



Price policies for healthier diets in Europe

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Using price policies for healthier diets

- Given the well-established role of price as a driver of food choice, WHO considers that taxes and subsidies have a role to play in improving diets and preventing NCDs
- Taxation specialists also recognize that the tax system plays a role in supporting other policy objectives (+ experience with tobacco and alcohol)
- Governments may want to correct for the tendency of the market to encourage the consumption of products with a documented negative impact on health (e.g. SSBs)



Reminder: objectives of price policies

Immediate objectives

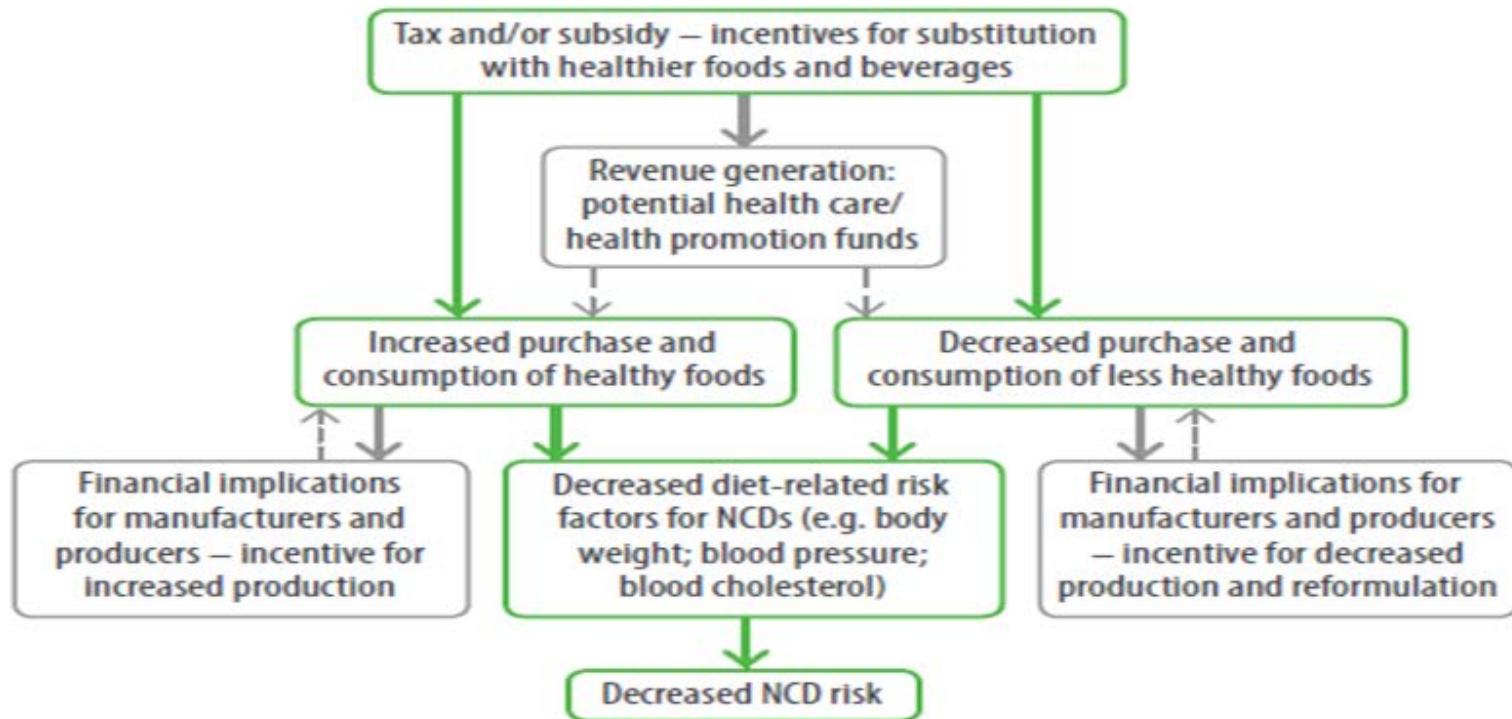
- reduce (or increase) the purchase and consumption of targeted foods or nutrients;
- stimulate food reformulation from food industry, retailers and other operators;
- generate revenue to be invested in health promotion programmes and policy action aimed at preventing obesity and other NCDs, including among vulnerable groups;
- create awareness among consumers and encourage choice of healthier options.

Long-term objectives

- improve the overall quality of diet (nutrient and energy intake);
- contribute to a reduction in the prevalence of obesity and diet-related NCDs.

Objectives of using price policies

Figure 1: Pathways for the effect of fiscal policy interventions



Source: Fiscal policy options with potential for improving diets for the prevention of noncommunicable diseases (NCDs) (draft). Geneva: World Health Organization; 2015.

Evidence – summary

- Increasing evidence that appropriately designed taxes will result in proportional reductions in consumption
- Effects of taxes are highly dependent on the way that they are designed – likely to be a knock-on effect for foods and/or nutrients beyond those that are targeted
- Taxes are more effective when applied to non-core foods for which there are close untaxed healthy alternatives, such as SSBs
- Non-trivial taxes may be needed (i.e. 20%)
- Absolute impact of taxes on low socioeconomic groups is likely to favour health



Evidence summary

Figure 2: Summary of main findings of meta-review of systematic reviews on fiscal policies on diet

	Food/ beverage taxes	Nutrient-focused taxes	Subsidies
Effect on consumption	Strongest evidence for SSB taxes – reduce consumption by same percentage as tax rate.	Reduce consumption of target but may increase consumption of non-target nutrients; may apply to core foods; better if paired with subsidy.	Subsidies increase healthy food intake. Strongest evidence for fruit and vegetable subsidies.
Effects on body weight/disease outcomes	Substitution will affect total calorie intake. Most effective to target sugar-sweetened beverages. Limited evidence for disease outcomes.	Disease outcome affected by substitution – nutrient profile taxes less likely to have unintended effects than single nutrient-based taxes.	Subsidies may also increase total calorie intake and body weight. Very likely to reduce dietary NCD risk factors.
Differential effects	May be most effective for low-income populations; may have greater effect on those who consume most.	May be more likely to have regressive effects as more likely to apply to core foods.	Mixed socioeconomic status effects for population subsidies, may benefit wealthy. Targeted low-income subsidies effective.

Source: Fiscal policy options with potential for improving diets for the prevention of noncommunicable diseases (NCDs) (draft). Geneva: World Health Organization; 2015.

Full range of evidence to inform policy

Experimental studies

- Manipulating prices of different foods in discrete environments (e.g. supermarkets, cafeterias or vending machines) or laboratory settings has been shown to result in significant shifts in consumer responses towards healthier options at point of purchase

Cross-sectional and longitudinal studies

- Higher prices associated with lower consumption of affected foods, lower overall calorie consumption and lower population-level BMI, particularly among certain population groups

Evidence to inform policy

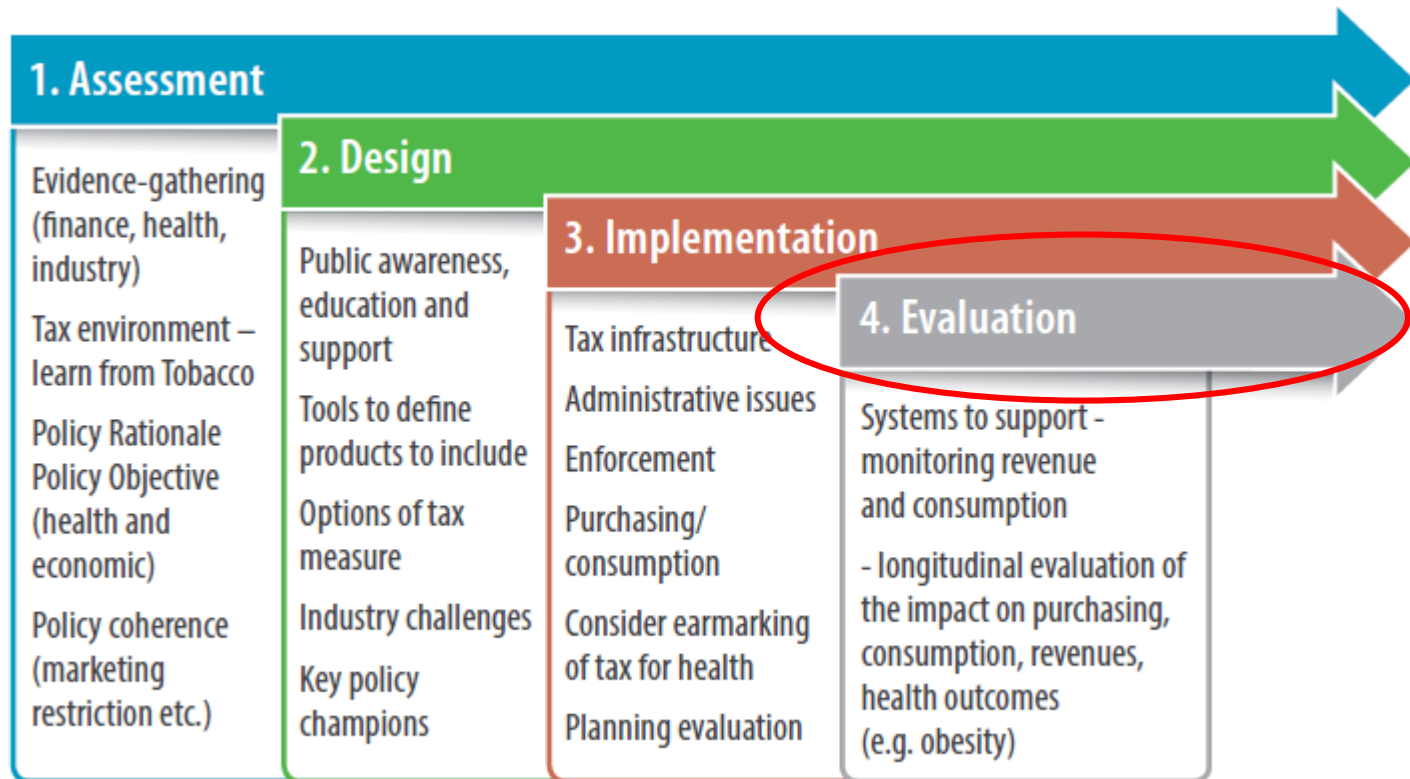
Modelling studies

- All modelling studies looking at sugar-sweetened beverage taxes showed a reduction in consumption proportionate to the tax applied, and many showed a reduction in overall calorie intake
- Even where the changes in food purchasing/consumption are small, these could still lead to meaningful changes in important risk factors across the whole population
- Modest average changes may hide more important changes among certain sub-populations

Evidence – other important factors

- **Substitution effects**
- **Price pass-on**
- **Health inequalities**
 - There is no strong evidence to suggest that corrective taxes that generate revenue for a government cannot also have a positive and progressive public health outcome at the same time

Implementing taxes



How do they work in the real world?

Country	Type of tax(es)	Impact
Denmark	Excise tax on saturated fat content of specific food products	Now abandoned. Analysis suggests that in the short term consumption of some products subject to the tax dropped by 10–15%.
Finland	Taxes on sweets, ice cream and soft drinks	Estimated revenue of €250m for 2014. Reported decrease in consumption of sweets and soft drinks in 2011 and 2014, but no formal evaluation. Sweets component to be abandoned in 2017.
France	Tax on non-alcoholic beverages with added sugar or sweeteners	After years of increasing sales, drop of 3.3% in sales of these products was recorded, particularly among young people and adolescents. Revenue of €300m in 2014.
Hungary	Public health tax on a range of food products	Reduction in consumption of targeted products and reformulation observed. Population surveys and estimates indicate decrease in consumption of nutrients of concern.

More recent developments in Europe



Estonia – building the case for action

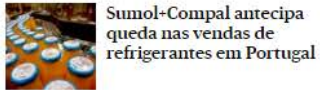
- With WHO support, Estonia produced an evidence brief for policies to reduce the consumption of SSBs:
 - Regulation of food marketing
 - Clear labelling
 - Tighter school food restrictions
 - **Taxation**
- Concluded that a tax of 10-15% would reduce consumption
- Used to inform national policy debates, and a tax was announced.
- Details still to be confirmed, different scenarios under consideration



Portugal – amendment to tax law

- SSBs are to be subject to an excise duty, along with alcohol, alcoholic drinks and artificial sweeteners
- Exempt from this tax:
 - Milk, soy and rice-based drinks;
 - Fruit, vegetables and algae juices and nectars;
 - Drinks with cereals, almond, cashew and hazelnut;
 - Drinks for special dietary need
- Tax base and tax rate: taxable by hectolitre
 - a) Sugar content lower than 80 grams per litre: (euro) 8,22 per hectolitre;
 - b) Sugar content equals or surpasses 80 grams per litre: (euro) 16,46 per hectolitre.
- Revenue from this tax will be used to improve the National Health System.
- The SSB tax will come into effect from 1st February 2017.

Portugal – amendment to tax law



Sumol-Compal antecipa queda nas vendas de refrigerantes em Portugal



Não repercutimos a descida do IVA. Estamos a respirar oxigénio, mas não chega



Retenção de IRS começa para quem ganha mais de 615 euros



Comerciantes surpreendidos com Imposto do Selo sobre pagamentos com cartões



Imposto sobre pagamentos com cartões: hipermercados avisam que consumidores vão pagar a conta

RECOMENDADOS

Coca-Cola alega que imposto sobre as bebidas açucaradas é inconstitucional

Multinacional lança publicidade contra o novo imposto e escreve aos deputados a defender alternativas: tributar todas as bebidas açucaradas ou o açúcar, uma medida tecnicamente complexa.

PEDRO CRISÓSTOMO - 10 de Novembro de 2016, 14:50

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PARTILHAS



PUB

Nuno Lopes
humaniza os demónios



ípsilon
LEIA AQUI

Key observations

- Significant scope for countries across Europe to advance the implementation of price policies for healthy diets in the coming years
- Most accurate and effective *objectives* for price policies will focus on their upstream potential to influence purchasing and consumption behaviour, rather than on downstream effects such as body weight or disease
- Careful consideration needed when *identifying the foods and/or nutrients* that will be subject to the tax to reduce risk of unhealthy compensatory purchasing

Key observations

- More countries taking action
- Biggest gap in the evidence base for price policies for nutrition is a lack of formal evaluations of these examples
- Monitoring is critical to capture changes in:
 - price of targeted products and close substitutes;
 - purchasing patterns;
 - nutritional composition of targeted products and close substitutes;
 - dietary intake and behaviour.

Thank you!

Division of Noncommunicable Diseases
and Life-course

WHO Regional Office for Europe