



Sugar Sweetened Beverages Tax in Thailand

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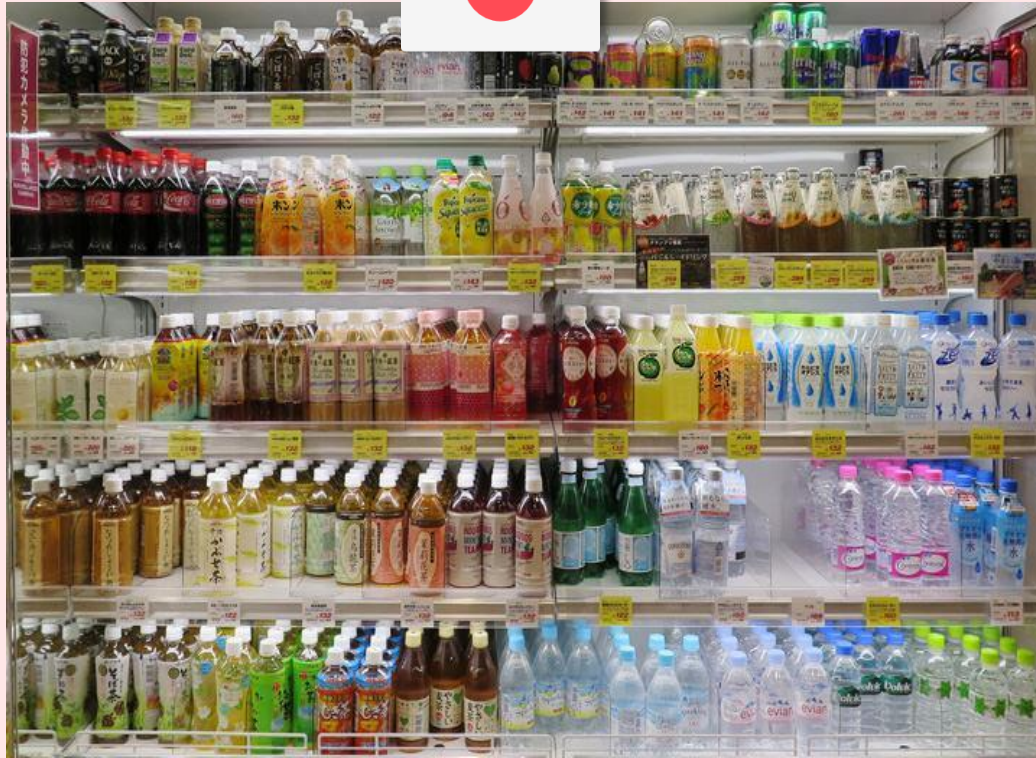
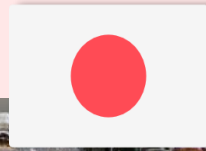
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What's hitting in the shelves?

YEAR 2017



85% Sugar-free Drinks



95% Sugary Drinks



Principle of Non-Alcoholic Beverages Excise Taxation in Thailand

- Previously, beverages were taxed with luxury principle. However sugary tax has been implemented since Sep 2017, we levy beverage tax both on luxury and on health principles simultaneously.
- Any kind of beverage including powered and concentrated that contains sugar more than 6 grams per 100 ml shall be taxed with progressive rates.
- Ultimate goal is to change consumption behavior sustainably throughout gradual reformulation and awareness.

**Ad valorem Tax based on
suggested retail price**



Luxury Tax
unnecessary for living



**Specific Tax based on
sugar content**

Health Tax 
health concern

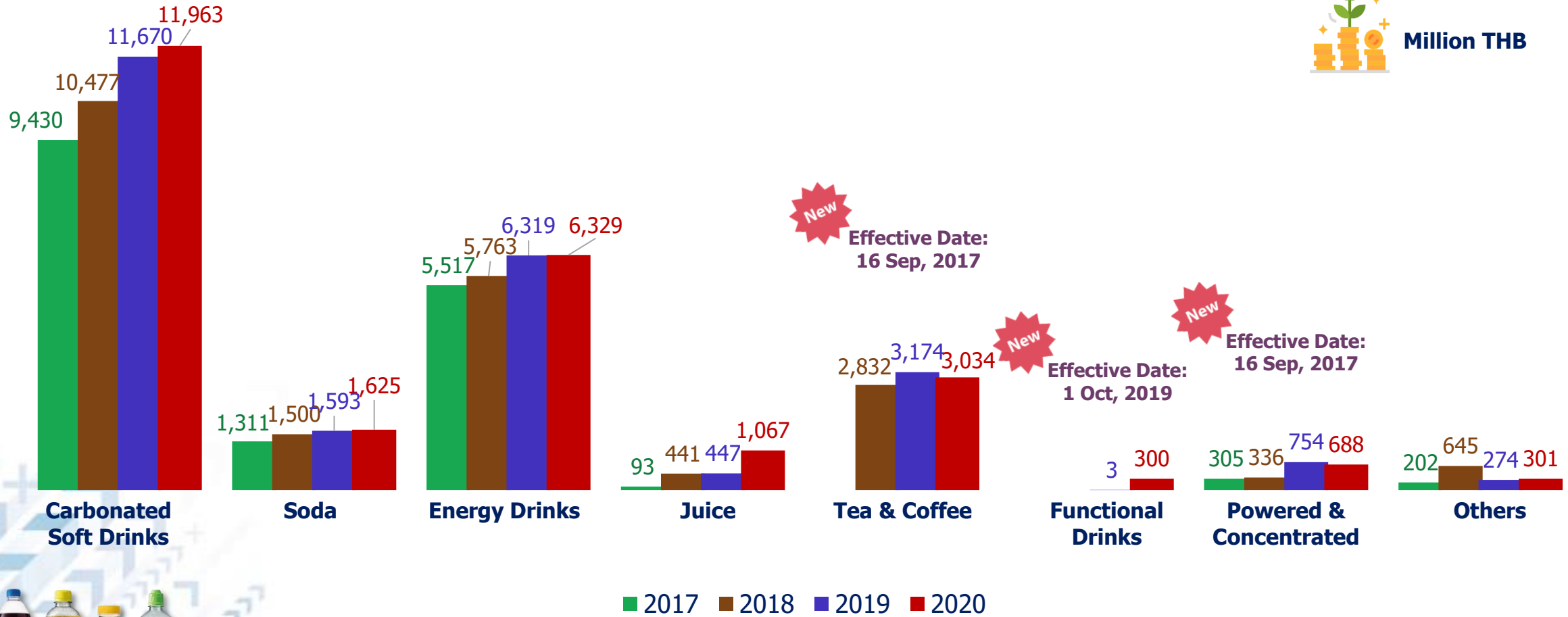


Non-Alcoholic Beverages Tax Structure

Item	Tax Structure According to Excise Act B.E. 2560					
	Ad valorem (Suggested Retail Price)	Sugar Content	Unit Tax Based on Sugar Contained			
			16 Sept 2017 to 30 Sept 2019	1 Oct 2019 to 30 Sept 2021	1 Oct.2021 to 30 Sept 2023	1 Oct 2023 onwards
			%	gram/100 ml	Baht/Litre	Baht/Litre
Soda	14	-	-	-	-	-
- Carbonated Soft Drinks	14	Not Over 6	0	0	0	0
- Sport Drinks		More than 6 Less than 8	0.10	0.10	0.30	1
- Energy Drinks		More than 8 Less than 10	0.30	0.30	1	3
Juice: General	10	More than 10 Less than 14	0.50	1	3	5
Juice: Exempted	0	More than 14 Less than 18	1	3	5	5
Concentrated (used with beverage machine)	14	Over 18	1	5	5	5
Powdered & Concentrated	-					



Non-Alcoholic Beverages Revenue Collection 2017 - 2020





Sugar Tax Revenue Collection 2018 - 2020

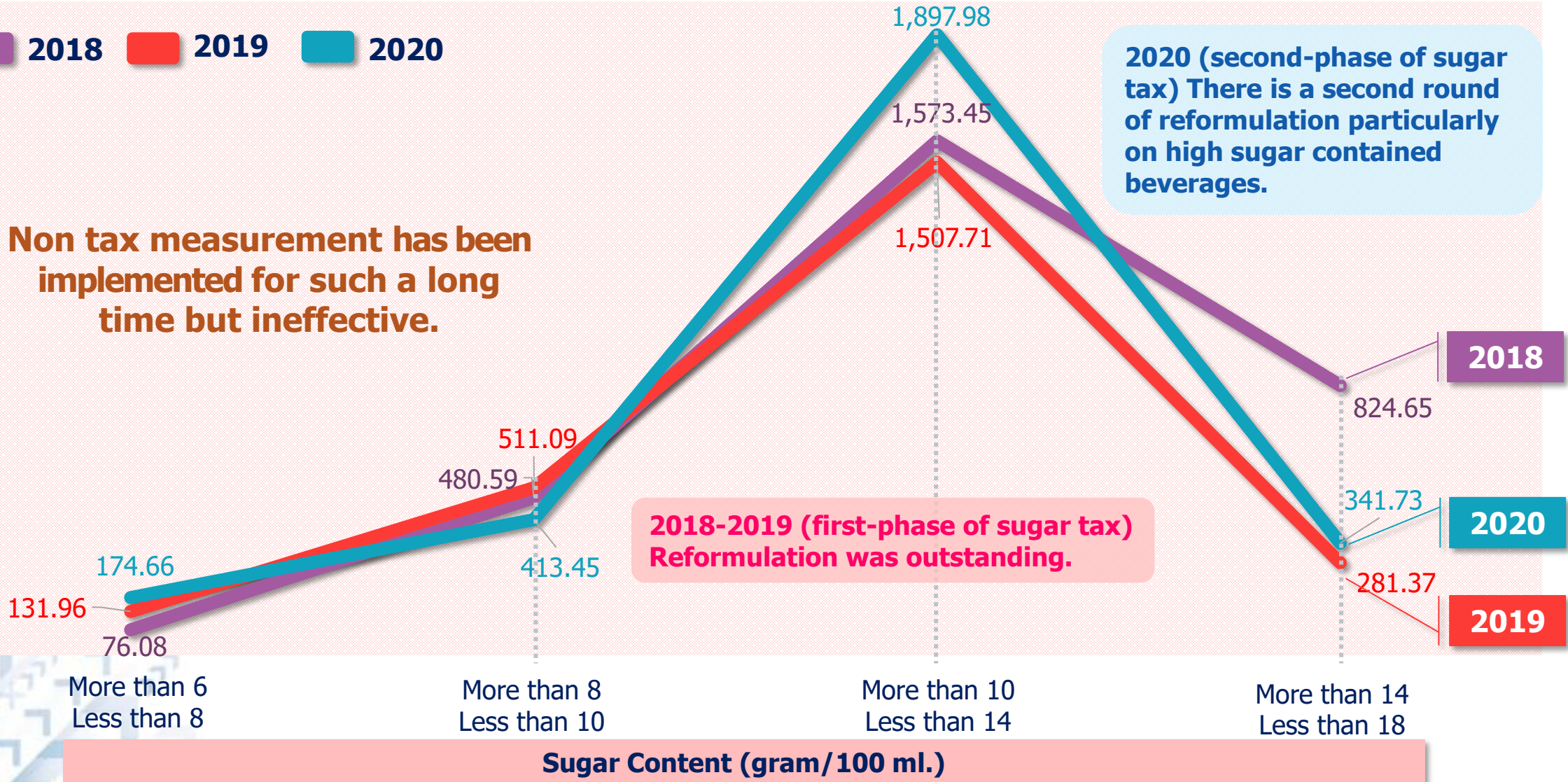
Million THB

2018 2019 2020

Non tax measurement has been implemented for such a long time but ineffective.

2020 (second-phase of sugar tax) There is a second round of reformulation particularly on high sugar contained beverages.

2018-2019 (first-phase of sugar tax) Reformulation was outstanding.





Healthier Choice Beverage Products before and after a sugary tax

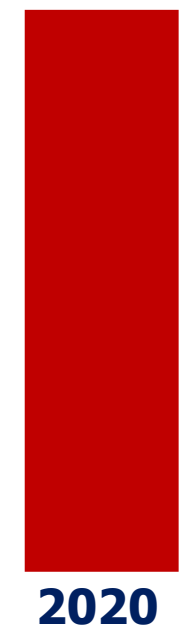


216
2017
before

↑ **367%**

1,009
2018
after

UNIT : Products
↑ **926%**
2,217



Beverage industry is willing to reformulate and develop new products for less and no sugar beverages.



Impact of Sugary Tax Lead to Changing in the Shelves

AFTER  35%



LOW SUGAR **SUGAR FREE** **NO CALORIES**



Key Features of Non-Tax Measures to Raise Public Awareness

- Promoting activities or campaigns to raise awareness and advocate for healthy dietary behaviors



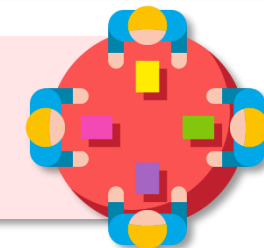
- Promoting Healthier Choice logo and food labelling education programs

- Increasing distribution channels for healthier products



- Promoting a nutrition education program designed to reduce sugar intake in school

- Cooperation between public and private sectors to increase the collaboration for tax and non-tax policy





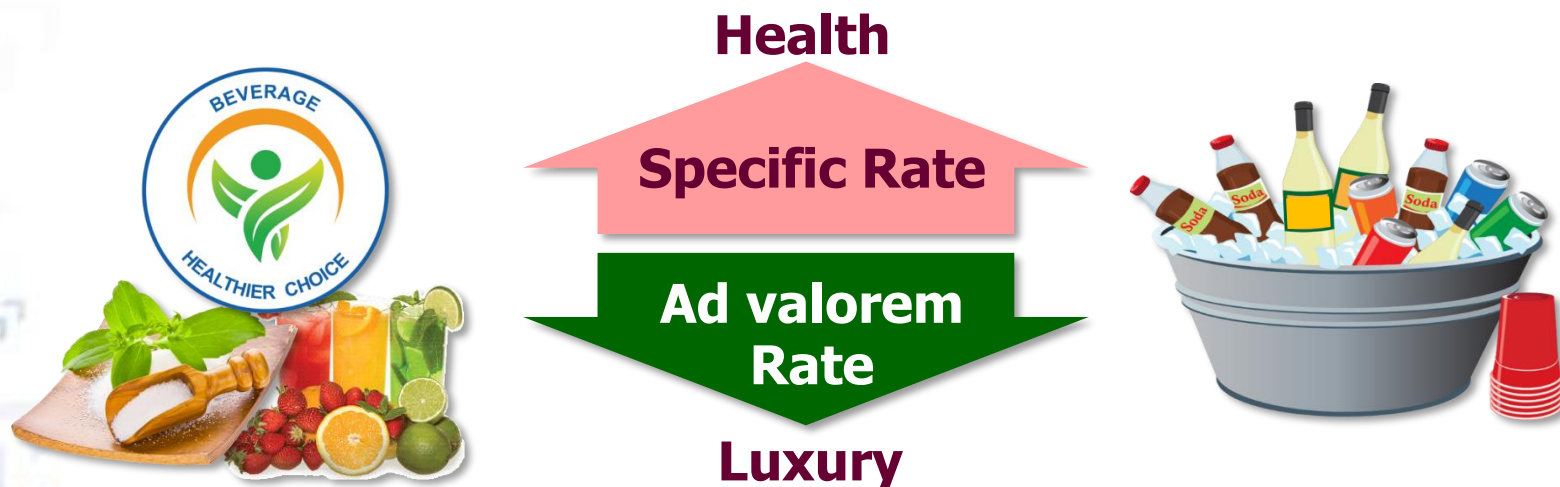
Success Stories

1. In the first-phase of sugary tax (2017-2019), there was reformulation evidently. Especially an energy drink, an average sugar is reduced by 26% from 16.7 grams to 12.4 grams per 100 ml. Also, fruit juices sugar content reduced average by 18% from 10.6 grams to 8.7 grams per 100 ml.
2. Number of beverages that received "healthier choice" logo increase drastically after a sugary tax has been implemented. Before the sugary tax (2015-2017), there was 216 items meanwhile there is currently 2,217 (926%) items at the end of 2020.
3. Number of beverages on the convenience store shelves has been increased 35% after a sugary tax has been implemented.



Future Direction of Non-Alcoholic Beverages Tax

- Promote health awareness as a key of excise tax development and tax innovation
- Encourage the beverage industry to reformulate their products according to the low sugar content
- Make sugar-free drinks cheaper and encourage people to consume more healthier products
- Functional drink trends becomes a new healthier trend
- As the COVID-19 pandemic, Thailand is considering to reduce the effect of sugar tax increase by postpone the third-phase implementation.





Thank you

