



Sugary drinks in the Pacific: consumption, policy and tax

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Outline

1. What is the level of SSB consumption in PICTs?
2. What SSB taxes have been adopted in PICTs?
3. How could an SSB tax be designed to optimise potential health gains?

Background

- Pacific NCD crisis
- Globalisation
- Highest rates of obesity & diabetes in the world
- Commitment to considering food taxes to prevent NCDs

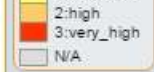




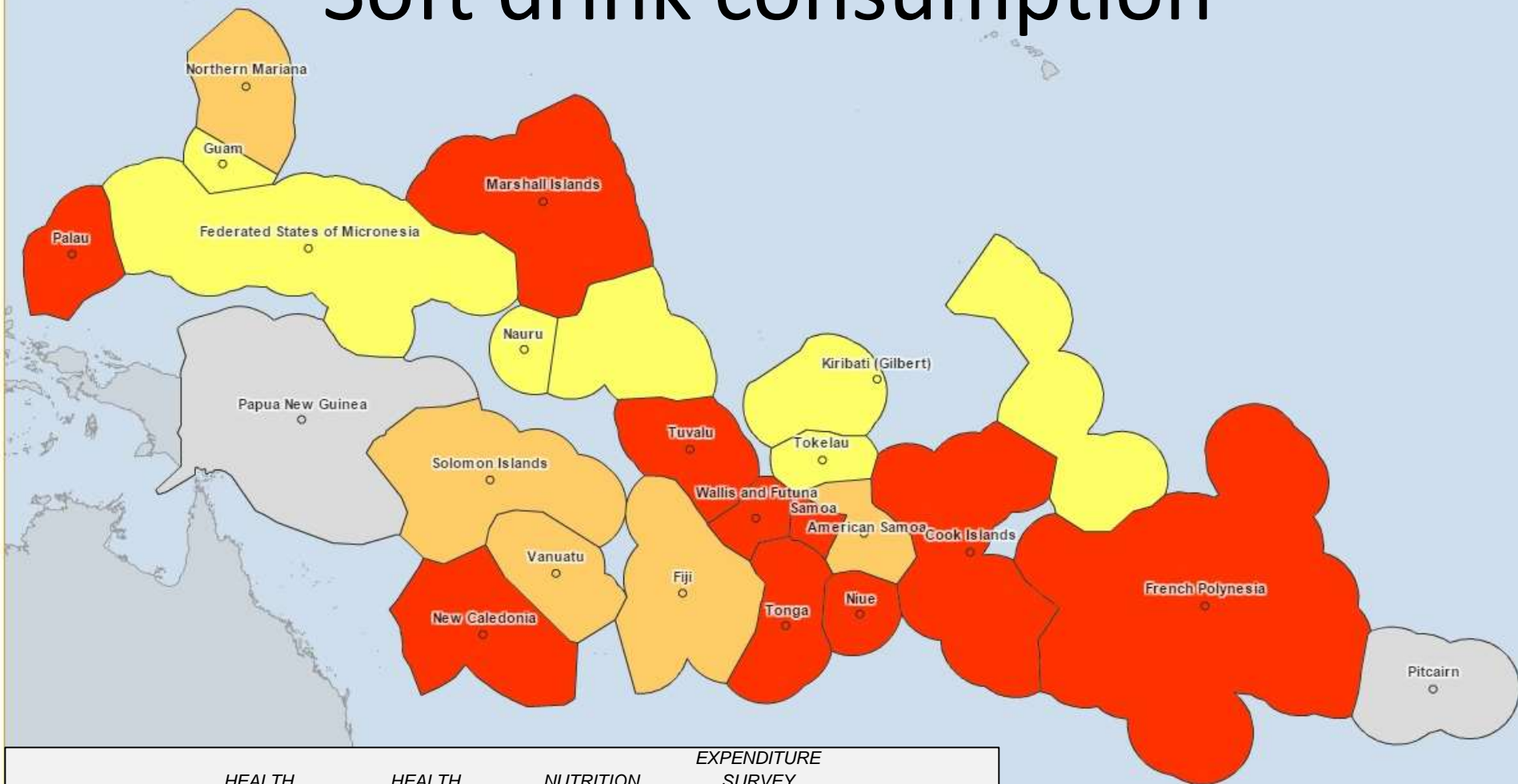
1. SSB consumption in Pacific

- Level SSB consumption
 - High levels in many PICTs e.g. Cook Is, Niue, Palau, French Polynesia & Tonga
 - 10-fold differences e.g. Palau & Kiribati
 - Many rates were comparable to high income countries
- Increases, in last decade
 - Tonga (2000-10), Guam (2001-09), Fiji (1997-2008)
- Decreases, with public health action
 - Tokelau (2008-12) imports
 - Palau (2007-11) grades 9-12





Soft drink consumption



	HEALTH SURVEY 11-18 year olds consuming soft drinks daily	HEALTH SURVEY Adults consuming soft drinks daily	NUTRITION SURVEY Contribution of soft drinks to total energy intake	EXPENDITURE SURVEY Proportion food & drink expenditure spent on soft drinks	TRADE DATA Net importation (and production) of soft drinks L/person
Definition of the categories for the assessment of soft drink consumption	%	%	%	%	L/person
Moderate	<23	<15	<2	<1.5	<40
High	23-45	15-30	2-4	1.5-3	40-80
Very high	>45	>30	>4	>3	>80





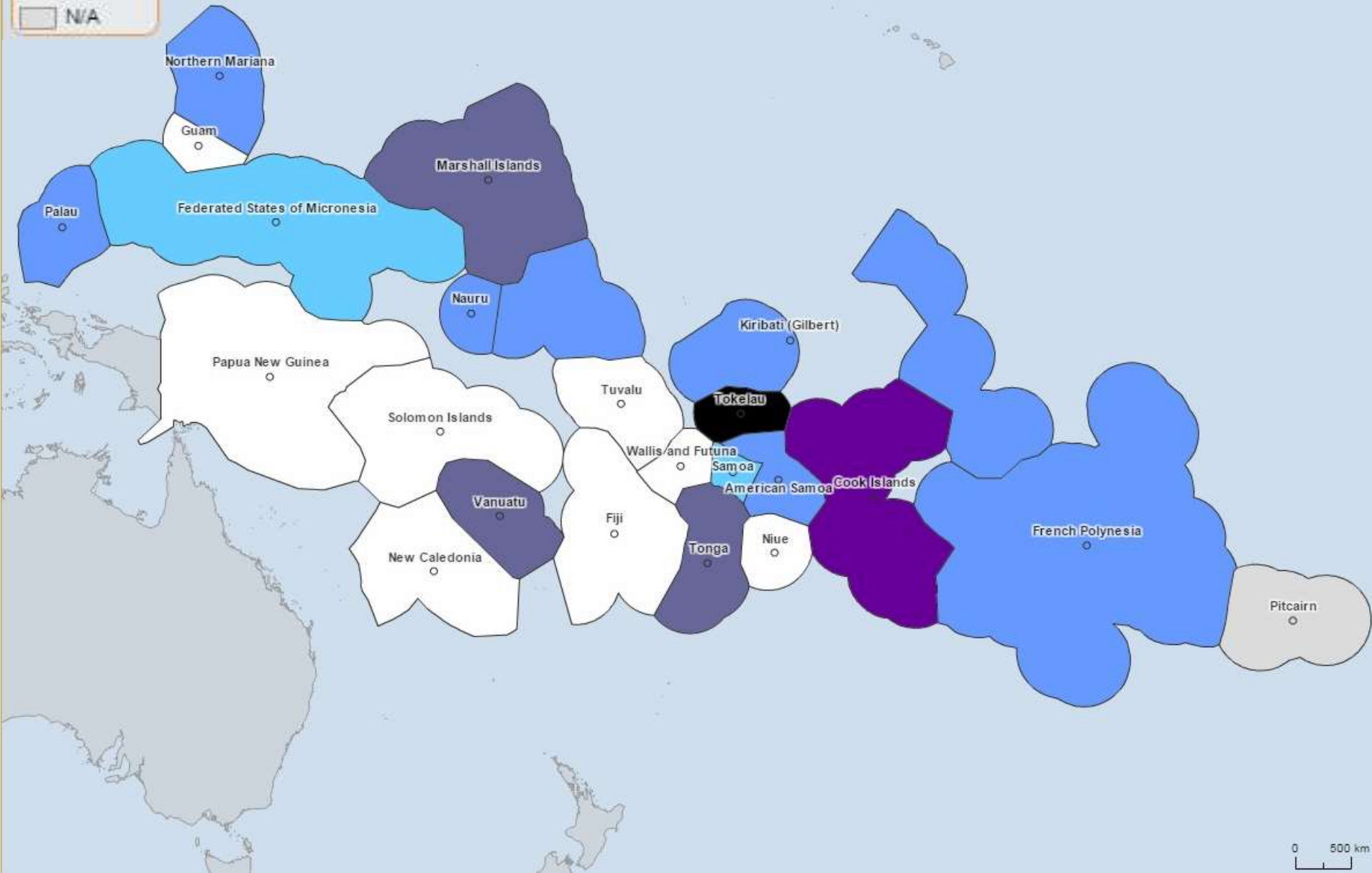
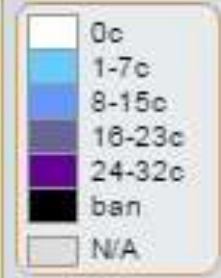
2. SSB taxes adopted by PICTs

Over half of PICTs have specific SSB taxes (12/21)

- 8 PICTs - excise taxes
 - American Samoa, Cook Islands, Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, French Polynesia, Kiribati, Tonga and Samoa
- 4 PICTs - import tariffs
 - Republic of the Marshall Islands, Nauru, Palau and Vanuatu (not local production or main supplier of soft drinks)
- Tokelau has import ban



Tax on a can of coke





3. SSB tax

Design features for health gains

1. Communicate a clear health goal
2. Characteristics
 - A. Use an excise tax
 - B. Tax on volume or sugar content
 - C. Tax a broad range SSBs
 - D. Adequate tax rate e.g. 30%
3. Revenue investment
4. Ensure affordable alternatives
5. Monitor the impact



Create an excise tax



Import

- Vulnerable to trade agreements
- Common in PICTs

Excise

- Flexible
- Pre-existing model from alcohol & tobacco
- Increasingly popular

VAT

- Broad-based
- Complex



Trade Agreements



SSB taxes



Apply tax to volume or sugar

- Excise
 - specific tax
 - More effective than *ad valorem*
 - Can be volumetric or nutrient based
 - Requires adjustment for inflation eg annually
 - *ad valorem* tax
 - Value based ie % of price

Specific: volumetric (eg \$1 per litre)

American Samoa, CNMI, French Polynesia, Samoa, Tonga

Specific: nutrition-based (eg 5c per gram sugar)

Cook Islands 2014

Ad valorem (eg 30% of the price)

Fiji, Kiribati

Conclusion

- Half PICTs already have SSB tax policies (12/22)
- There are many examples of SSB tax design
- SSB tax is useful option to raise revenue & improve health esp. for PICTs with high rates of obesity & SSB consumption (most)
- Health impact depends on policy design







For more information

- <http://www.spc.int/images/publications/en/Divisions/Health/sugar-sweetened-beverage-tax-in-PICTs-2.pdf>
- <https://blogs.otago.ac.nz/pubhealthexpert/2015/08/18/what-the-pacific-mexico-can-tell-us-about-soft-drink-taxes-and-public-health/>

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