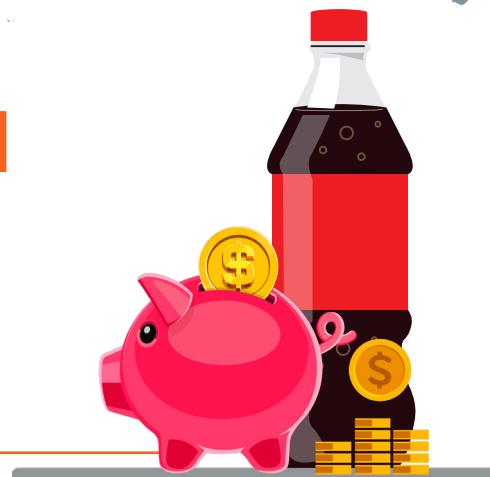


Sugary drink taxes around the world¹

SUPPORTING HEALTH BY TAXING SUGAR-SWEETENED BEVERAGES



Chronic diseases represent a significant burden on healthcare systems. In Quebec, more than 1.1 million adults suffer from at least two chronic diseases².

Consumption of ultra-processed foods, which are often high in sugar, salt or saturated fat, increases the risk of chronic diseases. Ultra-processed foods take up too much space in our diet³ and their high sugar, salt and saturated fat content affects the long-term health of many people.

It is important to implement effective prevention measures to improve the health and well-being of the population and reduce the strain on the healthcare system. To this end, **the taxation of sugary-sweetened beverages is a promising solution that has already been adopted in many countries.** In addition to helping the population reduce their consumption of harmful products, such measures **generate revenue that can be reinvested in prevention.**

A healthy population is more resilient in times of crisis.



SUGAR-SWEETENED BEVERAGES: OVERCONSUMED, NONESSENTIAL AND HARMFUL

Sugar-sweetened beverages are the leading source of sugar consumption in Quebec. So-called energy drinks, soft drinks, sports drinks, iced teas, vitamin waters, fruity cocktails, and other bottled sweets occupy a disproportionate place in our collective diet. In addition, sugary drinks, which are very affordable, benefit from intensive marketing which encourages their overconsumption.



More than half of the population consumes sugar-sweetened beverages daily⁴.

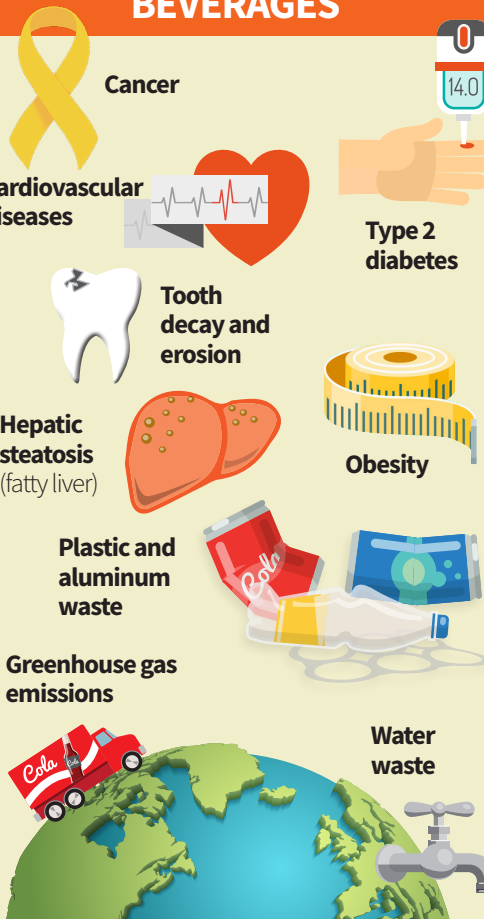
Daily consumption of **so-called energy drinks** is also on the rise⁵.

Overconsumption of sugar-sweetened beverages is associated with numerous **health problems**, such as type 2 diabetes, cardiovascular diseases, obesity, metabolic syndrome, as well as dental and bone problems.

These nonessential products, often distributed in single-use containers, also have a **negative impact on the environment**. They generate plastic and aluminum waste, produce greenhouse gases, and waste water.

While sugar-sweetened beverages should be reserved for special occasions, their regular consumption is harmful to health and the environment.

IMPACTS OF SWEETENED BEVERAGES



BENEFITS OF TAXING SWEETENED BEVERAGES

- 1) Sends a clear signal to the population to dissuade overconsumption.
- 2) Reduces consumption. The more the price increases, the more consumption decreases.
- 3) Compensates the negative impacts of sugary beverages by investing the income generated in prevention.



A **20 ¢ per litre** tax would generate more than **\$50 million** annually⁶.

SUGARY DRINK TAXES HAVE PROVED POPULAR AROUND THE WORLD

TAXES AROUND THE WORLD

Several jurisdictions around the world have introduced taxation measures in order to reduce the consumption of sugar-sweetened beverages and generate additional revenue. This includes several American cities, France, Mexico, the United Kingdom and many other countries. **In 2021, the province of Newfoundland and Labrador also followed suit.** A 10% to 20% price increase has proven effective in reducing consumption, and benefits are further increased by the investments in prevention made possible by such a tax.



2 out of 3 adults in Quebec are in favour of implementing a tax on sugary and energy drinks, with the proceeds reinvested in preventing obesity and chronic diseases⁷.

France

Since January 1, 2012, France taxes drinks with added sugar and those with sweeteners at a rate of €7.16/HL (\$0.11/L). The measure provides for an annual adjustment according to the consumer price index of the year before last. Thus, in 2016, the tax amounted to €7.53/HL (\$0.11/L).

On July 1, 2018, the approach was changed in order to tax drinks according to their added sugar content. The intention of this reform is to encourage manufacturers to reformulate their products with reduced sugar content. Sweetened drinks are still taxed, but at a lower threshold (€3.5/HL or \$0.05/L). Thus, a drink containing both sweeteners and added sugars is double taxed. All revenue from the tax is dedicated to financing social security, including universal health insurance.

Mexico

In 2014, Mexico introduced a tax of approximately 10% on the average price of sugar-added drinks, generating revenues of USD 2.6 billion (CAD 3.4 billion). **The proceeds from this tax have notably been allocated to the installation of water fountains in schools.**

SEATTLE & SAN FRANCISCO: SUGARY DRINK TAXES USED AS LEVERS OF RESILIENCE DURING THE PANDEMIC

During the COVID-19 crisis, the city of Seattle was able to use revenue from its sugary drink tax to help more vulnerable households. When the pandemic hit, Seattle's mayor decided to use 5 of the 23 million USD generated annually by this tax to distribute **6,250 grocery coupons to families in need.** Revenues from the sugary drink tax, in place since 2018, are normally invested in healthy eating initiatives and educational programs targeted at low-income families. Similarly, the city of San Francisco dedicated 1.65 million of its sugary tax revenues to improve food aid during the pandemic.

An effective tax

An impact assessment of the tax conducted by Mexico's National Institute of Public Health (INSP) and the University of Carolina shows that in 2014 **sales of sugar-sweetened beverages were down by 6% in the general population and by 9% in disadvantaged communities.** In 2016, industry representatives released a report arguing that the tax was ineffective because sales of sugary drinks had actually increased. The INSP has since issued two official notices to rectify these claims, stating that proper scientific considerations were not used to interpret the sales data. The INSP scientists' statistical model confirms that sales fell by 6% in 2014 and 8% in 2015. In light of these findings, the tax was increased in 2017.

1. Sugary drink taxes around the world. (2020). Global Food Research Program of University of North Carolina at Chapel Hills
2. Institut national de la sante publique du Québec. (2019). La prévalence de la multimorbidité au Québec : portrait pour l'année 2016-2017
3. Institut national de santé publique du Québec. (2018). L'achat d'aliments ultra-transformés en supermarchés et magasins à grande surface au Québec
4. Institut national de santé publique du Québec. (2022). Sondage sur les attitudes et les comportements des adultes québécois
5. Gouvernement du Québec. (2023). Habitudes de vie et comportements : faits saillants.
6. Haeck C, Lawson N, Poirier K. (2021). La taxation des boissons sucrées
7. Léger survey (February 5-7, 2021).

WHEREAS :

- Regular consumption of sugar-sweetened beverages contributes to several chronic diseases that put pressure on Quebec's healthcare system and economy;
- Sugar-sweetened beverages have an adverse impact on the environment;
- Sugar-sweetened beverages are non-nutritious and nonessential food products for which a healthy and free alternative, water, is available;
- The market for sugar-sweetened beverages is vast, constantly evolving and accompanied by intensive marketing, which particularly targets young people;
- The low cost of sugar-sweetened beverages contributes to their popularity;
- The Quebec government already applies various tax measures on products considered harmful to health, such as specific taxes on tobacco and alcohol;
- For many years, the Quebec government has wanted to invest more in prevention, but still finds itself making difficult budgetary choices, particularly due to the financial impacts of COVID. Taxing sugary drinks would help:
 - ◇ reduce the pressure on the healthcare system;
 - ◇ create savings in the medium and long term;
 - ◇ generate revenue;
 - ◇ invest in prevention.



**COLLECTIF VITAL, Capsana,
the Heart and Stroke Foundation,
the Canadian Cancer Society and Diabetes Québec**
call upon the government to introduce a tax on sugar-sweetened
beverages and energy drinks, to be reinvested in prevention, as a
promising strategy to reduce pressure on the healthcare system.



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