

Progress in the Pacific on sugary drink taxes

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Pacific nations are leading the way regionally with taxes on sugary drinks in a bid to battle obesity and related diseases, new University of Otago-led research reveals.

The research, undertaken by Otago and Pacific-based researchers and



published today in the *Australian and New Zealand Journal of Public Health*, shows about three quarters of Pacific jurisdictions have sugary drink taxes and more than of third of them had increased the taxes by at least 20 percent in the past two decades.

University of Otago Senior Research Fellow Dr. Andrea Teng says the increases in the taxes are expected to reduce soft drink consumption, and therefore help control <u>obesity</u> and related diseases.

Sugary drink taxes are one of the most widely used interventions for obesity prevention in the Pacific region. There is clear evidence that taxes can improve diets, and this helps to prevent diabetes, cardiovascular <u>disease</u>, dental decay and other chronic diseases, she says.

"Leadership has been shown in the Pacific that other countries can learn from. Tonga, for example, has introduced a series of health promoting excise taxes on <u>sugary drinks</u>, fruit juice and sachet drinks. The taxes have been effective, with imports of sugary drinks decreasing after each tax increase, along with increased production of bottled water.

"After sugary drinks taxes in Tonga there was also less expenditure on soft drinks. This decline was greater in low income households, suggesting a potential greater health benefit for this lower income group."

Today's study also reported declines in the levels of sugary drink taxes in some Pacific jurisdictions which is of concern from a health perspective, she says. Tax declines appeared to be related to inflation and trade liberalization.

There is plenty of scope for improving the health benefits of tax policies, Dr. Teng says.



"Many sugary drink taxes in the Pacific could be strengthened by equally taxing local and imported sugary drinks, targeting all types of sugary drinks, adjusting the level of tax for inflation and investing tax revenue in health and obesity prevention.

"New Zealand could also learn from its Pacific neighbors and explore the introduction of a sugary drink tax. This could be combined with using the tax revenue to pay for healthy school lunches and free early childhood education."

More information: Progress in the Pacific on sugar-sweetened beverage taxes: systematic review of policy changes from 2000 to 2019. Australia and New Zealand. *Journal of Public Health*, 2021. doi.org/10.1111/1753-6405.13123

Provided by University of Otago

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