



THE PHILIPPINE EXPERIENCE ON SIN TAX LAWS

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PRESENTATION OUTLINE

1

Sin Tax Laws in the Philippines

2

Earmarked Funds for Health

3

Impact on Health Outcomes

4

Funded Key UHC Reforms

5

Challenges and Recommended Initiatives



THREE (3) SIN TAX LAWS PASSED IN THE PHILIPPINES

Covered Products in the PHL Sin Tax Laws



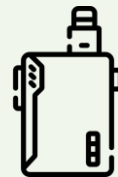
Tobacco



Alcohol



Sugar-
sweetened
beverages
(SSB)



Heated tobacco
products (HTPs) &
vapor products

Objectives of the Sin Tax Laws

1

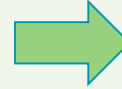
To promote health by reducing the consumption of “sin” products

2

To **generate revenues** to be earmarked to health



Other Philippine laws related to the Sin Tax Law



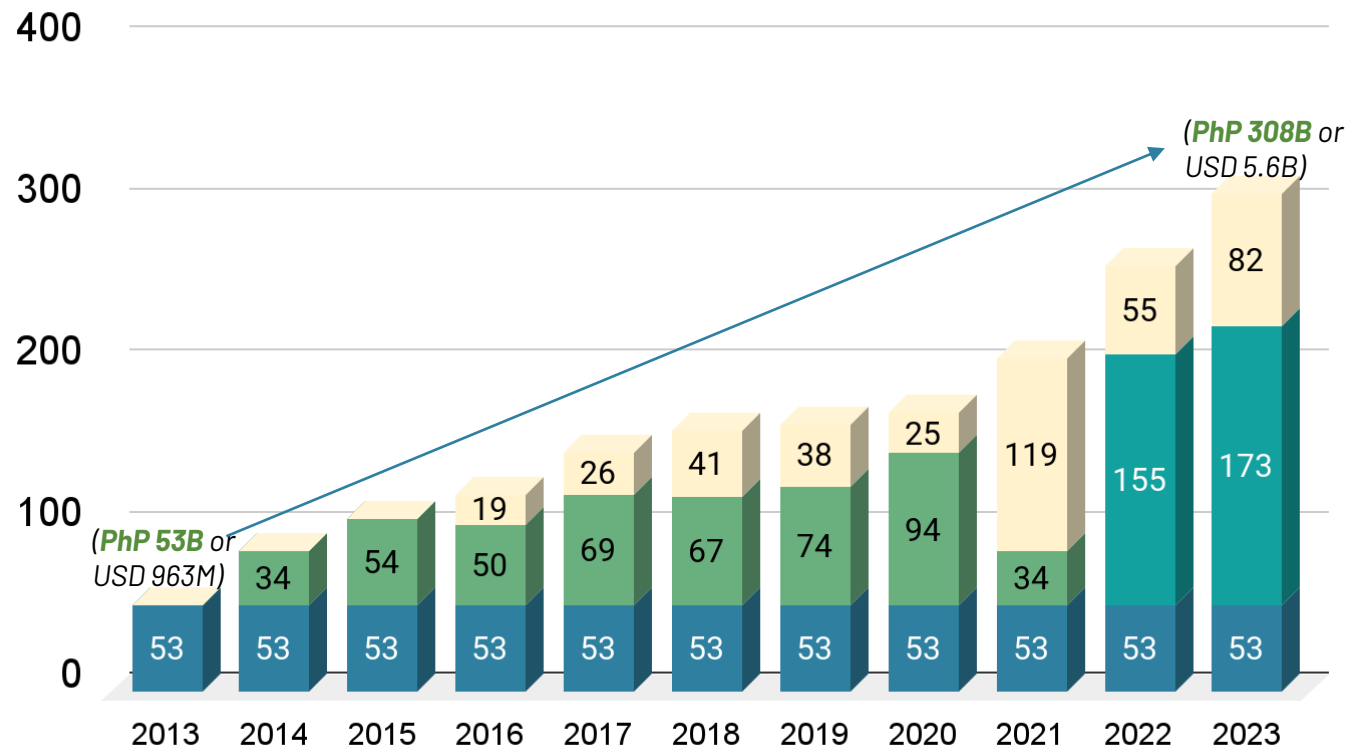
R.A. 10643 The Graphic Health Warning Law



R.A. 10963 - TRAIN Law (Sec. 150-B)



The Health budget* has increased by six-fold due to sin tax revenues



*Note: Refers to the Department of Health - Office of the Secretary and PhilHealth combined budget



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Incremental Sin Tax Revenues from tobacco and alcohol

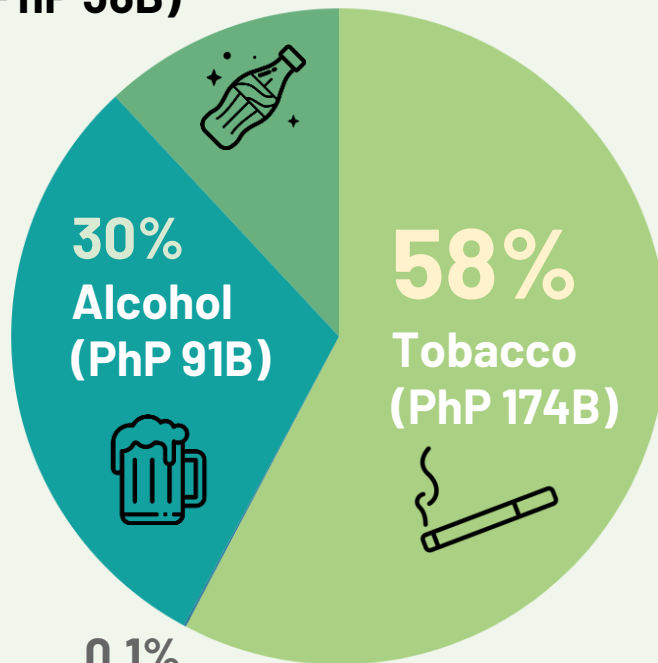


Total Excise Taxes from tobacco, alcohol, SSBs & heated tobacco products
 (Note: In 2023, there is almost PhP 5B variance which was not attributed to PhilHealth)

**PhP 302 Billion or
USD 5.5 Billion
total excise taxes
were collected in
2021**

12%

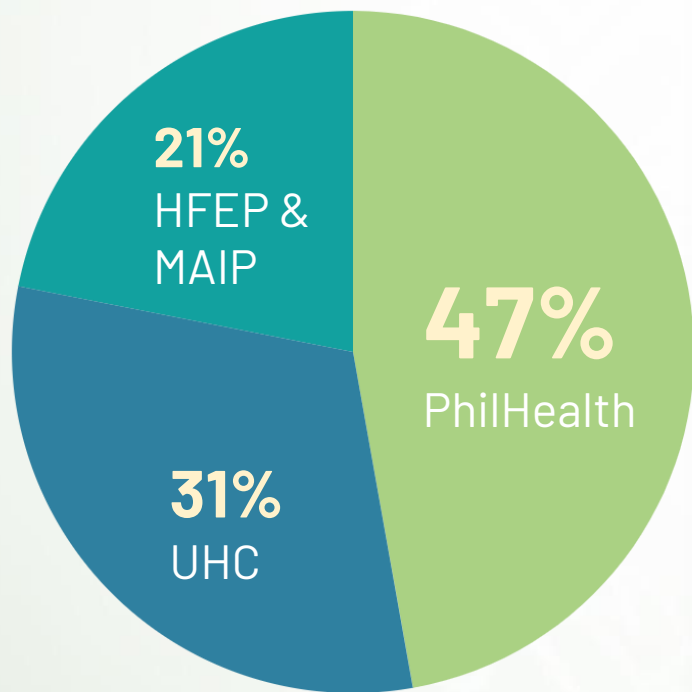
**Sweetened Beverages
(PhP 36B)**



0.1%

**HTP & Vapor Products
(PhP 380M)**

EARMARKED FUNDS FOR HEALTH



Out of the PhP 302 Billion, **59% or PhP 178 Billion** is earmarked for health, as follows:

USD 1.49M or
Php 84B

PhilHealth

USD 978.3M or
PhP 55B

Universal Health Care

USD 693M or
PhP 39B

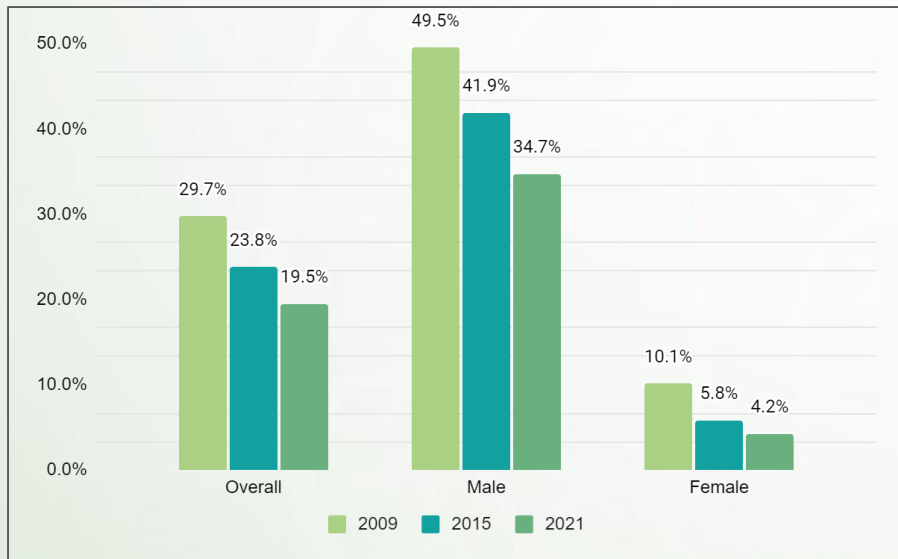
Health Facilities
Enhancement Program (HFEP)
& Medical Assistance to
Indigent Patients (MAIP)



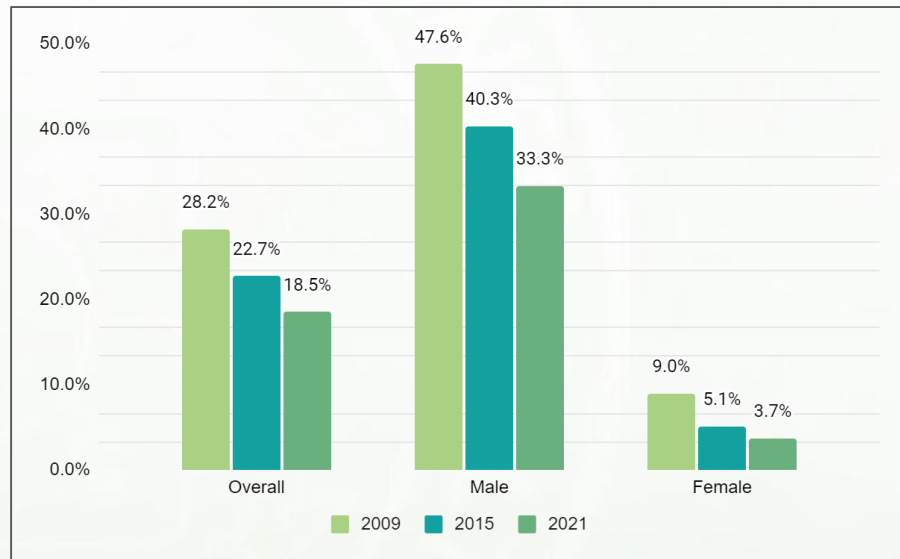
PREVALENCE OF CURRENT TOBACCO USE

(2009, 2015 and 2021)

Current Tobacco Use



Current Tobacco Smoking



Source: Philippine Global Adult Tobacco Survey



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Funded Key UHC Reforms

(1 of 3)



25,955 deployed
Health Human
Resource



4.14 million
Medical Assistance to
Indigent and
Financially
Incapacitated
beneficiaries



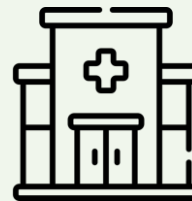
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Funded Key UHC Reforms

(2 of 3)



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21,539
completed
health facilities



7,262

Barangay Health Stations



4,494

Rural Health Units



38

Polyclinics



2,392

LGU Hospitals



6,940

DOH Hospitals



413

Other Healthcare
Facilities

Funded Key UHC Reforms

(3 of 3)



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National Health Insurance Program *NHIP*



104 million registered Filipinos



2,428 Accredited KONSULTA providers



66% PhilHealth Support Value

CHALLENGES AND RECOMMENDED INITIATIVES ON SIN TAX

CHALLENGES



CALL TO ACTION



Research gaps on alcohol , SSBs & HTPs **and policy gaps** on tax rates of new sin tax products

Collaborate with international partners for research/policy funding grants



Limited expertise/capacity to do tax modelling for new sin tax products (e.g junk foods)

Seek training opportunities on tax modelling and learn from best practices of other countries



Policy advocates for **lobbying earmarking laws for health from other sin products**

Establish strong networks to advocate for additional funds for health

KEY TAKEAWAYS

- **“Sin taxes” remain to be one of the most effective interventions for tobacco control**, especially when implemented with other tobacco control measures such as graphic health warnings, tobacco cessation program, etc
- Support must be provided to member states to **build and strengthen in-country capacity and promote cross-country cooperation on health taxation**
- **Whole-of-society policy advocacy and stakeholder mobilization must be sustained** for maximum results in terms of health impact and revenue collections



Thank you!



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