

# Thailand: alcohol today

## SAWASDEE\* ALCOHOL: A HISTORICAL BACKGROUND

Historical evidence shows that although alcoholic beverages have been consumed in Thailand for many thousands of years they have played a minimal role in the lives of our ancestors, especially among ordinary people (Thanomsri 1999). A French Crown servant noted 400 years ago that 'Siamese live in the most frugal style, ordinary people drink only pure water, eat steamed rice with dried fish and some fruits' (Anusart 1991) [Siam is the former name of Thailand]. The main reason for abstention and low consumption is the strong faith in Buddhism, which discourages alcohol use among its followers.

Nevertheless, historically, alcohol has had an important place in the political economy of Thailand. Chinese migrants introduced the distillation technique for production of Lao Rong, or manufactured spirit, during the Ayuthaya period (1350–1767). Chinese migrants were then the first authorized concessionaires, running a production and distribution monopoly in that period (Phaisal Wisalo Bhikkhu 1984). Some historians point out that the Chinese drinking culture still influences the current Thai drinking pattern, for example in the volume units of beverage. In the later Ayuthaya period the Excise Master System, a concession system for alcohol tax-collecting duty, replaced the state-run system because of lower than expected levels of revenue due to a lack of diligence by the state officials.

Alcohol consumption became more common in Thai society in the early Ratanakosin period (after 1782), as the proportion of Chinese migrants increased to a quarter of the total population. Records indicate that alcohol distillation sites were common in Chinese communities. In 1786, the first king of the Chakri dynasty overhauled the alcohol laws by banning home production and strengthening the monopoly system for production, trade and tax collection. This gave the Excise Master two mandates: to collect alcohol excise tax and to suppress illegal production. As a result, alcohol was one of the main sources of revenue in this period and, along with gambling and opium, produced up to 51% of total state income in 1895 (Sornphaisarn 2005).

Because the concession fee decreased unacceptably in the early 1900s, the Excise Master System was abolished and replaced by a state-run decentralized system for tax collection in 1909. However, production and distribution concessions were left to the private sector. The Minister of the Interior ordered the Lord Lieutenants (the governors

of each administrative region) to enforce the alcohol tax law strictly and remit revenues back. Rewards and punishment were applied to governors depending on the volume of alcohol trading in their respective areas. At the same time the Ministry of Finance promoted the alcohol trade by rewarding over-target dealers and local leaders who could suppress illegal beverages, as well as encouraging influential local elites to be authorized alcohol producers and distributors. In the first period of the decentralized system alcohol trade expanded, in some regions outstripping supply.

Between 1927 and 1948 alcohol production had become a state-run monopoly. In its first period, state-run production increased annually by 9%. Domestic production increased significantly during the Second World War, taking advantage of the scarcity of imported beverages. As a result, alcohol tax revenue grew threefold in the decade after the war (Sornphaisarn 2005).

Recently, the government campaigned for an alcohol 'free market' by cancelling concessions for production and distribution of fermented beverages in 1990, and distilled beverages in 1999 (Sornphaisarn 2005). This campaign stated clearly that the taxation system should not be any obstruction to the development and growth of the alcohol industry, particularly the domestic industry (Nikomborirak 2002).

In summary, the history of Thai alcohol policy indicates that economic interest, especially revenue generation, has been the most important consideration.

## DRINKING TRENDS: HIGH CONSUMPTION FROM LOW PREVALENCE

The World Health Organization (WHO) Global Alcohol Database tracks the increase in Thai adult per capita consumption from 0.26 litres in 1961 to 8.47 litres of pure alcohol in 2001 (World Health Organization 2006). This trend is confirmed by data from the Excise Department, which declares that per adult drinking volume (litres of beverage) doubled in the 14 years between 1988 and 2002 (Wibulpolprasert 2005). The increasing trend is for both beer and spirit segments, while wine consumption is low and comparatively static. Spirits have been the dominant alcoholic beverage in Thai society, in pure alcohol consumed; for instance, spirits were 5.4 times higher than beer in 2001. However, beer consumption showed an eightfold increase between 1982 and 2001.

There has been a shift from unrecorded, especially illegal, to recorded consumption in developing countries

\*Sawasdee: a Thai greeting