

# Philippines raises tobacco, alcohol taxes

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The Philippines Thursday raised tobacco and alcohol taxes in a reform President Benigno Aquino hailed as helping to liberate "more Filipinos from the vices of smoking and drinking".

Aquino, a smoker himself, said the "sin tax" law was a victory against the powerful [tobacco](#) lobby and would provide extra funds for better health care and facilities.

"The enemy was strong, noisy, organised and had deep pockets... but as I have always said, there is nothing that can stop Filipinos who are marching in the right direction," the president said in a speech at the signing ceremony.

Aquino spokesman Ramon Carandang said the sin taxes would raise 33 billion pesos (\$800 million) in 2013, rising gradually over the succeeding years.

Aquino said the government had first asked parliament to raise excise taxes on "sin" products such as cigarettes and [alcoholic beverages](#) in 1997, but these were only passed in 2004 amid strong opposition by the tobacco lobby.

The lobby included members of parliament representing tobacco-growing regions as well as powerful cigarette companies that enjoyed one of the lowest [tobacco taxes](#) in [Southeast Asia](#).

The government says the Philippines has the highest incidence of

smoking in the region, with tobacco-related diseases costing the country 177 billion pesos (\$4.3 billion) last year.

Aquino assured the country's tobacco farmers that they would not be hurt by the higher taxes, but did not elaborate.

The tax hikes were considered crucial for the government to meet the revenues necessary under the 2.005 trillion-peso budget for 2013 that Aquino signed into law on Wednesday.

It was a second major parliamentary victory for Aquino after getting a controversial birth control act passed after it had been delayed for more than a decade due to opposition from the dominant Catholic church.

The act, which gives the poor greater access to [sex education](#) and contraceptives, is due to be signed by Aquino soon.

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