Medical Xpress

'Sin tax' cuts cigarette smoking in Philippines: tax chief

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A "sin tax" on cigarettes has sharply cut smoking in the Philippines while also boosting government revenues, the internal revenue chief said Monday.

The number of cigarette packs put on store shelves by retailers fell by nearly a third between 2012 and 2014, said revenue chief Kim Henares.

The government raised excise taxes on tobacco and liquor products in 2012 to raise revenues and discourage smoking, which kills nearly 88,000 Filipinos each year according to World Health Organization data.

"We exceeded the targets," Henares told AFP.

The government agency's data showed 5.764 million packs were withdrawn from storage and placed on retail shelves in 2012, compared to 4.869 billion packs in 2013.

By 2014 the figure was down to 3.917 billion packs, said Henares.

Taxes are levied on the number of packs placed on store shelves rather than the number subsequently sold.

Proceeds from the taxes on cigarettes rose to 74.328 billion pesos ($1.69 billion) last year from 32.16 billion pesos in 2012, the agency said.

Under the law, a portion of the revenues from sin taxes are allotted to finance government health programmes including anti-smoking campaigns.

A Department of Health survey in 2009 found that more than 28 percent of the country's adult population were smokers.

The government first asked parliament to raise taxes on "sin" products as early as 1997, but a strong lobby by tobacco manufacturers delayed this for years.