

# GOV'T URGED TO CLARIFY TAX ON SUGAR-FREE DRINKS

---

Philippine Daily Inquirer · 16 Jun 2018 · B1 · By Roy Stephen C. Canivel @roycanivel\_INQ

---

The Federation of Philippine Industries (FPI) wants the government to explain why so-called sugar-free soft drinks are slapped an excise tax under the TRAIN law.

FPI chair Jesus Arranza said that including sugar-free drinks under the TRAIN law's coverage defeated the purpose of taxing sugar-sweetened beverages in the first place.

Arranza said that the higher price of such drinks were taking a toll on senior citizens, who patronized sugar-free drinks as a way to still enjoy soft drinks without aggravating their existing health conditions.

"Sugar-free is not sweetened by [real] sugar. It's artificial sugar," he told the Inquirer.

"They tax sugar-sweetened beverages (SSBs) to avoid obesity and obesity that would lead to diabetes. But how about those [senior citizens] who would like to enjoy soft drinks like they used to in their younger days?" he asked.

According to Philippine Statistics Authority (PSA), the total number of senior citizens in the country, or those aged 60 years and above, reached 4.6 million based on the 2000 Census of Population and Housing.

This number, which accounted for close to 6 percent of the population that time, may have already increased nearly two decades later. According to a media report quoting the Commission on Population, this number could have reached more than 8 million by the end of 2017.

FPI has previously expressed its opposition to the move to include the sugar-sweetened beverage tax under the TRAIN law. This, however, still ended up in the law as the government framed it in a way to curb health conditions linked to excessive sugar consumption.

Under the TRAIN law, such drinks could either be taxed P6 or P12, depending on what kind of sugar was used.

This also covered those with a non-caloric sweetener, which the law defined as a substance that is "artificially or chemically processed that produces a certain sweetness," the law read.

Arranza, who previously called the SSB tax "anti-poor," said he would write to the Department of Finance to ask the latter for a formal explanation on the matter.

This excise tax has taken a toll on consumers and manufacturers alike. It remains to be seen if the government would address FPI's concerns.