



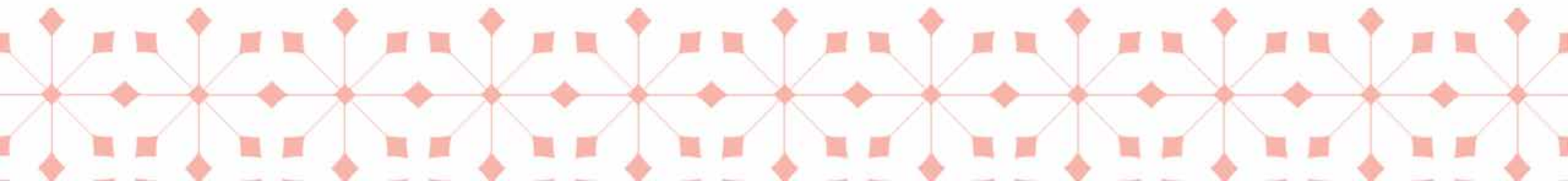
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# **Excise Taxation on Sugar-Sweetened Beverages (SSB Tax)**

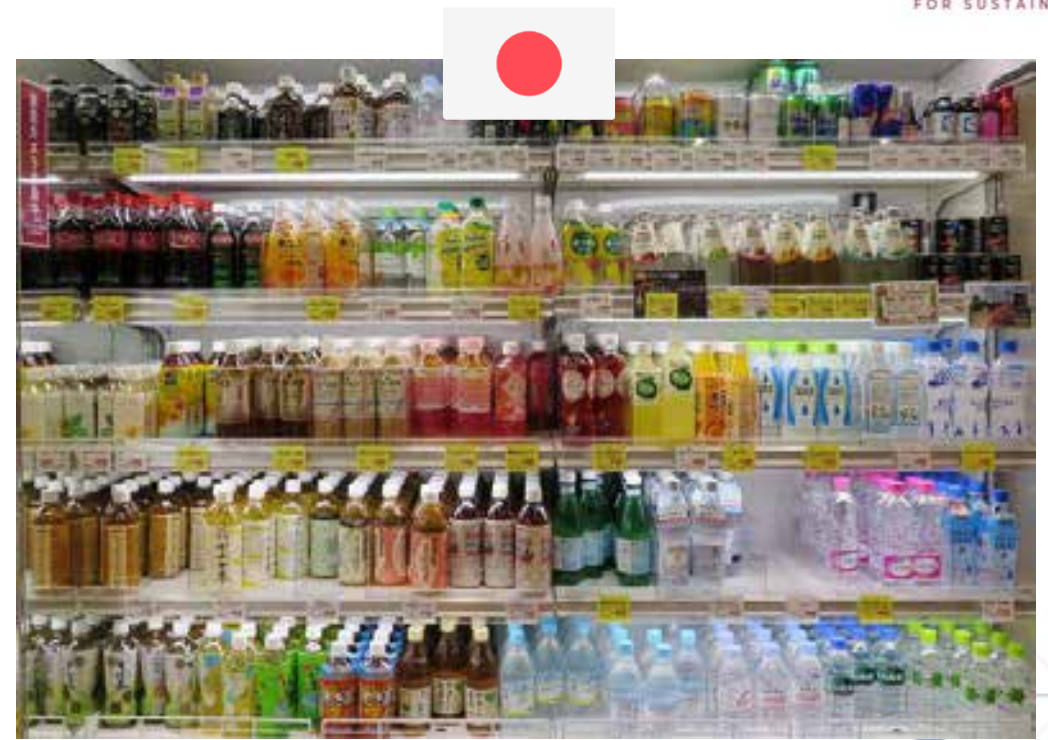
**Mr. Nutthakorn Utensute**  
**Excise Department**



# What's hitting the shelves? Healthy or Unhealthy...



**95% Sugary Drinks**







**85% Sugar-free Drinks**

# Sugar Contents in Drink



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## Carbonated Soft Drinks

	size (ml)	grams	teaspoons
	325	32.52	8.13
	245	25.00	6.25
	325	43.33	10.83
	1,500	142.50	35.63
	1,500	150.00	37.50



## Tea & Coffee

	size (ml)	grams	teaspoons
	500	58.00	14.50
	420	25.20	6.30
	250	32.52	8.13
	180	16.00	4.00
	180	16.20	4.05
	445	51.18	12.79

## Energy Drinks

	size (ml)	grams	teaspoons
	150	28.00	6.00
	150	28.00	6.00
	500	30.00	7.50

## Functional Drinks

	size (ml)	grams	teaspoons
	450	44.00	11.00
	330	17.00	4.25

4 grams = 1 teaspoon



**Did you know?**  
How much sugar is in your drink?



# Key Success Factors of Sugar Sweetened Beverages (SSB) Tax

## Fairness

- Using “sugar contents” as a unit tax base for locally produced or imported sugar sweetened beverages to create fairness: the higher the sugar content, the higher the tax would be

## Transparency

- “Guideline Daily Amount (GDA) Labeling” intending consumers to make healthier choice easier

## Simplicity

- $(\text{Suggested Retail Price} \times \text{Ad valorem Tax Rate}) + \text{Sugar Tax Based on Sugar Content}$

## Efficiency

- Encouraging manufacturers to reformulate to lower-sugar products and raising consumers awareness of the benefits of low sugar consumption

# Controlling Measures for Non-Alcoholic Beverages



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## Non-tax Policy

Raise awareness about sugar consumption

Change consumption habits (5-6 years)

Create cooperation between public and private sectors to suggest suitable sugar intake (Thai Pledge)

Provide a variety of healthy beverages



## Tax Policy



Specific Tax: Health Concern  
Ad Valorem: Luxury purpose

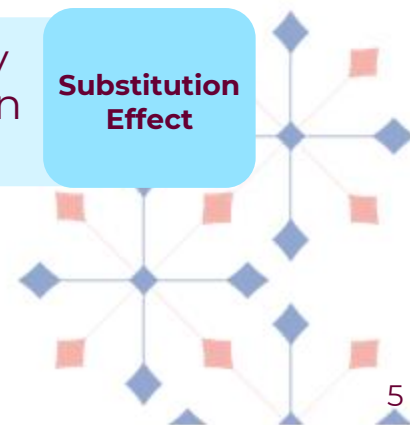
**Specific Tax  
VS.  
Ad Valorem  
Tax**

Use tax differentiate to  
change consumption habits

**Tax  
Differentiate**

Consider effects on tax policy  
that can lead to consumption  
of substitution products

**Substitution  
Effect**



# Current Non-Alcoholic Beverages Tax Structure



Item	The Excise Act B.E. 2527 (1984)	Tax Structure According to Excise Act B.E. 2560							
	Ad Valorem (Ex-Factory Price)	Ad valorem (Suggested Retail Price)	Unit Tax Based on Sugar Contained						
			Sugar Content	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	Baht/Litre	Baht/Litre		
	%	%							
<b>Soda</b>	25	14	-	-	-	-	-	-	-
<b>- Carbonated Soft Drinks - Sport Drinks - Energy Drinks</b>	20	14	Not Over 6	0	0	0	0	0	
			More than 6 Less than 8	0.10	0.10	0.30	1		
<b>Juice: General</b>	20	10	More than 8 Less than 10	0.30	0.30	1	3		
<b>Juice: Exempted</b>	Exempted	Exempted	More than 10 Less than 14	0.50	1	3	5		
			More than 14 Less than 18	1	3	5	5		
<b>Beverage Vending Machine</b>	-	14	Over 18	1	5	5	5		

# Taxation of Powdered or Concentrated Beverages

## Powdered or Concentrated Beverages Definition

- contain sugar
- dissolve in water



### exclude


- milk
- Supplementary products

## How to Test Amount of Sugar in Powdered Beverages and Concentrated Beverages

1. Test total amount of sugar (natural sugar and added sugar) excluding artificial sweeteners.
2. Test amount of sugar from quantity of water that has been dissolved by powdered beverages or concentrated beverages or
3. Tax payers shall submit product sample and declare a ratio of beverages to water or other ingredients




# Specific Tax on Non-Alcoholic Beverages (Sugar Tax)



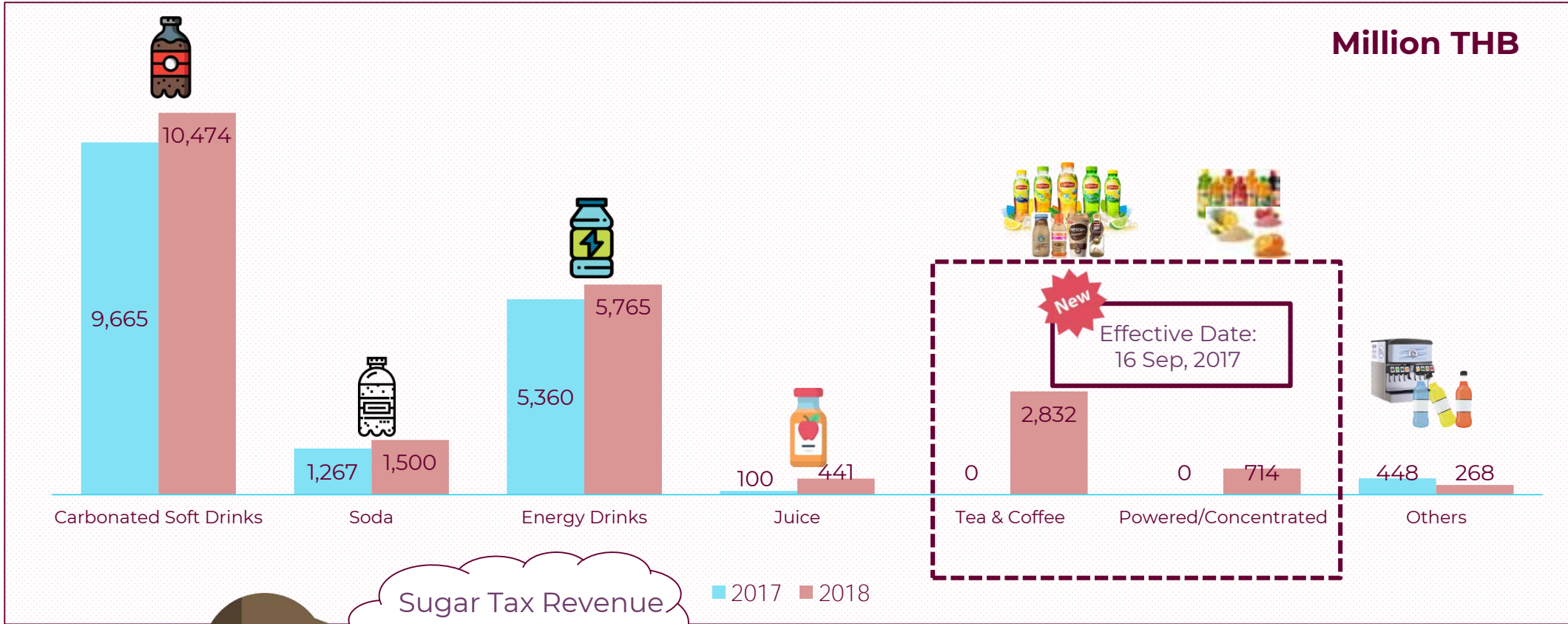
		Unit Tax Based on Sugar Contained (Baht/Litre)			
		16 Sept 2017 to 30 Sept 2019	1 Oct 2019 to 30 Sept 2021	1 Oct.2021 to 30 Sept 2023	1 Oct 2023 onwards
Sugar Content (gram/100 ml.)	0 - 6	0	0	0	0
	6 - 8	0.1	0.1	0.3	1
	8 - 10	0.3	0.3	1	3
	10 - 14	0.5	1	3	5
	14 - 18	1	3	5	
	> 18	1	5		



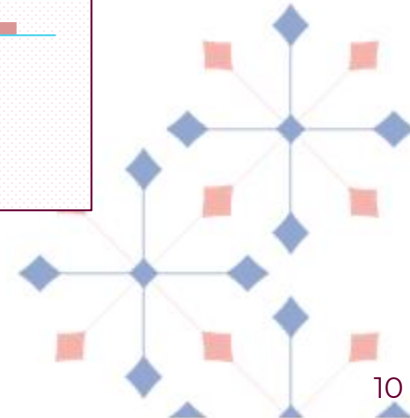
# Excise Tax Burden on SRP

		Total Excise Tax Burden (THB)			
		16 Sep 2017 - 30 Sep 2019	1 Oct 2019 - 30 Sep 2021	1 Oct 2021 - 30 Sep 2023	1 Oct 2023 onwards
 <p>Sugar Content 11 gram/100 ml.</p> <p>325 ml.</p>	SRP (exclude VAT)	10.00	11.00	13.00	16.00
	Unit Tax Based on Sugar Contained (baht/litre)	0.16	0.33	0.98	1.63
	Ad varoem (14%)	1.40	1.54	1.82	2.24
	Excise tax	1.56	1.87	2.80	3.87
	Interior tax (10% of Excise tax)	0.16	0.19	0.28	0.39
	<b>Total Excise Tax Burden</b>	<b>1.72</b>	<b>2.06</b>	<b>3.08</b>	<b>4.26</b>

# Non-Alcoholic Beverages Revenue Collection Fiscal Year 2017 & 2018



Sugar Tax Revenue = 2,763 Million THB



# Impact of SSB Tax and Industrial Sector Adjustment



Industrial Sector → Consumers



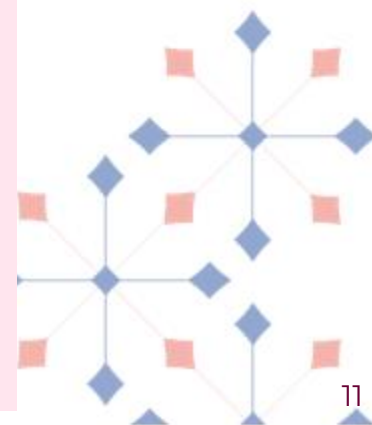
**FORMULATION**



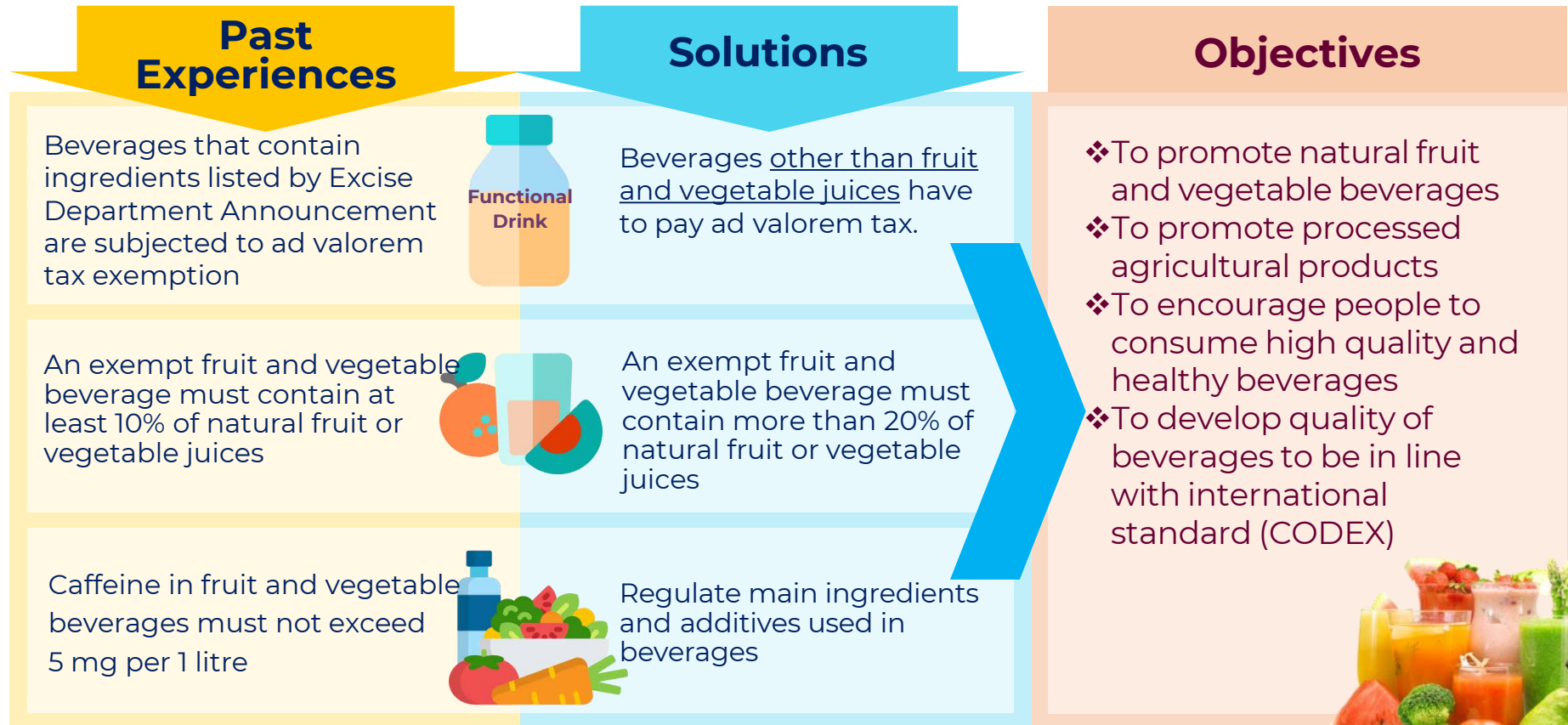
**REFORMULATION**



**CONSUME  
"HEALTHIER"  
PRODUCTS**

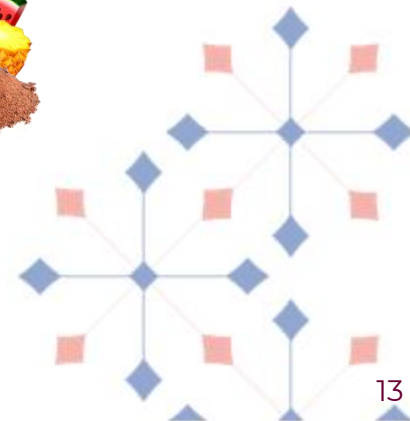


# Lessons Learned and Solutions: Fruit and Vegetable Beverages Case Study



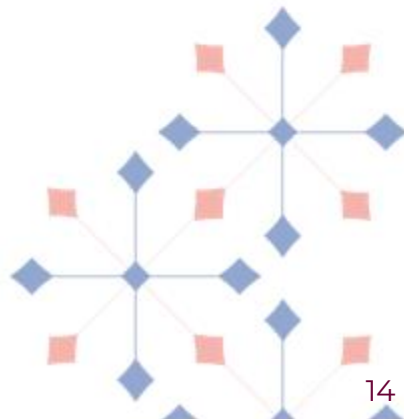
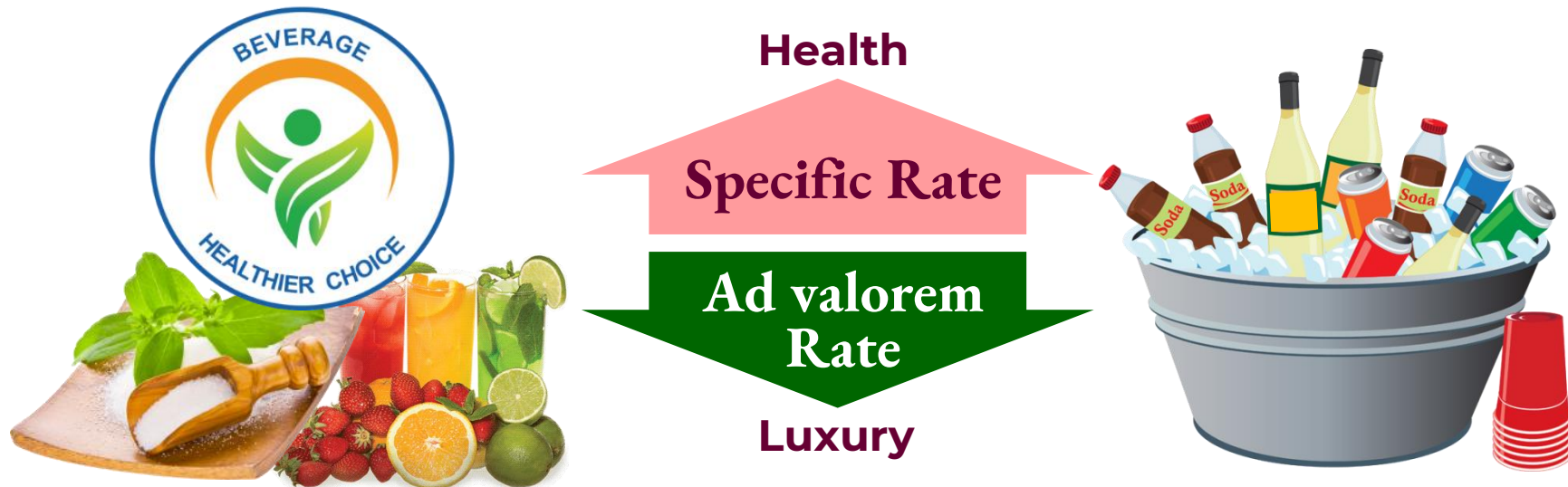
# New Non-Alcoholic Beverages Tax Structure

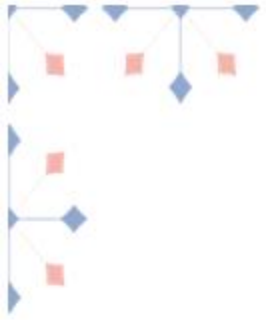
	Ad valorem	Specific
• Soda	14	n/a
• Carbonated Soft Drinks including Energy Drinks	14	Sugar tax
• Functional Drinks		
• Juice	10	Sugar tax
• General		
• Exempted	exempt	Sugar tax
• Powdered & Concentrated	n/a	Sugar tax



# 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 increase more healthier products to the consumers





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