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PRESS RELEASE

SEATCA urges ASEAN governments to speed-up implementation of tobacco tax policies

Yangon, 18 September 2015: Countries in Southeast Asia remain lacking in effective tax policies on tobacco. This is the main finding of the report *'Tobacco Tax Index: Implementation of WHO Framework Convention on Tobacco Control (FCTC) Article 6 in ASEAN Countries,"* released today by the Southeast Asia Tobacco Control Alliance (SEATCA).

"The ASEAN region as a whole has moved at snail's pace in implementing effective tobacco tax policies. Despite the global recognition that high tobacco taxes can reduce consumption and the tobacco-related disease burden while also raising government revenues, most countries do not have a long-term tobacco tax policy," the report said. The world's first Tobacco Tax Index by SEATCA assesses the progress in ASEAN countries of price and tax measures to reduce tobacco use in line with the international implementation guidelines for Article 6 of the World Health Organization's Framework Convention on Tobacco Control. This assessment can help governments identify and close gaps in order to strengthen and hasten the implementation of their tobacco tax policies.

Main findings in the report include: Cigarettes in ASEAN are generally affordable even to the poor and the young;

- Only Brunei and Singapore have uniform specific taxes, while the Philippines is expected to implement its policies by 2017;
- Brunei, Malaysia, and Singapore are the only ASEAN countries that tax all tobacco products (cigarettes and non-cigarette products) in a comparable manner;
- Most ASEAN countries require fiscal markings, such as tax stamps, but no country uses them in a tracking and tracing system.
- Comparing these findings with the international guidelines, the report urges governments to:
- Develop and implement long-term tobacco tax policies that include public health targets
- Raise taxes high enough on a regular basis to reduce affordability;
- Apply a uniform specific tax system or a mixed system with a minimum specific tax floor;
- License all manufacturers, importers/exporters, distributors, and retailers of tobacco products and manufacturing equipment;
- Establish a tracking and tracing system, including fiscal markings with a unique identifier, to reduce the risk of smuggling and assist in investigations of illicit trade;
- Prohibit tax-free or duty-free tobacco products

"To effectively regulate the tobacco industry in line with international best practice, governments should require the tobacco industry to periodically submit detailed financial reports that include information on tobacco manufacture and sales volumes, market share, marketing expenditures and revenues, and volumes of raw material inputs," said Ms. Sophapan Ratanachena, SEATCA's Tobacco Tax Program Manager.

Noting the tobacco industry's constant interference and opposition to tobacco tax increases, SEATCA's FCTC Program Director, Dr. Ulysses Dorotheo, added that "a code of conduct for all government officials prohibiting unnecessary interactions with the tobacco industry is essential to successfully develop and implement effective tobacco tax policies." The Philippines is leading in this respect with the Joint Memorandum Circular No. 2010-01 issued by its Civil Service Commission (CSC) and Department of Health (DOH).

Reducing affordability through higher tobacco taxes is one of the most potent and cost-effective strategies to reduce tobacco use and save lives, encouraging current users to stop or reduce consumption and discouraging the youth from starting. The positive health impact is even greater when governments consider dedicating tobacco excise revenues for tobacco control in their respective countries such as in Thailand and Vietnam.

The SEATCA Tobacco Tax Index can be downloaded here:
http://seatca.org/dmdocuments/SEATCA%20TOBACCO%20TAX(17SEPT15)WEB.pdf

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