **\$3.3 billion**.¹⁶

The cost in question only includes the material damages resulting from the accidents; it does not include indirect costs, alcohol-related healthcare expenditures, or productivity losses caused by death or injury. Furthermore, social costs arising from alcohol-induced domestic violence and crime, judicial processes, public regulations and auditing, and addiction rehabilitation expenses have also been excluded from the scope of this study.

In conclusion, the economic cost of alcohol addiction to Türkiye has been determined to be approximately **\$9 billion**.



¹¹ Robbins, Trevor W., Barry J. Everitt, and David J. Nutt, eds. *The neurobiology of addiction: New vistas*. Oxford University Press, 2010.

¹² Türkiye Hanehalkı Sağlık Araştırması, T.C. Sağlık Bakanlığı, 2025

¹³ <https://dergipark.org.tr/en/download/article-file/4696699>

¹⁴ 2023 yılındaki alkollü içecek tüketimi ve ödenen vergilere göre ortalama dolar kuru üzerinden hesaplanmıştır. 2023'te alkollü içki satışlarından elde edilen toplam vergi gelirinin (ÖTV + KDV) yaklaşık 85 milyar TL civarında olduğu tahmin edilmektedir.

¹⁵ <https://www.yesilay.org.tr/tr/haberler/hayatinizin-kontrolunu-alkole-birakmayin>

¹⁶ <https://dergipark.org.tr/en/download/article-file/2119555>

4.The Economic Cost of Drug Addiction

As with every type of addiction, drug use entails individual, public, and social costs. In Türkiye, the resources spent by the public sector to combat drugs reach **\$250 million** annually. Beyond this, one of the most significant economic costs of drug use is the loss resulting from addicts in prisons remaining outside the labor market as an idle workforce. As of 2024, it is known that approximately **150,000 people** are in prison due to drug-related crimes.¹⁷ The labor loss of this aforementioned workforce for just one year exceeds **\$2 billion**.

Expenditures made by addicts for substance use consist of spending items that are impossible to track, as these are prohibited substances and

their trade is subject to legal sanctions. In this regard, it is preferred to determine economic costs for countries by considering the annual expenditures made by addicts for substance use in light of global examples.

It is estimated that the number of people using drugs in Türkiye is **1.7 million**.¹⁸ It is known that the expenditures made by addicts for drug use in Türkiye are close to **\$2.7 billion**.¹⁹

As mentioned above, the social and indirect costs of drug use are outside the scope of this report.

In conclusion, the annual economic cost of drug use is seen to be close to **\$5 billion**, comprising the expenditure made by the addict (\$2.7 billion), public spending on punishment, correction, and rehabilitation (\$250 million), and labor loss (\$2 billion).



¹⁷ <https://www.aa.com.tr/tr/gundem/icisleri-bakani-yerlikaya-turkiyede-cezaevlerinde-309-bin-kisi-var-bunlarin-yaklasik-yuzde-30u-bu-zehir-tacirleri/3158337>

¹⁸ <https://www.aa.com.tr/tr/turkiye/turkiyede-yasam-boyu-madde-kullanim-yayginligi-aurupainin-10da-1i/1986024>

¹⁹ Since drug prices in Turkey are lower than the global average, the expenditure figures in the report have been adjusted to reflect local prices. For example, the price per gram of cannabis in the U.S. is roughly twice that of Turkey. Therefore, in the cost calculation, the global per capita expenditure was combined with Turkish prices to estimate the total expenditure.

5. The Economic Cost of Gambling Addiction

KGambling addiction has begun to increase day by day with the widespread use of the internet and social networks. In recent years, an increase has been observed in the number of people applying to Green Crescent Counseling Centers (YEDAM) with complaints of virtual gambling addiction.

The revenue increases of virtual gambling sites also support this development. The revenue growth of the betting industry over the last year is around **40%**. Virtual betting sites utilize "predatory" (wild) algorithms that trigger the brain's reward circuitry. This situation takes captive the person who starts gambling online,

making it very difficult to quit by weakening behavioral control. Many victims remain defenseless against the virtual gambling algorithm, which is a product of detailed engineering.

Virtual gambling played through illegal sites, which has become a major public health problem with its recent acceleration, creates an economic cost for Türkiye beyond estimations. Some information regarding the economic cost of gambling addiction is as follows:

- *Virtual betting sites utilize "predatory" algorithms that trigger the brain's reward circuitry.*
- *According to the research results of industry experts, the economic cost of gambling addiction reaches **40 billion dollars**.*



6. Conclusion

The report calculates the economic costs of four main addiction types: cigarettes, alcohol, drugs, and gambling. The results clearly indicate that these addictions impose a very high cost on Türkiye's economy.

Based on the analysis, the annual economic costs are as follows:

Cigarette Addiction:

24 billion dollars

Alcohol Addiction:

9 billion dollars

Gambling Addiction:

40 billion dollars

Drug Addiction:

5 billion dollars

The total annual cost of these four addictions to Türkiye's economy is approximately **78 billion dollars**.

What could be achieved with 78 billion dollars?

Energy Imports Could Be Eliminated:

Considering Central Bank data showing Türkiye's energy imports reached \$65 billion in 2024, the massive burden of addictions on the Turkish economy becomes evident. The economic loss caused by addictions could completely cover Türkiye's energy import costs.

Free Education and Tablets for All Children:

There are approximately 18 million students in primary and secondary education in Türkiye. Providing each student with \$4,000 worth of annual educational materials, tablets, and modern school infrastructure would cost \$72 billion. With \$78 billion, a free, world-class education could be provided to every student, and the remaining \$5 billion could build approximately 2,600 new schools with 24 classrooms each.

Technology and Innovation Hub: With \$78 billion, a high-capacity technology center could be established. For instance, a \$10 billion technology campus could be built in Istanbul or Izmir, and the remaining \$67 billion could fund 50,000 new tech startups through grants and low-interest loans. This would propel Türkiye to the top ranks of the global innovation map.

A Home for Every Family: The average price of an apartment in major cities in Türkiye is around \$150,000. With \$78 billion, new homes could be purchased for approximately 513,000 families. This means providing new housing

for about 1.8 million low-income individuals, significantly solving the housing problem.

High-Speed Train Network: The cost of the Ankara-Istanbul high-speed train project was approximately \$2.5 billion. With \$78 billion, about 31 high-speed train lines (totaling 15,800 km in length) covering all of Türkiye could be built. This would revitalize the economy by connecting cities with a modern transport network and ease the lives of millions.

Revolution in Healthcare: The cost of a city hospital in Türkiye is around \$500 million. With \$78 billion, 154 city hospitals could be constructed. This would mean at least one modern hospital for every province.

Energy Investment: If the investment cost per MW for a solar power plant is calculated at approximately \$1 million, a solar power capacity of 78,000 MW could be installed. This would meet the electricity needs of approximately 40 million households. Thus, as a nation, we could drastically reduce energy expenses, one of our largest cost items.

Cultural Heritage and Tourism Investment: To restore Türkiye's historical and cultural heritage and boost tourism, 1,000 ancient cities, museums, and historical sites could be restored and modernized with \$78 billion (\$78 million per site). This could increase annual tourism revenues to over \$50 billion and help preserve our cultural heritage for future generations.

