Using Health Taxes to Drive Long-Term Investment in Health Promotion

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Act 1: The Crisis

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Thailand’s health-tax story began with a prevention gap

The main health burden was driven by risk factors shaped far beyond hospitals.

~400k

NCD deaths per year
≈ three quarters of all deaths

55k

tobacco-attributable deaths
in 2014

2% GDP

economic loss linked to
alcohol each year

26 tsp/day

average sugar intake;
≈4× WHO recommendation

The question was not only “How do we treat illness?” but “How do we make health-harming products finance health-promoting action?”

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Act 2: The Innovation

Health Taxes

Tailoring Mechanisms to Specific Industries

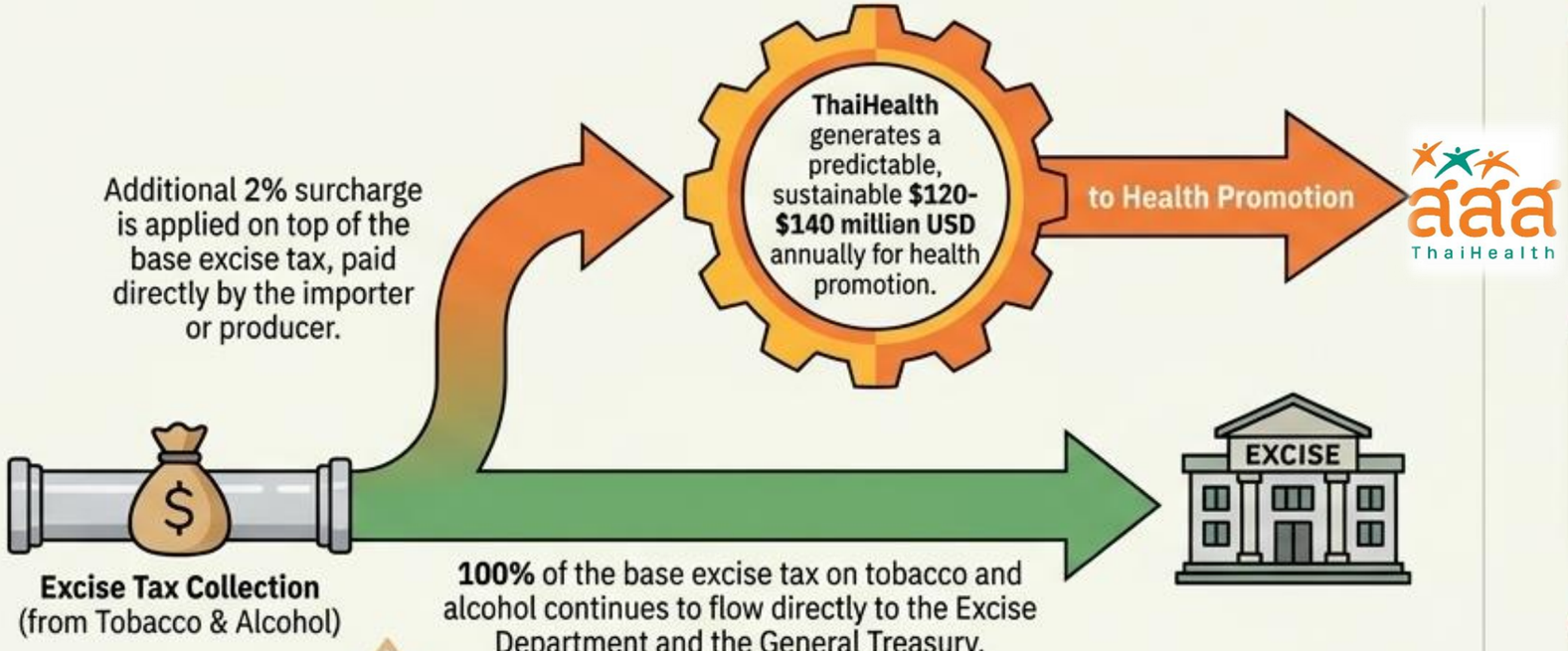
Thailand does not use a one-size-fits-all approach. The tax and policy layer are customized based on the product.

	Tobacco	Alcohol	Sugar-Sweetened Beverages (SSBs)
Tax Function	High excise taxes + 2% Surcharge for ThaiHealth	High excise taxes + 2% Surcharge for ThaiHealth	Tiered excise tax based on sugar content (Since 2017). Note: Not directly earmarked for ThaiHealth.
Policy Layer	Smoke-free laws, graphic warnings, total ad bans	Sales-hour restrictions, age controls, advertising restrictions	Reformulation incentives and consumer "Healthier Choice" labeling.

Synthesis: Crucial Distinction: ThaiHealth is fueled specifically by tobacco and alcohol. The SSB tax operates independently as a complementary behavioral nudge within the broader NCD package.

ThaiHealth's Earmarked Tax Model

Thailand transformed tax on unhealthy products into a permanent investment in people's wellbeing.



Additional 2% surcharge paid by tobacco and alcohol importers/producers whenever excise tax is paid

Dedicated Fund: predictable, protected and less susceptible to diversion

Health Promotion Capacity: evidence, communication, advocacy and local implementation

Key Insight: Earmarking makes the "tax for health" link visible to citizens. It permanently fills the prevention gap without draining general revenues.

Tax → Prevention, not just Tax → Budget

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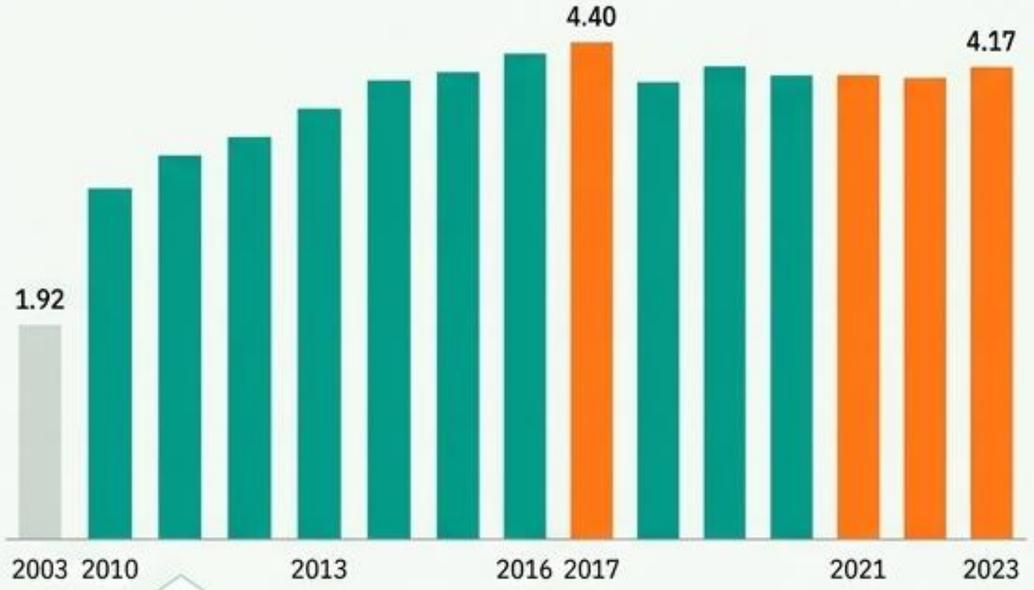
A predictable financing stream for prevention

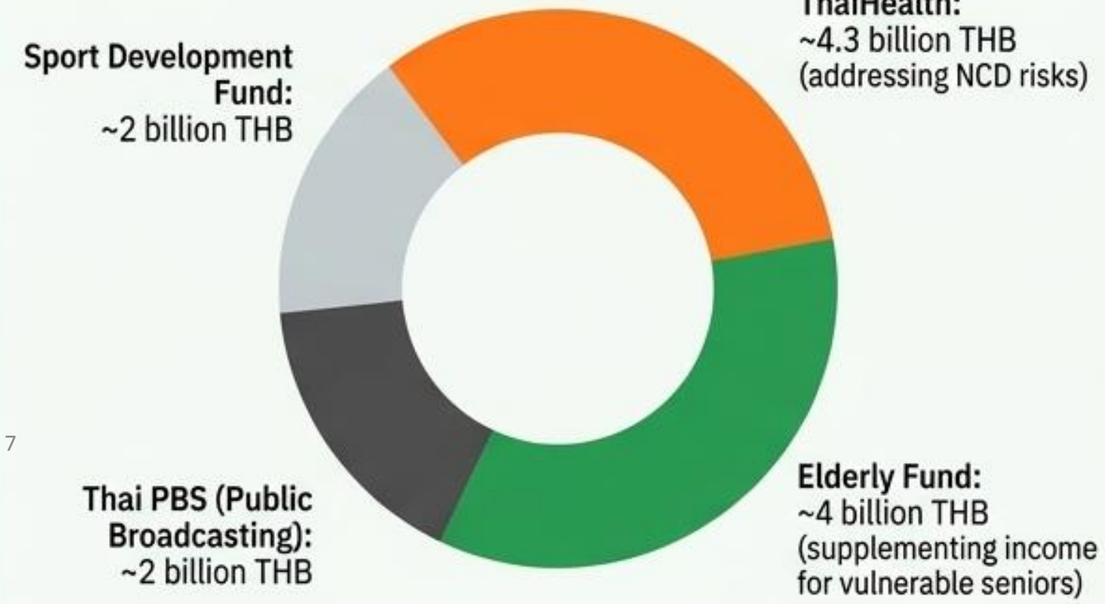
ThaiHealth revenue has remained above THB 4 billion/year in recent years, sufficient to build long-term capabilities.



Average annual revenue, 2010–2021: US$131.0 million; 67.8% from alcohol, 32.2% from tobacco; **≈US$2 per capita.**

Advancing Equity Through Multi-Purpose Earmarking

The additional levies on alcohol and tobacco serve multiple social development purposes, ensuring broad societal benefit and equity.



(Based on a 2017 Snapshot of the 12.3 Billion THB additional levy)

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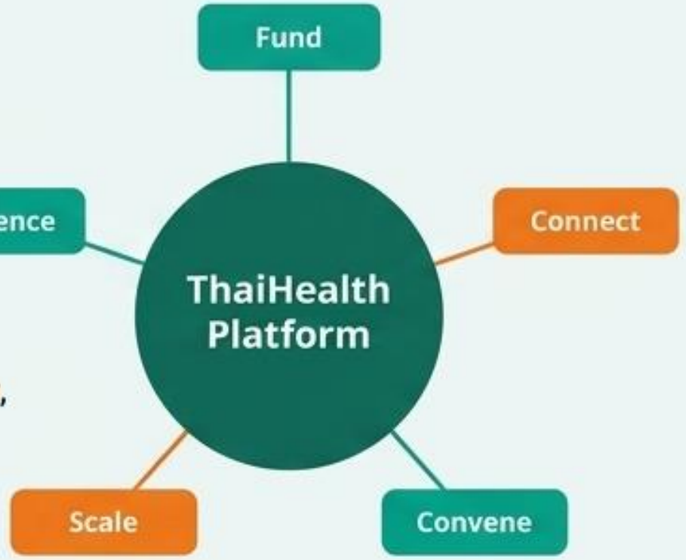
ThaiHealth is not an implementer; it is a system catalyser

- Set up as an **Autonomous Governmental Agency** via **Health Promotion Act 2001**
- Using **Dedicated Tax** from **Tobacco** and **Alcohol** as a **Innovative Financing** mechanism for Health Promotion
- **Board of Governance**, chaired by the **Prime Minister**, comprises of **multi-sectoral members**



We don't build programs.
We build ecosystems.

The Mission:

"To inspire, motivate, coordinate, and empower individuals and organizations in all sectors towards health promotive capability as well as healthy society and environment..."

Strategic Functions:

- Direct health promotion campaigns.
- Strategic support for regulation and legislation.
- Evidence generation to inform national policy.
- Building public and media health literacy.

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Act 3: Systemic Outcomes

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Driving National Wellbeing: ThaiHealth's Strategy Through the Ottawa Charter

MACRO-LEVEL STRATEGY
(POLICY & ENVIRONMENTS)

BUILD HEALTHY PUBLIC POLICY VIA ECONOMIC DETERRENTS

9 BILLION THB REVENUE

DETER YOUTH

CREATE SUPPORTIVE ENVIRONMENTS FOR ACTIVE LIVING

GoodWalk Map

ACCESS TO HEALTHY SPACES

STRENGTHENING FOOD SAFETY AND CONSUMER PROTECTION

BEFORE **90%** TOXIC RESIDUE IN BLOOD

AFTER **66%** TOXIC RESIDUE IN BLOOD

GREENTOPIA COMMUNITY MODELS

MICRO-LEVEL EMPOWERMENT
(COMMUNITY, SKILLS & SERVICES)

STRENGTHEN COMMUNITY ACTION & PERSONAL SKILLS

31,989 YOUTH LEADERS

856 SCHOOLS

RESIST TOBACCO & PROMOTE NUTRITION

REORIENT HEALTH SERVICES TOWARD COMMUNITY CARE

CBTx MODEL

DRUG TREATMENT

TREATABLE BRAIN DISORDER

BUILDING RESILIENCE THROUGH SOCIAL LABS

MOVING FROM REACTIVE AID TO EARLY-INTERVENTION

SMILE FAMILY TEAMS

24 ACTIVE PROVINCES

SOCIAL & ECONOMIC IMPACT

SOCIAL RETURN ON INVESTMENT (SROI)
1.57 – 7.53 SOCIAL VALUE PER 1 BAHT INVESTED

ALCOHOL-FREE SOBRIETY (BUDDHIST LENT)
15 BILLION THB SAVED IN HOUSEHOLD EXPENSES

MENTAL HEALTH COUNSELING
137 ESTABLISHMENTS REACHED
83.5% OF NATIONAL TARGET

From pilots to national adoption

ThaiHealth accelerates evidence-to-policy pathways rather than funding isolated projects.

1. **Pilot innovation**
2. **Generate evidence**
3. **Build coalition**
4. **Policy adoption**
5. **Scale & normalize**

Translating Evidence into Legislative Action

ThaiHealth generates the undeniable evidence required to push through major public health legislation against commercial resistance.

2008 Alcoholic Beverage Control Act

Evidence provided by ThaiHealth led to a minimum legal drinking age of 20, total advertising bans, restricted sales hours, and new strict warning labels

2017 Tobacco Product Control Act

Supported legislation actively applying WHO FCTC recommendations, expanding the regulatory net over modern tobacco environments

The Sugar Case: Shifting Social Norms and Industry Standards

SSB taxation: design that nudges markets and norms

The Baseline Crisis: Thai people consumed an average of 26 teaspoons of sugar a day—4 times the WHO's recommendation. Half came from SSBs.

Policy Intervention:
2017 progressive SSB tax based on sugar content (rates increase every 2 years). Tax base expanded to coffee, tea, and fruit drinks.

The Outcome: Industry-wide reorientation. Beverage companies rapidly reduced sugar content and portion sizes to avoid higher taxes, fundamentally altering the commercial environment to make healthier choices more accessible.

The Market Shift

The market share of low-sugar beverages has increased by 33% since the implementation of the tax phases (2017 onwards).

+35%
increase in low/no-sugar drinks released to market

27 → 23.7
teaspoons/day average sugar consumption, 2016–2021

>3,000
soft drink-free schools nationwide

2017
SSB excise tax informed by evidence, policy advocacy and communication

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Tackling the Commercial Determinants of Health (CDoH)

Acknowledging that the commercial ecosystem fundamentally shapes population health outcomes. Health promotion requires market intervention.

Systemic Action:

Advancing partnership frameworks and strict due-diligence criteria grounded in a CDoH approach, utilizing WHO interventions (price increases, plain packaging, advertising bans, availability restrictions).

Empowering Communities and Lifestyles

Systemic change requires translation down to the family and individual level to become culturally embedded.

HAVE A HEALTHY DAY!

Community Level

Fostering local initiatives like Dek Thai Kam Sai to directly address childhood obesity at the neighborhood scale.

National Frameworks

Providing strategic support globally and regionally, culminating in the first National Physical Activity Plan (2018–2030).

Family Level

Encouraging families to adopt healthier baseline behaviors by promoting nutrition and physical activity in daily life.





Changing social norms, not only individual behaviour

Thailand's prevention engine works through culture, settings and repeated public visibility.

- Alcohol Abstinence during Buddhist Lent
- Alcohol-free social events & merit-making
- Smoke-free homes and public spaces
- Move More, Sit Less
- Reduce sweet consumption

FY2025 example: alcohol-free Songkran
(brawling cases declined:
8,575 → 7,131 → 6,100 (2023–2025)

Population-level signals: progress through joint contribution

These outcomes reflect contributions of ThaiHealth together with MoPH, MoF, civil society and many partners

Adult smoking

25.5% (2001) → **17.4%** (2021)

Adult alcohol drinking

32.7% (2004) → **28.0%** (2021)

Sufficient physical activity

66.3% (2012) → **74.6%** (2019)

Road traffic fatalities

21,996 (2011) → **16,957** (2021)

The lesson for health-tax design: show social returns continuously, not only revenue collection

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The DOPA Framework: Evolving into an AI-Driven Operation

The Pivot: Shifting from ‘broad approaches’ to ‘proactive area-based and group-specific management’.

1

Data-driven

Utilizing big data to identify at-risk populations.

2

Outcome-driven

Focusing on measurable, localized impacts.

3

People-centered

Supporting local decision-making and empowering communities.

4

AI-driven

Deploying pilot AI initiatives, health promotion assistants, and generative AI training to turn complex data into actionable insights for health workers.

A Data to Partners Approach

Transparent data systems link national health surveys with localized area-level data, enabling community-driven problem-solving.

- **The Co-Funding Mechanism:** ThaiHealth does not just dictate from the top down; it actively implements a “Co-Funding” model with Local Administrative Organizations (LAOs). Currently, over 20 LAOs nationwide jointly utilize this data-driven framework for targeted provincial health planning and resource allocation.

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Act 4: Lessons for the World

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The exportable package: five capabilities, not a copy-paste model

Countries can adapt principles while respecting their own institutions, fiscal rules and politics.

1	**Sustainable financing:**	Turn harmful-product taxes into long-term wellbeing investment
2	**Systems convening:**	Bring health, finance, academia, CSOs and communities into one prevention platform
3	**Social norm transformation:**	Shift culture and settings, not only individual choices
4	**Evidence-to-policy acceleration:**	Move pilots and research into laws, standards and national uptake
5	**Future health threats:**	Prepare for e-cigarettes, online gambling, UPFs and AI-related harms

From funding projects to engineering healthy systems

Thank You.

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