

## **ABSTRACT**

*Development is based on planning and policy. At the end of 2019 the government set an increase in cigarette excise rates for 2020 by 23 percent. This study aims to calculate the impact of the excise tariff policy. The author employ regression and Input-Output analysis to estimate the impact of increasing cigarette excise rates. The research shows that the increase in cigarette excise rates has an impact on the decline in national output and wages of Indonesian workers in the cigarette input sectors.*

**Keywords:** *Excise, Cigarettes, Input-Output*