

1. advantages, tuan lam from the who (world health

Business, Industries



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BUSTER**

1. Advantagesa, Discourage harmful behaviorsOne of the best results that government expects when imposing the higher tax on beer is declining the negative outcomes as much as possible. According to one survey conducted by WHO in 10 provinces in Vietnam, traffic crash fatality rates accounted for 39, 6% of over 18000 cases each year.([http://anninhthudo.](http://anninhthudo.vn/oto-xe-may/muon-giam-tai-nan-giao-thong-hay-uong-co-trach-nhiem/730576)

[vn/oto-xe-may/muon-giam-tai-nan-giao-thong-hay-uong-co-trach-nhiem/730576](http://anninhthudo.vn/oto-xe-may/muon-giam-tai-nan-giao-thong-hay-uong-co-trach-nhiem/730576). antd) Meanwhile, 60% of reasons causing domestic violence is also true by abusing beer. Most of the beer drinkers are people with modest incomes rather than wealthy people. Therefore, when excise taxation directly influences the prices of beer beverages, which substantially affects the demand for beer drinkers.

Therefore, After the government increased the special tax on the consumption of beer by 5% in 2014, the utilization of beer beverage declined by at least 7, 5% compared to 2013. ([http://chai. vn/nganh-bia-co-dong-gop-gi-cho-xa-hoi-bia-nhap-khau-chai-vn. htm](http://chai.vn/nganh-bia-co-dong-gop-gi-cho-xa-hoi-bia-nhap-khau-chai-vn.htm)) As the results, the figure for traffic fatalities reduced from 71 cases to 64 cases after imposing the higher tax.

([http://enternews. vn/tai-nan-giao-thong-lien-quan-toi-su-dung-ruou-bia-co-xu-huong-gia-tang-93244. html](http://enternews.vn/tai-nan-giao-thong-lien-quan-toi-su-dung-ruou-bia-co-xu-huong-gia-tang-93244.html)) Likewise, the higher tax can help reduce the risk of adverse consequences of beer consumption and abuse such as robbery, rape, murder as well as domestic violence against children and women. All of these findings indicate that increases in beer beverage taxes could be a highly effective option for reducing beer abuse and its consequences. b, Raise tax revenue for the governmentAnother benefit of

increasing special tax on the consumption of beer is that they can provide additional tax revenue to the government.

According to Vietnam Ministry of Industry and Trade, beer manufacture which has become one of the most primary industries in the country economy, contributed to 2, 7% of total tax revenue annually.(<http://vneconomy.vn/thi-truong/1700-ty-dan-tem-bia-de-chong-that-thu-thue-2100-3000-ty-moi-nam-20170927103237293.htm>) Meanwhile, Mr. Nguyen Tuan Lam from the WHO (World Health Organization) Office in Vietnam indicated that raising higher tax on beer would be the ‘ win-win’ solution for both the government and people. “ The government would be able to collect more money to cover its spending, while people would be able to avoid diseases”.([http://m.](http://m.english.vietnamnet.vn/fms/business/154852/vietnam-has-high-tax-on-dairy-products-low-tax-on-beer—liquor.html)

[english.vietnamnet.vn/fms/business/154852/vietnam-has-high-tax-on-dairy-products-low-tax-on-beer—liquor.](http://m.english.vietnamnet.vn/fms/business/154852/vietnam-has-high-tax-on-dairy-products-low-tax-on-beer—liquor.html)

html) If the volume of sales tends to be high, the revenue from them is also high. Moreover, huge sums of money from tax revenue that can go towards education, better roads, pay for the problems caused by abusive drinkers and other special projects for communities. 2. Disadvantage a, Stimulate the contraband beerHigher tax programs are designed to discourage the consumption and abuse of beer. However, the problem is, sometimes it can go in the wrong direction. Abusive beer drinkers are the very last people who will reduce their consumption when the retail price of beer goes up. In response to higher prices, abusers have many ways to maintain their drinking hobbies – they can switch to cheaper brands or purchase less

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expensive forms of alcohol including contraband or smuggled beer.

Importantly, there are few substitutes for beer products.

People cannot turn to other products to satisfy their wants. Therefore, illegal beer is highly popular products same alcohol content for a lower price.

Additionally, the contraband market is hard for the government to control.

Consequently, contrary to the expectation, higher tax on beer's utilization will not only encourage the black economy of smuggling, remain and even increase the consumption but also make the government revenue go down rather than go up. Several studies have concluded that substantial increases in alcohol taxes would yield social benefits that exceed their costs.

(<https://www.finance.senate.gov/imo/media/doc/Beer%20Institute%204.pdf>)b, Rise

unemployment ratesAnother related issue from raising the higher special tax of beer consumption concerns beer. The burden of these taxes is shared not only among consumers, sellers, but also those whose incomes derive from businesses related to the taxed good. The argument is that the beer tax increases can drive the workers whose livelihoods depend on the production and sale of beer beverage on the verge of unemployment. According to one statistic in 2012, there were 294. 682 employees working in Vietnam beer industry, which account for huge influence in labor economics.

(<http://cafef.vn/vi-mo-dau-tu/thue-ruou-bia-thuoc-la-dang-dong-gop-bao-nhieu-vao-thu-nsnn-20150726000423425.chn>) However, when excise tax on beer continues to increase, the demand for beer can go down. Fewer sales

mean that brewers, distributors, and retailers do not need and cannot afford the same size workforce.

Higher taxes, therefore, directly result in job losses within the industry.

Consequently, a large number of unemployed from beer industry can cause a lot of troubles on the economy. Hence, rather than maximizing the social benefits, higher tax on beer consumption can contribute to bringing the national economy into recession or depression.