

PRESS CONFERENCE ON HEALTH TAXES

Organized by The Advocating for Health (A4H) Coalition

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“Taxation of Sugar-Sweetened Beverages is a Win-Win-Win Strategy for Public Health, for Government Revenue, and for Health Equity”

Presented by Professor Amos Laar, on behalf of the Coalition.

Media contacts: info@advocating4health.org | +233244982176 | +233245849122
| +233243211854 | +233201353627 |

BEGINS

Thank you, and once again, a warm welcome to all of you, particularly our friends from the media. My name is Amos Laar, I am a Professor of Public Health Nutrition at the School of Public Health, here at the University of Ghana, and Leader of the A4H Coalition.

The A4H Coalition – comprises academics from five public universities in Ghana (led by the University of Ghana, School of Public Health), civil society organizations (including the Ghana NCD Alliance), nutrition societies (including the Ghana Academy of Nutrition and Dietetics), and public health associations (including the Ghana Public Health Association).

The Coalition commends the Government of Ghana for the proposal to tax health-harming commodities and products including sugar-sweetened beverages (SSBs). We are referring to the Ghana Excise Duty Amendment Bill, 2022. As health costs and deaths linked to these products mount, this is the right intervention to protect, promote, and guarantee public health.

Poor diets are responsible for some 11 million deaths annually (with cardiovascular disease cancers and diabetes as the leading causes). **What is the problem?** The problem is that “we don't eat enough healthy foods (eg whole grains, nuts, seeds, fruits and vegetables. At the same time, we consume too much of unhealthy foods e.g. sugary drinks/sweetened beverages; too much salt; too much of unhealthy fats, and too much processed meat). These contribute to about 20 deaths globally every minute. And so our condolences to the families of the 1,200 people who have died from diet-related causes during this one-hour that we are here.”

By 2030, **NCDs** are predicted to become the leading cause of death in Africa. Currently, Ghana is experiencing a surge in diet-related NCDs, amidst challenges of food insecurity, micronutrient malnutrition, and infectious morbidities. Several local studies report a high prevalence of overweight and obesity among Ghanaians, ranging from 16% to 46% for children aged 6 – 15 years and 25% to 47% for adults aged 15 years or older. People (particularly children) who suffer from obesity have an elevated probability of developing other diet-related NCDs such as type 2 diabetes, hypertension, and stroke in later life.

SSBs are a significant contributor to obesity and other diet-related NCDs (including dental caries). The true economic and health costs of these whenever it is estimated will be very huge. A team of Ghanaian researchers recently estimated the direct healthcare costs associated with obesity in older adult Ghanaian population to be very high. For adults with healthy weight, the average per person health care cost per admission was \$35, whereas for adults with obesity, \$132.

The researchers also estimated that 60% of the average total cost per person expended in 2014/2015 was borne by the National Health Insurance Scheme (NHIS). Extrapolating to the entire older adult Ghanaian population (aged 50+ years), the **total direct healthcare cost burden for overweight and obesity was \$121 million compared with \$64 million for normal weight. This implies that the Government of Ghana is paying** for these preventable, expensive health conditions when lives and money could be saved with preventive policies such as SSB, tobacco and alcohol taxes.

Concerned about sugars/SSBs, the World Health Organization (WHO) has recommended that adults and children limit their intake of free sugars to less than 10% of their total energy intake per day. Per WHO definition, free sugars *“includes monosaccharides and disaccharides added to foods and beverages **by the manufacturer, cook or consumer, and sugars naturally present in honey, syrups, fruit juices and fruit juice concentrates**”*.

As part of its bundle of “Best Buys and Effective Interventions”, the WHO has also recommended taxes on SSBs as an intervention to reduce the consumption of sugars and other foods implicated in obesity and NCDs.

As of May 2022, over 80 countries and jurisdictions (including subnational levels) had levied taxes on SSBs. Data from these jurisdictions that have enacted SSB taxes **correlate the implementation of the tax with decreased consumption of SSBs,**

and a corresponding increase in purchases and consumption of untaxed healthier products (including water) as well as a good revenue stream for Government.

- For instance, in **October 2013, the Mexican Government passed legislation** to introduce a specific excise tax of one peso (about US\$ 0.05) per litre on SSBs, equivalent to a 10% price increase on taxed beverages. The success of the tax in reducing purchases and consumption of SSBs has been widely reported.
- **In 2018, South Africa** introduced a specific excise tax on SSBs, to tackle rising intakes of such beverages and a growing burden of diet-related NCDs. An evaluation conducted between 2014 and 2019 found that the average volume of taxable beverages purchased, as well as the calories and sugar purchased from taxable beverages fell drastically after the tax.
- Other African countries including **Mauritius, Seychelles, Morocco, Botswana, and Nigeria** have enacted SSB tax policies.

Of note, in all countries, **the process of enacting SSB tax laws is usually met with emotive oppositional arguments.** Some of the popular oppositional arguments include its impact on employment, contribution to revenue instability, and that it is a regressive tax. **All of these have been debunked** (see an evidence-informed policy brief developed by the WHO titled “Fiscal Policies to Promote Healthy Diets” and our evidence-grounded “Position Statement” dated December 30 2022)

On revenue instability: It is often argued that “taxes will not yield the expected revenue, or increases to existing taxes may reduce revenue yields”. It is worthy of note that “the impact on revenues of taxes to promote healthy diets depends largely on how the tax is designed and administered. Country experiences indicate that these taxes can generate additional revenue, which can then be used to finance health or social initiatives”.

Regarding impact on employment: It is a common argument that “taxes on less healthy foods and beverages will increase prices and reduce sales, affecting employment”. On the contrary, available evidence shows that “because taxes encourage consumers to substitute taxed foods and beverages for healthier foods and beverages, demand for healthier options may increase, providing opportunities for the food industry to offer such options and for jobs to be derived from the increased demand for these products. Consumers may also spend money they would have spent on taxed foods and beverages on other goods and services, increasing employment opportunities in other industries”

Other have argued that there is no absolute or conclusive evidence, and that policy makers should hasten slowly: Granted that the evidence is not absolute we deem it apropos to invoke D. G. Altman and J. M. Bland here that, “absence of evidence is not evidence of absence”. The WHO has also recently warned that “delaying SSB tax implementation for the causal evidence linking it to improved health outcomes is risky given the current rise in NCDs and patterns of unhealthy food consumption. By the time absolute evidence is available, it might be too late.”}}

As health costs and deaths linked to health-harming products (such as SSBs) mount, we urge the Government of Ghana to not relent in getting the Excise Duty Amendment Bill enacted. The government of Ghana does not only have an opportunity to enact and implement this policy, but a responsibility to do so. It is the **responsibility of every government to protect, promote, and guarantee the health of its citizens** – as per their national constitutions, legislation, regulations, and policies, as well as international conventions.

What have already communicated to the Government in our Position Statement...

- 1** Among the different types of SSB taxes available, **excise taxes are preferred from a public health perspective.**
- 2** We recognize that the tax may take different forms: --in jurisdictions with strong tax administration such as Ghana, the WHO recommends **specific excise taxes calculated based on nutrient (sugar) content.**
- 3** We call on the Government of Ghana to make possible, **earmarking of revenues accruing from the SSB taxes to address the harms caused by SSBs consumption,** to conduct relevant health research, and to fund social protection initiatives such as the NHIS, the Ghana School Feeding, and the Livelihood Empowerment Against Poverty (LEAP) Programmes.
- 4** The Coalition, and other civil society organizations/professional associations **will continue to raise support for this policy, and will monitor, with keen interest, its implementation – demanding accountability as needed.**

To conclude, I would like to reiterate that all of these actions are important.

As the Director General of the WHO once remarked:

“If we are to win the war against premature deaths caused by NCDs, we must also win the battles in our kitchens, shops, supermarkets, restaurants, schools ...”

Our duty as a Coalition is to ensure that we generate, we curate, and avail the evidence needed to fight this war. **...advocacy, scholar activism...** so governments implement comprehensive policy measures that make unhealthy foods unattractive, and unavailable, while making healthier foods available, and attractive.

Thank you

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