
Barbados raises sugary drinks tax to fight disease



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Sugary drinks are a major driver of the global epidemic of chronic conditions like obesity and diabetes. Barbados is one of several countries around the world looking to lower consumption of these health-harming beverages while generating public funds.

The skinny on sugar sweetened beverages

Sugar-sweetened beverages (SSBs) like sodas, juice drinks, and energy and sports drinks have been singled out by many studies as a major driver of the obesity epidemic and the tide of chronic diseases – like diabetes, hypertension, and heart disease – that has accompanied it. And the burden is growing. By 2030, it's predicted that 1 in 5 women and 1 in 7 men will be living with obesity, or over 1 billion people globally.

The rise has been most drastic across low- and middle-income countries, where, at the same time, junk food – including sugary drinks – has become widely available. Since 1990, Latin America and the Caribbean, and parts of southern and north Africa, have experienced huge increases in consumption of these unhealthy goods. But in all countries, it's the poor and more marginalised communities that face the highest risks from these harmful products, where healthier choices are often expensive and less available than ultra-processed foods and drinks.

There's a lot of strong evidence that links regular long-term drinking of SSBs – especially carbonated soft drinks – with weight gain and a higher risk of various chronic conditions.

For instance, drinking one SSB per day is linked to:

- An 18% higher risk of type 2 diabetes – and this risk increased the more a person consumed.
- A 9% higher risk of cardiovascular disease (heart disease) – increasing to 31% with two drinks per day.
- A 39% higher risk of non-alcoholic fatty liver disease.

While it's clear that sugary drinks pose a serious risk to our health, the processed food industry uses lobbying and other tactics to keep their products cheap, widely available, and aggressively marketed.

Many governments have acted – despite industry complaints – to protect their populations from these health-harming drinks.

Latin America and the Caribbean: pushing back against the industry

The Latin America and Caribbean region has the highest number of deaths related to sugary drinks in the world, with 80% of these deaths associated with diabetes. It's no surprise here that the average consumption per person of SSBs is also the highest in the world – and particularly in the Caribbean and Central America (1.93 and 1.61 average daily 8-ounce servings per adult, respectively, compared with 0.58 globally). Obesity levels are also higher in this region than any other in the world, putting a large part of the population at increased risk of chronic disease. This has driven policy makers there to crack down on the junk food industry.

When Barbados implemented an initial tax on sugar-sweetened beverages of 10% in 2015, it was one of just ten countries doing so (as well as Chile, Mexico, Finland, Hungary, France, Mauritius, French Polynesia, Samoa, and Tonga). In 2022, Barbados doubled the tax – increasing it to 20%. Today, 73 countries are taxing SSBs, including 21 countries across the Latin America and Caribbean region. There are big wins to celebrate, but for civil society organisations working towards healthier populations in the region, progress made so far is just the beginning.

The Healthy Caribbean Coalition (HCC) and the Heart and Stroke Foundation of Barbados are among the organisations that helped move the Barbados tax increase forward. For them, the tax is part of a broader agenda to fight unhealthy diets. They are working to see the implementation of diverse healthy food policies including taxation, subsidies for fresh fruits and vegetables, awareness raising campaigns, mandatory warning labels for unhealthy foods, and strict regulation of the sale and marketing of unhealthy foods and drinks in and near schools.

Sugar taxes: how effective are they?

Sugar-sweetened beverage taxes are a simple and effective way to lower consumption of SSBs, especially if the retail price is raised by 20% or more. Along with tobacco and alcohol taxes, they can form an important part of national strategies to prevent NCDs and attain the Sustainable Development Goals (SDGs).

SSB taxes can be considered a triple win for governments, because they 1) improve population health; 2) generate tax revenue that can be earmarked for health; and 3) reduce healthcare costs, disability, and productivity losses due to obesity and NCDs linked to SSB consumption.

Here are just a few examples of countries that are enjoying the rewards of sugar taxes:

- The Bahamas introduced the highest and most comprehensive sugar tax in the world, imposing an extra duty of 75% on sugary drinks and foods, including chocolates, candies, and industrially-produced baked goods, amongst many other items. The tax became effective in October 2018. By December 2019, it had collected over US\$5.4 million, with the revenue being used for health and wellness programmes.
- Mexico introduced an SSB tax in 2014, resulting in a price rise of about 11%. Two years after implementation, there was a 7.6% reduction in sales, while sales of untaxed beverages such as water increased by 2.1%. It's predicted that over 10 years, the Mexican SSB tax will have prevented 239,900 cases of obesity. Of these, 39% would be cases of obesity prevented in children. By saving costs such as health care, the tax would save almost US\$4 per every dollar spent on its implementation.
- An SSB tax, called the Soft Drinks Industry Levy, was introduced in the United Kingdom in April 2018. The tax was higher or lower depending on the amount of sugar in each drink, raising prices by an average of US\$0.07 per litre. This not only reduced consumption, but also led to widespread reformulation to reduce sugar levels in SSBs, removing a total of 45 million kilos of sugar from soft drinks each year.
- In 2018, South Africa introduced a 10% SSB tax, which was followed by a 29% reduction in consumption. This reduction was most drastic among people in urban households with lower socioeconomic status, where SSB purchases dropped by 57%.

For governments putting population health first, fiscal policies like the SSB tax implemented in Barbados and many other countries are an important tool. Is your government doing enough to protect your health

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from health-harming foods and drinks?

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