

A TAXING ISSUE?

PRICING POLICIES HAVE HAD AN IMPACT UPON THE PURCHASE AND CONSUMPTION OF UNHEALTHY PRODUCTS AROUND THE WORLD

IN HUNGARY

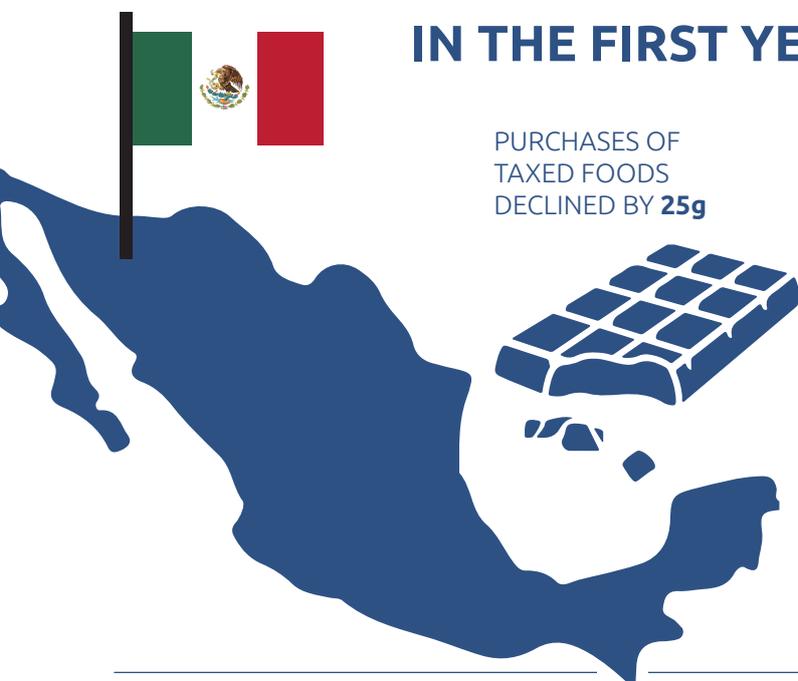


THE FOOD INDUSTRY REMOVED UNHEALTHY INGREDIENTS IN TAXED FOOD PRODUCTS



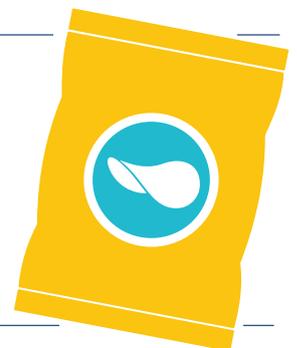
CONSUMERS SWITCHED TAXED PRODUCTS FOR HEALTHY OPTIONS. IN **82-86%** OF CASES, MORE FRESH FRUIT AND VEGETABLES WERE CONSUMED

IN THE FIRST YEAR OF A TAX IN MEXICO



POORER HOUSEHOLDS PURCHASED **10.2%** FEWER TAXED FOODS THAN EXPECTED; MIDDLE EARNERS PURCHASED **5.8%** LESS

PURCHASES OF SALTY SNACKS SHOWED THE BIGGEST REDUCTION (**-6.3%** BEYOND THE EXPECTED DECLINE)



AFTER TWO YEARS:

THE VOLUME OF TAXED FOOD PURCHASES DECLINED FROM **1798g** PER CAPITA PER MONTH TO **1607g**



THE GROUP PREVIOUSLY PURCHASING THE HIGHEST LEVELS OF UNHEALTHY PRODUCTS SHOWED THE LARGEST RELATIVE DECLINE IN TAXED FOOD PURCHASES (REDUCED BY 12.3%)



TAXATION NEEDS TO BE PART OF A RANGE OF INTERVENTIONS INCLUDING:



WIDESPREAD AVAILABILITY OF HEALTHY OPTIONS

USING HEALTHIER INGREDIENTS IN FOOD PRODUCTS/REDUCING UNHEALTHY INGREDIENTS



MED	LOW	MED	HIGH	MED
Calories	Sugar	Fat	Sat Fat	Salt
353	0.9g	20.3g	10.8g	1.1g
18%	1%	29%	54%	18%

CLEAR LABELLING OF PRODUCTS, EXPLAINING THE HEALTH HARMS/BENEFITS



ADVERTISING RESTRICTIONS ON UNHEALTHY PRODUCTS

INFORMING AND EDUCATING THE PUBLIC ABOUT FOOD AND NUTRITION



MAXIMUM SUCCESS MAY BE ACHIEVED BY TAXING UNHEALTHY PRODUCTS AND USING THE PROCEEDS TO REDUCE THE PRICE OF HEALTHIER OPTIONS

OVER 8 IN 10 (82%) OF THE WELSH POPULATION SURVEYED AGREE THAT HEALTHY FOODS SHOULD COST A BIT LESS AND UNHEALTHY FOODS A BIT MORE – ONLY 6% DISAGREE



A TAXING ISSUE? FIVE POLICY CONSIDERATIONS

What should policymakers consider before proceeding with a tax aimed at improving health?



1 ARE POLICYMAKERS LOOKING AT TAXING SPECIFIC PRODUCTS OR A GROUP OF PRODUCTS?

Outcomes depend on how the tax is implemented. Very specific taxes about product type/quantity risks increased administrative burden and complicated consumer communication messages

2 ADVISORY GROUP NEEDS TO BE MULTI-DISCIPLINARY, INVOLVING ECONOMISTS, PUBLIC HEALTH, AND PUBLIC POLICY.

Getting the right expertise at the outset can help with policy design, implementation, identifying unintended consequences, and ongoing monitoring – all reducing the risk of policy failure.

3 DO WE KNOW THE BASELINE CONSUMPTION DATA FOR PRODUCTS? IF NOT, CAN WE COLLECT THESE?

Baseline information is needed for valid and robust evaluation of the impacts of the proposed tax.

4 WILL PRICE CHANGES LEAD TO A CROSS-BORDER TRADE OF THE TAXED PRODUCTS?

Residents of countries with a health-related tax have been observed purchasing the taxed products in neighbouring countries – will this be a risk in your country?

5 IS THERE A RISK OF SUBSTITUTING TO ANOTHER SIMILARLY UNHEALTHY PRODUCT?

In some international examples of diet-related taxes, consumers have largely substituted to healthier food options – although this is not always the case. Policymakers should consider all potential eventualities prior to implementing a tax aimed at health improvement.