PHILIPPINE HEART ASSOCIATION (PHA)

SUPPORTS

SIN TAX BILL

We, the Philippine Heart Association, a non-stock, non-profit organization of heart and vascular specialists in the country, strongly support the passage of **Senate Bill 3249 - An Act Restructuring the Excise Taxes on Alcohol and Tobacco Products** (corresponding to a revised version of **House Bill 5727**), or the Sin Tax Bill.

There are compelling reasons why the Sin Tax bill must be passed.

We recognize that the right to health is a fundamental right that is maintained in Article II, Section 15 of the Constitution – which states that – "The State shall protect and promote the right to health of the people and as a policy instill health consciousness among them."

We belong to a society whose sworn Hippocratic mandate is to prevent and treat diseases of the heart and blood vessels. It is our moral responsibility and our collective duty to support initiatives that will impact on the prevalent tobacco consumption in the country. We support reforms to the current excise tax system on cigarettes and other tobacco products.

Tobacco tax reform is in keeping with the provisions of the WHO's Framework Convention on Tobacco Control (WHO-FCTC) of which the Philippines is a signatory since September 2003. FCTC is the first public health treaty negotiated under the auspices of the WHO which reaffirms the right of all people to the highest standards of health.

Cigarette smoke contains nearly 4,000 chemicals of which 60 are proven cancer-causing agents[1]. We cannot stand idle as 60 carcinogens are easily and legitimately available for everyone to enjoy. We deplore how tobacco can be an easily accessible and generally affordable commodity for everyone's death, disease, addiction and self-destruction.

Ten Filipinos die from tobacco use every hour. Smoking is the most common risk factor associated with deaths due to stroke and heart attack in the Philippines. CIGARETTE SMOKING KILLS - nearly 87,600 Filipinos every year (or 240 deaths every day)[2] – which is HIGHER than other risk factors like diabetes, hypertension, obesity and high cholesterol.

As a tobacco-growing country, the Philippines has one of the highest prevalence rates of smoking in the Western Pacific Region. Based on the 7th National Nutrition and Health Survey II (NNHeS II, 2008), the prevalence of smoking remains alarmingly high at 31% - thus, an estimated 25 million of the population aged 18 years are current and previous smokers. The 2009 Philippines Global Adult Tobacco Survey (GATS) estimates that more than 17 million of the population aged 15 years and above currently smoke tobacco.

SEVEN out the ten leading causes of mortality in the Philippines are smoking-related. Based on only four smoking-related illnesses (lung cancer, cardiovascular diseases, coronary artery disease and chronic obstructive pulmonary disease), the economic burden due to healthcare costs and productivity losses amount to a staggering 218 to 416 billion pesos annually[2].

We believe that TAXATION DETERS USAGE. Increasing the price of tobacco through higher taxes is the SINGLE MOST EFFECTIVE way to reduce consumption and encourage tobacco users to quit [3,5]. The Southeast Asia Tobacco Control Alliance (SEATCA) noted that a 70% increase in the price of tobacco could prevent up to a quarter of all smoking-related deaths worldwide.

Philippines has one of the lowest prices of cigarettes (and alcohol) in the Asean region, which gives the poor and the youth easy access to both. Compared with many other Asean neighbours, the Philippines has the highest per capita consumption of cigarettes in 2007, one of the lowest prices of cigarettes and the lowest taxes imposed [4].

Lifestyle-related diseases affect both rich and poor, but most unfortunately, especially the poor. Smoking rates are highest among the poor in the Asean region, who will suffer from the cost of long-term treatment and unhealthy lifestyles. The poorest sector spends more for tobacco than for education, clothing, even for health.

Most importantly, we recognize that SB 3249 provides for allocation of incremental revenues to finance the universal health care program of the government. One such area that will receive exclusive allocation is the prevention and control of non-communicable diseases – which is clearly aligned with our Society's goals.

Thus, PHA unequivocally supports this bill which will provide for the following:

a. **Significant increase in tax rates**

b. **Removal of price classification freeze on cigarettes**

c. **Unitary tax for all cigarettes and alcohol products**

d. **Indexation of tax rates to gross domestic product (to ensure that tobacco and alcohol products do not become more affordable as income increases over time)**

e. **Allocation of incremental revenues to universal health care system**

f. **Earmarking of funds for programs to help tobacco farmers**

The cardiovascular disease epidemic continues to exact a heavy burden on the citizenry and the economy. Cigarette smoking lurks behind this epidemic as the most significant risk factor that relentlessly ravages the youth, saps the meagre resources of the poor and viciously destroys lives, families and futures. Concrete and decisive steps must be taken to protect the people from the disabling and fatal effects of tobacco. The passage of SB 3249 is a major step towards this direction.

We, as healers of hearts and advocates of heart wellness, believe that it is our moral responsibility to lend our voice and support to this crucial law. We strongly urge our lawmakers to pass the Sin Tax bill NOW.

PHILIPPINE HEART ASSOCIATION

[1] American Cancer Society; [2] Tobacco Control Strategy 2011-2016, DOH; [3] Southeast Asian Tobacco Control Alliance; [4] MPOWER Report, WHO, 2009; [5] MPOWER Report, WHO, 2011