

**NATIONAL COUNCIL OF PROVINCES**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 26 [CW28E]**

**26. Mr D R Ryder (Gauteng: DA) to ask the Minister of Finance:**

(1) How much has been collected by the National Treasury since the introduction of the Health Promotion Levy in 2018;

(2) whether the sale of sugary beverages has reduced significantly in terms of the reported sales that are required for tax-reporting purposes; if not, what is the position in this regard; if so, what are the relevant details;

(3) what other products and/or industries have been affected in this regard;

(4) whether the Department of Health has reported any progress on its target of reducing obesity by 10% in 2020; if not, what is the position in this regard; if so, what are the relevant details?

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**REPLY:**

1) The revenue collected on the Health Promotion Levy amounted to R3 195 million in 2018/19 and R2 590 million in 2019/20 from locally manufactured sugary beverages, and R53 million and R54 million from imported sugary beverages, respectively. All these revenue numbers are published every year in the Budget Review, refer to Chapter 4, Table 4.1 of the 2020 Budget Review on page 35. The National Treasury also publishes monthly figures at the start of each month on our website [www.treasury.gov.za](http://www.treasury.gov.za), called the “Statement of the National Revenue, Expenditure and Borrowing” which contains a dedicated Table 1 on revenue collected per tax instrument.

2) The aim of the levy was to incentivise manufacturers to reformulate sugary beverage products (i.e. reduce the sugar content) and to reduce consumption of sugary beverages. Since the implementation of the levy manufacturers have:

- a) started reformulating their products by reducing the sugar content,
- b) increased their product portfolio with less or no sugar products,

- c) reduced the package sizes of normal products together with increased pricing, and
- d) increased the package sizes of new low or no sugar products, together with reduced pricing of these products, to encourage consumers to switch to lower sugar alternatives

At this stage, no assessment has been conducted to ascertain the impact of the levy on the volumes of sugar beverages being consumed. However, the decline in the revenue collection as reflected in the second year of the levy is a good proxy indication that either the amount of sugar in the beverages and/or consumption has come down.

- 3) The levy currently covers all sugary beverages except 100% pure fruit and vegetable juices, as classified in the Custom and Excise Act Schedules, and milk products without added sugar. The levy impacts on the industries such as the non-alcoholic beverage and sugar industry.
  
- 4) The Department of Health, as the responsible lead department, guides the policy on obesity and implementation of such policy. It developed a Strategic Plan for the Prevention and Control of NCDs 2013 – 2017, and 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. It should also be noted that the outcomes of any policy on obesity will take time to reap benefits. We refer the Honourable Member to the National Department of Health for any more information related to the implementation of this policy and its outcomes.