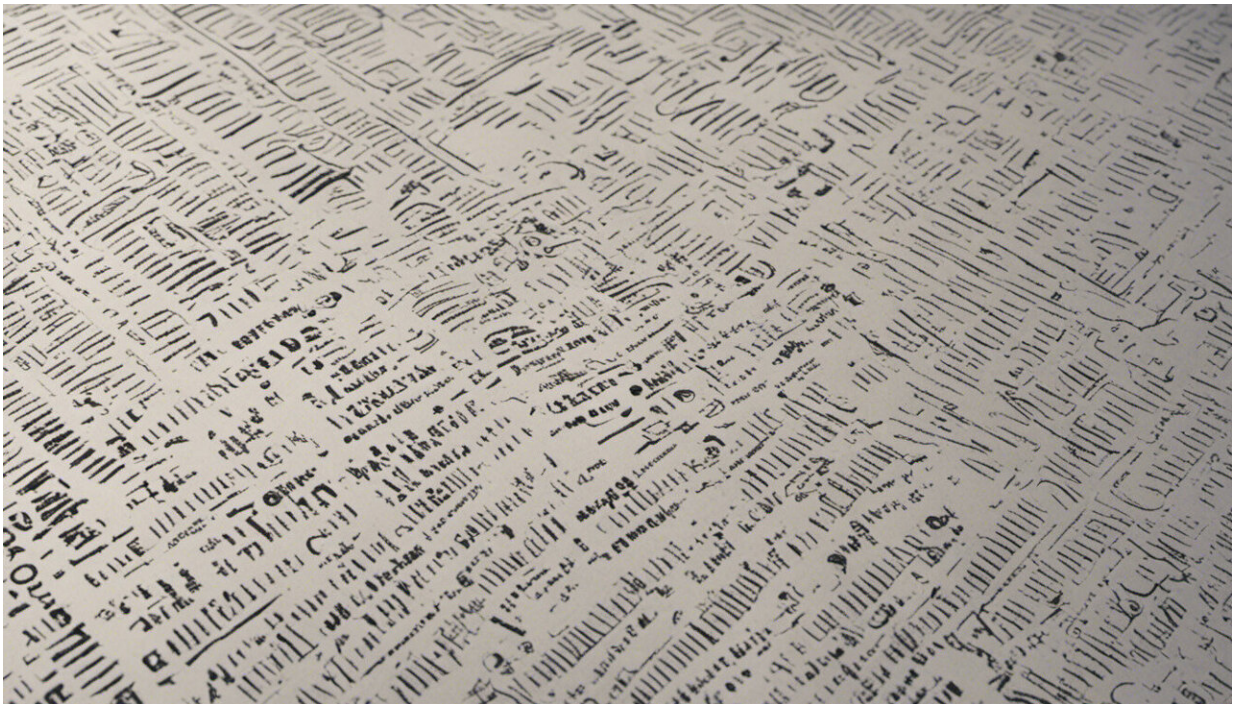


Economists say sugar taxes likely to be effective

August 30 2016, by Karen Hofman And Aviva Tugendhaft



Credit: AI-generated image ([disclaimer](#))

Debates on a proposed tax for sugar sweetened beverages in South Africa have [reached fever pitch](#) with the local food and beverage industry squaring up against the proposed sugary drinks tax expected to be implemented in April 2017. Professor Karen Hofman and Aviva Tugendhaft provide a few facts.

What difference has a sugar tax made in other countries?

There are many [cities and countries](#) that have instituted a [sugar](#) tax. These include Mexico, France, Hungary, Chile, Columbia, Brazil, 23 states in the US and the cities of Philadelphia and Berkeley.

The introduction of a sugar tax in Mexico [in 2014](#) resulted in a marked difference in [consumption patterns](#). The country is one of the highest consumers of sugary beverages and has one of the [highest obesity](#) rates globally. More than one in three adults were classified as obese.

After the introduction of a 10% tax, the purchase of sugary beverages [fell by 12%](#) in the first year. Studies have also shown that since the tax was implemented people have switched to [drinking water](#).

[New evidence released in Berkeley](#) in the US this year shows that after a sugar tax was introduced in the city sales of sugar sweetened beverages fell by as much as 20% in some areas.

What is important to note is that the introduction of a sugar tax always triggers a much greater level of awareness about why sugar, particularly liquid sugar, is especially harmful.

Why should there be a sugary beverage tax in South Africa?

It is [well established](#) that taxes are the most effective of several ways to reduce the consumption of sugary beverages. This is because taxes reach the entire population and are easily implemented.

South Africa needs one. The country has a massive and growing obesity

epidemic. Obesity related lifestyle diseases now rival HIV/AIDS and TB in terms of their impact. About 40% of women and 11% of men suffer from [obesity](#) in the country. And [25% of teenage girls](#) in rural South Africa are overweight or obese.

Across the country, research from the Global Burden of Diseases Nutrition and Chronic Diseases Expert Group shows that chronic diseases result in [one death every hour](#). Obesity not only shortens a person's lifespan, it also affects their quality of life. It leads to lifestyle diseases that result in strokes, blindness, amputations and kidney failure.

This health burden is linked to South Africans' [daily sugar consumption](#). According to the [World Health Organisation](#), people should not consume more than six teaspoons of sugar a day. Most 330ml fizzy sugary beverages contain [nine teaspoons of sugar](#) while fruit juices have 10. These sugary drinks have no nutritional value, don't satisfy hunger and are particularly harmful to the body in liquid form.

An [average teenager in Soweto](#) consumes double the recommended daily limit through sugar sweetened beverages.

Business says jobs will be [lost](#). South Africa's Health Minister says the consumption of sugar sweetened beverages is having a [huge impact](#) on the health system. Who is right?

The cost of sugar consumption to health care and to companies should not be underestimated.

Severe obesity has been linked to a [23% increase in health care costs](#).

But the impact on companies must also be viewed through [loss of productivity](#) and absenteeism. [Projections](#) indicate that obesity will reduce South Africa's gross domestic product by 7% by 2030. Based on

experience with the successful tobacco tax in SA, money spent on cigarettes were spent in other sectors, thus saving lives.

Without any interventions the situation is likely to get worse. Our [research](#) shows that there will be an additional 1.2 million obese people in the next few years if nothing is done. Of these, almost 300 000 will be obese due to consuming sugar sweetened beverages.

It must also be remembered that job loss figures quoted by companies are based on [industry commissioned studies](#) which are not peer-reviewed. An evaluation of the impact in Mexico shows no job losses.

The fightback against initiatives to curb sugar consumption has been very aggressive. Reports show that in the US alone [between 2009 and 2014](#) beverage companies spent US \$100 million to sway public and political opinion from initiatives to curb sugar consumption.

Aren't there better ways to do this, like banning advertising?

There are several other initiatives that can and should take place. Taxing sugar is by far the best prevention focused initiative and is the [first of several steps](#). Food advertising regulations are the next best way to curb the consumption of sugar sweetened beverages, alongside front of pack labelling and work site and school based interventions.

In South Africa there is a [voluntary marketing pledge](#) under which the food and [beverage industry](#) has promised not to advertise unhealthy products to children under the age of 12. But this is ignored. A recent [study in Soweto](#), considered one of the biggest urban settlements in Africa, showed billboards advertising sugar sweetened beverages close to schools in the area.

Taxing sugar sweetened beverages should be done in conjunction with awareness initiatives as well as mandatory advertising regulations and front of pack labelling.

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