

# The fundamental basis for sugar-sweetened beverages and tobacco products taxes: The theory behind the practice

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The consumption of unhealthy foods such as tobacco and calorie-dense foods like sugar-sweetened beverages (SSBs) is a longstanding worldwide challenge because it causes significant harm to both health and economies. People die younger and become sick from consuming these products. More troubling, in much of the Eastern Mediterranean Region (EMR), this consumption is increasing and it is an enormous burden on societies and households. Importantly, these harms are preventable. Finding ways to ensure that—particularly young—people do not start consuming these products, and getting those who do, to consume less, or better yet to quit using them altogether, is paramount to improving public health. Evidence shows that the most effective tool available to governments is raising excise taxes on these products. Higher taxes drive up prices and most people react to price by consuming less or choosing not to consume at all. Young people and those with lower income are generally more sensitive to price, therefore, taxation typically improves equity within societies.

## Health justification

Tobacco use is a leading risk factor for most major noncommunicable diseases—cardiovascular disease (CVD), chronic respiratory disease (CRD) and most cancers—and the number one killer in many countries. It is, however, entirely preventable. More than 8 million people die each year from tobacco use, more than one million of whom are victims of second-hand smoke (1). Not surprisingly, the effect of smoking on life expectancy is enormous: on average, a smoker lives 11 years less than a non-smoker. Just as striking is the effect on morbidity. The estimate in 2019 was 200 million disability-adjusted life years (DALYs)—one DALY is a year lost to ill health—attributed to smoking (2).

Sugar-sweetened beverages (e.g. soda, energy drink or fruit juice) are widely available and affordable and they contribute to overconsumption of sugar. Excess consumption of free sugars is linked to numerous diseases and adverse health conditions, namely, obesity, type 2 diabetes mellitus and tooth decay, and it increases the risk for non-communicable diseases such as cardiovascular

disease and some cancers (3,4). SSBs contain little to no nutritional value and evidence suggests that the body is not able to appreciate their energy content the same way it does for regular food, therefore, leading more easily to weight gain (4). Five million deaths and 160 million DALYs every year are attributable to obesity (5).

## Economic justification

Consumption of unhealthy products is a tremendous and unnecessary burden on fragile health systems and households, and the costs are both direct in the form of increased healthcare costs and indirect, mostly from lower productivity to premature death and increased morbidity. Tobacco use is estimated to cost nearly 2% of the global Gross Domestic Product (GDP) each year (6), and there is a growing scholarship on this issue in the EMR. In Pakistan, an EMR country, a 2022 study estimated that the total annual economic costs of all smoking-attributable diseases and deaths, and those of the 3 major smoking-attributable diseases—cancer, CVD and CRD—are 1.6% and 1.2% of the national GDP, respectively (7).

The economic costs of SSBs are more difficult to calculate directly, but the logic of their economic harm is clear. They are the largest source of added sugars in diets in many countries (8), and greater SSB consumption is strongly associated with obesity and weight gain in children and adults (9). A recent estimate of the global economic impact of obesity and overweight was a little more than 2% of the GDP (10). Although the contribution of SSBs to overweight and obesity varies by country, it is substantial and increasing in most countries (11). This estimate does not account for SSBs as a major risk factor for the other diseases already mentioned.

## Commercial determinants of health justification

In a recent special series from *The Lancet*, commercial determinants of health (CDOH) have been redefined as referring to “systems, practices, and pathways through which commercial actors drive health and equity” (12).

Practices of those commercial actors can lead to harm when their interests are prioritized at the expense of public interest. Examples of such negative practices include political interference against effective policies, misrepresentation of science and aggressive marketing of unhealthy products. Such practices lead to the creation of environments and norms that are enticing for individuals to engage in the consumption of harmful and unhealthy products such as tobacco and SSBs, and where the costs of those behaviours are rarely accounted for. The CDOH approach disproves the common view, also encouraged by those same commercial entities, that unhealthy behaviours are entirely decided by individuals. Action from the government to correct for such failures is therefore needed and the imposition of taxes on those products is well justified. Correcting for market failures overlaps with the economic justification

described earlier, but the influence of commercial actors has such important ramifications and consequences that it deserves to be treated as a justification in its own right.

## Conclusion

Raising taxes is important to reducing the consumption of tobacco products and SSBs. More taxes increases their prices and discourages people from purchasing and consuming them, which in turn addresses the significant health risks associated with tobacco products and SSBs consumption, such as non-communicable diseases, and helps reduce the economic burden on health systems and societies. Although taxation is a critical tool, governments must commit to sustained action to ensure its successful implementation and lasting impact on public health (13,14).

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