Could a sugar tax help combat obesity?

Following the BMA’s call for a 20% sugar tax to subsidise the cost of fruit and vegetables, experts in The BMJ this week debate whether a sugar tax could help combat obesity.

Sirpa Sarlio-Lähteenkorva, adviser at the Ministry of Social Affairs and Health in Finland, says that a specific tax on sugar would reduce consumption. “Increasing evidence suggests that taxes on soft drinks, sugar, and snacks can change diets and improve health, especially in lower socioeconomic groups,” she writes.

Taxes on specific food categories that are common constituents of poor diets “are practicable because they are simple to administer,” she adds.

However, she acknowledges that taxes can only be a partial solution, and suggests that a sugar tax on all products may be more acceptable “because it would treat all sources equally. It could also stimulate reformulated products, with less sugar and hence liable for less tax.”

In Finland, the Sugar Tax Working Group recently concluded that the current system of using excise duty is most practicable. “A combination of excise duty for key sources of sugar with tax adjusted based on sugar content would optimally promote health - and product reformulation.”
Nevertheless, Professor Sarlio-Lähteenkorva points out that taxes for health face many challenges, as recently seen with Denmark’s short experiment with a tax on saturated fat, which seems to have reduced consumption of fats by 10-15% but worries about border trade and lobbing by industry led to its withdrawal. The food industry also argues that consumption taxes are ineffective, unfair, and damage the industry.

“We need fiscal policies that take health seriously,” she writes. “Governments must tackle the related adverse health effects, such as diabetes, coronary heart disease, and hypertension. A tax on sugar, preferably with measures that target also saturated fat and salt, and incentives for healthy eating, would help,” she concludes.

But Jack Winkler, emeritus professor of nutrition policy at London Metropolitan University, argues that such taxes would be a positive development in principle, but are politically unpalatable and would have to be enormous to have any effect.

He points out that referendums in the United States have led to soft drinks taxes in just one city (Berkeley), while only four of 53 states in WHO-Europe have adopted food taxes, all with the stated aim of raising revenue, not improving health.

Food taxes are also economically ineffective, he adds. Two rigorous UK studies found that a 10% tax would reduce average personal daily intake by 7.5 mL (less than a sip), while a 20% tax would reduce consumption by 4 kcal. “Effects of this size will not reverse global obesity,” he argues.

He suggests that cutting product margins on sugar-free soft drinks would be a positive alternative, which would make the healthy choice the cheaper choice - and would boost companies’ profit.
He points out that before and after the recent UK election, government spokespeople stated repeatedly that there will be no new food taxes and immediately rejected the BMA’s proposal.

Why are we still debating this idea, he asks? “Nutrition policy needs price instruments, but a more positive selection. Sugar taxes are unlikely to be adopted and would not make much difference anyway,” he concludes.

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Note to Editors
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