

Healthy Living Alliance (HEALA) 2021 Fiscal Framework and Revenue Proposals

Lawrence Mbalati
HEALA Programmes Manager
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South Africa's health and economic context post-HPL (2018)

The COVID-19 pandemic **magnified** South Africa's health and economic challenges

- Increased hunger and malnutrition
- Food insecurity
- Overweight or obese South Africans and/or those living with noncommunicable diseases face a higher risk of severe disease and death from COVID-19.
- Globally, being obese has been shown to increase a person's risk of dying from Covid-19 by almost 50% and more than doubles the risk of being hospitalized.

Why does South Africa need a health promotion levy of 20%? (1)

A 20% health promotion levy makes economic sense

- The health promotion levy of 11% has already raised R5.8 billion for government
- If Treasury had doubled the current health promotion levy to 20%, South Africa could have earned an estimated R2 billion in extra revenue¹
 - This additional revenue could be used to purchase vaccines, employ health workers
- Modelling studies have estimated R5 billion in healthcare cost savings over the next two decades²

1. Based on current consumption and 2.5 billion in revenue raised in FY2019-2020

2. Manyema M, Veerman LJ, Tugendhaft A, Labadarios D, Hofman KJ. Modelling the potential impact of a sugar-sweetened beverage tax on stroke mortality, costs and health-adjusted life years in South Africa. BMC Public Health 2016;16(1):405

Why does South Africa need a health promotion levy of 20%? (2)

A healthier population is a more productive population

- The health promotion levy has already been shown to reduce sugar intake & over time, this will reduce the prevalence of risk factors for severe COVID-19 such as diabetes, high blood pressure & obesity
- A 2016 modelling study estimated that a health promotion levy of 20% would save 72 000 lives over the next two decades.³
- South Africa is facing a quadruple burden of disease which include HIV TB high rates of obesity and NCDs such as diabetes and cardiovascular diseases due to unhealthy diets, and a population at greater risk for complications from COVID-19.

3. Manyema M, Veerman LJ, Tugendhaft A, Labadarios D, Hofman KJ. Modelling the potential impact of a sugar-sweetened beverage tax on stroke mortality, costs and health-adjusted life years in South Africa. BMC Public Health 2016;16(1):405

Why does South Africa need a health promotion levy of 20%? (3)

A health promotion levy of 20% is pro-poor

- Health taxes like the health promotion levy are an important public health policy tool to protect & improve the health of South Africans over time
- South Africans more than doubled the volume of sugary drinks they consumed from 2001 to 2015 ^{4,5}
 - Research found that the industry depended on reaching South Africa's poorest to increase their profits - targeting those earning less than R3 000 a month.
- There is also mounting evidence that undernutrition early in life may predispose individuals to obesity and diet-related non-communicable diseases such as diabetes and heart disease later in life.

4. Priceles. Submission on the Draft Rates and Monetary Amounts Bill and the Health Promotion Levy Submission to the Standing Committee on Finance

5. Manyema M, Veerman LJ, Chola L, Labadarios D, Hofman KJ. Cost of inaction on sugar-sweetened beverage consumption: implications for obesity in South Africa. Public Health Nutrition 2016; 19 (13): 2296-304.



Will a health promotion levy of 20% impact jobs?

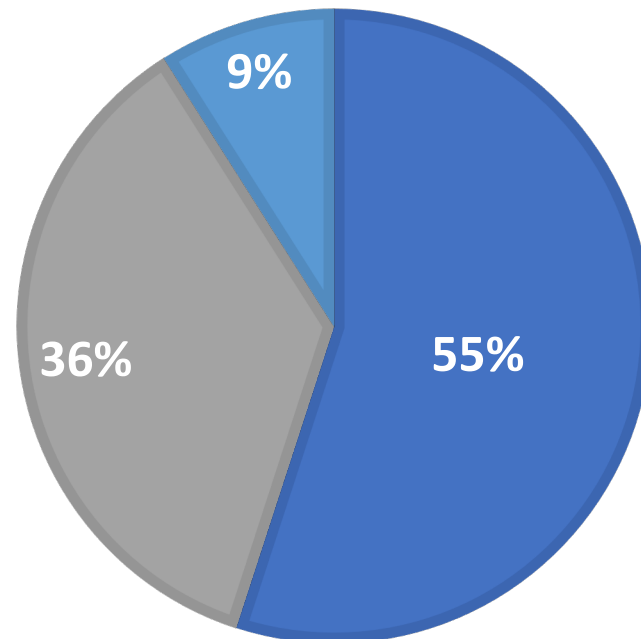
- There is **no evidence** to date from South Africa or **anywhere in the world** that implementing a levy on sugar leads to job losses
- The health promotion levy in South Africa is working!
Since 2018, it has:
 - Led some beverage makers to reduce the amount of sugar in their drinks
 - Slashed sugar consumption by almost a third among young people surveyed in Langa outside Cape Town
 - Reduced sugary beverages consumption by 60% reduction among people who consumed a lot of sugar in Soweto⁵

5. Wrottesley SV, Stacey N, Mukoma G, Hofman KJ, Norris SA. Assessing sugar-sweetened beverage intakes, added sugar intakes and BMI before and after the implementation of a sugar-sweetened beverage tax in South Africa. Public Health Nutrition 2020:1-11.

The public overwhelmingly supports a 20% health promotion levy

Do South Africans think a tax on sugary beverages will help fight obesity?

■ Yes ■ No ■ Can't say



76%
**OF SOUTH AFRICANS
SUPPORT GOVERNMENT
EFFORTS TO CUT DOWN
SUGARY DRINKS.**

The people have spoken. A strong sugary drinks tax has the power to improve the health of millions of South Africans. Now's the time for Parliament to act and show support for the health of our nation.

For more information go to heala.org
#heala #choosehealth

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Healthy Living Alliance

Recommendation: Double the levy to 20%

Doubling the levy to **Treasury's original proposal of 20%** will enhance the positive impacts of the levy:

- The increase could raise billions for COVID-19 in the short-term and over time reduce the health and economic costs of non-communicable diseases

A 20% health promotion levy:

- Makes economic sense
- Protects the health of the poor and most vulnerable
- Creates a healthier food environment that enables all South Africans to live healthy, productive lives

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Every year that National Treasury delays,
more South Africans will die from diseases
this levy could help prevent.

And it is the poorest in South Africa who are
the hardest hit.

Act now to protect and improve the health of
all South Africans by raising the levy to 20%
