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**Is an SSB tax an effective regulatory  
measure to address the childhood  
overweight and obesity crisis in the  
Pacific region?  
Case studies on Fiji, Nauru and Tonga**

2019 Pacific Update: Panel 3A: Health; 3.30 to 4.30pm

Wednesday 3 July 2019

USP Japan ICT Theatre

# Presentation overview

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- Global and regional prevalence data on childhood overweight and obesity
- Global and regional governance frameworks on unhealthy diets
- Rationale for an SSB tax
- Role of evidence
- Countries that have implemented an SSB tax
- Impact of an SSB tax – the Mexico experience
- SSB tax and its impact in Fiji, Nauru and Tonga
- Role of industry
- Lessons learned

# Global prevalence data on childhood overweight



Sources: UNICEF, WHO, World Bank Group joint malnutrition estimates, 2017 edition. Note: \*Eastern Asia excluding Japan; \*\*Oceania excluding Australia and New Zealand; \*\*\*Northern America regional average based on United States data. These maps are stylized and not to scale and do not reflect a position by UNICEF, WHO or World Bank Group on the legal status of any country or territory or the delimitation of any frontiers. The legend contains a category for >15 per cent (pink) but there is no sub-region with a rate this high.

## Overweight NUMBERS AFFECTED



The number of overweight children has increased the most in lower-middle-income countries

Number of overweight children under 5, by country income classification, 2000 and 2016



Source: UNICEF, WHO, World Bank Group joint malnutrition estimates, 2017 edition. Note: \*High-income countries: low (<50 per cent) population coverage in all time periods. Based on FY17 World Bank income classification. The values for "percentage change since 2000" are based on calculations using unrounded estimates and therefore might not match values calculated using the rounded estimates presented in this brochure.

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## Tenfold increase in childhood obesity

- 11m to **124 m** (1975-2016)
- Another **213m overweight**, if not yet obese
- Almost **1 in 5 children** are overweight or obese
- 20% increase in obesity rates over the last 5 years
- Low and middle income countries prevalence is rising rapidly, especially Asia
- If trends continue, will be more obese than underweight children by 2022

# **Regional prevalence data on childhood overweight and obesity in the Pacific region**

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- 13 countries with the highest prevalence of obesity are found in the region;
- 2/3 of adult population is clinically obese i.e. body mass index  $\geq 30$  in American Samoa, Tonga, Nauru and Wallis & Futuna;
- Evidence from USAPI suggests an increase in obesity in children

# Global and regional governance frameworks on unhealthy diets

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- Sustainable Development Goals especially Goals 2.1 and 3.8
- United Nations Action on Nutrition 2016-2025
- Paragraph 21 of the 2018 Political Declaration on NCDs
- WHO Global NCD Action Plan 2013 -2020 – Updated Appendix 3
- WHO Global Strategy on Diet, Physical Activity and Health
- GAP Best Buys
- ECHO report recommendation
- Pacific NCD Roadmap



# Rationale for an SSB tax

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- To create an incentive for consumers to decrease the purchase and consumption of the tax “less healthy product’ in question
- To create an incentive for producers and manufacturers to reformulate unhealthy products
- To generate revenue for governments which can be used for public health purposes

# **Role of evidence when designing an SSB tax**

- Evidence that informs an SSB tax must be based on nutrient profile models
- Evidence must be coherent with obligations under domestic and international law

# Countries that have implemented an SSB tax

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- Samoa
  - French Polynesia
  - France
  - Mauritius
  - Kiribati
  - Chile
  - Vanuatu
  - Barbados
  - Ecuador
  - India
  - Norway
- ..... and many more

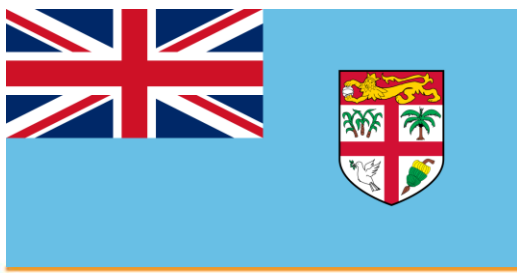


# Mexico

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- Significant obesity and diabetes epidemic in Mexico. High consumption of soda and other sugary drinks by Mexican children and adults.
- In October 2013, the Mexican legislature passed a specific excise tax of 1 peso (\$0.08 US dollars) per litre of SSBs, including sodas, energy drinks, bottled teas and coffees and fruits drinks
- Role of scientific evidence and understanding the political context is critical.
- Evaluation done by Mexican National Institute of Public Health and the University of North Carolina evaluated first two years of implementation showed an average reduction of 7.6% in the purchase of taxed sugary drinks during 2014 and 2015. Study showed a 2.1% increase in purchases of untaxed beverages particularly purchased bottled water.
- Seven evaluations done so far on the impact of the SSB tax

Source [https://www.wcrf.org/sites/default/files/3\\_Use%20Economic%20Tools\\_May2019.pdf](https://www.wcrf.org/sites/default/files/3_Use%20Economic%20Tools_May2019.pdf)



# Fiji

- NCD crisis. Around 80% of deaths in Fiji are caused by an NCD and these numbers are growing.
- In the mid-year budget of 23 June 2016, Fiji raised the excise duty on locally produced sweetened beverages from 10 Fijian cents per litre (around US\$0.05 per litre) to 30 cents per litre (around US\$0.15 per litre). In August 2017, the excise duty was further raised to 35 cents per litre (around US\$0.17 per litre).
- NCD Strategic Plan: 2015-2019
- Concerted efforts by policy makers, academia, Fiji Consumer Council and the Ministry of Health to produce scientific evidence about the harms of SSBs. Ministry of Industry and Trade was a critical to support the evidence of anticipated health expenditure costs caused by NCDs.
- Tax was framed as one part of a wider strategy to reduce NCDs and had a health framing even though it was driven by the Ministry of Finance.
- Difficult to assess the impact of the SSB tax in Fiji due to a lack of accessible pricing and production data. No evaluation has been undertaken to assess the impact of the SSB tax since its implementation in 2016.

*Sources: (1) World Cancer Research Fund International (2018) Building Momentum: Lessons on implementing a robust sugar sweetened beverage tax.*

(2) <https://www.health.gov.fj/wp-content/uploads/2018/03/Final-NCD-Strategic-Plan-2015-2019.pdf>

(3) *Thow A.M; Quested C; Juventin L; Kun R; Khan A.N & Swinburn B (August 2010) Taxing soft drinks in the Pacific: implementation lessons for improving health.*



# Nauru

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- NCD crisis; highest rates of diabetes and obesity
- NCD Action Plan 2015-2020
- Nauru Government has imposed a sugar levy of 30% on imported sugar, confectionery, carbonated soft drinks, cordial, flavoured milk and drink mixes since 2007.
- Framed as a health promoting measure to ‘discourage excessive consumption of sugar’ as raised by the then Minister of Health.

## *Sources*

- (1) *Thow A.M; Quested C; Juventin L; Kun R; Khan A.N & Swinburn B (August 2010) Taxing soft drinks in the Pacific: implementation lessons for improving health.*
- (2) *Source [https://www.wcrf.org/sites/default/files/3\\_Use%20Economic%20Tools\\_May2019.pdf](https://www.wcrf.org/sites/default/files/3_Use%20Economic%20Tools_May2019.pdf)*



# Tonga

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- NCD crisis –As at June 2017, it is estimated that over 90% of adults in a nation over 100,000 people are either obese or overweight
- WHO states that almost a quarter of Tongans aged over 30 years are now suffering from Type 2 diabetes
- Low life expectancy rates from 72.5 year in 2012 to 67 years in 2017
- Implemented specific excise tax on SSBs in 2013
- No evaluation has been undertaken to assess the impact of an SSB tax in Tonga

## *Sources*

- (1) <https://www.equaltimes.org/tonga-s-obesity-epidemic-is> (accessed on 27 June 2019)
- (2) <https://obesityevidencehub.org.au/collections/prevention/countries-that-have-implemented-taxes-on-sugar-sweetened-beverages-ssbs>

# Role of the industry

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- Role of industry is a contentious issue
- Industry should not have a seat at the policy table due to inherent and unavoidable conflicts of interest.
- Leading academics and the WHO recommend that governance mechanisms be put in place to manage these conflicts of interest.



# Lessons learned


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- A whole of Government approach is a must when designing and facilitating implementation of an SSB tax
- Must recognise the critical importance of scientific evidence on the links between consumption of SSBs and poor health outcomes to inform the content of an SSB tax
- Work with existing tax framework
- An SSB tax is part of a comprehensive suite of policy measures to address the childhood overweight and obesity crisis
- Evaluation of such a regulatory measure is critical to ensure that the SSB tax is fulfilling its purpose – producing better health outcomes and generating revenue.

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