Status of Tobacco Use and Its Control

THAILAND REPORT CARD

May 2008
Key Organizations

**Tobacco Control in Thailand**

**Government Ministries/ Agencies**
- National Committee for the Control of Tobacco Use (NCCTU)
  - Ministry of Public Health
  - Ministry of Education
  - Ministry of Finance
  - Ministry of Interior
  - Ministry of Justice
- Tobacco and Alcohol Control Group (TACG), Non-communicable Disease Department, Ministry of Public Health

**Non-Governmental Organizations**
- Action on Smoking and Health Foundation, Thailand (ASH)
- Thailand Health Promotion Institute (THPI)
- Thai Health Professionals Alliance Against Tobacco (THPAAT)
- South East Asia Tobacco Control Alliance (SEATCA)

**Other Institutions**
- Thai Health Promotion Foundation (ThaiHealth)
- Tobacco Control Research and Knowledge Management Center, Mahidol University (TRC)

**International Organization**
- World Health Organization Tobacco Free Initiative (WHO TFI), Thailand

**Abbreviations and Acronyms used in this report:**

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<tr>
<th>ACS</th>
<th>ASH</th>
<th>GTRN</th>
<th>ITEN</th>
<th>FCTC</th>
<th>GYTS</th>
<th>NCCTU</th>
<th>NCDD</th>
<th>POS</th>
<th>SHS</th>
<th>SEATCA</th>
<th>TACG</th>
<th>ThaiHealth</th>
<th>THPAAT</th>
<th>THPI</th>
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<tr>
<td>American Cancer Society</td>
<td>Action on Smoking and Health Foundation, Thailand</td>
<td>Global Tobacco Research Network</td>
<td>International Tobacco Evidence Network</td>
<td>Framework Convention On Tobacco Control</td>
<td>Global Youth Tobacco Survey</td>
<td>National Committee for the Control of Tobacco Use</td>
<td>Non-Communicable Disease Department</td>
<td>Point-of-sale</td>
<td>Secondhand smoke</td>
<td>Southeast Asia Tobacco Control Alliance</td>
<td>Tobacco and Alcohol Control Group</td>
<td>Thai Health Promotion Foundation</td>
<td>Thai Health Professionals Alliance Against Tobacco</td>
<td>Thailand Health Promotion Institute</td>
<td>Tobacco Control Research and Knowledge Management Center</td>
<td>World Health Organization</td>
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**WHO FRAMEWORK CONVENTION ON TOBACCO CONTROL (WHO FCTC): WHERE THAILAND CURRENTLY STANDS**

<table>
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<th>FCTC Article</th>
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| 5.3 Protection of tobacco control measures from interference by the tobacco industry | Each Party shall act to protect public health policies with respect to tobacco control from commercial and other vested interests of the tobacco industry in accordance with national law. | Tobacco industry interference:  
- CSR activities.  
- Support of consultant scientists and environmental trainings on air quality.  
- Illegal tobacco promotions, especially in youth venues. |
| 6 Price and tax measures to reduce the demand for tobacco | Each Party shall take account of national health objectives when setting tax and price policies on tobacco products, including tax- and duty-free sales; and report on tax rates and consumption trends to the periodic Conferences of the Parties to the FCTC. The excise tax rate should be 2/3 of retail price. | • The current tobacco tax is 63% of retail price that includes 61% excise tax of retail price plus 2% surcharge tax that used as dedicated tax for health promotion.  
• The 2% earmarked tax on tobacco and alcohol has enabled Thailand to fund the Thai Health Promotion Foundation.  
• The 1.5% earmarked tax for Thai Public TV. |
| 8 Protection from exposure to tobacco smoke | Each Party shall adopt and implement in areas of existing national jurisdiction as determined by national law and actively promote at other jurisdictional levels the adoption and implementation of effective legislative, executive, administrative and/or other measures, providing for protection from exposure to tobacco smoke in indoor workplaces, public transport, indoor public places and, as appropriate, other public places. | • Smoking restrictions are stipulated in The Non Smokers’ Health Protection Act 1992 which was effective on 29 December 2006 with more restrictions in the public places.  
• Individual violators are fined 2,000 Baht while licensed business violators 20,000 Baht.  
• Total smoking ban in pubs, bars and discotheques effective 7 February 2008. |
| 11 Packaging and labelling of tobacco product | Each Party shall adopt measures including requirements for the display of a rotated series of health warnings and other appropriate messages on tobacco product packaging that cover at least 30% (but ideally 50% or more) of the principle display areas and include pictures or pictogram, and prevention of false, misleading or deceptive packaging and labelling. | • Pursuant to the Tobacco Product Control Act 1992 (effectively regulated on 23 March 2007) requires that  
  - The display area of pictorial health warnings covers 50% of both the front and back top panel of the pack.  
  - Rotation of 9 different pictorial health warnings:  
    - Must be printed on every pack, cartons and as the labeling used in the retail outlets. |
| 13 Tobacco advertising, promotion and sponsorship | Each Party shall undertake a comprehensive ban of all tobacco advertising, promotion and sponsorship. | • The Tobacco Product Control Act, 1992 bans all forms of direct and indirect tobacco advertising except international publications and live telecast.  
• A complete ban on the retail display of tobacco products effective 24 September 2005. |
Based on the Health and Welfare Survey (HWS) from 1991 – 2006, the smoking prevalence among male and female aged 15 and above is estimated to be:

<table>
<thead>
<tr>
<th>Gender</th>
<th>1991 (%)</th>
<th>2006 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>55.63</td>
<td>36.91</td>
</tr>
<tr>
<td>Female</td>
<td>4.60</td>
<td>2.00</td>
</tr>
<tr>
<td>Total</td>
<td>30.46</td>
<td>18.94</td>
</tr>
</tbody>
</table>

- The overall smoking prevalence has decreased from 30.46% in 1991 to 18.94% in 2006.
- Prevalence of daily smoking in all age groups has continuously decreased from 1991 – 2006.
- Smokers in the older age group (41 – 59 years old) tend to smoke more as compared to younger group (aged between 15 and 18 years old).
- The number of cigarettes smoked per day
  - has decreased from 12 sticks in 1991 to 10 sticks in 2006 among the male smokers
  - has increased from 7 sticks to 8 sticks per day among the female smokers
- The average age of smoking initiation was 18 years old.
- The smoking rate was higher among the low education group as compared to those with high education.
- The overall smoking rate is higher in rural areas (20.85%) than urban areas (14.7%) in 2006.
- The low income groups tend to spend more on tobacco than the high income groups, that is 13.55% and 2.69% of their annual household incomes, respectively.

The Global Youth Tobacco Survey (GYTS) 2005, among youth aged between 13 and 15 showed that:

- Prevalence of current smokers was 11.7%.
- Boys (17.4%) were 3.6 times more likely than girls (4.8%) to use some form of tobacco.
- 7.8% reported smoking a cigarette first thing in the morning indicating their addiction to nicotine.
- Though under aged, 28.3% of current smokers reported having purchased their own cigarettes, with 25.2% among boys and 54.7% among girls.
- 10.2% were offered free cigarettes by a tobacco company representative in the last month.
- 42% owned an object (such as t-shirt, hat, knapsack and sticker) with a cigarette or tobacco logo on it.
- One in ten of never smokers had intention to initiate smoking in the next year.

Tobacco Expenditure Use

Evidently the smoking pattern appeared to be higher among the low income groups than the high income groups. In 2006, the poorest families spent 13.55% of their annual household incomes on tobacco, which was 6 times higher than the richest families which only spent 2.69% on tobacco.

Cost of Smoking

The total cost or economic loss attributable to COPD and Lung Cancer was approximately 20.51 billion Baht (US$514 million) in 2003. The estimated total health care cost for the top three tobacco related diseases (COPD, Coronary Heart Disease and Lung Cancer) was 145,028.80 Baht/person/year (US$3,625.72).
The tobacco market in Thailand is dominated by the Thai Tobacco Monopoly (TTM) since it first started in 1939 after the implementation of the Tobacco Monopoly Act that stipulated cigarette production as a state monopoly. No foreign companies are allowed to manufacture tobacco products in the country. In 1990, Thailand has opened its doors allowing tobacco multinationals to market their products. Since then, the major companies are
• Thailand Tobacco Monopoly (TTM)
• Philip Morris (PM)
• Japan Tobacco (JT)
• RJ Reynolds Tobacco (RJR)

It was estimated that the Thailand Tobacco Monopoly Company had 87% of the market share in 1999 and other companies such as PM and RJR had 8% and 3% of the market share, respectively. BAT and other manufacturers shared the remaining 2% of the market.

In 2005 the Thailand Tobacco Monopoly Company has dominated the sales with 76.7% of total volume despite facing problems of growing popularity of international brands and also losses in sales to counterfeit of its brands. Philip Morris as the most successful international supplier has contributed 20.8% of total market sales followed by BAT which ranked third with 2% whilst Japan Tobacco ranked fourth with 0.4% of volume sale.

Under the ASEAN Free Trade Agreement (AFTA) in 2002, the import tariffs has reduced to 5% on cigarettes made in the region thus benefiting multinational producers with factories in Philippines and Indonesia. However, cigarettes from Malaysia are subjected to 15% duties.

The international tobacco companies have taken full advantage of this AFTA Agreement by moving their production facilities to ASEAN countries so that their products are subjected to lower tariffs and are much more competitive with local brands.

As a result of AFTA implementation, the import volumes have increased to 66.6% or almost 12.7 billion sticks. In spite of this, the market remained dominated by the country’s tobacco monopoly with 79.2% of total volume sale in 2004.

Tobacco cultivation is mainly in Northern Thailand. Between 2006 and 2007, the area for tobacco cultivation was 0.07% of the total arable land. It was estimated about 78,467 Rai (12.5 thousand hectares) of land were used for tobacco farming for Thailand Tobacco Monopoly. The three main tobacco leaves produced by TTM were:

a) Virginia (10,000 tonnes)

b) Burley (9,000 tonnes)

c) Turkish (3,600 tonnes)

There are 32 thousand million cigarettes produced under 24 different product brands by the state-owned tobacco company and about 63 brands of imported cigarette were available in the market in 2001. In 2004, the market shares of leading brands in Thailand were as followed:

<table>
<thead>
<tr>
<th>Brands</th>
<th>% Volume</th>
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<tbody>
<tr>
<td>Krong Thip 90 (TTM)</td>
<td>44.2</td>
</tr>
<tr>
<td>Saifon (Falling Rain) 90 (TTM)</td>
<td>18.5</td>
</tr>
<tr>
<td>Wonder Menthol (TTM)</td>
<td>14.2</td>
</tr>
<tr>
<td>Wonder Full Flavour (TTM)</td>
<td>9.7</td>
</tr>
<tr>
<td>L&amp;M (Philip Morris)</td>
<td>6.8</td>
</tr>
<tr>
<td>Golden City 90 (TTM)</td>
<td>3.0</td>
</tr>
<tr>
<td>Marlboro (Philip Morris)</td>
<td>3.0</td>
</tr>
<tr>
<td>Others</td>
<td>0.6</td>
</tr>
</tbody>
</table>

About 94,486 tobacco farmers accounted for 0.67% of the Thai labour force between 1999 and 2000. In tobacco manufacturing, about 4,925 people were employed by the Thailand Tobacco Monopoly.

In 2005, the Thai Tobacco Monopoly (TTM) had revenues of 44.5 billion Baht and profits of 6.1 billion Baht. The cigarette sales were estimated to be 34.2 million sticks valued at 44.0 million Baht or 98.8% of total revenue which has increased 0.19% in volume compared to 2004.
The Tobacco Product Control Act, 1992\textsuperscript{12} bans all forms of direct and indirect tobacco advertising including print and electronic media, brand sponsorship and various forms of promotion including gifts, discounting, coupons and free items. However actions to restrict advertising have been incremental and taken over many years as shown below:

- Total ban of advertising, promotion and sponsorship (1989)
- Ban sale by vending machine (1992)
- Ban sale to minors (1992)
- Ban smoking scene on TV (2001)
- Ban point of sale display (2005)
- Ban sale of smokeless tobacco (1992) and Prohibit sale of kiddy packs (2005) are regulated by Executive Orders.

**Legal provisions that omit or provide loopholes:**

- International print and electronic forms are not yet prohibited, including international publications and internet or cell phone promotions.
- Company name sponsorship is also not prohibited where they do sell non-tobacco products bearing brand and company names.
- The tobacco industry uses free gifts, venue and buzz marketing to sell their products and/or to sign up customers for promotional schemes.

With such tough legislation, the industry, such as the TTM, has shifted mostly into Corporate Social Responsibility (CSR) activities such as working with school projects, sports and cultural events, the military and the Thailand Excise Department.

Philip Morris announced a program of art sponsorship in Southeast Asia, and it now holds an annual Association of Southeast Asian Nations (ASEAN) arts contest in a different ASEAN country each year.

Philip Morris donated to ‘disaster relief’ funds and its Arts Foundation gave out ASEAN Art Awards to artists in the region from 1994 until 2005.

TTM sponsored police departments in three provinces in Southern Thailand for school security projects and also the Thailand Red Cross charity fund in 2007.

For Thailand, CSR is one of the remaining frontiers where the industry can still make its presence felt with the public and the policy makers to influence and lobby for more lenient policies.
A follow-up cohort survey of 2,000 smokers in 2006 (after the implementation of pictorial health warning ‘Smoking may be harmful to health’ on the side of packs. To date, the current policy on health warnings has met the FCTC recommended requirements of pictorial health warnings.

Thailand has demonstrated that tobacco warning labels are not just about informing people about the dangers of smoking. They are also an important method of eliminating the packet itself from becoming an advertising medium.

The Next Steps:

- To push for quitline number to be displayed on cigarette packs.
- To move for plain packaging of cigarette products. This can deter the use of decorative logos and colors to represent the company brand to market their cigarettes.
Smoke-free Environment

The Nonsmokers’ Health Protection Act, adopted in 1992 grants authority to the Minister of Public Health to create non-smoking areas in various public places. In advancing the smoke-free policy development, an updated 2006 regulations of the Nonsmokers’ Health Protection Act, 1992 has stipulated more restrictions in the following places.  

Complete Ban

1. Fixed-route or hired passenger vehicles
2. School and university buses
3. Vehicles used on government missions
4. Waiting areas for vehicles
5. Elevators
6. Public telephone areas
7. Toilets
8. Entertainment houses
9. Libraries
10. Meeting rooms, training or seminar rooms
11. Pharmacies, medical centers and buildings for humans and animals for outpatient care
12. Buildings used as a place of business for Thai massage, traditional massage, health massage, beauty massage, health spas
13. Stadiums for watching sports and shows, buildings for all indoor exercises or sports, excluding snooker or billiards
14. Children’s playgrounds, pre-school kindergartens, other schools or educational institutes lower than university level
15. Public areas of religious places, and sections of religious places, where religious practices are performed, such as temples
16. Air-conditioned places for holding arts or cultural shows, museums, art galleries
17. Air-conditioned department stores, trade centers, exhibition halls
18. Air-conditioned mini-marts, hairdressers, tailors, beauty salons, drug stores and internet venues
19. Air-conditioned lobbies or hotels, resorts, dormitories, rented rooms, condominium buildings, courts and apartments
20. Air-conditioned sections of food courts, beverage selling places and restaurants

Partial Ban

1. Government and state enterprise buildings
2. Air-conditioned private buildings
3. Transport stations including Domestic and International Airports and Piers
4. Gas stations
5. Universities or colleges
6. Knowledge centers, carrier training centers, tutorial centers, language centers, music learning centers, acting learning centers, art learning centers, sports learning centers, etc.
7. Banks and Financial Institutions
8. Religious places
9. Outdoor sports centers or stadiums
10. Parks, Zoos and botanical gardens
11. Hospitals and animal hospitals

However, smoking is still permitted in some places. A partial ban has been implemented in the following areas with exceptions include private rooms and designated smoking areas.

Big Move: Smoke-free Pubs, Bars and Discotheques

In advancing the expansion of smoke-free area, Thailand again is the first country Asia to have smoke-free pubs, bars and discotheques effective 7 February 2008.

The Ministry of Public Health is likely to extend the ban of public smoking, but it is difficult to get a complete public and workplace ban since the approach has been incremental and certain areas have been given exemptions and these may take some time to eliminate.

Fine

2,000 Baht fines will be imposed on individuals who violate smoking ban in public places and 20,000 Baht for licensed business violators.
Taxes imposed on cigarettes consist of tariffs on imported tobacco leaves and cigarettes, excise tax, health tax, local tax, and the value-added tax. Since 6th December 1993, both imported brands and locally produced cigarettes were imposed ad valorem excise duties and value added tax. This was introduced in relation to the opening of the Thai market to imported brands and to comply with GATT demands.¹

Excised tax increased for the first time in 1993 from 55% to 60%. It was observed that the Thai law limits excise duty to a maximum of 80%. There were no excise increases in 2002, 2003 or 2004 but in December 2005 the excise tax was raised from 75% to 79% and later was increased to 80% of the factory price in September 2007². With this positive trend, the revenue from annual cigarette excise tax had continually risen from 15,438 million Baht in 1992 to 38,233 million Baht in 2005 and decreased to 35,642 million Bath in 2006.³

The value-added tax (VAT) was first used in Thailand on 1st January, 1992 with the rate set at 7% on cigarettes, other tobacco products, and many other goods. Tobacco leaf is exempted from VAT. However, the rate was increased to 10% on 16th August, 1997 following the onset of economic crisis and effective for only one year and a half. The rate was later set at 7% since 1st April 1999 till present.²²

By 2003, under the ASEAN Free Trade Agreement (AFTA), the import tariff on cigarettes manufactured in the ASEAN region was reduced to 5% except products that come from Malaysia were charged a rate of 15%. This has resulted in under-pricing of imported cigarettes and it became more comparable to local brands. Comparison of cigarette prices between domestic and imported brands from TTM²³ is shown below:

Other taxes have also been applied on tobacco products. Since 7th November 2001, about 2% of health tax is applied on all sticks of manufactured and imported cigarettes. The Provincial Administrative Organizations (PAOs) extract revenue from the retail trade margin of all sticks of cigarettes. The rates of the local tax are different across PAOs and can be as high as 0.05 Baht per stick. Each province, except Bangkok, charges up to 1 Baht per pack of cigarettes for financing municipal events and activities.²²

### Current Cigarette Tax

- The current tobacco tax is 63% of retail price.
- This include 61% excise tax of retail price plus 2% surcharge tax that used as dedicated tax for health promotion.
- The 2% earmarked tax on tobacco and alcohol has enabled Thailand to fund the Thai Health Promotion Foundation.
- The 1.5% earmarked tax for Thai Public TV.

### Health Promotion

ThaiHealth was established on 8th November 2001 under the enactment of the Health Promotion Act, B.E. 2544 (2001).
- 2% of sin taxes are collected from tobacco and alcohol.
- The revenues are used to fund public health campaigns (health promotion, alcohol and tobacco control programmes) and to conduct health research.
Thailand ratified the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) on the 8th November 2004. To further reduce the burden of tobacco use and to improve public health, the government should strengthen its efforts to fully implement the FCTC recommendations.

To further advance tobacco control in the country, the government needs to make sure that the tobacco control policies are free from the tobacco industry interference. In order to achieve this objective, a new regulation should be imposed on all tobacco companies to require them to report their expenditures for public relations and promotions including funding for sports, arts, cultural and science events. A monitoring and surveillance system of tobacco company activities under the supervision of the National Committee for the Control of Tobacco Use (NCCTU) should be established to keep an eye on the tobacco industry tactics. The government should also increase license fees and requirements with provision for loss of license if the licensee or his employee(s) violate advertising as well as sale to minor or other license provisions.

In protecting the Thai populace from the harms of exposure to secondhand smoke, it is urgent that government should adopt and implement 100% smoke-free environments. Priority should be given to instituting a total smoking ban in all governmental and private workplaces. To further support this policy an updated 2006 regulations of the Nonsmokers’ Health Protection Act, 1992 should be amended to remove exceptions in all indoor localities that are currently permitted. The government should not permit having smoking rooms even with ventilators because they are found to be ineffective. In line with this is the need to ban the adoption of smoking zones in all indoor venues and restrict smoking in outdoor localities to specific designated areas. Public awareness to increase compliance and strict enforcement as well as monitoring is required for effective implementation of a smoking ban. To ensure compliance to the ban, the government should monitor and enforce policy implementation as well as “No Smoking” signages to be prominently displayed in all designated venues.

Many studies have shown that raising tobacco tax and thus tobacco price is the most effective tobacco control measure to reduce tobacco consumption and to protect public health. To accomplish this objective, the Ministry of Health (MOH) should work closely with Ministry of Finance to increase the current tax of 63% to above 75% of the retail price as recommended by the World Bank. It is recommended that tobacco be excluded from all free trade agreements.

The government should implement plain packaging for all cigarette packs with branding only in small letters on one end of the pack to get the best result of reducing tobacco use among the Thai populace.

The government should give emphasis to implementation of Article 14- Smoking Cessation by establishing a national quit line and include nicotine replacement therapies on the national drug list so that they are readily available to the public. A quit line number and information should be printed on all cigarette packs to facilitate smokers to quit.
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CONTRIBUTORS:

In-country:

Prof Dr Prakit Valtheesatogkit,
Secretary General, ASH Thailand

Dr Lakkhana TermSirikulchaj, Director,
Tobacco Control Research and Knowledge Management Center, Mahidol University.

Dr Stephen Haman, Researcher,
Tobacco Control Research and Knowledge Management Center, Mahidol University.

For more information, please contact:
Dr Lakkhana TermSirikulchaj
Email: phlts@mahidol.ac.th
phlts@gmail.com

SEATCA:

Ms Bungon Ritthiphakdee, Director
Dr Mary Assunta, Policy Development Advisor
Dr Ulysses Dorotheo, FCTC Program Manager
Ms Menchi G Velasco, Research Manager
Ms Accharawan Wongsatithkul, Capacity Building Program Manager
Ms Joy F Alampay, Communication Manager
Ms Tan Yen Lian, Country Technical Advisor
Mr Pikasit Sitta Technical Officer
Ms Nannaphat Mathanee NIH Project Coordinator

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Southeast Asia Tobacco Control Alliance (SEATCA)
36/2 Pradipat 10, Phayathai
Bangkok 10400, Thailand
Website: www.seatca.org
Email: info@seatca.org