

Mr. Yunus Carrim

Parliament of the Republic of South Africa

Department: Standing Committee on Finance

Republic of South Africa

By email: awicomb@parliament.gov.za

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**RE: Submission on Health Promotion Levy on Sugar Beverages**

We make this submission on the proposed Sugary Drink Tax as an alliance of about Twelve like-minded organisations with a mission to improve the health of an increasingly obese South Africa, compelled by the constitutional right that says that everyone should have access to clean drinking water and sufficient (healthy) food.

We believe that improving diet to reduce these NCDs in South Africans requires a sustained public health effort that addresses environmental factors and the conditions in which people live and make choices.

**WHY WE NEED THE TAX**

We support the National Treasury’s sugary drink tax and applaud them for their efforts to improve South Africans’ health; however, the tax can be strengthened to make it even more effective.

Sugary drinks are one of the most significant contributors to health problems such as diabetes, obesity, heart diseases, certain cancers, and dental caries in South Africa and globally. South Africans are among the top ten consumers of soft drinks in the world. In addition, South Africa is already ranked the most obese country in sub-Saharan Africa, and a recent study found that diabetes was the second leading cause of death among South Africans in 2015.

**FOUR WAYS TO STRENGTHEN THE TAX**

**Tax all the sugar in all sugary drinks**

HEALA believes that the discount of 4g of sugar per 100ml would compromise the health impact of tax and is a giveaway to the beverage industry and manufacturers whose products have the highest and most harmful levels of sugars. We would then like to recommend that Treasury and Parliament remove the 4g discount and tax all the sugar in sugary drinks because there is no health justification for the exclusion, and no other country with a successful sugary drink tax has followed this structure.

**Increase the tax rate of concentrates**

According to the research conducted by Euromonitor International it state that Consumption in terms of kcal/capita increased from 16.5 percent in 2009 to 32.9 percent in 2016; by comparison, consumption of regular cola carbonates in 2016 was only 29.3 percent meaning South Africans are drinking more and more concentrates than ever before and it is the fastest growing segment of the sugary drinks market.

HEALA believes that in order for South Africa to achieve its objective of improving health, the tax must encourage South Africans to consume beverages that are lower in sugar—instead of switching to cheap sugary concentrates. The tax rate for concentrates should be increased to align with the rate for ready-to-drink sugary beverages.

**Tax all drinks with added sugar**

HEALA believe that Treasury needs to clarify their proposal so that all fruit and dairy-based drinks with added caloric sweeteners (whether using a fruit juice, concentrate-based sweetener, or any other caloric sweetener) are taxed and that would definitely lead to a positive health impact in South Africa.

**Some revenue from the sugary drink tax should be used to promote health**

It’s critical that the intent expressed in the budget speech to do this is carried out in practice. HEALA strongly believe that South Africans need to know that revenues will be used to benefit the health of the country. Revenue should be directed towards health promotion measures, such as increasing the number of community healthcare workers, funding nurses in schools, developing and implementing effective health and nutrition education campaigns, or improving water and sanitation infrastructure.

Thank you very much for considering our comments and recommendations. We hope that we are able to work together to counter and prevent the devastating impacts of sugary beverages on children and adults in South Africa.

Kind Regards

Healthy Living Alliance

Health Promotion and Development Foundation, Khulisa Social Solutions, Rural Health Advocacy Project, Section 27, South African Dental Association (SADA), Health-e News Services, South African Paediatric Association (SAPA), Amandla.mobi, Motse’s Bone Vitality Centre, Society for Endocrinology, Metabolism and Diabetes of South Africa (SEMDSA) and Treatment Action Campaign (TAC).