



Critical success factors of the policy plan for the imposition of excise tax on packaged sugar-sweetened beverages in Indonesia based on SWOT analysis

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ABSTRACT

Background: To curb the rising consumption of packaged sweetened beverages and mitigate the increasing prevalence of diabetes, the World Health Organization (WHO) recommends the use of fiscal instruments. Inspired by other countries that have successfully imposed excise taxes on sugar-sweetened beverages (SSB), Indonesia, which has the fifth-highest number of diabetes cases globally, plans to implement a similar policy starting in 2023. **Methods:** This research employs a qualitative approach through literature studies and interviews with two employees from the Directorate General of Customs and Excise (DGCE). A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis framework is applied to identify the Critical Success Factors (CSFs) of the policy across three key dimensions: policy design, implementation process, and taxation institutions. **Findings:** The SWOT analysis highlights various internal and external factors influencing policy implementation. Strengths include government commitment and public health concerns, while weaknesses involve potential industry resistance and consumer behavior adaptation. Opportunities lie in increased public awareness and revenue generation, whereas threats include regulatory challenges and economic impacts on related industries. **Conclusion:** To ensure the successful implementation of SSB excise taxation, this study recommends strategic approaches for the DGCE and relevant ministries/institutions. These include refining policy frameworks, strengthening enforcement mechanisms, enhancing public education on health risks, and fostering collaboration between stakeholders. **Novelty/Originality of this article:** This research provides a structured analysis of the critical success factors and strategic recommendations for implementing SSB excise taxation in Indonesia, offering insights for policymakers to optimize its effectiveness in reducing sugar consumption and improving public health.

KEYWORDS: taxation; customs; consumption; sugar-sweetened beverage; SWOT.

1. Introduction

Based on the World Health Organization (WHO) report in 2020, the deadliest disease in the world in 2019 is coronary heart disease or ischemic heart disease. One of the biggest causes of coronary heart disease besides obesity is diabetes mellitus (Khan et al., 2020). In addition, based on the same report, diabetes mellitus is also ranked as the eighth largest cause of death in the world after diarrheal disease (WHO, 2020). Diabetes is a chronic metabolic disease characterized by elevated blood glucose (or blood sugar) levels characterized by chronic hyperglycemia due to impaired insulin secretion, insulin action, or

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both. Over time, diabetes can cause serious damage to the heart, blood vessels, eyes, kidneys, and nerves (Mahdi, 2022). There are 2 (two) types of diabetes, the first type is a condition where the body becomes resistant to the hormone insulin or does not produce enough insulin. Meanwhile, the second type is a chronic condition in which the pancreas produces little or no insulin by itself (Kharroubi and Darwish, 2015).

Data from the International Diabetes Federation/IDF (2021) shows that Indonesia is the 5th largest country in the world with 19.47 million people with diabetes, or 1 in 10 people in the age range of 20-79 years suffering from diabetes in 2021. This figure includes type one and type two diabetes, as well as undiagnosed diabetes.

Table 1. Estimated number of diabetes patients in Indonesia 2000-2045

Year	Amount (million)
2000	5.65
2011	7.29
2021	19.47
2030	23.33
2045	28.57

Based on the table above, in 2045, the number of people with diabetes in Indonesia is predicted to increase to 28.57, an increase of 47% compared to 2021. Meanwhile, the number of people with diabetes in the world is estimated to reach 537 million and as many as 6.7 million people are expected to die from diabetes (International Diabetes Federation, 2021). One of the efforts that can be made to reduce the number of sufferers and prevent diabetes is not to reduce excessive consumption of sugar and saturated fat (World Health Organization, 2022). WHO recommends that its member countries need to implement fiscal policies that can influence sugar consumption patterns, in order to reduce the number of people with diabetes in Indonesia (Khotami et al., 2024). One form of fiscal policy is to levy either taxes or excise taxes on sugar sweetened beverages (SSBs). In fact, more than 50 (fifty) countries apply taxation either in the form of excise or on beverages. In addition, taxation or excise has been implemented in most countries in Southeast Asia, namely Thailand, Myanmar, the Philippines, Malaysia, Cambodia and Laos. However, until now, Indonesia itself has not implemented the policy. Although the sugar-sweetened beverages excise tax is planned to be implemented in 2023.

Excise is a state levy imposed on the user or user of excisable goods, is selective and the expansion of the imposition of excisable goods is based on the nature and characteristics of the object. Excise is one type of indirect tax, which is a tax whose burden can be imposed on product users and repeatedly. The notion of excise develops not only as a tax on enjoyment but is viewed from the characteristics of a product that is destructive and threatens health, security of others, and national stability (Purwito & Indriani, 2015). This is in accordance with one of the tax functions as *regulerend* or regulator. The function as a regulator is a tax function by regulating to reduce negative externalities (Rosdiana and Irianto, 2015). In this case, it is in accordance with the concept of excise tax imposed on excisable goods, goods that can be specifically distinguished from other goods consumed and only used or needed by certain people.

When compared to several countries in Southeast Asia, the excise objects imposed by the Indonesian government are still relatively small. Based on Law Number 39 Year 2007 on Excise, Indonesia only imposes 3 excise objects, namely ethyl alcohol, beverages containing ethyl alcohol, and tobacco products. Meanwhile, compared to other countries in Southeast Asia, such as Thailand, Thailand imposes up to 21 (twenty-one) excise objects.

The Indonesian government plans to start imposing excise tax on sweet drinks in packaging starting in 2023. The plan is in line with WHO recommendations to make efforts to prevent the increase in diabetes. As there is a policy plan to impose excise tax on sugar-sweetened beverages in 2023, it is necessary to know the factors that support the successful implementation of the policy. Moreover, based on the explanation of Sri Mulyani, as the Minister of Finance of the Republic of Indonesia, although the excise revenue target on

Sweet drinks in packaging has been included in the 2023 State Budget Bill, the application of excise tax on Sweet drinks in packaging will still be considered considering the momentum of household economic recovery in 2023, the ability of people's purchasing power, industry readiness, and inflation risks. In this research, the author uses Critical Success Factors (CSF) theory and Strength, Weakness, Opportunities, and Threat (SWOT) analysis.

Critical success factors are important factors or parameters needed to ensure the success of an organization and these factors represent managerial processes in it and are given special attention so that they can lead to high performance (Huang & Lai, 2014). If in the context of policy, then critical success factors are important factors or parameters that are needed to ensure the success of a policy. Diallo and Thuillier suggested that the critical success factors that lead to the success of a policy are relevance, efficiency, effectiveness, and sustainability (Ika et al., 2011). The theory is derived into categories according to the theory of tax administration in OECD (2011) and the theory of critical success factors in tax administration from several experts, and produces 3 (three) dimensions, namely relevance related to policy design and effectiveness related to implementation process and stakeholders involved or in this case researchers use tax institutions.

Policy Design is the step of how a policy is discussed and shaped with the logic that shows between a policy issue or a problem with a given solution and feasibility that largely determines whether and how the policy can be enacted (Tezera, 2019). An implementation process or strategy is an operational plan that guides the process of realizing or implementing a policy (Tezera, 2019). Frank et al. (2007) explained that there are 6 (six) criteria for effective policy implementation, 3 of which are: (1) policy objectives are clear and consistent; (2) the program is based on a valid causal theory; and (3) the implementation process is structured adequately.

Institutional Taxation, a good institutional framework for tax administration must have at least 3 (three) characteristics (Jenkins, 1994). First, the institution is given autonomous administrative authority and can formulate its administrative policies and objectives. Second, the institution should have financial independence, meaning that the new institution/agency can allocate an appropriate budget, part of which can be used to incentivize or improve information technology. Finally, the agency should be responsible for managing its human resources internally.

2. Methods

The research was conducted qualitatively using the literature study method and interviews with 2 DGCE employees each from the DGCE Jakarta and Purwakarta Regional Offices. The data used is secondary data derived from various sources or literature both written and unwritten sources. In this research, the author uses the concept of Strength, Weakness, Opportunities, and Threat (SWOT) analysis on 3 (three) dimensions of Critical Success Factors. The following is a model of using the SWOT concept and Critical Success Factors in the preparation of the Sweet drinks in packaging excise tax implementation strategy. After conducting a SWOT analysis with these three dimensions, a strategy will be developed that can be implemented by policy makers in the implementation of excise tax on Sweet drinks in packaging.

According to Rangkuti (2001), SWOT analysis is the process of identifying factors that are carried out systematically to be able to formulate the right organizational strategy. This analysis is carried out by identifying strengths and weaknesses that come from internal, as well as opportunities and threats that come from external (Purnomo & Zulkiflimansyah, 2007). This analysis is based on the assumption that an effective strategy will maximize strengths and opportunities and minimize weaknesses and threats. The following is an explanation of each SWOT according to Rangkuti (2001).

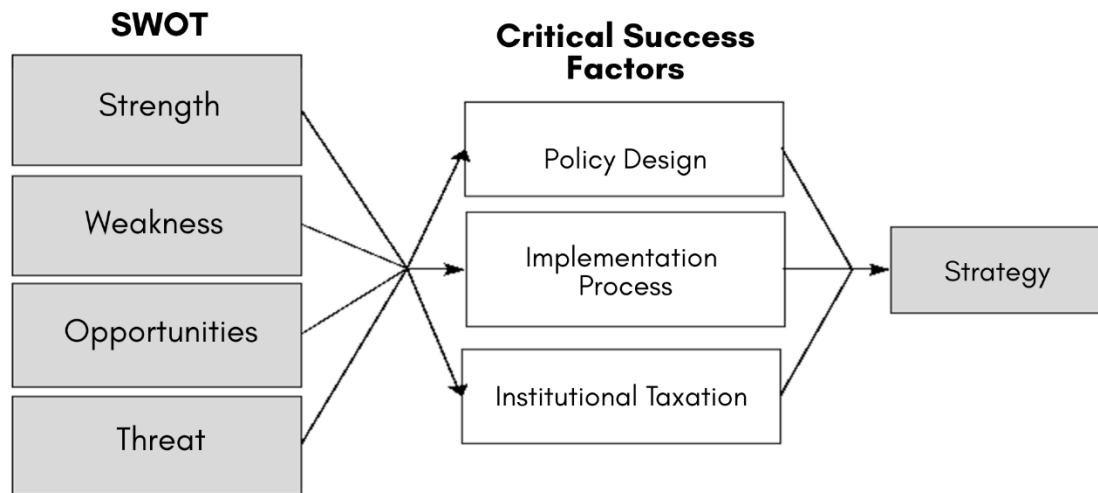


Fig. 1. Model of using the SWOT concept and critical succes factors

Strength, in the business world, is a resource or capability owned and controlled by an organization or available to an organization that makes the organization relatively superior to its competitors in meeting the needs of the customers it serves. Strength can also be done as organizational activities that run well or internal factors that support the company to achieve its goals. Weakness is a weakness or deficiency as an activity or effort that is not going well in an organization. Or it can also be interpreted as resources or strengths needed by an organization but not owned by the organization. So, weakness can also be interpreted as a shortcoming from within an organization. Internal strengths and weaknesses are activities that can be carried out by an organization itself, either very well or poorly. Opportunities are external conditions or factors that have a positive impact on the organization so that they support the development or stability of the organization and the implementation of a policy (Munjazi, 2024). Threats are external conditions or factors that are unfavorable or have the potential to have a negative impact on the organization or policy to have a negative impact on an organization or policy (Wahyuningtias, & Chung, 2022). Thus, threats can be an obstacle to the running of an organization or the implementation of a policy that comes from the external environment.

Table 2. SWOT matrix

EFAS/IFAS	Strength (S)	Weakness (W)
Opportunities (O)	<u>SO</u> Strategy of using strengths to take advantage of opportunities	<u>WO</u> A strategy that minimizes weaknesses to take advantage of opportunities
Threats (T)	<u>ST</u> A strategy of using strengths to overcome threats	<u>WT</u> A strategy that minimizes weaknesses to overcome threats

(Rangkuti, 2001)

After identifying each SWOT, the author develops strategies that can be applied by policy makers in the implementation of sweet drinks in packaging Sweet drinks in packaging excise tax. In developing these strategies, the author uses a SWOT matrix that integrates internal and external strategic factors. The SWOT matrix clearly illustrates how the opportunities and threats (external) or External Strategic Factors Analysis Summary (EFAS) faced are matched with the strengths and weaknesses (internal) or Internal Strategic Factors Analysis Summary (IFAS) owned (Rangkuti, 2001) and produces an interaction of all combinations which can be seen in the following table.

3. Results and Discussion

3.1 SWOT Identification

3.1.1 Policy design: General policy design that adapts to other countries' best practices and appropriate sweet drinks in packaging characteristics

Policy design is closely related to policy motivation as a description of the importance and purpose of a policy. In a broad sense, according to Robbins and Judge in Shagaria & Saad (2017), motivation refers to the process that explains the person's intensity, direction, and continuous efforts to achieve the goals of an organization. Regarding the motivation of policy, the imposition of excise tax on sweet drinks in packaging is motivated by the goals of the Indonesian government to encourage the industry to produce products with lower sugar content, encourage healthier consumption patterns, reduce the number of people with non-communicable diseases including diabetes, and support the improvement of health rates in the community. These goals are basically in accordance with WHO recommendations to make efforts to prevent the increase in diabetes patients considering that the number of people with diabetes in Indonesia is the fifth highest in the world. In addition, when compared to other countries, Indonesia is lagging behind in implementing the drinks in packaging excise policy, considering that most other countries have already implemented the policy.

The implementation of taxes or excise on SSBs has been shown to reduce the consumption of sugar from SSBs in some countries. This can be seen from several countries such as Mexico, United Kingdom (UK), United States, and several other countries. For example, Mexico has proven that rising SSB prices can reduce the purchase and consumption of SSBs in Mexico (Colchero et al., 2017). In 2016, the total volume of SSB purchases in Mexico after the imposition of the SSB tax decreased by 37% from before the imposition of the SSB tax (Obesity Evidence Hub, 2022). Of the several forms of taxation on SSBs applied in several countries, most countries impose levies in the form of excise, Value Added Tax (VAT) or good and services tax (GST), and import duties. Therefore, the use of excise tax instrument on SSBs to achieve the consumption goal of sugar-sweetened beverages is a strength given the best practices in other countries that have proven that taxing or excising SSBs can reduce the purchase and consumption of SSBs.

Furthermore, as stipulated in Law No. 39 Year 2007 on Excise, so far the Excisable Goods are: 1) ethyl alcohol, beverages containing ethyl alcohol, and tobacco products. From these excise objects, it can be seen that the collection of excise is based on the fact that the goods have their own properties and characteristics, namely destructive and addictive, where excessive use of these goods can cause health problems such as heart attacks, etc., endanger the lives of users, and public peace in general. The following are the categories of certain properties and characteristics of excisable goods (Purwito & Indriani, 2015).

Its consumption needs to be controlled, through restrictions due to the view that excisable goods are addictive. This also applies to MDBK. Based on research conducted by the Center of Alcohol & Substance Use Studies, it shows that sugar can be addictive and the impact of sugar addiction is similar to that of drug abuse. Their distribution needs to be monitored, because excisable goods can disturb society and cause negative externalities. The imposition of excise is based on a measure of the impact of the use of excisable goods on society and the environment. Beverages containing ethyl alcohol can trigger the growth of criminality, while tobacco products can trigger the tendency of drug use (Ahmed et al., 2013). Meanwhile, Packaged Sweetened Beverages/*Minuman Berpemanis Dalam Kemasan* (MBDK) can also disturb the community because excessive consumption can cause various negative health impacts, such as high blood sugar, obesity, and diabetes mellitus.

Based on this explanation, it can be seen that the imposition of excise is based on the existence of negative impacts on society and the environment, especially on health, so that the consumption of these goods needs to be controlled and their circulation needs to be

monitored. First is the nature and characteristics that have an impact on health. The characteristics of MBDK meet the characteristics of the excisable goods, so the use of excise instruments is appropriate.

3.1.2 Tax institution and implementation process: DGCE's performance and other excise tax administration experiences are quite good

DGCE's good performance can be seen from the acquisition of state revenue from excise which increases every year. In 2021, overall, DGCE's performance has met the target of achieving an Organizational Performance Score of 114.07. This value is obtained from the performance achievement of each perspective, 120.00 (25% weight) for the value of the stakeholder perspective, 107.9 (15% weight) for the value of the customer perspective, 114.73 (30% weight) for the value of the internal process perspective, and the learning and growth perspective with a value of 111.54 (30% weight). In addition, in terms of excise revenue, in 2021, DGCE contributed to state revenue of IDR 268.98 trillion, equivalent to an achievement of 125.13% of the target in the 2021 State Budget. The surplus of excise revenue looking for the target in the 2021 State Budget is IDR 54.02 trillion (DGCE, 2022). Similarly, in 2020, despite a decline in economic growth due to sluggish economic conditions due to the Coronavirus Disease-2019 (Covid-19) pandemic, DGCE was able to exceed the excise revenue target based on the 2020 State Budget. DGCE showed a good performance with the achievement of excise revenue realization of 103.48% in 2020. The achievement of IDR212.84 exceeded the target of Presidential Regulation Number 72 of IDR205.68 trillion. The surplus came from import duty, export duty, and excise revenue (DGCE, 2021). In addition, good performance is also shown from the state revenue obtained by DGCE which has increased from year to year (Mutia, 2022).

In addition, it is known that until now, excise collection has been implemented on 3 (three) excisable goods in Indonesia. Based on Law Number 39 Year 2007 on Excise, excisable goods consist of ethyl alcohol, beverages containing ethyl alcohol, including concentrates containing ethyl alcohol, beverages containing ethyl alcohol (among others: shandy, wine, gin, whisky, and other similar beverages), and tobacco products (including cigarettes, cigarettes, leaf cigarettes, sliced tobacco, and other tobacco processing products). DGCE has experience in carrying out the administration of the collection of these three types of excisable goods. The success in collecting the three excisable goods can be seen from the performance assessment and excise revenue exceeding the target. Although it still needs to be evaluated, the experience of collecting the three excise taxes can be used as an evaluation and improvement for better MBDK excise collection

3.1.3 Weakness: Policy design has not been specified in detail

This can be seen from the absence of Government Regulation regulations related to the implementation of MBDK excise. As the results of interviews with employees of the Jakarta DGCE Regional Office and Purwakarta that although it has been planned to be implemented in 2023, but until the end of 2022 there has been no discussion about regulations.

"The possibility of wanting it with payment, I also haven't imagined it, because the regulation has not been issued and I also don't know because there has been no discussion at the internal level that reaches my level." (Interview with Mr. DPL from DGCE Purwakarta Regional Office)

If the imposition of excise tax on MBDK is planned to be implemented in 2023, then at least by the end of 2023 there should have been further discussion regarding the process of collecting excise tax on MBDK. This is because in the process of formulating public policy there is a time frame or formulation time that needs to be considered considering that the

public policy process before program implementation must first carry out the agenda setting and formulation and legitimation processes (Ripley, 1985).

3.1.4 Implementation process: No socialization to industry players in the food and beverage sector and food and beverage entrepreneurs association

As based on Adhi Lukman's statement as Chairman of the Indonesian Food and Beverage Manufacturers Association (GAPMMI), the government's plan to impose excise duties on plastics and MBDK has not yet been discussed with food and beverage industry players (Fauzan, 2022). In fact, the imposition of MBDK excise will certainly affect the course of business or profitability of companies in the food and beverage industry. Thus, the participation and understanding of food and beverage industry players regarding the MBDK excise policy is important. Lubua (2014) emphasizes that tax administrators must pay a lot of attention to the issue of public enlightenment, how a policy can reach the target of the policy. Given that business actors in the food and beverage industry are the targets of this policy, these business actors must know and understand the MBDK excise implementation mechanism so that they can impose excise in accordance with applicable regulations.

3.1.5 Implementation process of opportunities: Technological developments that can support the implementation of excise tax imposition

Technological developments can be a factor that influences the MBDK excise tax collection process (Utama & Subanidja, 2025). This is because the use of technology can facilitate the administration of policy implementation. Currently, electronic-government or e-government has been widely applied in the implementation of public policies. e-government has become another tool identified by the government as having the potential to significantly improve public service delivery. According to Shagaria & Saad (2017), Information, Communication, and Technology (ICT) is an integrated system consisting of technology and infrastructure that is treated to process, store, transmit, and deliver information to end users efficiently. ICT is an important tool that supports the work of government agencies with the aim of providing public services and information easily, quickly, and cost-effectively (Shagari & Saad, 2011). Similarly, MBDK excise tax collection can take advantage of technological development opportunities with the use of automated systems

3.1.6 Institutionalization of taxation: Support from the Ministry of Health and other relevant ministries/agencies.

As the purpose of the MBDK excise tax is to reduce MBDK consumption to prevent the binding of diabetics, the Ministry of Health is also a party behind the policy. This is because, if seen from the social security agency Indonesia or Badan Penyelenggara Jaminan Sosial Kesehatan (BPJS) Health expenditure data, the funds spent on diabetes treatment were around Rp6.1 trillion in 2018. Where this amount is a high amount of costs for other chronic diseases such as hypertension which only amounts to Rp2 trillion and Rp2.4 trillion for kidney failure. This does not include the cost of treating complications due to diabetes. Indirectly, the imposition of excise tax on MBDK is also expected to reduce the cost of BPJS Kesehatan expenditure. Because if diabetes can be prevented, then BPJS Kesehatan expenditure can be reduced. Based on this explanation, it can be seen that because the MBDK excise policy has objectives in the health sector, namely the prevention of diabetes and the suppression of BPJS Ketenagakerjaan expenditure, the Ministry of Health as the ministry/agency responsible for health affairs in Indonesia, can also play a role or support the implementation of MBDK excise.

3.1.7 Threats-policy design: behavior of food and beverage businesses resistance to excise tax imposition

The resistance of food and beverage business players who are reluctant to impose excise tax on MBDK considering that the imposition of excise tax may increase the selling price of MBDK. The increased selling price will affect the demand for MBDK. According to the law of demand in the market, an increase in the price of goods can lead to a decrease in demand. Demand is the desire of consumers to buy an item at various price levels during a certain period (Rahardja & Manurung, 2018). A decrease in demand from consumers will lead to a decrease in MBDK sales considering that sales are based on the amount of demand. A decrease in sales can lead to a decrease in company profitability. In addition, businesses may also be resistant because the same goods are already subject to consumption tax in the form of Value Added Tax (VAT)

3.1.8 Institutionalization of taxation: There is a lack of vision among the ministries/institutions involved, especially with ministries/institutions in the industrial sector

The inequality of vision occurs due to differences in interests related to the duties of each ministry/institution. The Ministry of Finance, DGCE, and the Ministry of Health have the same goal or vision, namely to reduce the consumption of MBDK in order to prevent an increase in diabetes through the instrument of MBDK excise tax. As explained earlier, the imposition of excise tax can cause losses to business actors in the food and beverage industry. The Ministry of Industry, which has the task of organizing industrial affairs in the government, tends to favor the industry, so this can hinder the internal bureaucratic process and the formulation of regulations on the imposition of MBDK excise (Rosyada and Ardiansyah, 2018).

3.2 Strategy based on SWOT analysis

3.2.1 Strength-opportunities (SO) strategy

Evaluate the imposition of excise tax on tobacco products and ethyl alcohol and take lessons learned for the imposition of excise tax on. DGCE can conduct an in-depth evaluation of the implementation of excise tax collection on tobacco products, ethyl alcohol, and food containing ethyl alcohol as an improvement that can be applied to MBDK excise tax collection. Utilization of technological developments for the imposition of MBDK excise tax

The utilization of technology can be applied in the process of collecting and recording MBDK excise revenue. In the collection of MBDK excise, the utilization of technological developments can be applied in the payment of excise by the excise payer. As in Law Number 39 Year 2007 on Excise in Article 7 paragraph (3), it is explained that excise payment, apart from the attachment of excise tapes, is the affixing of other paid excise marks. Another excise mark that can be used in MBDK settlement is barcode. DGCE can develop a technology-based excise payment system using barcodes. This is because repayment using excise tapes will be difficult considering that some MBDK packaging uses bottles. The bottle material will make it difficult for the ribbon to be attached. Meanwhile, repayment by payment method is likely to be more difficult to do because it requires stricter supervision and is difficult because it uses physical checks, especially because the number of business actors in the food and beverage industry in Indonesia is relatively large. In 2020, the number of food and beverage companies in Indonesia was 11,223.

3.2.2 Strength-threat (ST) strategy

Making policy designs and regulations that reflect other countries that have implemented excise or taxes on SSBs. DGCE can reflect on the application of excise or SSB

tax in several other countries, DGCE can also formulate lessons learned and adopt lessons learned from several countries with adjustments to the conditions in Indonesia. Based on the researcher's review of several countries such as the United Kingdom (UK), Mexico, and the United States that have implemented SSB excise or tax, among others are as follows:

The imposition of tax or excise on SSBs has been shown to reduce the consumption of sugar-sweetened beverages (Hambali, 2022). The form of excise imposition on SSB is a special excise or with a specific tariff, not an ad valorem tariff for the purpose of simplification and the successful practices of SSB tax or excise implementation in some countries may not necessarily be successful if applied in Indonesia. This is because the conditions in other countries are different from those in Indonesia, such as economic conditions, business climate, trade, etc. The Indonesian government needs to conduct further studies related to the plan to implement SSB excise by considering various aspects such as the provisions or characteristics of excisable goods imposed in Indonesia, the impact on state revenue, costs and benefits obtained.

In formulating the SBB excise policy, the Indonesian government needs to conduct hearings with related entrepreneurs, for example the Indonesian Food and Beverage Entrepreneurs Association/*Gabungan Perusahaan Makanan & Minuman Seluruh Indonesia* (GAPMMI). This is because the application of this excise tax has the potential to erode the income of entrepreneurs in related fields, so that these issues must be discussed. In formulating the SBB excise tax policy, the government can collaborate with other government agencies such as the Ministry of Health, non-governmental organizations (NGOs) related to health, obesity, etc. The Directorate General of Customs (2021) as the main actor in the policy can initiate a meeting to unite the vision with other related ministries/institutions. Given the inequality of vision of the ministries/institutions involved in the MBDK excise implementation policy, DGCE as the main actor of this policy can be the initiator to hold a coordinator meeting aimed at equalizing the vision and commitment in implementing the policy, so that the process of proposing new excisable goods. This can also be done to prevent the stalling of policy discussions due to the sectoral ego of each K/L involved. As according to Bhundia and O'Donnell (2002) that with a significant increase in institutional coordination in a policy policy through a mechanism allows for greater transparency and accountability in policy making and implementation.

3.2.3 Weakness-opportunity (WO) strategy

Making policy designs and regulations that take into account various aspects. Design and regulation making can be adjusted to the results of lesson learned on the implementation of excise tax collection on tobacco products, ethyl alcohol, and ethyl alcoholic beverages, and lesson learned on implementation from other countries (Ahsan et al., 2024). As in determining the type of excise tariff, it is necessary to consider the use of ad valorem or specific tariff types. From the review conducted by the researcher, it was concluded that most countries have implemented excise tax with special or specific rates compared to excise tax with ad valorem rates. Where ad valorem tariffs, according to the WTO Glossary of Terms, are levies imposed in the form of a certain percentage of the price. Meanwhile, based on the OECD Glossary of Tax Terms, ad valorem tax is a tax on goods or property expressed as a percentage of the selling price or estimated value (Asmarani, 2020). The application of ad valorem rates in Indonesia can be seen from the excise tax on Other Tobacco Processing Products (HPTL) or alternative tobacco, which is imposed at 275% of the selling price or 57% of the retail price. In contrast to ad valorem tariffs, excise tariffs imposed on SSB in some countries are special excise taxes because the special excise tax rate is fixed and not based on a percentage. Based on a report from the World Bank that includes 48 (forty-eight) countries in the world that have imposed excise taxes on SSB, it shows that around 75% of the SSB excise tax imposed until the report was made was a special excise tax (Hattersley, 2020). In addition, almost half of the countries that impose SSB excise taxes use a single-tier volume-based system, such as in Mexico which imposes an

SSB tax of 1 peso per liter of SSB. In addition to Mexico, the UK also applies a specific SSB tax with drinks containing more than 8 grams/100 ml of sugar taxed at £0.24 per liter and drinks containing 5 to 8 grams/per ml of sugar taxed at £0.18 per liter (Obesity Evidence Hub, 2022). This is because a specific excise tax on SSBs is easier to administer and can provide stable revenue as it is not dependent on the price level of the product. In addition, the imposition of ad valorem tariffs could potentially encourage consumers to switch to sugar-sweetened beverages at lower prices without reducing the volume of sugar-sweetened beverages and sugar. This is because sugar-sweetened beverages with lower prices will certainly be subject to smaller excise taxes, so consumers may continue to consume sugar-sweetened beverages but switch to cheaper sugar-sweetened beverages.

Conduct a good coordination process with the Ministry of Health and other relevant ministries/institutions. A good coordination process is needed considering that the MBDK excise policy involves several ministries/institutions such as DGCE, Ministry of Health, and Ministry of Industry. Although each ministry/institution involved has its own duties and functions, coordination is still necessary to enable transparency. As according to Bhundia & O'Donnell (2002), a significant increase in institutional coordination in a policy through a mechanism allows for greater transparency and accountability in policy making and implementation. In addition, coordination is also needed in the harmonization of implementing regulations. Harmonization is a process of aligning or harmonizing laws and regulations that are to be or are being drafted (Muhapilah et al., 2023), so that the resulting laws and regulations are in accordance with the principles of law and good laws and regulations. According to Moh. Hasan Wargakusumah, in practice, harmonization activities are a comprehensive study of a draft regulation, with the aim of knowing whether the draft regulation, in various aspects, has reflected harmony or conformity with other national laws and regulations, including laws and regulations of other related institutions (Novianti, 2012).

3.2.4 Weakness-threat (WT) strategy

Clear policy design with careful consideration of the impact on the food and beverage industry. Given that the target of the MBDK excise tax is imposed on MBDK produced by companies in the food and beverage industry, the policy design should not distort the business of companies in the food and beverage industry. Especially since the food and beverage industry is one of the largest segments in manufacturing. The imposition of excise tax on MBDK will increase the cost of production of MBDK, especially for food and beverage companies in the middle to lower business scale will be vulnerable to the increase in production costs. If not considered properly, this could significantly reduce the performance of the food and beverage industry. According to CORE Indonesia Executive Director Mohammad Faisal, the increase in production costs will only be able to be faced by large-scale companies or multinational corporations that can take steps to reduce prices. Thus, the MBDK excise policy can basically be applied first to large-scale companies, not all companies. In addition, the government should also be able to compensate companies in the food and beverage industry for the increase in production costs due to the imposition of MBDK excise.

Increase transparency by holding discussion meetings and socialization with industry players in the food and beverage sector.

Given that there has been no discussion with business actors in the food and beverage sector, it is necessary to discuss and socialize with these industry players. This needs to be done so that business actors can be cooperative and understand the implementation of the policy, so as to minimize errors or shortcomings in implementation. In order for a policy to be known and understood by the company, it is carried out through public enlightenment. Public enlightenment is a process of educating and sensitizing citizens about taxation, namely the process of educating and enlightening the general public to carry out their tax obligations (Badara, 2012). With the socialization, the business actors have an overview of

how the process of applying for incentives. This is in line with Rahman (2009) that taxpayers who are enlightened about tax provisions can reduce company misunderstandings about tax policies and procedures, and educate them about the importance of keeping correct records.

Table 3. Research results (SWOT analysis and strategy)

EFAS/IFAS	Strength (S) Policy Design: General policy design that adapts to best practices in other countries and appropriate Sweet drinks in packaging characteristics. Tax Institutions and Implementation Process: Good performance of the Directorate General of Customs and other excise collection administration experience.	Weakness (W) Policy Design: Policy design has not been specified in detail Implementation Process: Lack of socialization to industry players in the food and beverage sector and food and beverage business associations.
Opportunities (O) Implementation Process: Technological developments that can support the implementation of excise tax imposition. Institutionalization of Taxation: Support from Ministry of Health and other relevant ministries/institutions	SO strategy Evaluate the imposition of excise tax on tobacco products and ethyl alcohol and take lessons learned for the imposition of excise tax on sweet drinks in packaging. and Utilization of technological developments for the imposition of sweet drinks in packaging excise tax	WO strategy Making policy designs and regulations that take into account various aspects Conduct a good coordination process with the Ministry of Health and other relevant ministries/institutions.
Threat/Challenge (T) Policy Design: food and beverage business behavior resistance to excise tax imposition Institutional Taxation: There is a lack of vision among the ministries/institutions involved, especially with ministries/institutions in the industrial sector.	ST strategy Making policy designs and regulations that reflect other countries that have implemented excise or taxes on SSBs. The Directorate General of Customs as the main actor in the policy can initiate a meeting to unite the vision with other related ministries/institutions.	WT strategy Clear policy design with careful consideration of the impact on the food and beverage industry Increase transparency by holding discussion meetings and socialization with industry players in the food and beverage sector.

4. Conclusions

The MBDK excise policy, which is planned to be implemented in 2023, has several internal factors consisting of strengths and weaknesses, as well as external factors consisting of weaknesses and opportunities that can support and hinder the implementation of the policy. An in-depth strength, weakness, opportunities, and threats (SWOT) analysis needs to be carried out to analyze the right strategy in implementing the policy. Based on the SWOT analysis that has been conducted by the researcher, a strategy that can be carried out by DGCE and other ministries/institutions involved is obtained. The strategy is implemented by revamping and improving 3 (three) aspects, namely policy design, implementation process, and taxation institutions.

In order to overcome the problems that occur in the field in implementing the policy, the DGCE and all ministries/institutions involved need to make a strategy based on the internal and external conditions of the ministries/institutions, either using SWOT analysis or others. DGCE and all ministries/institutions involved can implement or adopt alternative policy implementation strategies that have been compiled by researchers in this paper. The strategy adoption can be adjusted by implementing the most feasible or short-term strategy first, such as in the institutional dimension of taxation. In addition, policymakers and other policy actors can also modify the alternative strategies that the author proposes according to the capabilities of all K/L. Before implementing or adopting the alternative strategies proposed by the author, policy makers and other policy actors need to analyze the advantages and disadvantages of each strategy so that the strategy implemented is appropriate and in accordance with actual conditions.

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Author Contribution

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