Fueling an Unhealthy Future: Governments Urged to Redirect Subsidies from Health Harming Industries

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Countries engaged in the UN General Assembly's High-Level Dialogue on Financing for Development are urged to reexamine government incentives that harm health in new research brief.

September 25, 2019 (New York, USA) – A new brief released today on the sidelines of the 2019 UN Secretary-General's Climate Action Summit and the High-Level Dialogue on Financing for Development challenges governments to reexamine current economic incentives to industries that harm health including fossil fuels, alcohol, and tobacco. Part of a forthcoming technical report, the brief "Fueling an Unhealthy Future: How Propping Up Unhealthy Industries will Sicken Millions and Cost Trillions," coauthored by Vital Strategies [1] and NCD Alliance [2], focuses on the fossil fuel industry and examines the amount of money governments invest in health versus the fossil fuel industry and the health costs attributable to those investments.

Globally, governments provide nearly $300 billion in pre-tax subsidies for fossil fuels. By artificially lowering the costs of these carbon-intensive sources of energy, subsidies contribute to the more than USD $2.7 trillion in fossil fuels' health costs from premature mortality, disease and lost productivity. In fact, in many countries – such as India, China and Russia – health costs attributable to fossil fuels are more than five times each country's entire health expenditure individually. A redirect of funds from subsidizing unhealthy commodities, in particular fossil fuels, could allow nations to more quickly transition to clean energy, reducing air pollution and greenhouse gas emissions, mitigating climate change and saving lives.

> "Global trends indicate that the burden of death and disability due to air pollution will increase over the next 10 years if existing practices continue," said **Daniel Kass**, Senior Vice President, Environmental Health at Vital Strategies. "Pre-tax fossil fuel subsidies help prolong our dependency on sources of energy that in the near-term cause millions of annual deaths and in the long-term threaten the future of our planet from climate change. 'Fueling an Unhealthy Future' highlights the incoherence of subsidies to the fossil fuel industry and urges countries to invest in advancing renewable energy sources and preventing noncommunicable diseases (NCDs)."

Case studies from the brief highlight how countries can redirect funds to promote new energy sources and health programs. Jordan spent more than 5% of its GDP, about USD 711 million, on fossil fuel subsidies in 2005. By 2012, Jordan eliminated all subsidies but for liquified petroleum gas (LPG).

India, one of the leading producers of coal, has committed to phasing out its subsidies for this leading contributor to climate change and air pollution. The government is aggressively shifting coal subsidies to cleaner-burning LPG for the poorest members of Indian society. From 2016 to 2017 subsidies from fossil fuels declined by USD 2 billion and increased subsidies for renewable energy by USD 0.8 billion, a six-fold increase since 2004.

> "Seventy percent of global deaths are attributable to noncommunicable diseases," said **Nina Renshaw**, Policy and Advocacy Director at NCD Alliance. "Most NCDs are preventable. The brief provides evidence-based strategies that governments can follow to redirect funds to prevent NCDs thereby reducing the NCD burden and cost of universal healthcare."

As the United Nations General Assembly meets this week in New York City, the brief is a timely call to action for governments and the development community to reexamine economic incentives to the fossil fuel industry that contribute to climate change and the preventable death of millions from air pollution.

The brief is part of a forthcoming technical report on the economic costs of subsidies to disease-promoting industries which will also include alcohol and tobacco.

DOWNLOAD THE BRIEF HERE [3]

About Vital Strategies

Vital Strategies is a global health organization that believes every person should be protected by a strong public health system. We work with governments and civil society in 73 countries to design and implement evidence-based strategies that tackle their most pressing public health problems. Our goal is to see governments adopt promising interventions at scale as rapidly as possible. To find out more, please visit www.vitalstrategies.org [4] or Twitter @VitalStrat.

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