



Session 3—Deep dive: alcohol & SSB taxes (13:00-14:30, 23 July 2026)

Chonlathan Visaruthvong
Technical Officer, Fiscal & Legal Measure for Health
Visaruthvongc@who.int
World Health Organization Headquarters, Geneva

www.who.int/health-topics/health-taxes

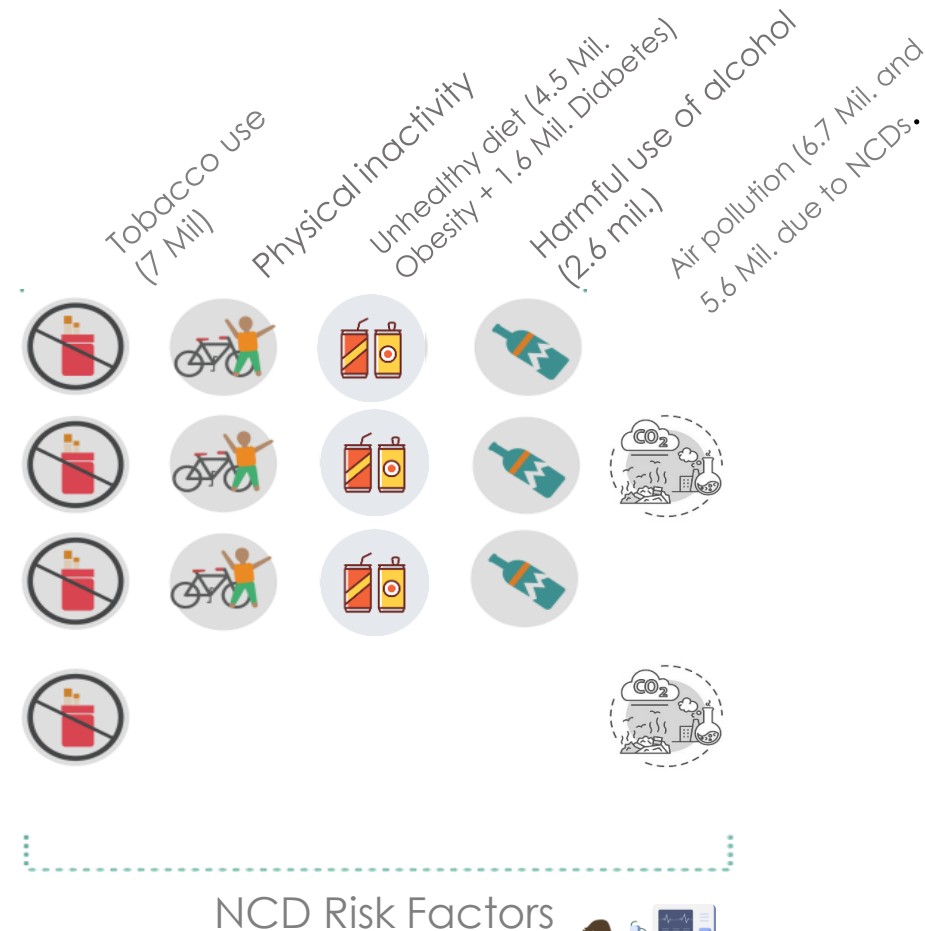
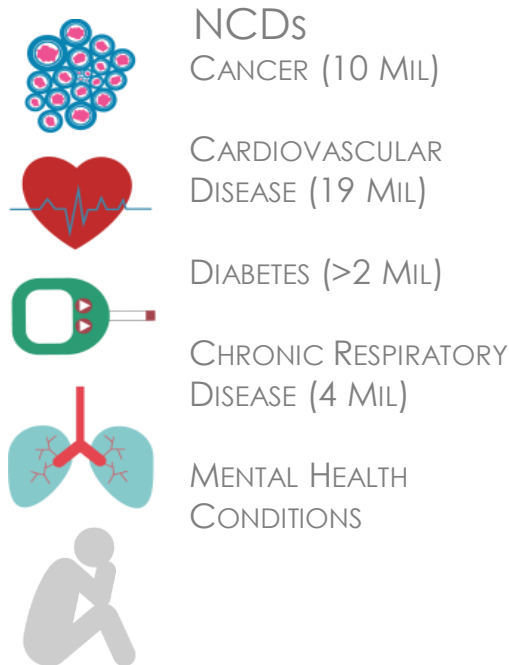
75% of Global Deaths are from preventable NCDs: Tobacco, Alcohol, and Unhealthy Diets are Key Risk Factors (2021)

43 MILLION NCD DEATHS/YEAR

18 MILLION PREMATURE (BEFORE 70 YEARS) NCD DEATHS/YEAR

82% OF THESE PREVENTABLE DEATHS OCCUR IN LMICs

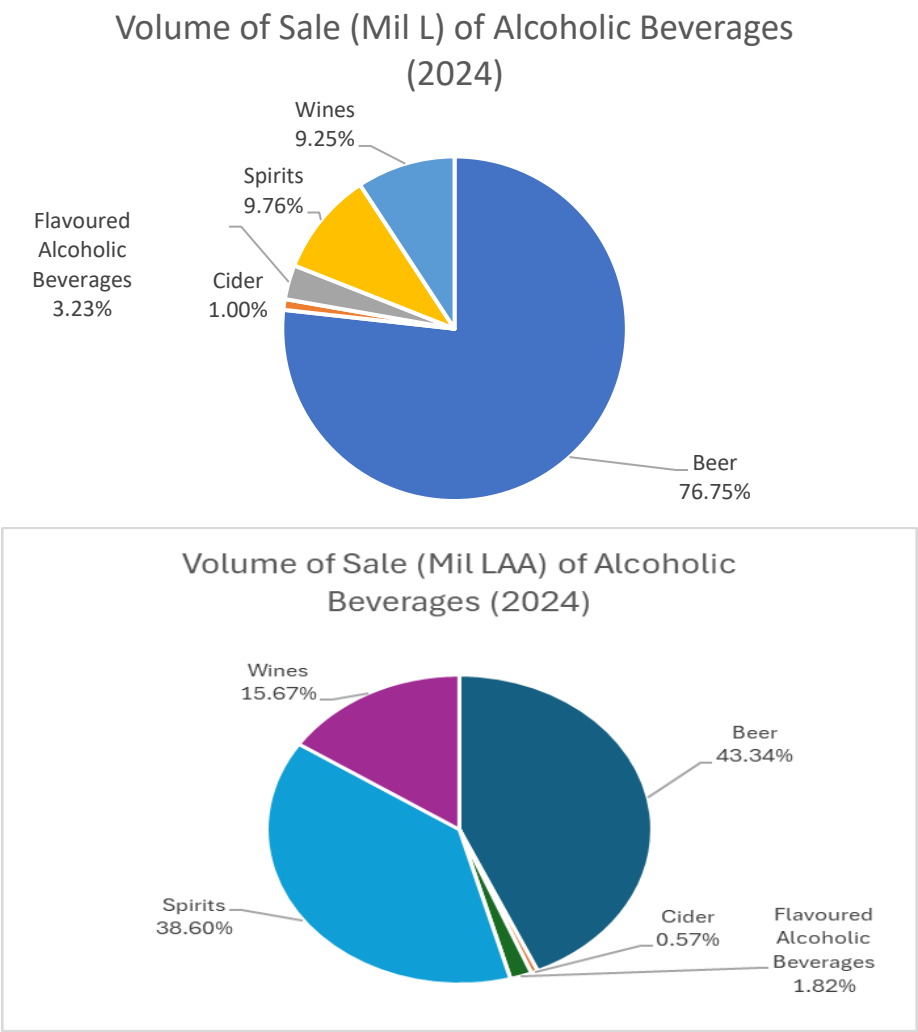
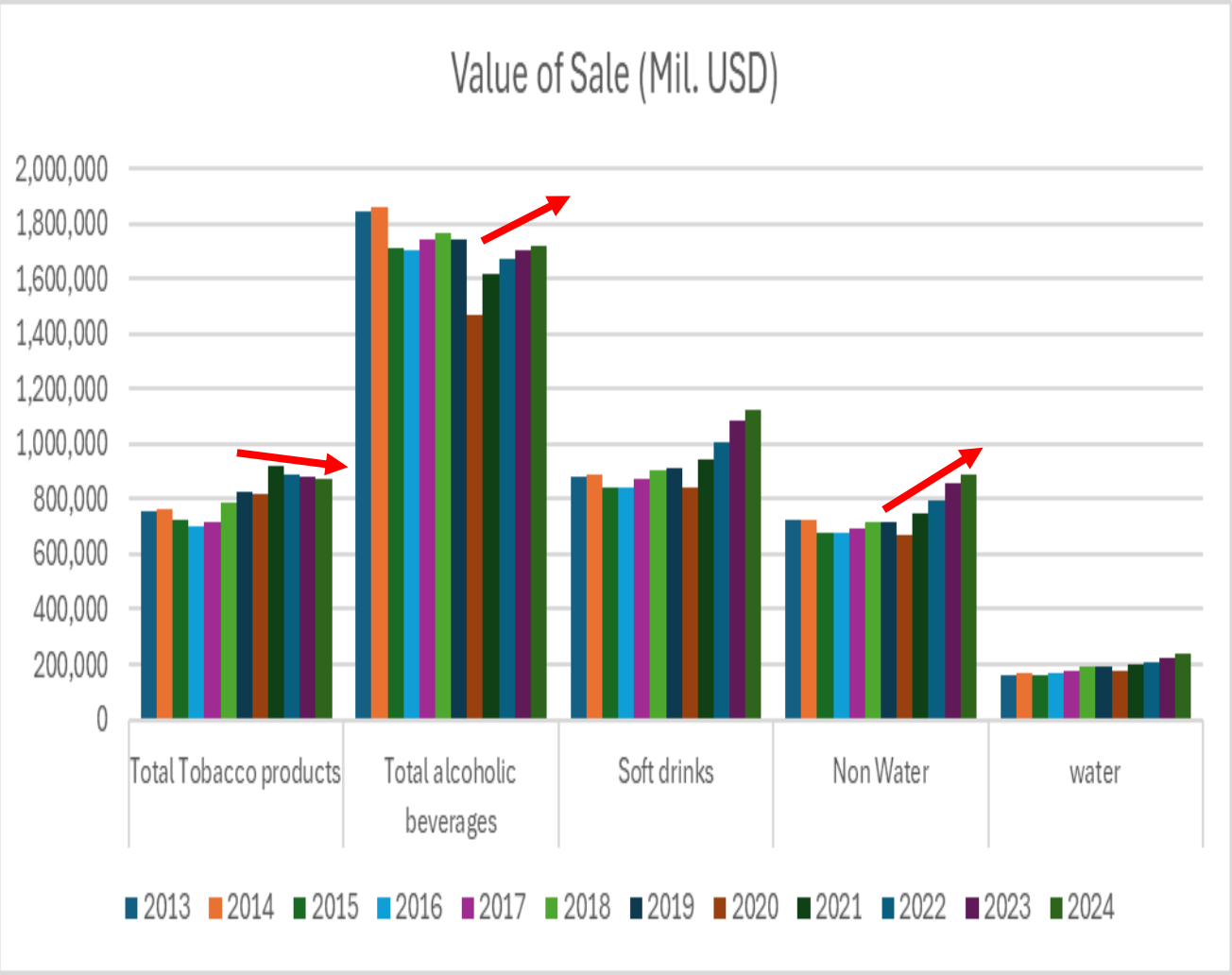
These four groups of Disease account for 80% Of all premature NCD deaths



* Note NCDs are a risk factor for severe COVID-19, and have contributed to the heavy death toll of the pandemic
1 in 5 people face higher risk of severe COVID-19 (if infected) because of NCDs

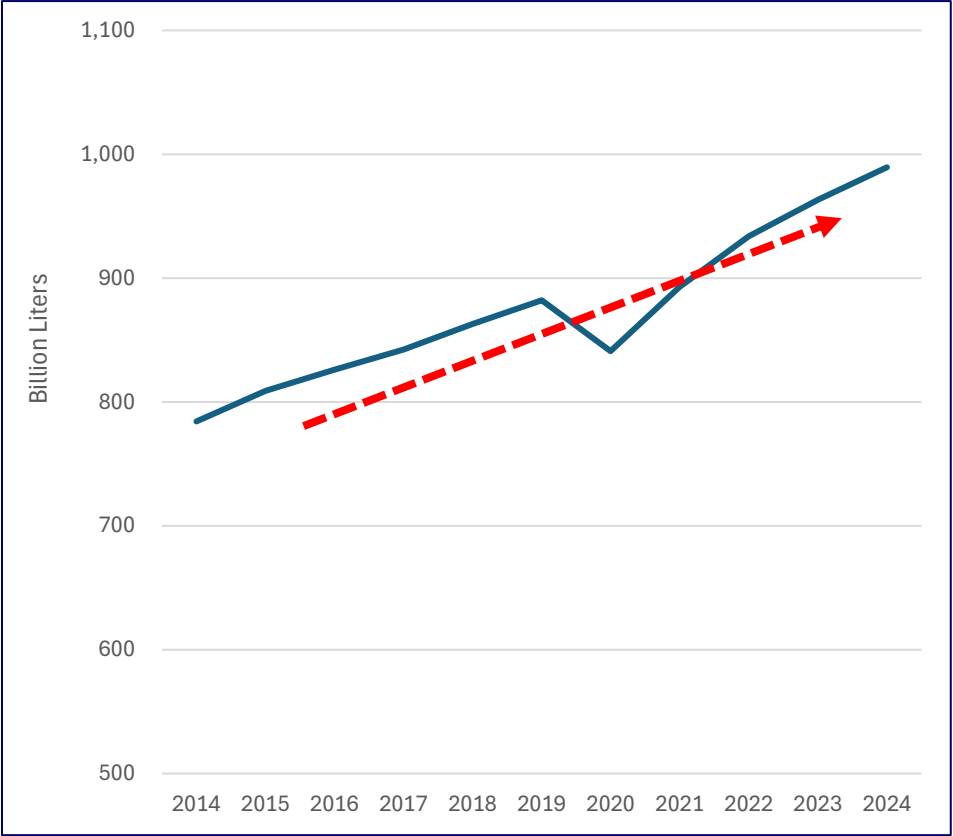


Global Alcoholic Drinks Market, 2024

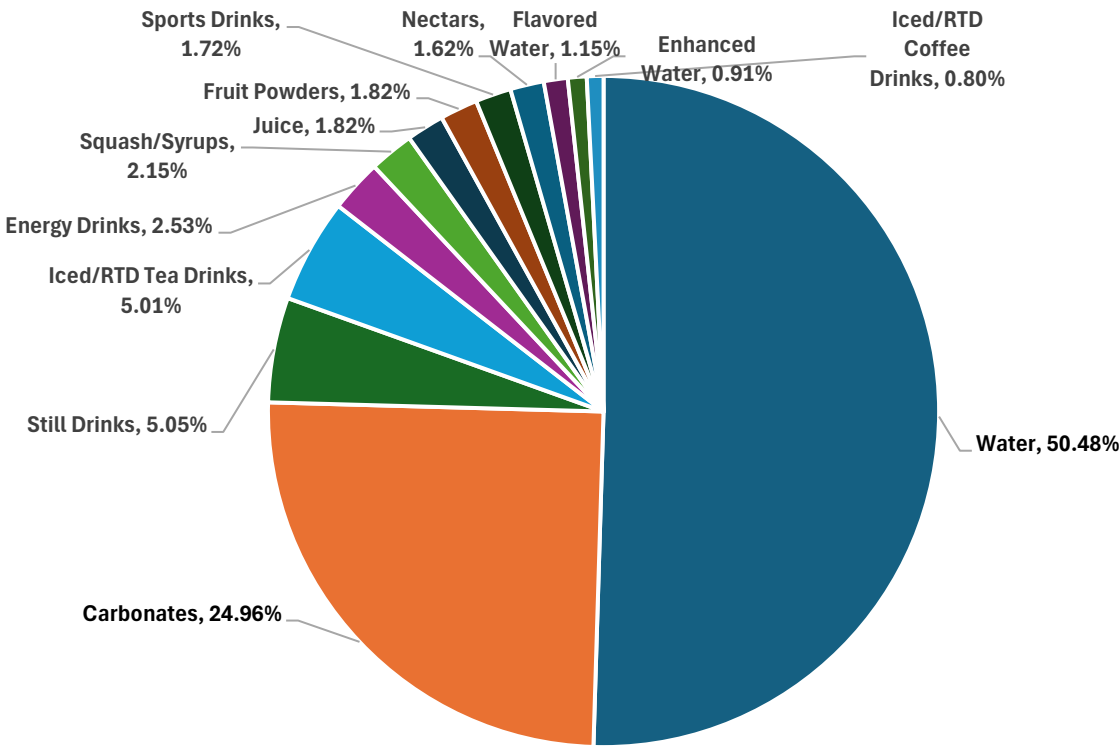


Global Trends in soft drinks (SSBs) consumption

Sales in soft drinks (excl. water) are on the rise



After water, carbonates make up most of the global consumption, not energy drinks (2024)



Internalities of SSBs consumption – lack of knowledge/information

- Lack of knowledge about recommendation of free sugar < 5-10% of total energy intake (2000 Kcal* 10% 200 kcal = 50g of sugar = **12 teaspoons per day**)
- No compensation by eating less food. **SSBs are the leading sources of free sugars in the modern diets with little to no nutrition value.**
- Consuming SSBs regularly strongly contributes to **weight gain, type 2 diabetes, heart disease, tooth decay, and liver damage.**
- **46%** of the world population is estimated to be **overweight or obese by 2030.**



There is **NO evidence** of an adverse effect of consumption of intrinsic sugars and sugars from milk

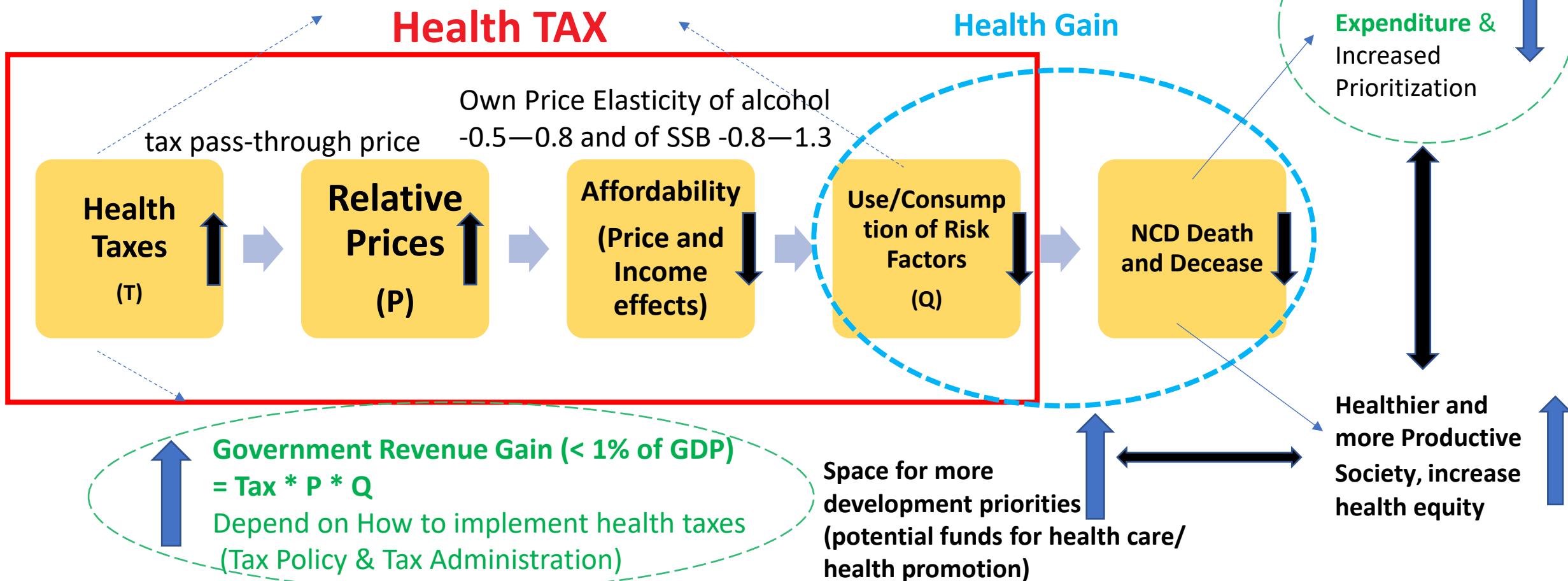
Externalities of alcohol consumption

- Economic and Social costs of alcohol consumption:
 - In addition to posing a significant health burden, alcohol consumption results in large and quantifiable economic costs.
 - Alcohol costs economies the equivalent of between **2.1 and 2.5 percent of gross domestic product.**



HOW HEALTH TAXES WORK?

Financial implications for manufacturers or incentive for reformulation: Increased production or consumption of less alcohol/sugar content beverages



RELATIONSHIP BETWEEN TAXES AND TAX REVENUES

- Since alcoholic beverages are price inelastic of demand, declines in sales are less than proportional to increases in taxes and prices
- This means that alcohol tax **increases** will generally increase alcohol tax revenues

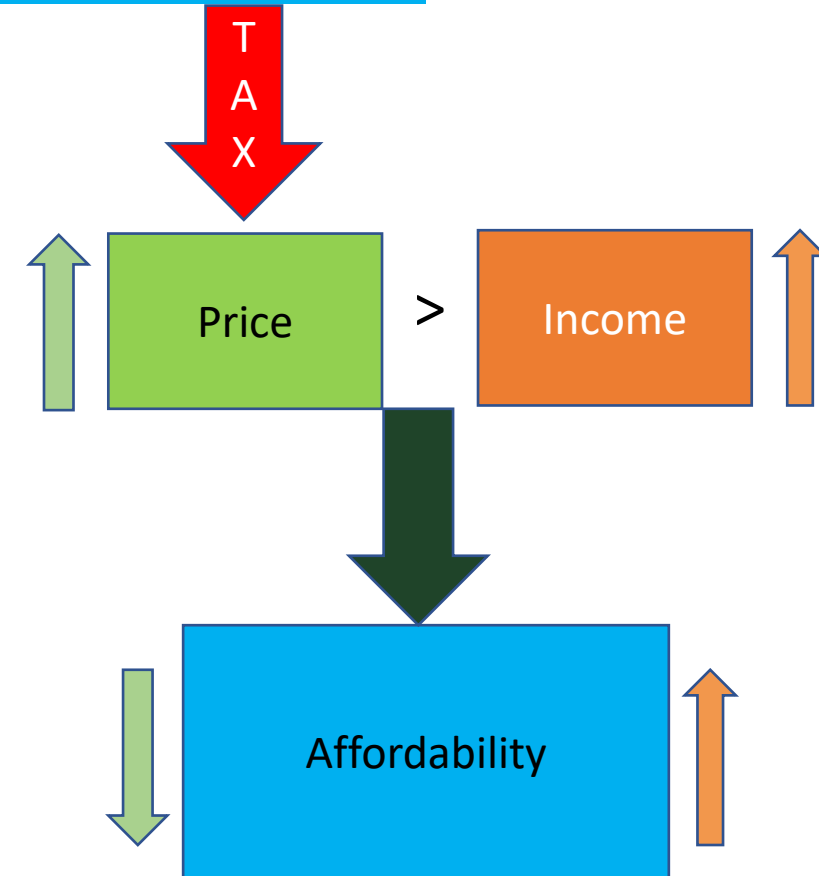
The diagram illustrates the relationship between tax increases, price, quantity, and tax revenue. It features the following elements:

- A blue upward arrow next to the variable t .
- A blue arrow pointing from t to a red upward arrow next to the variable P .
- A red oval encircling the P and the subsequent greater-than sign ($>$).
- A blue downward arrow next to the variable Q .
- A blue arrow pointing from Q to the expression $t^* (P * Q)$.
- A blue upward arrow next to the expression $(P * Q)$.
- An equals sign followed by the text "TAX REVENUES".
- A final blue upward arrow.

$$t \uparrow \rightarrow P \uparrow > Q \downarrow \rightarrow t^* (P * Q) \uparrow = \text{TAX REVENUES} \uparrow$$

AFFORDABILITY, PRICE, AND INCOME EFFECT

- As **income increases** (Rapid economic growth), all goods become **more affordable** including the consumption of health-harming products such as alcohol.
- Health taxes only reduce the consumption of health-harming products if they reduce their affordability.
- The government needs to **regularly increase health taxes** to raise the real relative price of health-harming products **to reduce their affordability and consumption.**



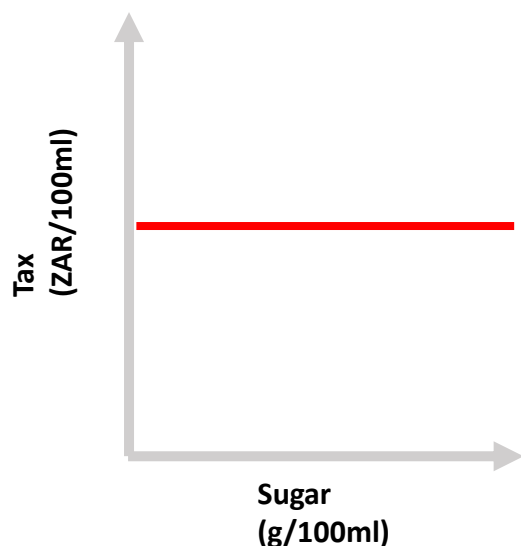
Questions to consider when designing alcohol & SSB tax

1. What is the **objective** of the tax?
 - Reduce overall alcohol/SSBs/Sugar consumption
 - Target youth/overall consumption/heavy drinkers
 - Target harmful alcohol/sugar consumption
 - Mobilize government revenue
 - Protect domestic alcohol/SSBs/Sugar production
2. What **products** should be taxed?
3. What **type of excise** tax should be applied?
 - Ad-valorem, specific , mixed?
4. What should be the **base** of the tax?
Specific tax base is preferred.
 - For specific taxes, will it be based on alcohol/sugar content or volume?
 - For ad-valorem, based on producer price/CIF or retail price?
5. Will the **tax structure** be uniform or tiered?
6. What should be the **rate** (or rates) of the tax?
7. Do we have the administrative **capacity to implement and enforce** the tax?

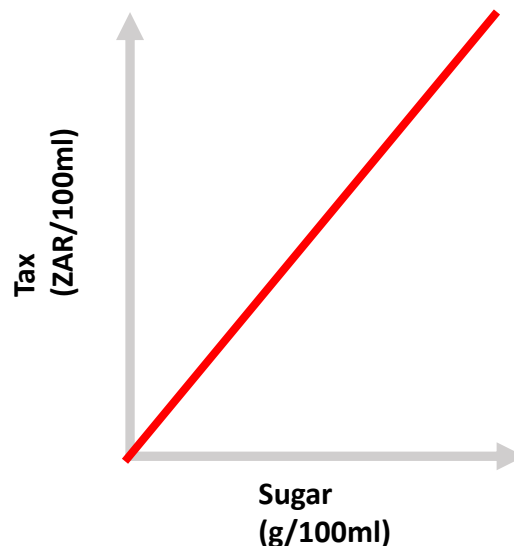
Each one of these design alternatives creates different incentives and disincentives... they need to be carefully considered to ensure alignment with the objective of the health tax

Design of Specific tax structure: Based on Volume or Sugar /Alcohol Content

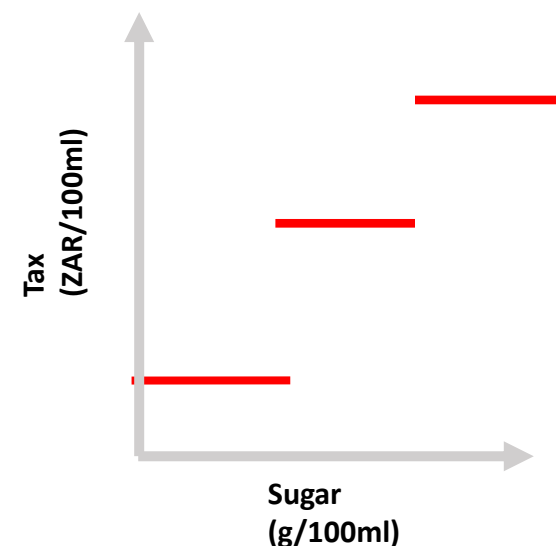
1. Flat levy



2. Levy based on absolute sugar content



3. Threshold approach

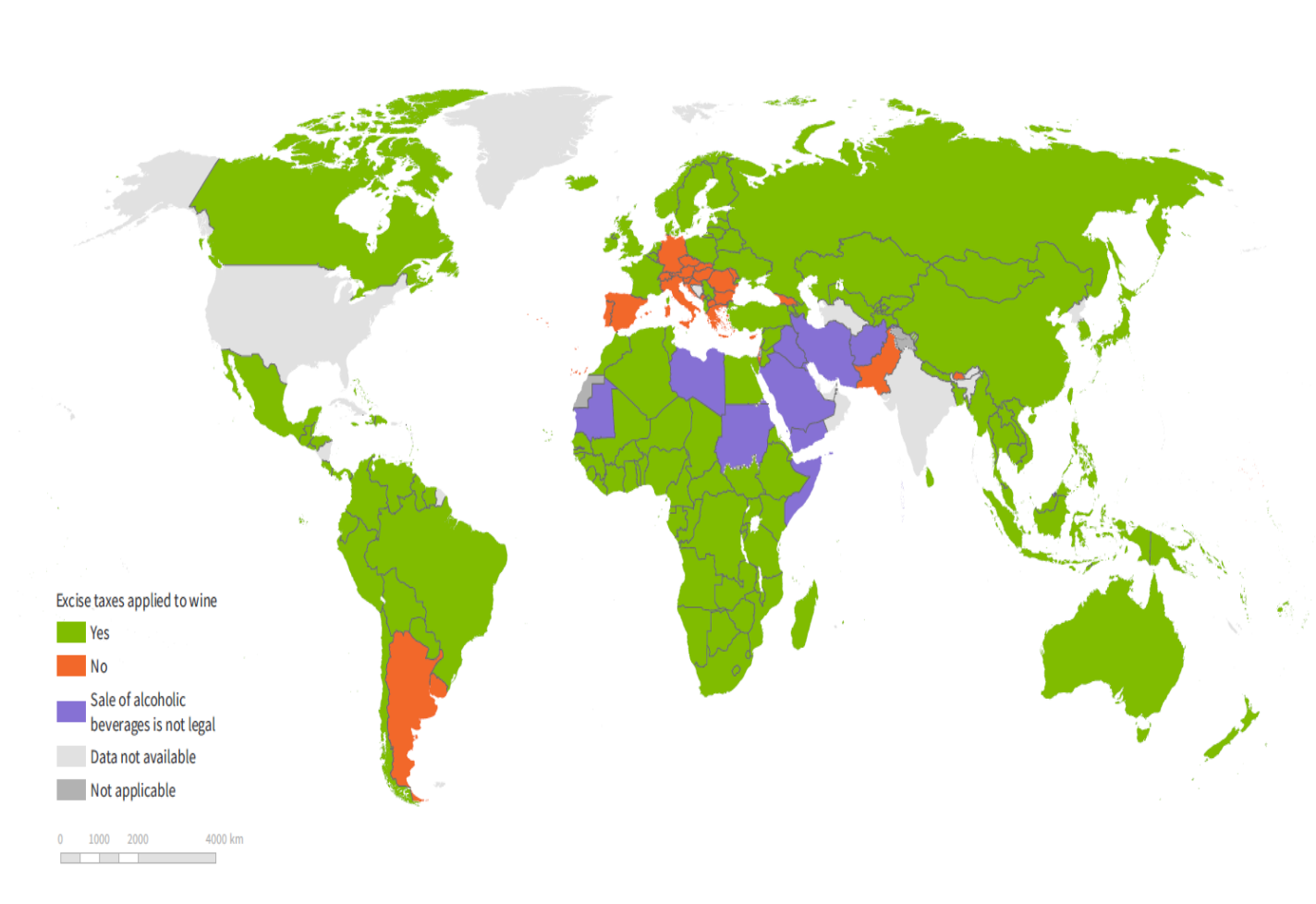


Overview of alcohol taxation globally

As of July 2024

- **At least 167 countries** applied excise taxes to alcoholic beverages at the national level
- **12 countries** banned the sale of alcohol
- **2 countries** did not apply any excise on alcoholic beverages
- In terms of product coverage of excise tax, **wine*** was exempted from excise taxes in **at least 25 countries**, particularly those in the European Region. **Excise taxes should apply to all alcoholic beverages.**

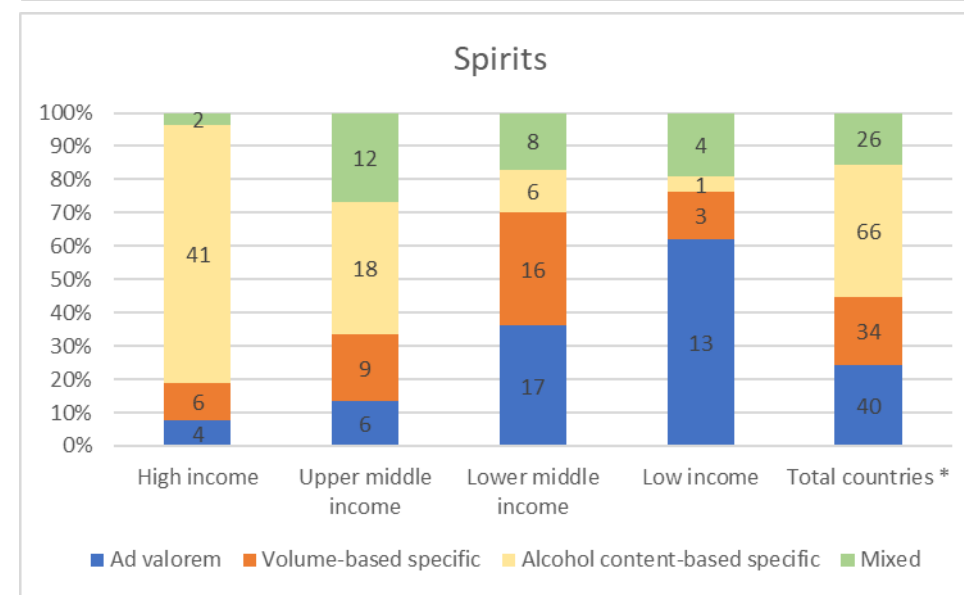
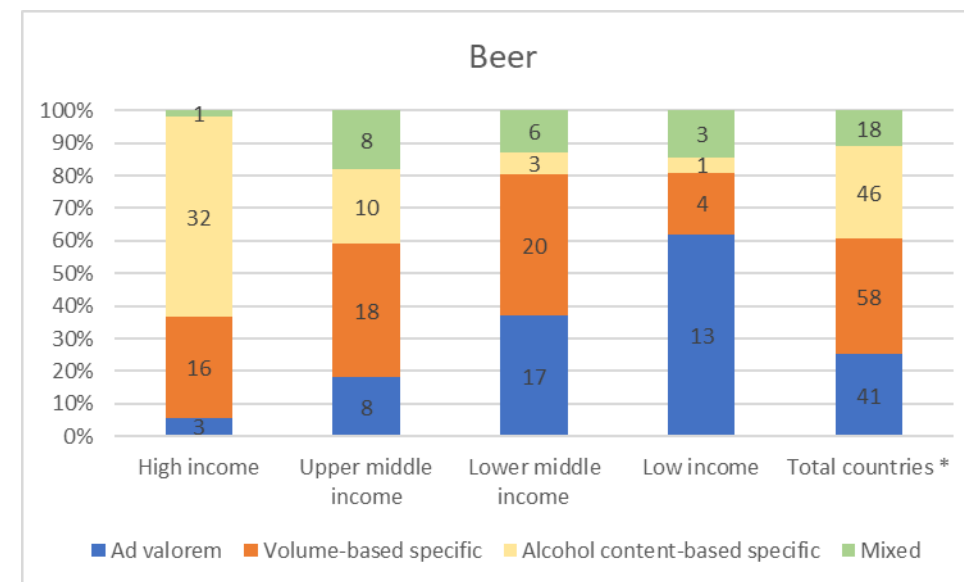
National-level excise taxes applied to wine, as of July 2024



* For wine, focus is on still wine (not sparkling)

Key findings on tax policy from the alcohol report

- **Volume-based specific excise** is the most-used type of excise tax system applied to **beer and wine** globally
- **Alcohol-content-based specific excise** tax systems are the most used for **spirits** globally
- Approximately **half the countries** that apply excise tax on alcoholic beverages **base the tax on alcohol content for beer and for spirits**, either through an alcohol-content-based specific excise or tiered excise rates based on alcohol by volume (ABV).
- Among the countries that apply an alcohol-content-based specific excise, or an ad valorem excise tax component, **very few apply a minimum specific excise tax** (8%, 5% and 4% on beer, wine and spirits, respectively).
- **Fewer than one in four countries** implementing specific excise tax systems **mandate a regular automatic adjustment** of tax rates. This means that in most countries these taxes may lose real value over time, as they are likely to be eroded by inflation.



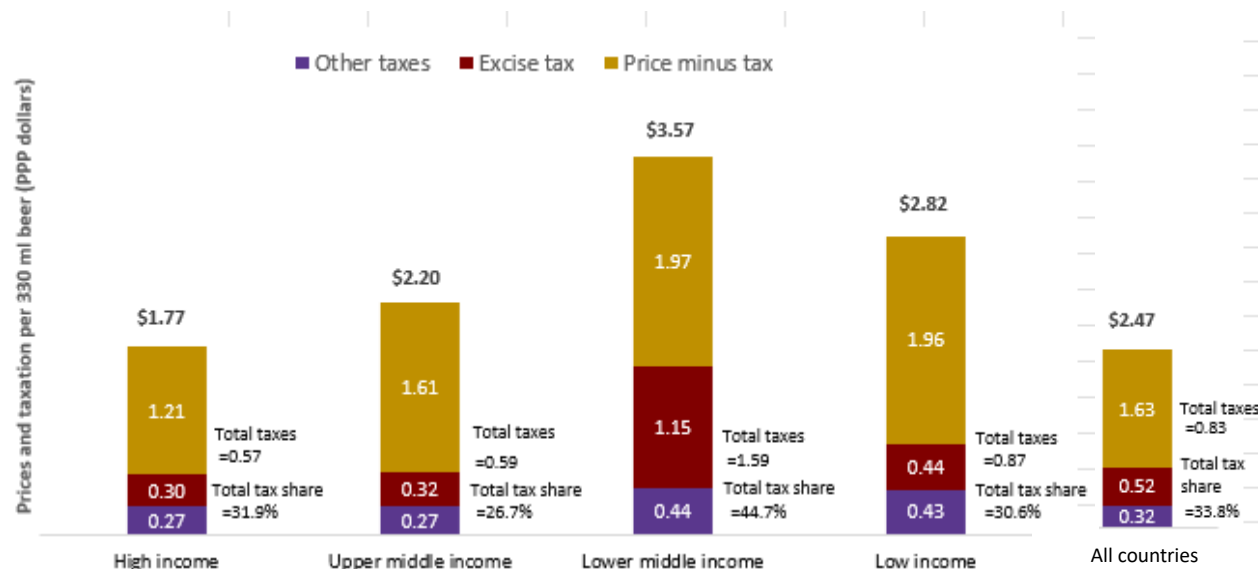
* Countries with available data

Current excise tax levels are not high in most countries

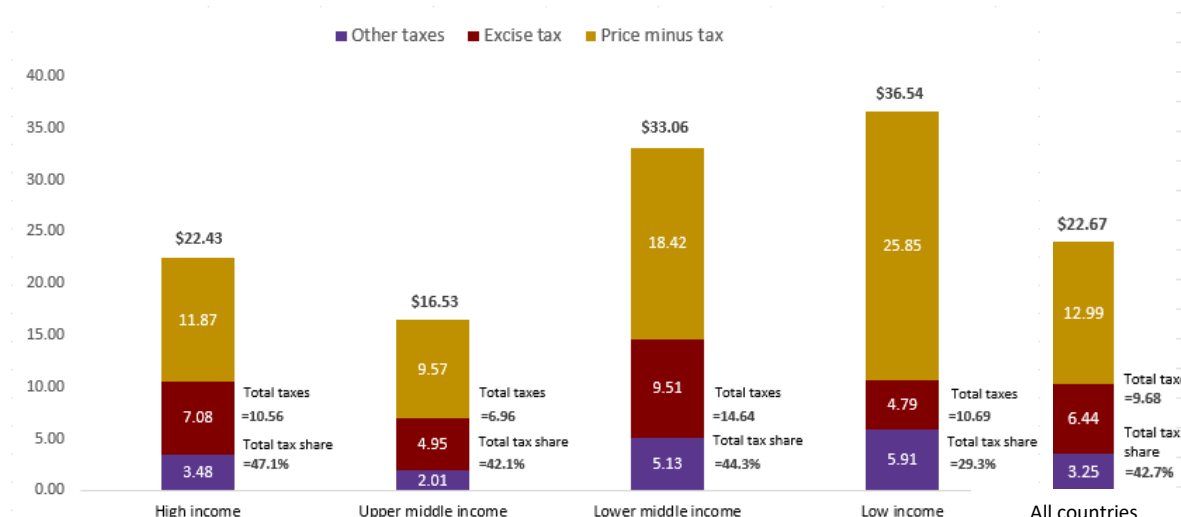


Globally, the share of excise in the population-weighted average retail prices for 330 ml of the most-sold brand of **beer** is **20.9%**, and for 750 ml of the most-sold brand of the most-sold type of **spirits** it is **28.4%** (median values are lower: 14% for beer and 22.5% for spirits)

Population weighted average retail price and taxation (excise and total) for the most sold brand of **beer**, 330 ml, in Purchasing Power Parity (PPP) adjusted dollars or international dollars, by World Bank income groups, as of July 2024



Population weighted average retail price and taxation (excise and total) for the most sold brand of the most sold type of **spirits**, 750 ml, in Purchasing Power Parity (PPP) adjusted dollars or international dollars, by World Bank income groups, as of July 2024

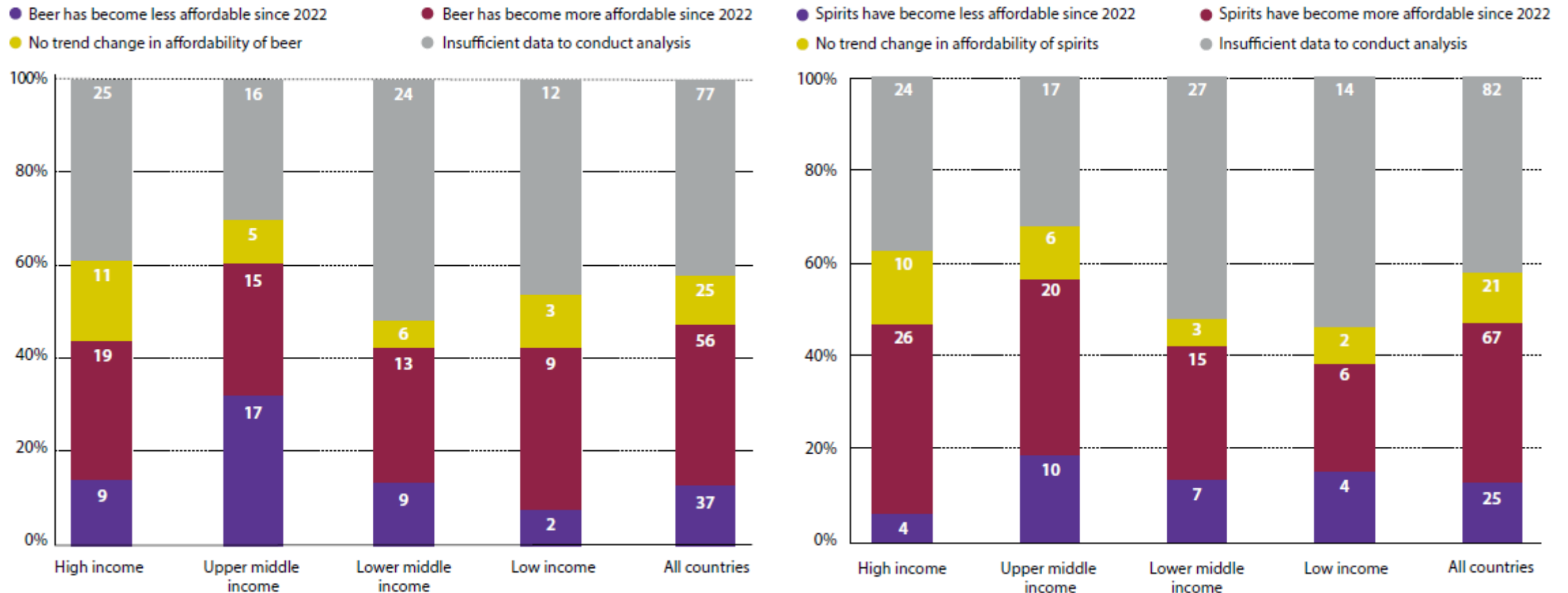


Note: Countries for which data are available. Totals may not add up due to rounding errors.

Most countries have seen a reduction or no change in the affordability of beer and spirits



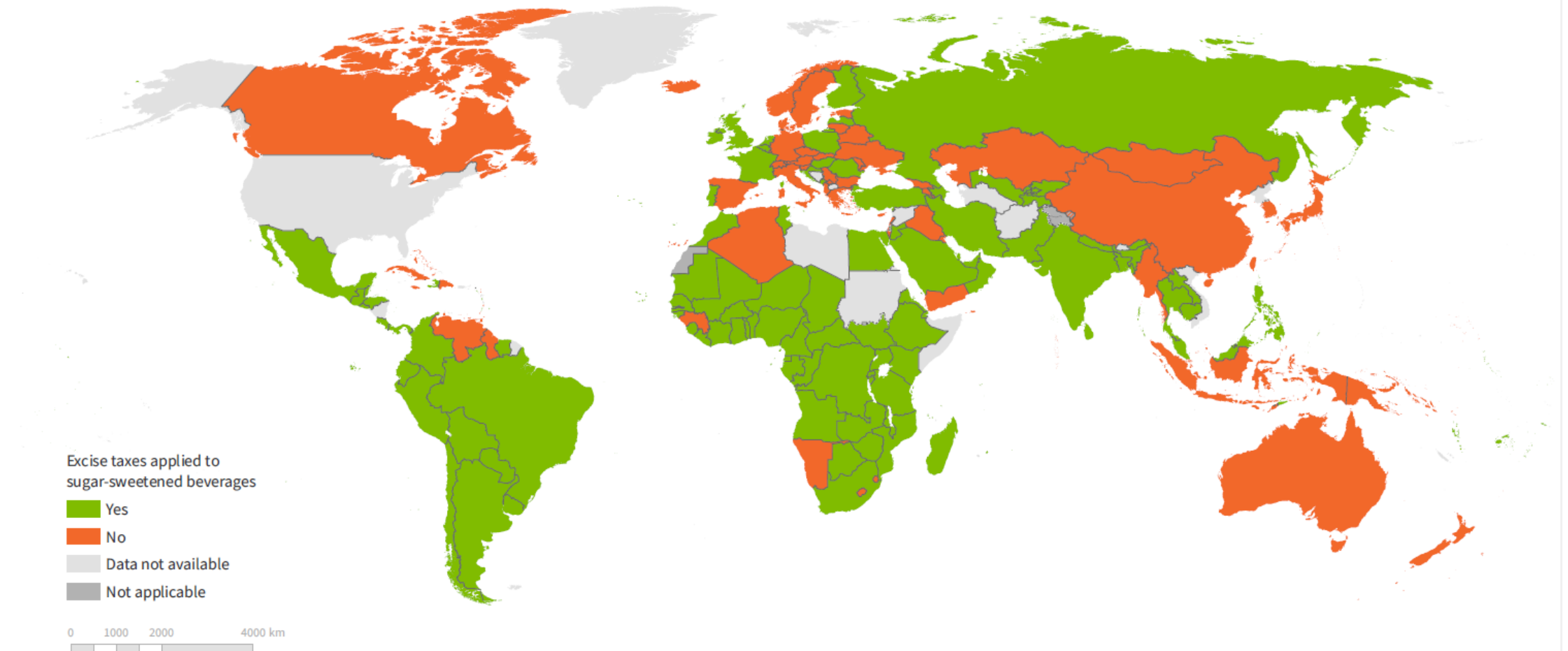
Number and proportion of countries with change in the affordability of beer and spirits between 2022 and 2024



Note: Affordability indicator: GDP per capita required to purchase 40 liters of the most sold brand of beer, GDP per capita required to purchase 5 liters of the most sold brand of the most sold type of spirits

Overview of SSB taxation globally

As of July 2024, excise taxes were applied at national level to at least one type of SSB in at least 116 countries, with 114 applying such taxes to sugar-sweetened carbonated beverages, the most sold type of SSBs. They are in operation in all WHO regions, at varying extents



Source: WHO Global report on the use of SSB taxes, 2025

Key findings on tax policy from the SSB report



- **Coverage of excise across beverage types:**
 - Most countries do not tax 100% fruit juices, sugar-sweetened ready-to-drink tea or coffee, or sugar-sweetened milk-based drinks (including plant-based milk substitutes) even though these products contain free sugars.
 - While the consumption of healthy substitutes such as water should be incentivized, almost half of countries that apply excise taxes to SSBs include unsweetened bottled water in their list of taxable beverages.
- **Excise types applied:**
 - Among the 114 countries that tax sugar-sweetened carbonated beverages, ad valorem (applied by 50 countries) and volume-specific excise (applied by 51 countries) taxes are the two most common types of excise applied.
 - Less than 25% of countries account for sugar content when they impose taxes on SSBs.
 - Among countries that reported applying varying rates of VAT, 12% reported applying a lower rate on SSBs. Since SSBs are not essential items and are associated with multiple negative health consequences, they should not benefit from reduced VAT rates.

SSB taxable products (2024)

		Energy and sports drinks		Sugar-sweetened carbonated beverages		Sugar-sweetened non-carbonated waters (e.g., lemonade)		Non-sugar-sweetened carbonated or non-carbonated waters (e.g., diet soft drinks)		Fruit drinks (less than 100% fruit juice)		Sugar-sweetened syrups, liquid concentrates or powders beverage preparation		Sugar-sweetened ready-to-drink tea or coffee		Unsweetened carbonated or non-carbonated bottled waters		Fruit juices (100% fruit juice)		Sugar-sweetened milk-based drinks (including plant-based milk substitutes)	
Income groups	High income	97%	28/29	100%	29/29	96%	27/28	69%	20/29	69%	20/29	75%	21/28	67%	18/27	28%	8/29	31%	9/29	31%	9/29
	Upper middle income	100%	26/26	96%	26/27	92%	24/26	65%	17/26	73%	19/26	72%	18/25	52%	13/25	38%	10/26	50%	13/26	24%	6/25
	Lower middle income	95%	35/37	98%	39/40	90%	35/39	86%	32/37	74%	28/38	44%	16/36	35%	13/37	51%	20/39	45%	17/38	19%	7/37
	Low income	100%	19/19	100%	20/20	100%	20/20	89%	16/18	89%	16/18	63%	10/16	69%	11/16	68%	13/19	71%	12/17	41%	7/17
WHO regions	AFRO	98%	39/40	100%	42/42	98%	41/42	82%	32/39	85%	34/40	53%	20/38	53%	20/38	54%	22/41	67%	26/39	33%	13/39
	AMRO	100%	22/22	95%	21/22	91%	20/22	73%	16/22	64%	14/22	70%	14/20	45%	9/20	32%	7/22	41%	9/22	14%	3/21
	EMRO	92%	11/12	100%	13/13	82%	9/11	67%	8/12	75%	9/12	58%	7/12	45%	5/11	58%	7/12	25%	3/12	8%	1/12
	EURO	100%	21/21	95%	20/21	95%	20/21	62%	13/21	67%	14/21	76%	16/21	62%	13/21	33%	7/21	24%	5/21	38%	8/21
	SEARO	100%	4/4	100%	6/6	100%	5/5	100%	4/4	100%	4/4	67%	2/3	75%	3/4	60%	3/5	75%	3/4	50%	2/4
	WPRO	92%	11/12	100%	12/12	92%	11/12	100%	12/12	67%	8/12	55%	6/11	45%	5/11	42%	5/12	42%	5/12	18%	2/11
All countries		97%	108/111	98%	114/116	94%	106/113	77%	85/110	75%	83/111	62%	65/105	52%	55/105	45%	51/113	46%	51/110	27%	29/108

Vast majority of countries taxing those beverages

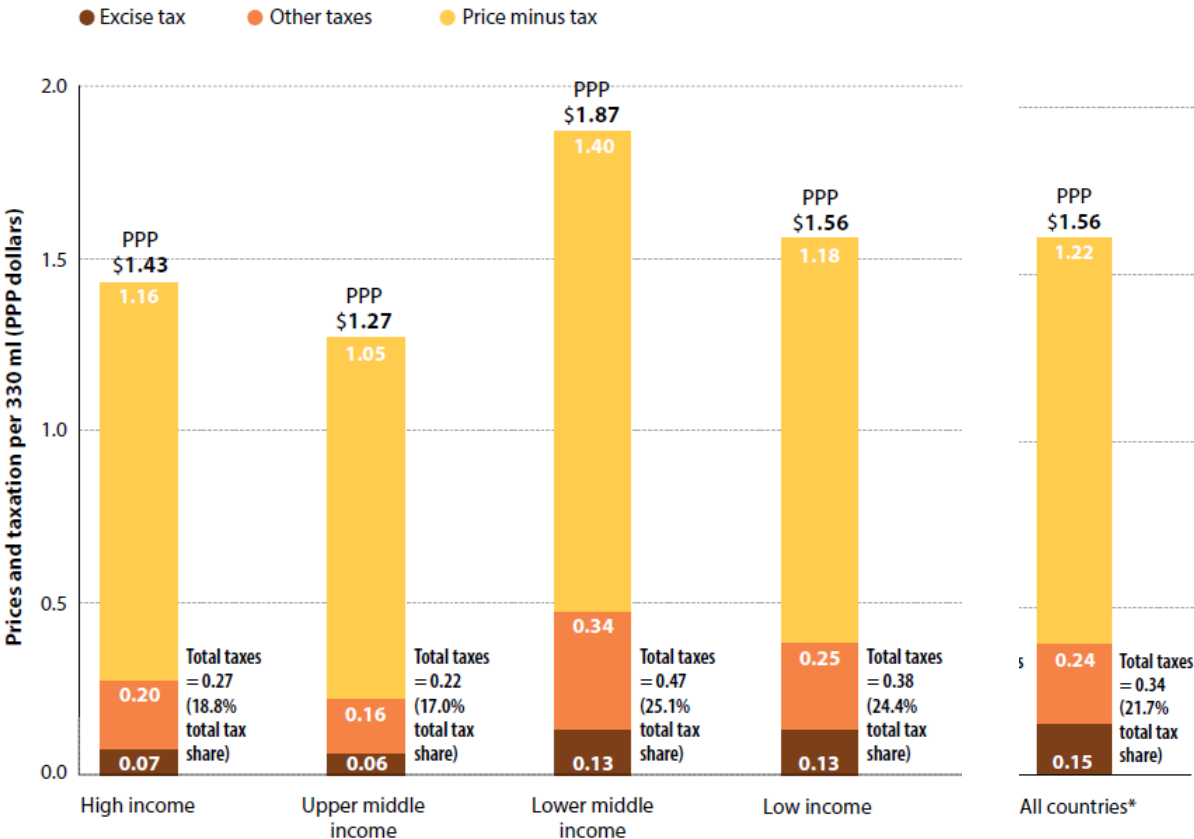
Very few taxing those

Current excise tax levels are **too low** in most countries



Globally, excise as a % of the population weighted average retail price for 330 ml of an internationally comparable brand of sugar-sweetened carbonated beverage is 9.7% (median value is lower: 2.4%)

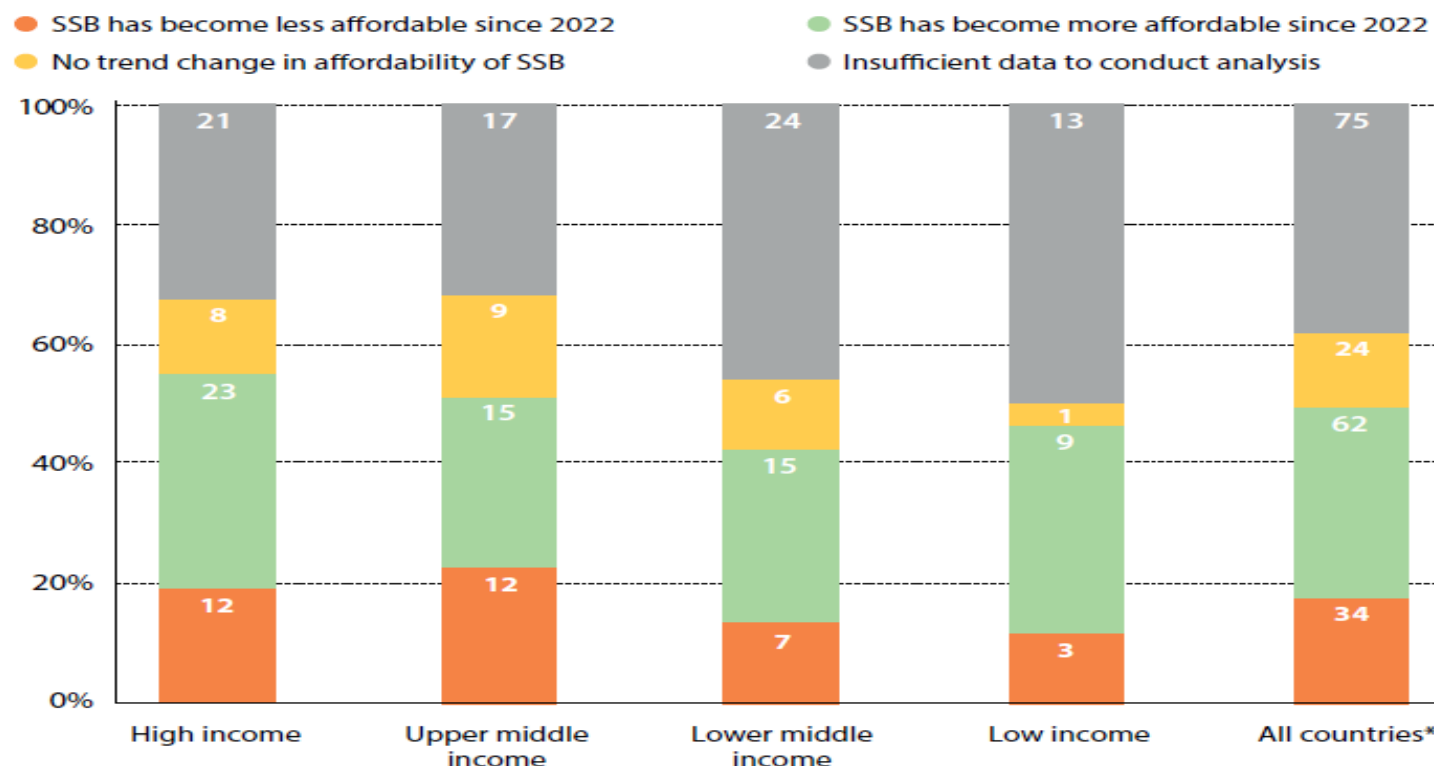
Population weighted average retail price and taxation (excise and total) for an internationally comparable brand of sugar-sweetened carbonated beverages, 330 ml, in Purchasing Power Parity (PPP) adjusted dollars or international dollars, by World Bank income groups, as of July 2024



Notes: *Countries where data was available (156 countries). Missing values were not accounted for in population-weighted average calculations. Totals may not add up due to rounding errors.

Most countries have seen a reduction or no change in the affordability of sugar-sweetened carbonated beverages

Number and proportion of countries with change in the affordability of an internationally comparable brand of sugar-sweetened carbonated beverages between 2022 and 2024

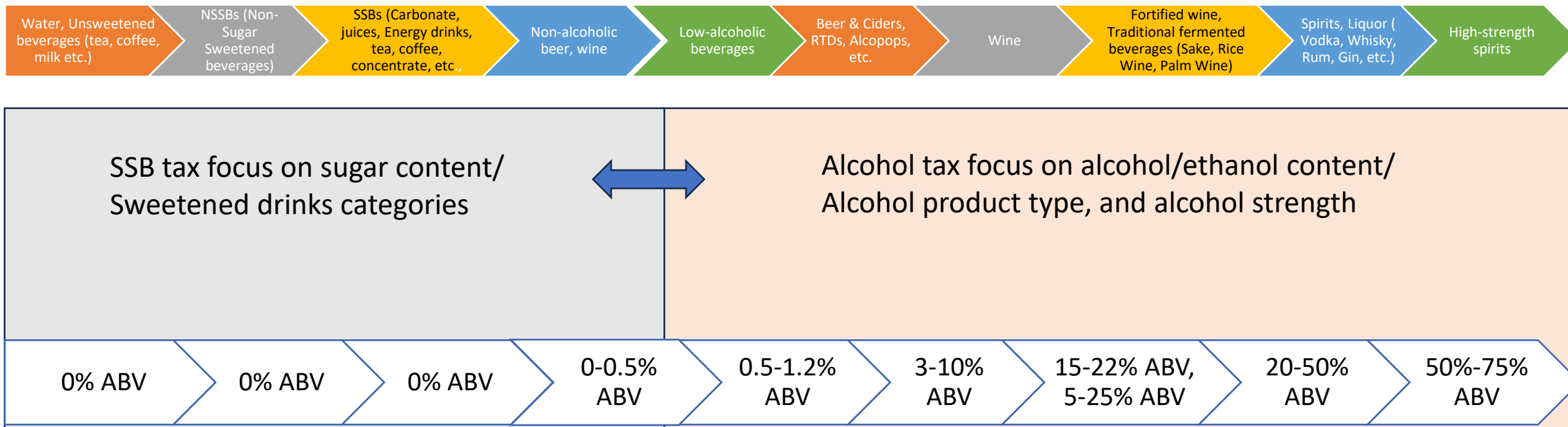


Note: Affordability indicator: GDP per capita required to purchase 50 L of an internationally comparable brand of sugar-sweetened carbonated beverages in a given year

Challenges related to alcohol/SSB taxation

- Tax pre-packaged/sealed and manufactured beverages
- Product heterogeneity: Substitution Effect

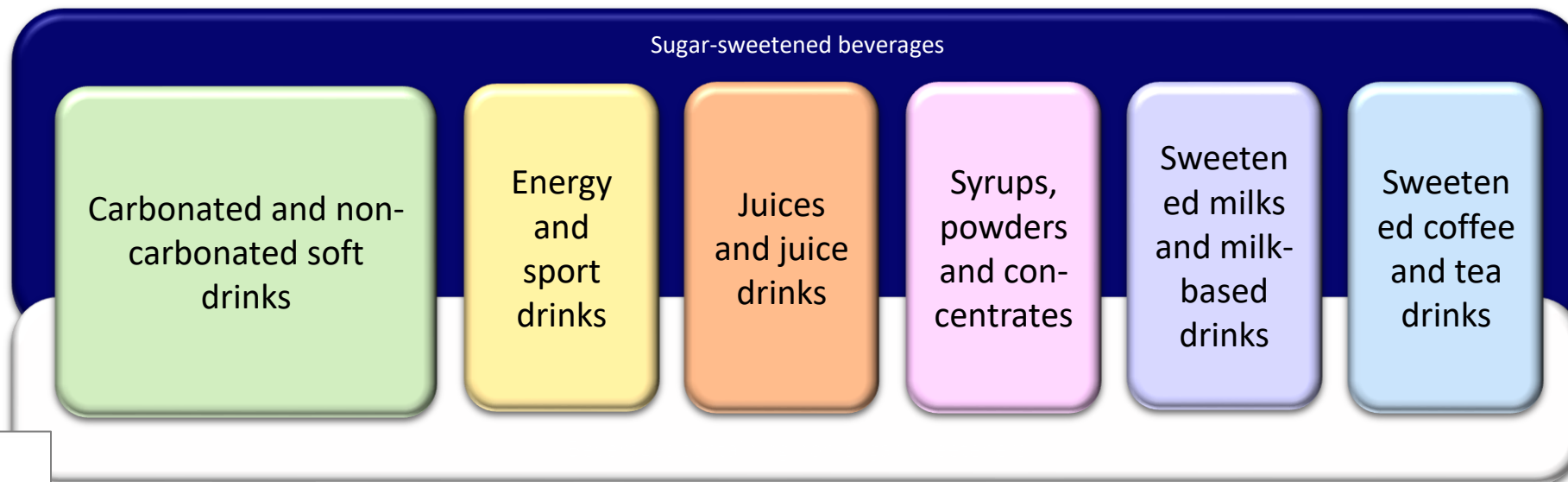
Beverage Spectrum



Sugar-Sweetened Beverages



WHO recommends against the use of free sugar and non-sugar sweeteners (NSS)



- As sugars content is reduced it is important that it is not replaced by non-sugar sweeteners (NSS), defined as all synthetic and naturally occurring or modified non-nutritive sweeteners not classified as sugars
- NSS does not confer any long-term benefit in reducing body fat in adults or children.
- There may be potential undesirable effects from long-term use of NSS, such as an increased risk of type 2 diabetes, cardiovascular diseases, and mortality in adults.

Challenges related to alcohol taxation

- **Product heterogeneity: Substitution Effect**
- **Beer, wine, spirits, and other alcoholic beverages**



Local raw material

Home production

Small and medium factory/brewery

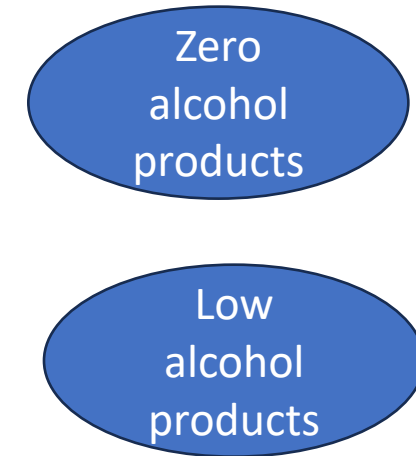
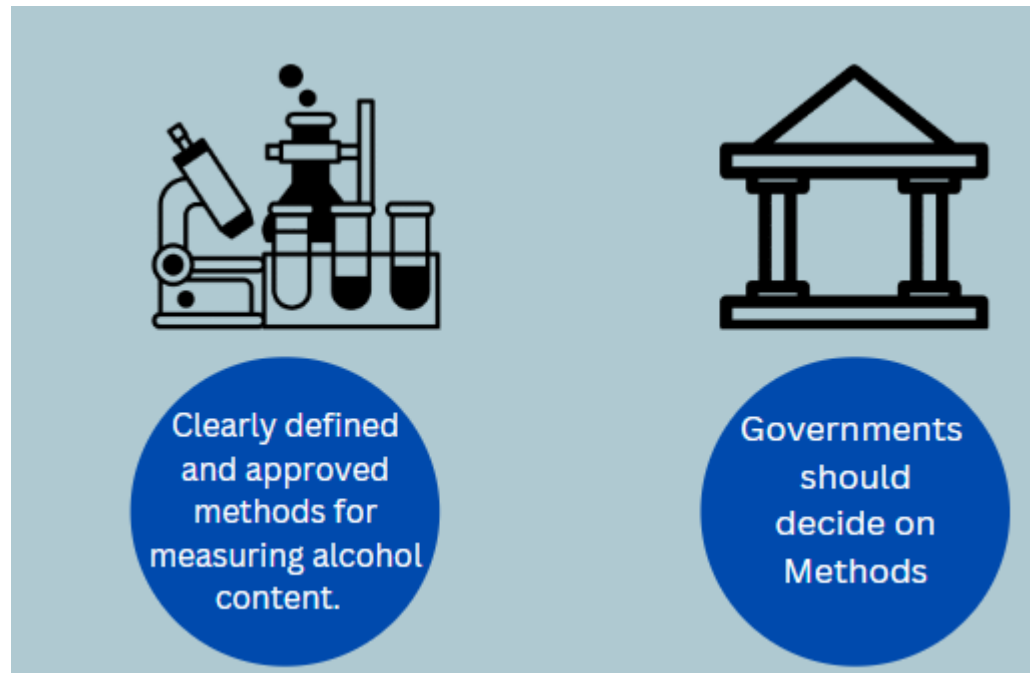
Challenges related to alcohol/SSB taxation

- **Alcohol strength/Sugar Content**

- Alcoholic beverages vary in alcohol strength—how much pure ethanol is present in the beverages.

- SSBs vary in sugar content—how much sugar is in the beverages.

Taxing per alcohol/sugar content would require tax administration capabilities—Laboratory, FOPL.



Health Taxes are Underutilized Tools

There is still room to improve on Health Taxes



TOBACCO TAX

At least 178 countries **but in 2024, only 40 countries (23%), mostly HICs** were at the WHO highest level of accomplishment (75% of retail price)



ALCOHOL TAX

At least 167 countries but taxes are low and supportive policies such as annual adjustments are very poorly implemented

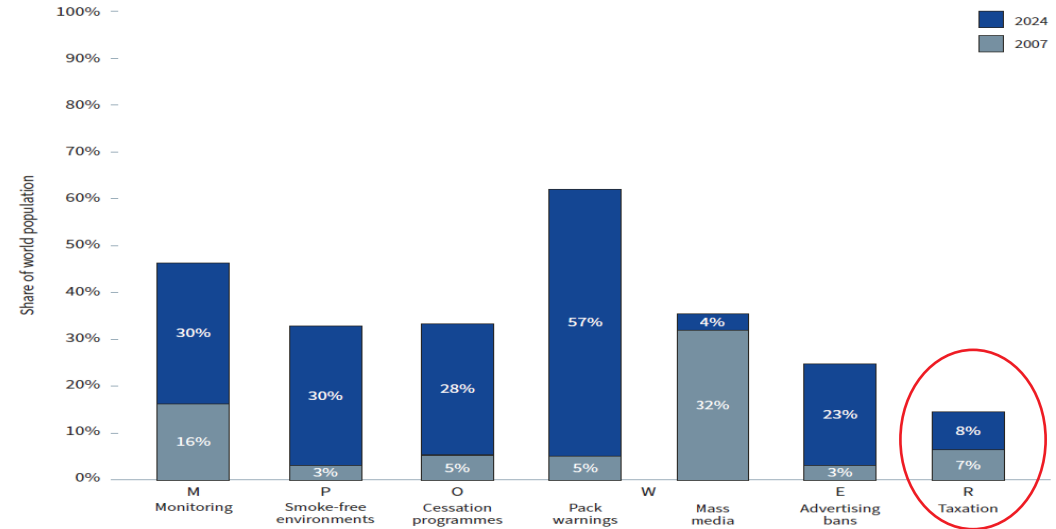


SSB TAX

About 114 countries **have some form of beverage tax but not optimized for health**

Prospective Annual Yield (%GDP) of Health Taxes for New Revenue in LMICs: Tobacco tax (0.24), Alcohol tax (0.35) and SSB tax (0.04)—**total of 0.63 % of GDP.**

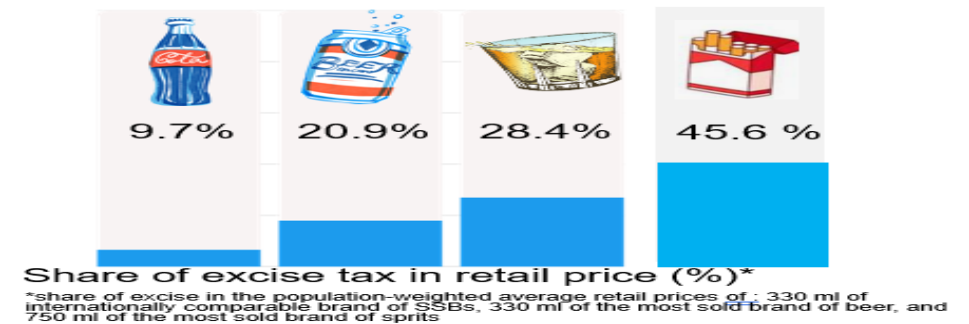
Fig. 4. Increase in the world population covered by selected tobacco control policies, 2007* to 2024



* 2010 for W mass media, 2008 for R taxation

Source: WHO report on the global tobacco epidemic, 2025: warning about the danger of tobacco

At least 167 countries apply excises to alcoholic beverages and 114 countries have some form of SSB taxes



International Practices Learning from Tobacco tax policy



- The primary objective of health taxes is to improve population health—reduce overall consumption of health-harming products.
- Define the scope of taxed products clearly under the country context
- **Tax all substitute products in a comparable way** (reduce incentive to substitute/tax loophole)
- Tax structure matters, and **simpler is better**—merge multiple tax tiers
- **Rely more on specific excises** to drive relative price increases
- Increase taxes significantly to **raise the relative price and reduce affordability**
- If strengthening tax administration capacity, specific tax by alcohol/sugar content can incentivize the reformulation to reduce alcohol/sugar content
- **Automatically adjust specific taxes** faster (at least keep pace with) than inflation and income growth so that affordability is reduced over time
- Health taxes work more effectively as **a comprehensive package** (warning label, access restrictions, etc)

Guidance and tools

TECHNICAL PRODUCTS

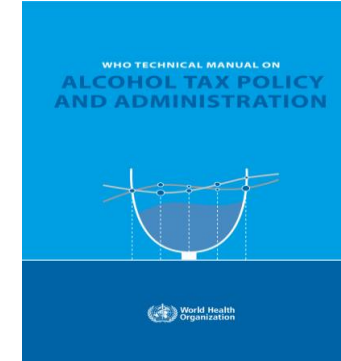
Technical manuals on tax policy and administration



**Tobacco
(2021)**



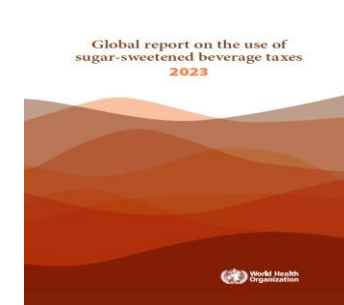
**SSB
(2022)**



**Alcohol
(2023)**



**WHO-IPU parliamentary
action guide for health taxes
(2022)**



**Global report on
SSBs taxes (2023)**



**Global report on
alcohol taxes (2023)**



**Fiscal policies to
promote healthy diets:
WHO guideline (2024)**