



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT: PROPOSED TAXATION OF SUGAR SWEETENED BEVERAGES

The National Treasury today publishes for public comment a Policy Paper and proposals on the taxation of sugar sweetened beverages.

The Minister of Finance announced in his February 2016 Budget a proposal to introduce a tax on sugar-sweetened beverages (SSBs) with effect from 1 April 2017 to help reduce excessive sugar intake. This follows on work initiated by the Department of Health. The Department of Health developed a Strategic Plan for the Prevention and Control of NCDs 2013 – 2017, and a National Strategy for the Prevention and Control of Obesity 2015 – 2020. These strategies set an ambitious target of reducing obesity prevalence by 10 per cent by 2020. This strategy has identified a number of measures to address NCDs, and more especially unhealthy diets. Amongst these measures taxes on foods high in sugar are potentially a very cost-effective strategy to address diet related diseases.

The proposed tax thus comes against the backdrop of a growing global concern regarding obesity stemming from overconsumption of sugar. Obesity is a global epidemic and a major risk factor for the growing burden of non-communicable diseases (NCDs) including heart diseases, diabetes and some cancers. The problem of obesity has grown over the past 30 years in South Africa resulting in the country being ranked the most obese country in sub-Saharan Africa.

Fiscal interventions such as taxes are increasingly recognised as effective complementary tools to help tackle the problem of negative externalities associated with pollution, smoking, excessive alcohol consumption and also the obesity epidemic at a population level. Countries such as Finland, France, Hungary, Ireland, Mexico, Mauritius and Norway have all levied taxes on SSBs whereas other countries such the United Kingdom, Thailand and Australia have recently announced their intention to introduce such taxes as part of a package of measures to help deal with the excessive intake of added sugars.

The document is available on the website of the National Treasury, (www.treasury.gov.za).

Due date for comments:

Please forward written comments to Mpho Legote at: Mpho.Legote@treasury.gov.za by the close of business on 22 August 2016.

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