

Sugar, tobacco, and alcohol taxes to achieve the SDGs



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More than a decade after the adoption of the WHO Framework Convention on Tobacco Control, there is compelling evidence that raising tobacco prices substantially through taxation is the single most effective way to reduce tobacco use and save lives.¹ Similarly, alcohol taxation is a cost-effective way to reduce alcohol consumption and harm.² With growing evidence, sugar taxes are another fiscal tool to promote health and nutrition.³ Mexico's sugar tax reduced sugar-sweetened beverage sales by 5% in the first year, with an almost 10% further reduction in the second year.⁴ Tobacco taxes in South Africa contributed to tobacco consumption decreases of about 40% between 1993 and 2003.⁵ When Finland reduced taxes on alcohol in 2003, alcohol-related mortality increased by 16% among men and by 31% among women.⁶ As part of a broader public health approach to promote a life-course approach to prevention and to address commercial determinants of health, it is now time for governments to adopt sugar, tobacco, and alcohol taxes (STAX).

Despite their potential, taxes on sugar, tobacco, and alcohol are underused by policy makers. The 2017 WHO Report on the Global Tobacco Epidemic showed that only 10% of the world's population is covered by sufficiently high levels of tobacco taxation.⁷ According to this report, the tobacco industry undermines taxation efforts by lobbying policy makers and exaggerating their industry's economic value and the risk of illicit trade.⁷ The alcohol and food industries are now deploying similar tactics—one example is successful efforts to erase language on alcohol and sugar taxes⁸ in the Montevideo Roadmap on non-communicable diseases (NCDs).

Despite industry efforts, taxation is gaining more attention from policy makers as a win-win-win policy measure for public health, domestic resource mobilisation, and equity. Taxes on sugar, tobacco, and alcohol have been, or are now being, introduced in diverse contexts, including Botswana, Chile, Ecuador, India, Mexico, Nigeria, Peru, Saudi Arabia, South Africa, the United Arab Emirates, and the UK. Tobacco and alcohol taxes are recognised by WHO as "Best Buys" to prevent and control NCDs; taxes more broadly are a focus of the Bloomberg Task Force on Fiscal Policy for Health in advance of this year's UN High-Level Meeting (HLM) on NCDs. NCDs are estimated to account for 72% of all deaths

globally and this proportion is growing.⁹ Worldwide, tobacco is estimated to kill more than 7 million people and alcohol more than 3 million people each year.¹⁰ The global number of young people aged 5–19 years who are overweight and/or obese has increased from 11 million in 1975 to 124 million in 2016.¹¹ Sugar consumption is a major contributor. High body-mass index is estimated to claim at least 4 million lives each year.¹² The consumption of tobacco, alcohol, and sugar are risk factors for health and NCDs that disproportionately affect people with low socioeconomic status and low-income countries, which are the least prepared. STAX could help mitigate these risk factors. Yet existing efforts are inconsistently applied. Scaled-up country support is needed to accelerate and implement STAX as a cost-effective fiscal policy to contribute to the Sustainable Development Goals (SDGs).

STAX not only contribute to improving health and saving lives, but they can also raise resources. For example, Thailand's Health Promotion Act of 2001 established a tax on tobacco and alcohol, which now contributes about US\$120 million annually for domestic health promotion efforts. In 2012, the Philippines raised taxes on tobacco and alcohol and are using the revenues to supplement efforts towards universal health coverage (UHC). After 3 years of implementation \$3.9 billion in additional revenues were collected, 80% of which was used to finance the extension of health insurance to the poorest 40% of Filipinos.¹³

Unfounded concerns about the potentially regressive impacts of STAX continue to impede implementation.



Evidence from Chile, South Africa, Ukraine, and other countries shows that the impact of tobacco tax increases are progressive as health benefits exceed increases in tax liability, and these benefits accrue disproportionately in lower-income households.¹⁴⁻¹⁶ Emerging evidence suggests the same progressive impact is probably true for taxes on sugar and alcohol.¹⁷ *The Lancet* Taskforce on NCDs and economics summarised evidence explaining why STAX are not regressive.¹⁸

While evidence on the redistributive and wider economic impacts continues to emerge, STAX warrant wider adoption. STAX are not a magic bullet but instead are indispensable policy tools to improve public health, save millions of lives, and generate resources to invest in health, nutrition, and other development priorities. International and academic institutions as well as civil society should expand efforts to monitor and respond to industry interference in the formulation and implementation of STAX. These actors should also assess and share best practices that codify normative guidelines on STAX, including knowledge of how STAX can reduce inequities in alignment with wider taxation policy, especially for lower socioeconomic groups, and how STAX can support the implementation of other public health interventions. Building on evidence, accumulated country experience, and the legacy of previous social movements, health professionals and civil society should unite a broad coalition and call on governments to enact a more synergistic STAX approach. STAX should top the list of recommendations from this year's WHO Independent High-Level Commission on NCDs, the UN HLM on NCDs (as well as the 2019 HLM on UHC), the G7 Summit in Canada, and upcoming G20 Summits in Argentina and Japan.

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