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Thailand introduces new sugar tax

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According to the Excise Department, these taxes will be cut by 20 to 30 per cent over the first three years of the policy, beginning on September 16.

The sugar tax will be increased over two phases. After the fourth year, the tax rate on drinks that still contain beyond the World Health Organisation’s standard of 6g per 100ml will be doubled and will be increased further in the sixth year.

Though no tax has been specified yet, it will come in addition to standard duties that will also come into effect in September, and will be based on how much sugar a drink contains. The higher the sugar content, higher will be the tax.

Hopefully, the policy would prompt manufacturers to adjust their sweetening formulas, and stressed that it had been designed to improve and not to generate revenue.

Tax on non-alcoholic drinks is worth upto THB20 billion ($600 million). It is not yet known which beverage categories will be brought under the new tax code.