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## **ĐÁNH GIÁ TÁC ĐỘNG CỦA THUẾ TIÊU THỤ ĐẶC BIỆT ĐỐI VỚI THUỐC LÁ TRONG VIỆC GIẢM TIÊU THỤ CỦA NGƯỜI DÂN Ở VIỆT NAM**

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### **Tóm tắt**

Các tác động tiêu cực của việc hút thuốc lá đối với sức khỏe luôn là vấn đề nhức nhối, buộc các quốc gia trên thế giới phải thực hiện các biện pháp khác nhau để kiểm soát tiêu thụ thuốc lá. Thuế tiêu thụ đặc biệt đối với thuốc lá đã trở thành một công cụ chính trong nỗ lực này, nhằm ngăn chặn tiêu thụ bằng cách tăng giá của thuốc lá. Ở Việt Nam, nơi mức độ tiêu thụ thuốc lá vẫn còn cao, đặc biệt ở thanh thiếu niên; vì thế, hiệu quả của thuế tiêu thụ đặc biệt trong việc giảm tiêu thụ thuốc lá cần được kiểm nghiệm. Nghiên cứu này sẽ đánh giá các ảnh hưởng của thuế tiêu thụ đối với mẫu hình tiêu thụ thuốc lá của người dân Việt Nam. Sử dụng sự kết hợp giữa phân tích định tính và thông tin chất lượng, nghiên cứu này xem xét mối quan hệ giữa các chính sách thuế tiêu thụ, giá cả của thuốc lá và hành vi tiêu dùng của Việt Nam. Ngoài ra, các yếu tố xã hội kinh tế ảnh hưởng đến tiêu thụ thuốc lá tại Việt Nam cũng được xem xét để cung cấp một hiểu biết toàn diện về hiệu quả của thuế tiêu thụ đặc biệt trong việc giảm tỷ lệ hút thuốc lá. Từ đó, nghiên cứu sẽ đóng góp một số ý kiến cho chiến lược kiểm soát thuốc lá nhằm cải thiện sức khỏe của người dân.

**Từ khoá:** thuế tiêu thụ đặc biệt, tiêu thụ thuốc lá, Việt Nam

## **ASSESSING THE IMPACTS OF EXCISE TAXES ON CIGARETTES IN DECREASING THE CITIZEN'S CONSUMPTION OF CIGARETTES IN VIETNAM**

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## Abstract

The adverse health effects of smoking have always been a pressing issue, compelling countries worldwide to implement various measures to curb tobacco consumption. Excise taxes on cigarettes have emerged as a primary tool in this endeavor, aimed at deterring consumption by increasing cigarette prices. In Vietnam, where cigarette consumption rates remain high, especially among adolescents, the effectiveness of specific excise taxes in reducing consumption needs to be examined. This study will assess the impacts of excise taxes on the consumption patterns of cigarettes among Vietnamese citizens. By employing a combination of qualitative analysis and qualified insights, this research will explore the relationship between excise tax policies, cigarette prices, and consumption behaviors. Additionally, socio-economic factors influencing cigarette consumption in Vietnam will also be considered to provide a comprehensive understanding of the effectiveness of specific consumption taxes in reducing smoking rates. Therefore, this study will contribute certain implications for tobacco control strategies aiming to improve public health outcomes.

**Keywords:** excise tax, cigarette consumption, Vietnam

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## 1. Introduction

According to statistics issued by the Vietnam's Ministry of Health, approximately 15.4 million adults use tobacco products, accounting for 15.6% of the population, positioning Vietnam as the 15th highest tobacco-consuming country globally in 2022. Furthermore, the trend of tobacco use is on the rise, particularly among the youth, with emerging forms such as electronic cigarettes becoming increasingly prevalent. According to research conducted in 2017 by Hospital K, the prevalence of lung cancer patients who are smokers stands at 96.8% in Vietnam. Recognizing the urgency of addressing this issue, the Vietnamese government has increasingly turned to excise taxes as a strategy for tobacco control in order to reduce the burden of smoking-related illnesses on healthcare systems. Vietnam, like many other developing countries, grapples with high rates of tobacco use, particularly among its male population. Despite existing tobacco control measures like awareness campaigns and smoking bans, their effectiveness is limited without comprehensive fiscal policies. Excise taxes on cigarettes are thus vital for Vietnam's tobacco control strategy.

Understanding the implications of excise taxes on cigarette consumption in Vietnam is paramount for policymakers in designing evidence-based tobacco control measures. By elucidating the effectiveness of excise taxes in reducing smoking prevalence, this study aims to provide valuable insights that can inform the development and implementation of more robust tobacco control policies, ultimately contributing to improved public health outcomes and reduced tobacco-related harm in Vietnam.

## 2. Conceptual framework

### 2.1. *Excise tax on cigarettes*

According to Cnossen (2010), excise taxes are selective taxes on the sale or use of specific goods and services. These taxes have been in existence for hundreds of years and are still widely utilized by governments today. The 20th-century spread of income taxation and value-added

taxation reduced the significance of excise taxation as a source of government revenue, but most governments still collect sizable taxes on petroleum products, tobacco products, and alcohol. Such taxes are domestic taxes levied within a government's infrastructure, rather than international taxes imposed across country borders (Kagan, 2020). Excise taxes are primarily aimed at businesses. Many of these taxes are paid by retailers who then incorporate the tax into their pricing, thereby indirectly increasing prices for consumers.

In some cases, governments levy excise taxes on goods with high social costs, with cigarettes being a prime example. These types of excise taxes are sometimes called sin taxes because the goods being taxed have a reputation for being "sinful" or with negative consequences associated with it. These kinds of excise taxes are often referred to as "sin taxes" because the taxed goods are perceived as harmful or associated with negative outcomes. These taxes are frequently used to discourage consumption due to the health risks associated with these goods. The rates of these taxes can vary significantly. For example, in the United States, the federal excise tax on cigarettes is \$1.01 per pack, but state taxes can range from \$0.17 per pack in Missouri to \$5.35 per pack in New York (Federation of Tax Administrators, 2023).

## ***2.2. Relationship between cigarette prices, taxes, and consumer behavior***

Raising excise taxes on tobacco products has long been recognized as an effective and economical measure for controlling cigarette use, as a result, price increases decrease consumption and increase government revenues (He et al., 2023). This interrelation between cigarette prices, taxes, and consumer behavior can be elucidated through the theory of price elasticity of demand. This economic theory suggests that an increase in cigarette prices, often due to higher taxes, results in a decrease in cigarette consumption (Le & Jaffri, 2022). In particular, excise taxes typically lead to inflated prices for consumers, thereby diminishing demand for taxed items. The size of the reduction and who prices most affect depend on consumers' price elasticity of demand (the percentage change in the quantity demanded resulting from a 1% price increase) (Chaloupka et al., 2019). Price elasticity determines whether consumers treat the good as a necessity or a luxury item, how much of a consumer's income is spent on that good, and the availability of substitutes.

Furthermore, the effectiveness of excise tax increases as a tool for reducing tobacco use depends on how the tax increase impacts the retail price of the product (Linegar & Walbeek, 2018). People change their purchasing behavior in response to retail price changes, not in response to excise tax changes. Typically, smokers have no incentive to know the tax amount on cigarettes (and probably do not know the quantum of the tax), but they are made aware of the retail price at each purchase occasion. The magnitude of the price increase depends on the degree to which the tax increase is passed through to consumers. The degree of pass-through thus determines the effectiveness of the excise tax in reducing cigarette consumption (apart from the hypothetical cases in which demand or supply is perfectly price-inelastic). For instance, a tax increase that is fully passed through to consumers is more effective in reducing cigarette consumption than a tax increase that is only partially absorbed by the manufacturer.

Extensive evidence has accumulated on the impact of taxes and prices on the demand for tobacco products. Research conducted by Chaloupka, Straif, and Leon (2010) indicates that

hundreds of studies from around the world have estimated the impact of taxes and prices on the demand for tobacco products, with a particular focus on manufactured cigarettes, which make up the majority of tobacco consumption. Evidence also exists on the demand for other tobacco and nicotine products, including bidis, cigars, pipe tobacco, smokeless tobacco, and, more recently, electronic cigarettes (Jawad et al., 2018). In most high-income countries price elasticity estimates are around  $-0.4$ , implying that a 10% increase in price reduces overall consumption by 4% (US National Cancer Institute & World Health Organization, 2017). Estimates from low- and middle-income countries range from  $-0.2$  to  $-0.8$ , clustering around  $-0.5$  (Chaloupka et al., 2010). Given nicotine addiction, smokers fully respond to higher prices over time; the long-run impact of price increases about doubles the short-run impact. Approximately half of the short-run impact reflects the impact on smoking prevalence, with the remainder from reductions in the number of cigarettes smoked by continuing smokers.

### **3. Methodology**

#### ***3.1. Research design***

This study adopts a qualitative approach comprising a narrative literature review and case study research. The narrative literature review involves a comprehensive analysis and interpretation of existing research on a particular topic, integrating theoretical perspectives and contextual insights. It encompasses an extensive evaluation of literature across various sources such as books and journal articles, aiming to provide readers with updated insights through a critical examination of published works (Acta Paul Enferm, 2007). Case study research, on the other hand, involves an in-depth investigation of a specific instance characterized by unique features. It offers a detailed analysis of an individual, group, or distinct event, aiming to uncover nuanced details that may reveal complexities or innovations within the research topic (Haryanto Atmowardoyo, 2018). The research is conducted in two stages:

- Stage 1: Theoretical framework

The initial stage will entail examining existing literature and prior studies concerning the excise tax on cigarettes. This review will explore the impact of excise duties on reducing tobacco consumption and enhancing public health outcomes among citizens.

- Stage 2: Case Study

The second stage will employ a qualitative methodology to investigate the implementation of excise taxes on cigarettes and their impact on cigarette consumption in Vietnam. The study will assess the successes and shortcomings concerning the effectiveness of the Vietnamese excise tax in reducing cigarette consumption among citizens. Ultimately, insights gleaned from the literature review and case study outcomes will be synthesized to draw conclusions and offer recommendations to the Vietnamese government regarding the utilization of excise taxes on cigarettes.

### ***3.2. Data collection method***

The literature review will involve assessing scholarly articles, books, reports, and journal publications relevant to the excise tax applied to cigarettes. The selection of the case study will be based on its alignment with the research objectives and will be determined using a purposive sampling method. This approach entails choosing cases anticipated to offer significant and useful insights while making efficient use of available research resources. Data gathered from the case study will be primarily secondary, comprising company reports, government reports, news articles, and online reviews.

### ***3.3. Data analysis***

Data collected from both the literature reviews and the case study will be subjected to thematic analysis. This method was selected for its widespread use in qualitative data analysis, particularly in understanding phenomena or social situations, such as the impact of special consumption taxes on cigarette usage among the Vietnamese population. Thematic analysis entails identifying core concepts pertinent to the researched phenomenon and interpreting the significance extracted from the gathered data (Jamieson, 2016).

## **4. The impacts of excise taxes on cigarettes in decreasing the consumption of cigarettes in Vietnam**

### ***4.1. Excise tax on cigarettes in Vietnam***

Cigarettes and related products in Vietnam are taxed under the ad valorem system. There are three primary layers of taxation on tobacco: import duties, special consumption tax (SCT) – the excise tax in Vietnam, and value-added tax (VAT). The initial layer of taxation is applied to the CIF value (cost, insurance, and freight) of imported cigarettes and tobacco materials. The second layer of excise tax is levied on factory prices (pre-tax) of all types of cigarettes sold domestically (Ministry of Finance, 1998). The final layer is the value-added tax, assessed at 10% of the tobacco's value, including import tax and special consumption tax (SCT) values.

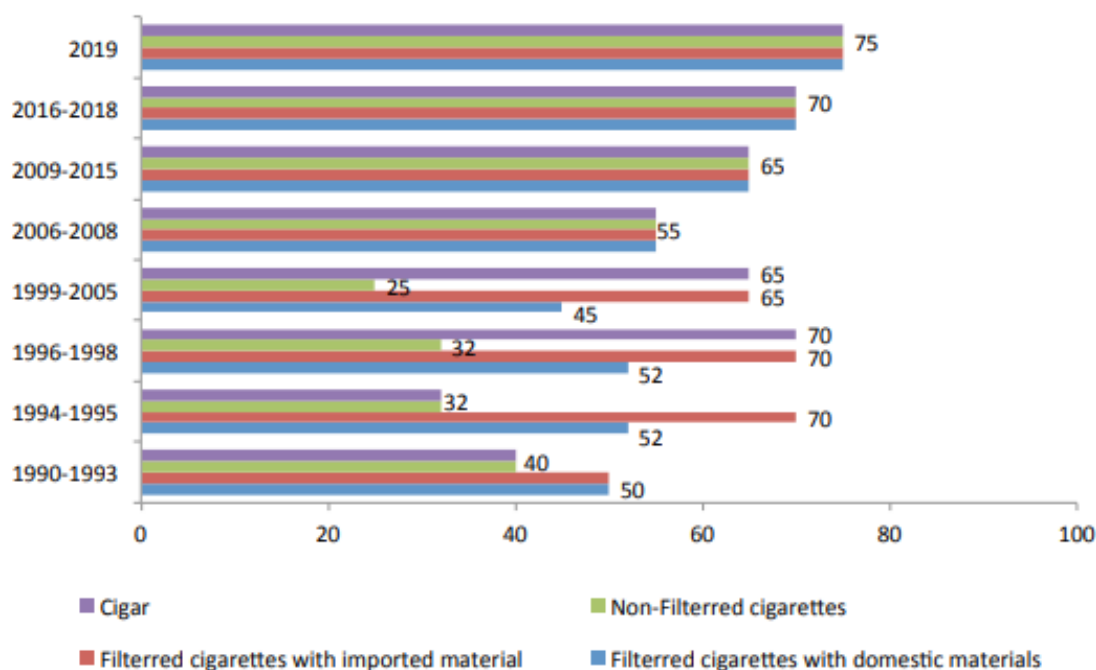
As an official member of the World Trade Organization (WTO) since 2007, Vietnam is required to adhere to WTO trade rules and eliminate the prohibition on tobacco importation (Ministry of Industry and Trade, 2007), allowing cigarette imports since then. However, Vietnam is permitted to impose high import taxes on these cigarettes. Furthermore, to regulate the quality of cigarettes and tobacco products, only Vietnam's state-owned company – VINATABA – is authorized to import these products (Ministry of Industry and Trade, 2013). Currently, cigarettes and cigars are subject to an import duty rate of 135% of the merchandise's CIF value for World Trade Organization (WTO) "most favored nation" countries and 225% of the CIF value for other countries.

Regarding the special consumption tax, before 2006, it was applied at three levels: 25% for unfiltered cigarettes, 45% for filtered cigarettes made mostly from domestic materials, and 65% for cigarettes made mostly from imported materials. The amended excise tax law of 2005 (National Assembly of Vietnam, 2005) outlined a transitional plan for a uniform excise tax level for all types of cigarettes sold in Vietnam: 55% for the period 2006-2007 and 65% from 2008

onwards. In 2014, the special consumption tax law underwent another revision, issuing a roadmap for excise tax until 2019. The rate of increase, as indicated by Figure 1 (National Assembly of Vietnam, 2014), was, however, very minimal, rising from 65% to 70% of the factory price starting in 2016 and to 75% starting in 2019.

In addition to the three aforementioned types of taxes, it is notable that the 2012 Tobacco Control Law also sanctioned the establishment of the Tobacco Control Fund (TCF) through a surcharge, known as the compulsory contribution, set at 1% from May 2013; 1.5% from 2016, and 2% from 2019. In 2015, funding from the Tobacco Control Fund (TCF) was distributed to 67 units across 63 provinces/cities, 22 ministries, political-social organizations, and 6 hospitals to implement measures for the prevention and control of tobacco harm. This represents a significant accomplishment for Vietnam, reflecting the sustained efforts of all tobacco control partners in the country over the past decades.

Since the special consumption tax in Vietnam is based on the factory price, the tax burden, when calculated as a percentage of the retail price for standardized international comparison, appears relatively low. At the 2015 tax rate (which is 65%), combined with VAT, the total tax burden in Vietnam equates to only 42.6% of the retail price. Consequently, the tax rate on tobacco in Vietnam falls notably below the optimal level of 70% of the retail price as recommended by the World Health Organization (WHO).



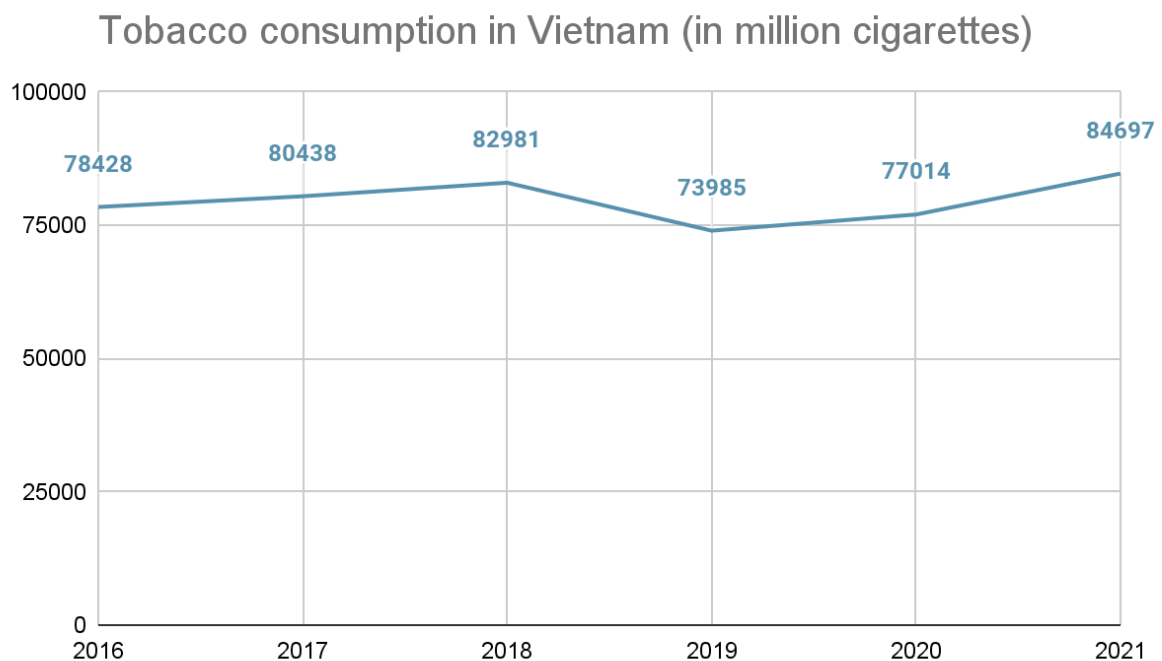
**Figure 1.** Tax rate on tobacco products from 1990-2019

**Source:** National Assembly of Vietnam

## 4.2. Cigarette consumption in Vietnam

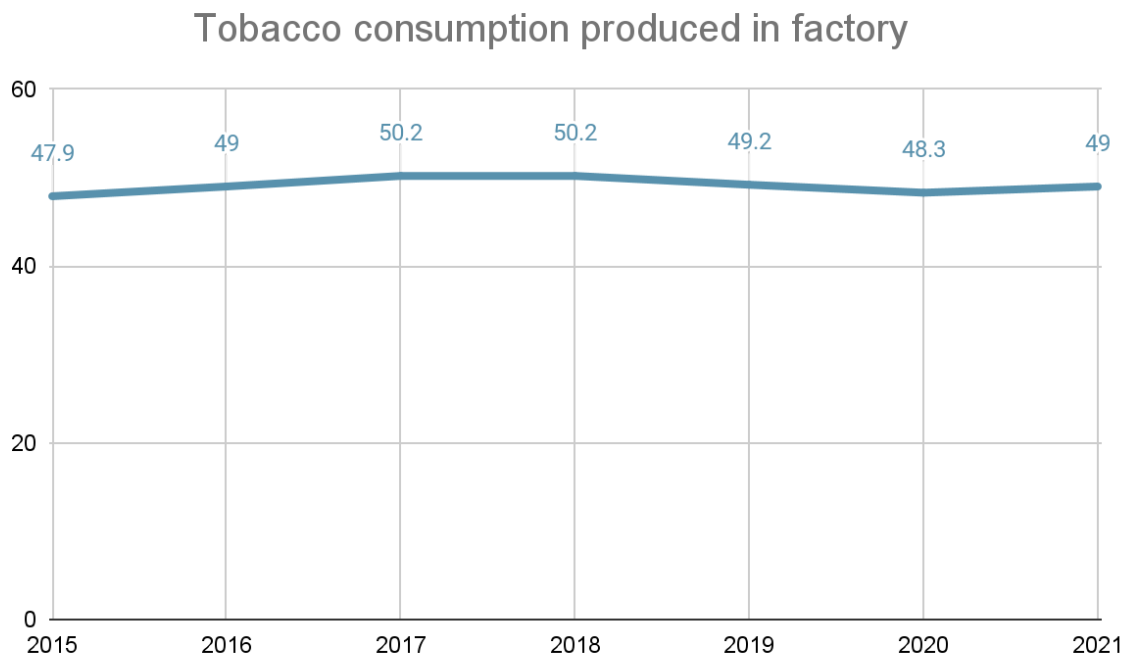
Vietnam is one of the countries with the highest number of smokers in the world and a high smoking prevalence among men in the region. Approximately 70.8% of the total smokers are male, and 29.2% are female. According to World Bank's data, the smoking prevalence of current tobacco use (percentage of Vietnamese adults) in 2020 (the latest data) is around 25%. It means that among every 4 adults, there is 1 adult who smokes tobacco. Moreover, as the Global School-based Student Health Survey's result, 2.3% of youth (ages 13–15) currently smoke cigarettes (boys 3.6%; girls 1.2%).

The latest survey on tobacco consumption in Vietnam indicates a 1% decrease in legal tobacco consumption (from 50.2% to 49.2%) during the period from 2018 to 2019 (Figure 2). The consumption rate continued to decline in 2020 due to the industry becoming more sluggish amid the Covid-19 pandemic. This trend aligns with the data from the Vietnam Tobacco Association (VTA), which indicates that domestic tobacco consumption decreased from 82,981 million to 73,985 million cigarettes in 2019, as illustrated in Figure 1, equivalent to a 10.84% decrease compared to 2018.



**Figure 2.** Tobacco consumption in Vietnam (in million cigarettes)

**Source:** Vietnam Tobacco Association



**Figure 3.** Tobacco consumption produced in factory

**Source:** Tobacco industry's estimation

#### *Patterns and trends in cigarette consumption*

Like many other countries in Asia, the smoking rate in Vietnam is higher among men than women. In 2020, 47% of Vietnamese male adults were smokers, and only 2% of female counterparts consumed cigarettes (World Bank's data).

According to the data of Vietnam Household Living Standard Survey in 2018, regarding different population groups, the smoking prevalence varies significantly. Firstly, the smoking rate in rural areas is approximately 10 percentage points higher than in urban areas. Secondly, the smoking rate among ethnic minorities is 64.57%, which is 9.39 percentage points higher than the rate among the Kinh and Hoa ethnic groups. Thirdly, when dividing the population into five quintiles based on total expenditure, the disparity in smoking prevalence between the group with the highest expenditure and the lowest expenditure is at least 12.22 percentage points. Clearly, households with lower total expenditure tend to have higher smoking rates.

#### *Economic factors and affordability*

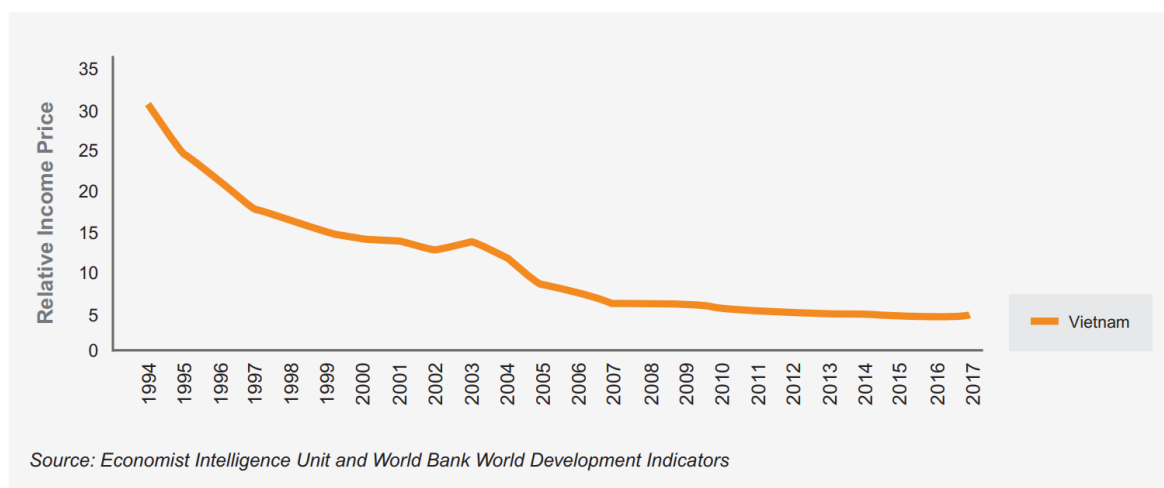
According to a survey by World Trade Organization (WTO), the cost of smoking in Vietnam accounts for 1% of the GDP, a substantial figure. Vietnam ranks 15th in the world for tobacco use, with the trend increasing, especially among young people, and emerging forms of tobacco use such as electronic cigarettes are becoming more prevalent.

Based on the research published in Asia Pacific Association for the Control of Tobacco (APACT), increasing the tax rates has led to a nominal increase in the retail prices of cigarettes. However, after adjusting for inflation, the actual retail prices of cigarettes have not increased significantly. Over time, as income growth has outpaced the growth in cigarette prices,



cigarettes have become more affordable for consumers. Consumers now need to allocate a lower portion of their income to purchase a pack of cigarettes, making them more budget-friendly for individuals with lower incomes, as demonstrated in Figure 3.

For example, the price of a 20-cigarette pack of Vinataba – a Vietnamese cigarette company, calculated based on the retail distribution prices, is 25,000 VND. This is considered a low price for a product that incurs various taxes.



**Figure 4.** Relative income price in Vietnam

**Source:** Economist Intelligence Unit and World Bank World Development Indicators

#### ***Impact on health outcomes***

In Vietnam, around 40,000 people die each year from diseases related to smoking. The World Health Organization (WHO) predicts that by 2030, this number will increase to 70,000 deaths per year if effective measures to counteract the harms of smoking are not implemented.

Every year, the World Health Organization reports that 8 million people die from smoking-related causes, with an additional 1 million deaths due to secondhand smoke. In Vietnam, 1 in every 7 deaths is attributed to smoking.

Moreover, there are 25 diseases associated with tobacco use, including stroke, coronary heart disease, chronic obstructive pulmonary disease, and lung cancer. These diseases are among the leading causes of death in Vietnam, with a high prevalence of smoking among lung cancer patients, reaching 96.8%. Non-communicable diseases account for 73% of the total deaths from diseases and injuries in Vietnam, and a significant factor is the high prevalence of tobacco use.

In reality, smoking has been causing significant health and life-threatening damage to women due to the impact of both active and passive smoking. Even though fewer women in Vietnam smoke compared to men, 48.2% of women are regularly exposed to harmful secondhand smoke at home, and 25.4% inhale secondhand smoke at the workplace. Secondhand smoke poses a particular threat to women, with an estimated over 19,000 people in Vietnam

dying from passive smoking in 2019, and the majority (about 60%) of these deaths being women.

### ***4.3. Evaluation of the impacts of excise taxes on cigarettes in decreasing the consumption of cigarettes in Vietnam***

#### ***4.3.1. Achievements***

##### ***Reduction in Consumption***

Initially, the data illustrates a significant decline in local tobacco usage between 2018 and 2019 following the augmentation of tobacco excise tax rates from 70% to 75%, coupled with a consistent downturn in smoking prevalence throughout 2020. This accomplishment underscores the constructive impact of tobacco special consumption levies on curtailing consumption rates. Heightened prices resulting from the consumption tax have erected a financial barrier, prompting consumers to reassess their cigarette purchasing decisions. This, in turn, diminishes overall consumption and fosters positive community health outcomes. The reduction in cigarette usage signifies a shift in consumer behavior, potentially stemming from heightened awareness regarding the perils of smoking and financial constraints stemming from escalated prices. Such a transformation could yield enduring alterations in consumer spending patterns, particularly evident in the decline of tobacco usage rates among males aged over 15, which decreased from 47.4% in 2010 to 38.9% in 2023.

##### ***Contribution to Government Revenue***

Additionally, Government Revenue stands out as a significant accomplishment. Levying excise taxes on cigarettes serves as a crucial revenue-generating mechanism for the government, providing funding for essential services and initiatives. The revenue generated from these taxes supports various healthcare endeavors, tobacco control efforts, and other public services aimed at enhancing citizens' quality of life. Through the imposition of higher taxes on tobacco products, the government not only advances public health objectives but also secures additional resources for vital sectors, promoting socio-economic development and sustainability. Diversifying the government's income sources, beyond relying solely on personal or corporate income taxes, helps bolster the stability and resilience of the national budget against economic fluctuations. Moreover, allocating a portion of tobacco tax revenue towards tobacco control and healthcare programs creates a positive feedback loop. As tobacco control measures decrease consumption and consequently reduce the incidence of tobacco-related diseases, healthcare costs diminish, while tax revenue increases.

#### ***4.3.2. Limitations***

##### ***Price elasticity of demand***

Despite increases in taxes, the demand for cigarettes might not decline significantly, particularly among individuals who are addicted to smoking. Tobacco products tend to be addictive, resulting in a demand curve that is relatively inelastic. Smokers may continue purchasing cigarettes despite price hikes due to their addiction or established habits, thereby diminishing the effectiveness of excise taxes in curbing consumption. The responsiveness of cigarette demand to price changes can vary among different income brackets. While wealthier

individuals may be more likely to reduce their consumption in response to higher prices, those with lower incomes, who may have limited access to alternative coping strategies or cessation aids, may exhibit less elasticity in their demand for cigarettes. Moreover, various demographic groups within the population may demonstrate differing levels of sensitivity to price fluctuations. For instance, young people, who typically have less disposable income and are more susceptible to changes in prices, may be more affected by increases in excise taxes compared to older age groups.

### ***Illicit trade***

The increasing price disparity between legal and illicit cigarettes, coupled with the lack of incentives for domestic manufacturers to enhance product quality, contributes to tobacco users in Vietnam turning to illicit products, perceived to be of superior quality.

Raising excise taxes within the current tax framework might not align with income growth and inflation rates, potentially fueling the illicit tobacco trade. Abrupt tax hikes and a complex tax structure could reduce legal trade, fostering an environment conducive to heightened consumption of smuggled cigarettes and potential revenue losses for the government. The accessibility of illicit cigarettes undermines pricing and tax regulations aimed at curbing consumption.

Vietnam's lengthy borders with Cambodia and Laos, combined with consumer preferences for foreign cigarettes due to flavor preferences, pose additional challenges. Furthermore, the normalization of tobacco smuggling has led to widespread market infiltration. Thus, combating illicit trade requires increased resource allocation for enhanced border surveillance and market regulation, particularly in border regions.

### ***Control tobacco consumption in the long term***

We believe that although increasing taxes on tobacco products in Vietnam may have some impact on tobacco consumption, it is not significant. This is evidenced by the changes in the smoking rate among Vietnamese men. In addition to Vietnam's tax policies, another factor that may contribute to a decrease in smoking rates in Vietnam is the global decline in smoking trends during this period, as well as the implementation of other non-tax tobacco control policies by the government.

### ***Not creating a stable, sustainable source of budget revenue for the government***

Despite the tobacco tax structure keeping up with inflation, the actual government revenue from tobacco taxation has remained stagnant over the years. This lack of significant growth in budget revenue can be attributed to several factors as retail prices may fail to keep pace with inflation or consumer preferences are shifting towards cheaper alternatives, leading to reduced consumption of legally taxed tobacco products.

Additionally, the government has experienced a loss of market share to illegal consumption, particularly evident during the period from 2016 to 2017, when the total tax revenue loss from illegal tobacco consumption amounted to nearly 9%. This loss is corroborated by the corresponding increase in the consumption of illegal tobacco, estimated to be around 10%.

## **5. Recommendations for the government in utilizing excise tax on cigarettes**

Based on the aforementioned limitations on excise tax on cigarettes in Vietnam, this research will propose certain recommendations for Vietnam to decrease the consumption of cigarettes.

### ***Applying a specific tax structure***

The specific tax structure is superior to a mixed tax structure or a percentage-based tax structure because taxation is based on the quantity of tobacco consumed. The specific tax structure may also help avoid the issue of large price differentials between factory prices and retail prices that can occur when using a percentage-based or mixed tax structure.

To transition smoothly to a specific tax system, we may consider gradually increasing the specific tax component and reducing the proportional tax component to encourage investment in improving product quality. This way, the price differential for tobacco will gradually narrow, and at an appropriate time, transition to a specific tax system.

### ***Increasing excise taxes and strengthening enforcement measures***

Continuously increasing excise taxes on cigarettes is recommended to further discourage smoking and diminish consumption. These incremental hikes should be strategically implemented to strike a balance between revenue generation and public health objectives. Strengthening enforcement measures is crucial to combat illicit trade and cross-border smuggling of tobacco products. This may entail bolstering border controls, imposing stricter penalties for smuggling offenses, and collaborating with neighboring countries to address transnational illicit trade networks.

### ***Public health campaigns and tobacco control policies***

Investing in targeted public health campaigns is essential to raise awareness about the detrimental effects of smoking and promote the benefits of quitting. These campaigns should specifically target vulnerable groups, including youth, low-income individuals, and rural residents. Implementing comprehensive tobacco control policies beyond excise taxes is imperative. This entails enacting smoke-free laws, imposing advertising restrictions, and providing support for smoking cessation programs. These policies should be evidence-based and tailored to address the unique challenges within the Vietnamese population.

### ***Collaboration and partnership***

Encouraging collaboration and partnership among government agencies, civil society organizations, healthcare providers, and the private sector is vital for effective tobacco control efforts. Multisectoral collaboration facilitates the implementation of comprehensive and sustainable tobacco control strategies.

### ***Research and innovation***

Additionally, investing in research and innovation is crucial for gaining a deeper understanding of the factors driving tobacco use and identifying novel approaches to tobacco control. This includes researching the efficacy of various policy interventions and staying abreast of emerging trends in tobacco consumption, such as electronic cigarettes.

## 6. Conclusion

In this study, the group author examined the effect of excise taxes on cigarette consumption in Vietnam, whether it has a positive or negative effect. Using data on changes in excise taxes and in tobacco consumption retrieved from reliable sources, the research group found a negative proportional pattern between these two variables, as evidenced in the drop in tobacco consumption in the 2018-2019 period. Evaluation from this study suggests that excise taxes on tobacco have shown their proficiency when effectively reducing cigarette consumption in Vietnam. The recommendations advocate for a multifaceted strategy to further diminish cigarette consumption. Continuous incremental hikes in excise taxes, strategically balanced between revenue generation and public health objectives, are proposed. Strengthening enforcement measures to combat illicit trade, investing in targeted public health campaigns, and implementing comprehensive tobacco control policies beyond taxes are crucial aspects of this approach.

However, the report still shows several limitations. The first limitation is data limitation. During the process of data retrieval, the group author finds the latest data lacking, upon which the evaluation relies solely. The most comprehensive report about Vietnam tobacco consumption (GATS) was released in 2015, about 10 years later. There is no official data for tobacco consumption besides GATS. Secondly, the evaluation primarily focuses on short-term impacts, and a more extended observation period would provide a more comprehensive understanding of the sustained effects of excise taxes on cigarette consumption.

From the above limitations, the group author proposes some suggestions for future research. Firstly, potential research groups can conduct a longitudinal study to assess the sustained impact of excise taxes on cigarette consumption over an extended period, providing insights into long-term effectiveness. Secondly, future research should thoroughly analyze the tobacco industry's responses to excise taxes, encompassing pricing strategies, innovative marketing, and product development. This comprehensive examination is crucial for anticipating and addressing potential counter-effects on the intended reduction in cigarette consumption. Insights gained from understanding the dynamic industry responses will enhance the formulation of resilient and effective tobacco control policies, ensuring a sustainable approach to reducing smoking rates over the long term.

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