

# Nutrition and Health Taxes in Europe



# Agenda

## 1 Policy background

- Horizon 2020 and a changing EU
- Diet and Health Policy - Activity in EU member states

## 2 Examples of national tax policies (EU Member States) - focus on changes since 2017

- Ireland
- Norway
- Denmark
- UK

- Estonia

- Other member states

## 3 Take away messages

# Horizon 2020



# Horizon 2020

“Consumers need to have access to **safe, healthy, high quality and affordable food**. The challenge is how to ensure that these basic human needs are met for **optimal health and well-being**, while **protecting the environment** and ensuring that the European food and drink industry is able to develop its full growth potential, provide new jobs, and remain competitive in the global market place.”

With levels of obesity, diabetes and other non-communicable diseases increasing, there is growing pressure to use more radical measures to combat this – including taxation

[Food and healthy diet](#)

# Horizon 2020 and a changing EU

EU Commission Target by 2020 = 10% reduction in “added sugar” in foods from a 2015 baseline

Parallel to WHO target to reduce intake of “free sugars” (strong recommendation of <10% of total energy intake)

The trend is more about intervention by EU member states

“For me it is clear that if we want to curb the growing trend of overweight and obesity in children we have to change current trends in the market using protection, prevention and promotion instruments.”

“Here I have in mind a range of tools including reformulation, [taxation](#), marketing, advertising, reducing accessibility to unhealthy food, early stage education, awareness-raising and increasing physical activity.”

[Vytenis Andriukaitis - EU Health and Food Safety Commissioner – 9 June 2017](#)

# Diet and Health Policy (EU Member States)

**Reformulation** – already happening, particularly in soft drinks sector

**Taxation** – already in place in several EU MS and being discussed in others

**Marketing/advertising** – revised nutrient profiles in UK for advertising

**Reducing accessibility** – France ban on ‘soda refills’

**Educational programmes** – Brussels/Wallonia Ministry of Education & SAFE

**Awareness-raising** – SAFE ‘Sugar Control’ Trademark

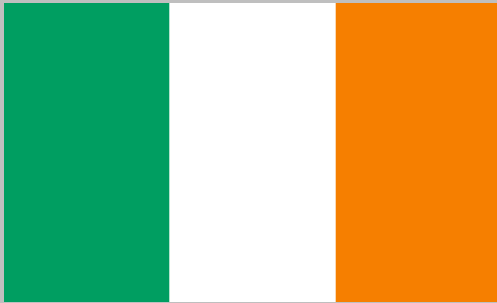
**Increasing physical activity** – discussions on ‘activity equivalent’ labelling RSPH



# Examples of National Tax policies (EU member states)

# Ireland

Population ~ 4.8 million



Ref: A Healthy Weight for Ireland – Obesity Policy and Action Plan 2016-2025

Only 40% of the Irish population have a healthy weight (according to 2016 review)  
10 year action plan setup by government (2016 - 2025) – with 10 key steps

1. Multi sectoral actions (healthy lifestyle ‘curriculum’, fiscal measure proposals **including ‘sugar tax’** )
2. Regulation development (including reducing ‘obesogenic environment’ and calorie posting on menus)
3. Secure support from commercial sector (e.g. reformulation targets)
4. Develop comms strategy (focus on families, children and low income groups)
5. Leadership from Department of Health (overall stewardship and collaboration with e.g. EU, NI)
6. Mobilize front line health services (e.g. community development programmes, Doctors duty of care)
7. Develop a service model for specialist care for Children and Adults
8. Acknowledge role of Physical activity in prevention of obesity
9. Allocate resources according to need (focus on vulnerable groups such as children)
10. Develop a 10 year research plan, surveillance system and annual reporting system



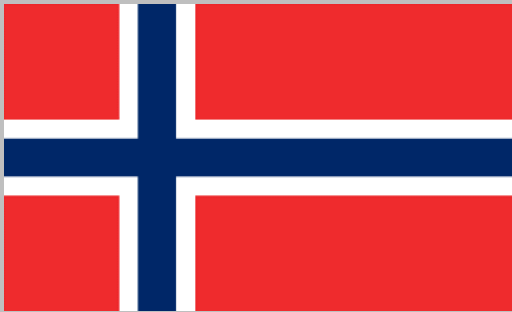
Products included from 1 May 2018	Tax rate
Non-alcoholic, water-based and juice-based drinks with added sugar Sugar content =>5g <8g per 100ml	0.16 €/ litre RTD or equivalent
Non-alcoholic, water-based and juice-based drinks with added sugar Sugar >8g per 100ml	0.244 €/ litre RTD or equivalent
Products included from 1 Jan 2019	
Plant protein drinks and drinks containing milk fats and not having a calcium level of at least 119 milligrams per 100 millilitres.	Same levels as above

Excluded
Fruit juices, alcohol free beers and wines,
Plant protein drinks drinks containing milk fats meeting calcium requirement (from Jan 2019)

[sugar sweetened drinks tax \(SSDT\)](#)

# Norway

Population ~ 5.3  
million



Ref: National Action Plan for better diet [report](#)  
(2017-2021)

Taxation of some sugar containing products has been in place since 2001 (Norwegian Regulation No. 1451 of 11 December 2001 on specific taxes, as amended March 2019).

The Norwegian Directorate of Health also established a group with food industry stakeholders to agree on measures which may bring positive impact.

Areas of focus include promoting healthier food choices; reduction of salt, saturated fat and added sugar in products. This includes the following:

**Voluntary Nordic 'keyhole'** – increase the number of foods with the 'keyhole' and increase convenience of these products by distributing to more stores (e.g. gas stations).

**Salt partnership** established in 2015 – national partnership within the industry to reduce salt consumption; Communication to consumers and monitoring of the salt content in food products, product development/research.

Products included	Tax rate – 2019 unless stated
Chocolate and products containing sugar – Sugared products, chocolate and products containing cocoa and biscuits + sugar free mints/ chewing gum/ pastilles	2017 - 36,92 kr (3.79€)/Kg 2019 - 20.82 kr (2.13€)/Kg
Non-alcoholic beverages with added sugar Non-alcoholic beverages with added artificial sweetener	RTD 4.82 kr (0.49€) / litre Concentrate 29.34 kr (3.01€) /litre
Juices and syrup based on fruits, berries or vegetables (no added sugar but added sweeteners)	RTD 1.73 kr (0.18€) /litre Concentrate 10.47 Kr(1.07€) /litre

Excluded
Fruit juice and juice from concentrate, if no sugar or artificial sweetener is added
Ice Cream
Raw materials for confectionery production ( in units with a net weight of > 2Kg)

[Regulation No. 1451 of 11 December 2001 on specific taxes, as amended \(March 2019\).](#)

# Denmark

Population ~  
5.7million



- Implemented a ground-breaking ban on trans fats in 2003.
- Published a ‘fat tax’ covering saturated fat in 2011 - this was repealed in 2013.
- The latest intervention by the Government is a wide reaching ‘Chocolate and confectionery tax’ – published in 2018. This is complicated, with lots of categories and exemptions.
- There is also a tax on nuts and peanuts dating from 1922! (will not apply from 2020)

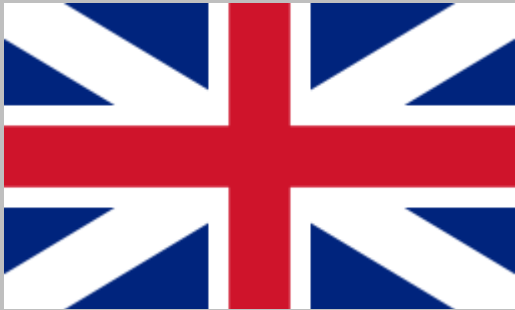
Products included	Tax rate (2019)
Chocolate and chocolate products, liquorice of all kinds, confectionery, chewing gum, candied fruit, marzipan confectionery waffles, some imitation products, some bakery wares and breakfast cereals  <a href="#">Where added sugar exceeds 0.5g per 100g</a>	25.97 kr (3.48€) / kg
Chocolate and chocolate products, liquorice of all kinds, confectionery, chewing gum, candied fruit, marzipan confectionery waffles, some imitation products, some bakery wares and breakfast cereals  <a href="#">Where added sugar not more than 0.5g per 100g</a>	22.08 kr (2.96€) /kg

Excluded
Protein/Energy bars held together with small amounts of chocolate
Most sweetened breakfast cereals
Toffee apples , candied citrus peel

[“Chocolate Tax Act “ – published In July 2018 -](#)

# United Kingdom

Population ~ 66 million



One of the largest EU member states (until 31 October 2019?) population ~ 66 million

Recent history of intervention policy by Public Health England – voluntary initiatives on:

- Salt reduction (Most recent targets set in 2014)
- Sugar reduction (in progress – reviewed in 2018, next review 2020)
- Calorie reduction (in development)

Sugar reduction in beverages not covered by a voluntary initiative taxation has applied since 2018

# Sugar reduction in the UK – Voluntary Initiative 2016-2020

1. Breakfast cereal (-5%)
2. Yoghurts (-6%)
3. Biscuits (0%)
4. Cakes (N/A)
5. Morning goods e.g. croissants (N/A)
6. Puddings (1%)
7. Ice cream and lollies (-2%)
8. Confectionery (chocolate) (0%)
9. Confectionery (sweet) (-1%)
10. Sweet spreads: chocolate spread, peanut butter, dessert toppings and sauces and fruit spreads (-5%)

## Progress reports due:

- March 2018 (delivered – data 2015-2017 sales weighted average SWA)
- March 2020

Reformulation to lower sugar levels – 20% reduction target 5% in first year

Reducing portion size and/or the number of calories in single-serve products

Shifting consumer purchasing towards lower or no added sugar products

UK – Included	Rates
‘added sugar drinks’ (includes syrups, honey) with 5-8g sugar per 100ml	£ 0.18 (0.20€) /litre RTD or Equivalent
‘added sugar drinks’ (includes syrups, honey) with >8g sugar per 100ml	£ 0.24(0.27€) /litre RTD or Equivalent

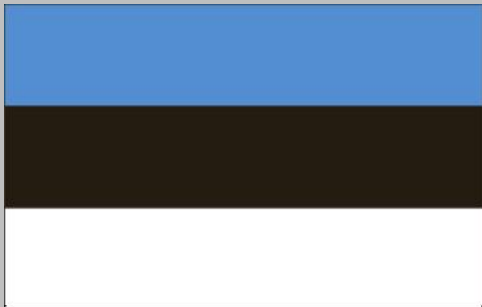
UK – Excluded
Milk-based drinks with a milk content of 75% or more
Milk substitute drinks (e.g. soya, almond) – conditions including 120mg Ca/100ml
Alcohol replacements (e.g. dealcoholized beer and wine) - with conditions
Fruit juices / nectars (with no added sugar) , coffee flavourings/syrups
Powdered drinks, infant/fo formula, dietary replacements, medical foods

[The Soft Drinks Industry Levy Regulations 2018](#)



# Estonia

Population ~  
1.3million



- Estonia population ~ 1.3 Million
- Launched National Health plan 2009-2020. The general objective is to achieve a longer health adjusted life expectancy by decreasing premature mortality and illness.
- Food-based dietary guidelines published and revised in 2004 / 2017 to align with Nordic nutrition recommendations
- School nutrition policy in place
- Some controversy over sugar tax development – risk of cross border shopping was one concern

	Tax rate
Non alcoholic beverage or preparation intended for making a beverage sugar content =>5g <8g per 100ml	10 cents / l RTD or equivalent
Non alcoholic beverage or preparation intended for making a beverage Sugar content >8g per 100ml	30 cents / l RTD or equivalent
Non alcoholic beverage or preparation intended for making a beverage (with sweetener or sweetener + sugar) Sugar content <5g per 100ml	10 cents / l RTD or equivalent
Non alcoholic beverage or preparation intended for making a beverage (with sweetener or sweetener + sugar) Sugar content =>5g <8g per 100ml	20 cents / l RTD or equivalent
Non alcoholic beverage or preparation intended for making a beverage (with sweetener or sweetener + sugar) Sugar content >8g per 100ml	30 cents / l RTD or equivalent

## Excluded

medical foods, fruit juices/nectars, sweetened milk drinks (including fermented products), milk substitutes (e.g. almond, soya 'milk')

# Other member states – examples

**France** – Tax in Force (beverages with added sugar and/or sweeteners) – rates increased in 2018

**Hungary** – wide ranging tax includes sugar (confectionery, beverages, jams), savoury snacks and condiments (salt) + Energy drinks

**Finland** – Tax in Force (Sugar containing beverages) – rates about to be raised

**Belgium** - Tax in Force (beverages with added sugar)

**Spain** (Catalonia only) - Tax in Force (Sugar containing beverages)

**Portugal** – Tax in Force (Sugar containing beverages, snacks containing salt)



# In summary

# Summary

- Taxation is different in each member state
- Different products are affected in each market: beverages containing sugar, savoury snacks, confectionery....
- Voluntary measures may be a warning ahead of taxation
- Sugar also provides – in addition to calories – texture and bulk, colour and flavour changes during cooking, and anti-microbial activity – so replace carefully
- Reformulation may be the best option for some products / markets to reduce/remove the tax burden – not for others
- Intervention from governments (EU and Global) is increasing.
- **Consider thresholds when formulating products**



# Thanks for listening!

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# Questions

# leatherhead food research

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