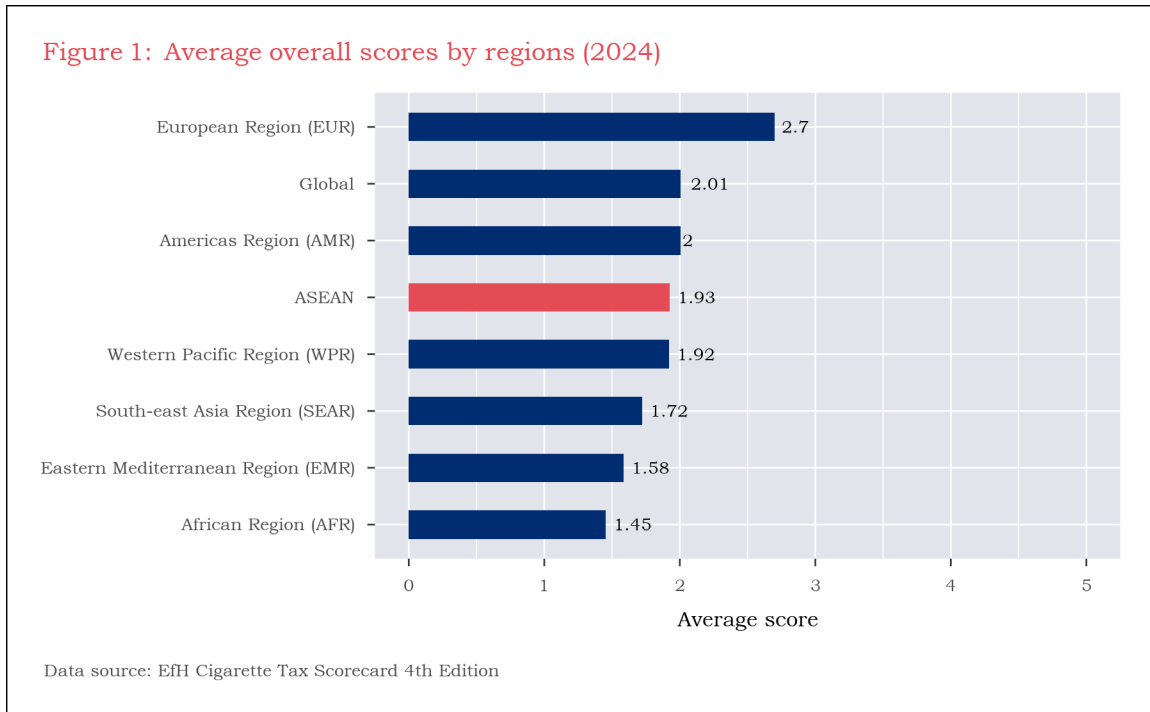


Cigarette Tax Scorecard: Spotlight on Association of Southeast Asian Nations



Key Messages

1. In the fourth edition of the Economics for Health Cigarette Tax Scorecard, the average overall score in 2024 in the Association of Southeast Asian Nations (ASEAN) is 1.93 out of 5 points. Although this is higher than other regions except Europe and Americas Region, ASEAN scored below two points out of a possible 5 points on average—thus, there is plenty of room for improvement.
2. Among the four components used to calculate the overall score in the Scorecard, ASEAN countries performed best on tax structure, with an average score of 2.60 points. This suggests that tax structures in the region are somewhat effective, but there remains room for improvement in many countries.
3. Higher excise tax rates would help to reduce the affordability of cigarettes— the average score in the affordability change component is only 0.70 points out of 5. Cigarette prices have not increased at the same pace as real income growth and inflation. This underscores the importance of introducing income and inflation adjustments to make sure affordability is reduced.
4. Out of the countries in the region, Philippines is the highest performer, with an overall score of 3.75 points, while Laos and Cambodia lag the regional average with only 0.50 points out of 5 each.

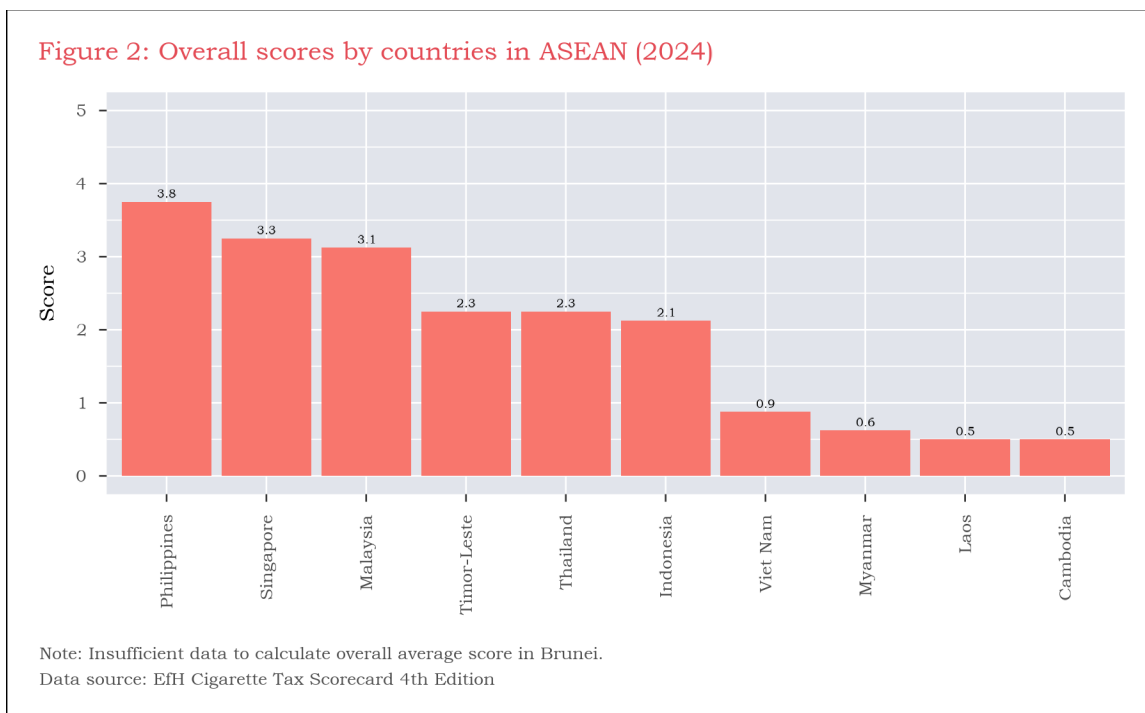
Introduction

The Economics for Health Cigarette Tax Scorecard evaluates countries’ cigarette tax systems based on a five-point rating system that incorporates international guidance and best practices in tobacco taxation. The five-point index uses data from the World Health Organization and other sources to score countries on the following four components: cigarette price, changes in the affordability of cigarettes over time, the share of taxes in retail cigarette prices, and the structure of cigarette taxes. The total score reflects an average of the four component scores.

On average, the ASEAN region scored below 2 points out of 5 in 2024. Improving cigarette tax

policies would decrease smoking prevalence, while raising additional tax revenues for governments.

There is significant variation across the region for overall scores in 2024. Philippines scored the highest with 3.75 points out of 5, followed by Singapore (3.25 points) and Malaysia (3.12 points). Cambodia and Laos had the lowest scores of 0.50, and Myanmar followed with a score of 0.63. Most countries in the region received less than half of the possible points. These findings suggest that there is significant room for improvement in tobacco taxation policies throughout the region.



Key Component Findings

Cigarette Price

Price is a key determinant of cigarette use— as the price increases, demand decreases. In 2024, the average score in ASEAN in this component is 2.10 out of 5 points. Malaysia and Singapore perform the best in this component, each scoring 5 points. In contrast, Cambodia and Laos score 0 points. Such price variation across the region can threaten the effectiveness of high prices in countries.

Change in Cigarette Affordability

To reduce demand, cigarettes must become less affordable. As cigarettes become less affordable, consumers buy fewer and many will stop smoking. As part of this effort, at a minimum, cigarette prices must outpace inflation and income growth.

This component requires the most significant improvement in ASEAN. The regional average score is only 0.70 points out of 5. Apart from Philippines and Thailand which score 5 points and 3 points respectively, all remaining countries score zero points for this component in 2024.

Tax Share

High tax share of price is essential to raise government tax revenues from cigarettes and is typically a good indicator of tax performance.

The average for this component of the score in ASEAN is 2.30 points with large variation among countries. Indonesia receives 4.5 points out of 5, followed by Singapore, Thailand and Timor-Leste, each scoring 4 points. On the other end of the spectrum, Laos and Cambodia receive zero points each and Myanmar and Viet Nam receive only 0.5 points each, indicating that these governments could be reaping

significantly more revenues from cigarette taxes.

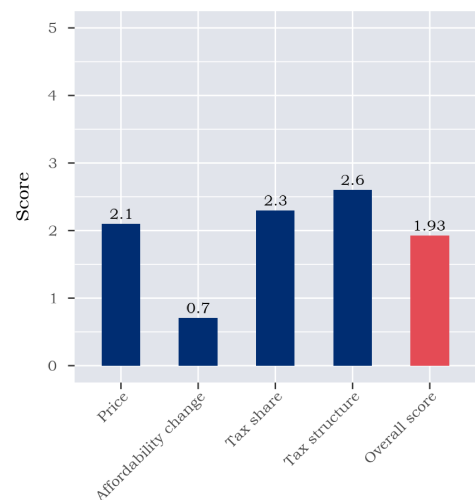
Note that if prices are low, tax shares can still be high. So, it is best to view these two component scores together.

Tax Structure

Tax structures vary in their effectiveness when it comes to reducing tobacco use and collecting tax revenue. Uniform specific excise tax systems that are adjusted upward regularly are generally the most effective and easiest to administer.

The average score in ASEAN for this component is 2.60 out of 5 in 2024. Philippines receives 5 points in this component, followed by Malaysia, Singapore and Timor-Leste, which score 4 points each. In contrast, Indonesia, Myanmar and Thailand scores the lowest in the region, with only 1 point out of 5.

Figure 3: Average component and overall scores of ASEAN (2024)



Data source: EfH Cigarette Tax Scorecard 4th Edition

Score Over Time

There is significant variation in progress on cigarette tax policies in the ASEAN region. When compared with 2014, the regional overall average score increased modestly from 1.46 to 1.93 in 2024. While most countries saw slight improvements in their overall relative to the baseline, Myanmar experienced a decline of 0.75 points.

Each country in ASEAN should seize the opportunity to improve their cigarette tax policies going forward. Not only will this improve the population's health, but governments will reap significant fiscal benefits as well.

Table 1: Trend of average component and overall scores in ASEAN, 2014-2024

Component	2014	2016	2018	2020	2022	2024
Price	1.60	2.10	2.10	2.30	2.10	2.10
Affordability change	0.46	0.46	0.50	0.80	0.50	0.70
Tax share	1.95	1.65	1.75	1.75	1.95	2.30
Tax structure	2.30	2.50	2.50	2.50	2.50	2.60
Overall score	1.46	1.69	1.71	1.84	1.76	1.93

Annex 1: Trends of component and overall scores by countries in ASEAN (2014-2024)

