

Taxing Sugar Sweetened Beverages in St Kitts: A Position Statement

Introduction

Sugar sweetened beverages (SSBs) are defined as drinks (hot, cold or powdered) that have been sweetened with any form of added sugar. They include carbonated drinks (sodas), carbonated water, juices, flavoured juice drinks, sports drinks, energy drinks, tea, coffee drinks, sweetened milk/milk alternatives, milk powdered blended drinks, powdered drink mixes and drink mix syrups.

The types of sugar used to sweeten these drinks include brown sugar, corn sweetener, corn syrup, dextrose, fructose, glucose, high-fructose corn syrup, honey, lactose, malt syrup, maltose, molasses, raw sugar and sucrose.

WHO recommends that adults reduce their intake of added sugars to less than 10% of their energy intake which equates to consuming no more than 25 grams (or 6 teaspoons) of added sugar a day.¹² Many SSBs contain high quantities of sugar. For example, one 375ml can of coke contains 40g of added sugar (or 10 teaspoons of sugar).⁸ Therefore consuming just one SSB exceeds an adult's recommended daily intake of added sugar.

The high quantity of sugar in SSBs makes them a high-calorie product and furthermore they have little or no nutritional value; meaning they contribute no benefit to our health.

Sugar Sweetened Beverages and Our Health

The overconsumption of SSBs has been linked to weight gain and obesity in adults and children, and obesity or being overweight increases a person's risk of developing a number of non-communicable diseases such as type 2 diabetes, stroke, heart disease and cancer.^{2,4,5,6,9,10}

Studies have not only linked the consumption of SSBs to weight gain and the development of obesity but have linked SSB consumption itself to a decrease in insulin sensitivity, type 2 diabetes, metabolic syndrome and heart disease.^{5,6,10} Some of the link between SSBs and these health conditions is associated with the weight gain caused by the overconsumption of SSBs, but research shows that SSBs may also have an effect, independent of weight gain, that increases risk of these diseases.^{5,6,10}

Sugar Sweetened Beverages in St Kitts and Nevis

Obesity is a significant challenge in St Kitts and Nevis. A PAHO report revealed that 33% of secondary school children in the twin island state were overweight and 14% were obese.⁷ More recently, in 2017, a UNICEF report published that 26% of children in St Kitts and Nevis are obese.¹¹ When looking at adults in St Kitts and Nevis, the PAHO study reported that 34% of adults were overweight and 45% were obese.⁷

It is believed that one factor contributing to the high rate of obesity and weight gain in St Kitts and Nevis is the high consumption of SSBs, particularly by children.

The Global School-Based Student Health Survey, which covered the period from 2009 to 2013 found that 62% of school children in St Kitts and Nevis consumed at least one carbonated soft drink a day.¹³ When we look at data from the Caribbean, as a whole, and other Caribbean islands, we're given some idea of how many SSBs are consumed by children in the region.

Caribbean children's frequency of consuming SSBs was found to be amongst the highest out of 187 countries.¹⁴ Furthermore, teenagers (12 to 15-year olds) in Barbados, Jamaica, the Bahamas and Trinidad and Tobago reported drinking SSBs three times or more a day, and in Barbados it was found that SSBs alone accounted for over 40% of total sugar intake.^{13, 14}

In order to address the high rate of obesity in St Kitts and Nevis, a number of strategies are required and reducing the public's consumption of SSBs is just one of many approaches.

SSB Taxation

The taxation of SSBs has been utilised as a method of tackling obesity by creating a deterrent which leads to a reduction in the purchase and consumption of SSBs.

Taxation of SSBs has three important aims. The first is to incentivise manufacturers to reformulate or replace their products to create healthier options, the second is to deter the public from purchasing and consuming SSBs by making them unaffordable and the third is to raise funds from the tax revenue that can be used to support initiatives aimed at improving the health of the public.

The taxation of SSBs has been introduced in over twenty countries including Mexico, the UK, Barbados, Bermuda, Dominica, Portugal, France and Saudi Arabia. SSB taxation is still a fairly new approach and therefore it will take several years to determine the long-term impact on the public's health.

Preliminary data from Mexico's National Institute of Public Health showed that the tax has had an impact on SSB consumption. A 5.5% decrease in the sale of SSBs was observed one year after the introduction of a 10% tax on SSBs and by the second year consumption of SSBs had declined by 9.7%.³

In Barbados a study exploring the impact of their 10% tax on SSBs found that there was a 4.3% reduction in SSB purchases and a 5.2% increase in the purchase of non-sweetened drinks.¹ Additionally, they noted that there was some evidence of consumers switching to less expensive SSBs which suggests that a higher rate of tax is required to deter the consumption of all SSBs.¹

One important point to note is that some companies have been able to absorb part of the tax therefore the full value of the tax is not reflected in the final retail price of some SSBs.¹³ This means that the price increase to consumers has not been high enough to deter purchase and consumption. To address this issue, as well as consumers substituting expensive SSBs for less expensive SSBs, the tax needs to be set at a high

enough rate. The recommendation by the University of Illinois, who have significant expertise in this area, is a SSB tax should be at least 20%. Countries such as Bermuda, UAE and Saudi Arabia have introduced taxes that are significantly higher than this. From 1st October 2018 Bermuda introduced a 50% sugar tax, in 2017 Saudi Arabia introduced a 50% tax on carbonated drinks and a 100% tax on energy drinks and UAE also introduced a 100% tax on energy drinks and a 50% tax on soft drinks.

SSB Taxation in St Kitts and Nevis

On 1st November 2018, the Ministry of Health in St Kitts held a public consultation on SSB taxation. During this consultation they provided information on their proposed approach to SSB taxation and this included the following:

- A 40% tax on SSBs
- The tax will apply to calorically sweetened beverages including carbonated drinks (sodas), sweetened carbonated water, sugar sweetened juices, sports drinks, energy drinks, tea and coffee drinks, sweetened milk/milk alternatives, milk powdered blended drinks, powdered drink mixes and drink mix syrups
- Sugar would no longer be zero-rated when it comes to tax
- Excluded from the tax would be: fresh fruit juice (no sugar added), unsweetened milk/milk alternatives, infused water, unsweetened carbonated drinks and non-caloric sweetened drinks
- Alternatives to SSBs will be suggested to the public. These would include: fruit/vegetable infused water, unsweetened water, plain water, unsweetened carbonated water, unsweetened herbal (bush) tea and artificially non-caloric sweetened beverages
- The tax revenue will be used to provide: a water infrastructure, water fountains in schools, reusable water bottles in schools, healthier school meals, public health campaigns, National Health Insurance, implementing a marketing ban to children and policy development for safe school zones.

Lake Health and Wellbeing's Position

We support the government's approach to SSB taxation as there is a need to tackle childhood obesity in St Kitts and Nevis and by reducing SSB consumption this can be achieved.

We believe a 40% tax is sufficiently high enough to deter consumption of all SSBs and are in support of this level of taxation.

We think it is important that the revenue raised from the SSB tax should fund public health initiatives particularly those that are aimed at childhood obesity and so we applaud the Ministry's suggestions on the use of the tax revenue. We would also like to see the tax revenue being used to make healthy foods more affordable to ensure that parents and guardians don't encounter any barriers to adopting healthy eating practices. It is also important for there to be full transparency on the expenditure of the tax revenue

so that the public can be confident that the funds will be used to benefit the public's health.

We believe that more public consultation, education and awareness work is required and greater engagement with relevant stakeholders such as SSB manufacturers and retailers should be sought as attendance at the consultation was low.

Our position is that a SSB tax is one of many approaches to tackling the overconsumption of SSBs in St Kitts and Nevis and a comprehensive SSB strategy is required which should include the following:

1. Restricting the marketing of SSBs to children
2. Restricting the sale of SSBs in and around schools
3. Encouraging the food and drinks industry to reformulate SSBs to reduce the quantity of sugar in these products
4. Encouraging the food and drinks industry to provide healthy alternatives to SSBs
5. Promoting water and other non-sweetened drinks as the preferred drinks for children and adults
6. Introducing a comprehensive awareness and education programme aimed at the public that communicates:
 - a. The purpose and implications of the SSB tax as well as how the tax revenue will be used
 - b. The SSBs to avoid
 - c. The sugar content of SSBs
 - d. The health risks associated with SSBs
 - e. Healthy alternatives to SSBs
7. The creation and implementation of SSB-free policies in schools, workplaces, hospitals, government buildings and at events
8. Increasing the availability of safe drinking water through water fountains in public places, at schools, in workplaces and hospitals.

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