

International Sugar Organization

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EXECUTIVE DIRECTOR

Press Release(16)05 (English only)

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Sugary Drinks Levy in UK

Communication from the World Sugar Research Organization

Dear Colleagues and Friends,

The Executive Director would like to draw your attention to the communication below from Dr Roberta Re, Director General of the World Sugar Research Organization.

It's key that this information is reviewed and analysed as the issue of taxes on sugar is a complex one; there is no scientific basis for imposing these levies and it's imperative the facts are communicated to avoid potential erosions in sugar consumption resulting from people being misguided.

Please see below a note from Sugar Nutrition UK (SNUK) regarding the Sugary Drinks Levy in UK. This email also includes the Press Releases from the FDF (Food and Drink Federation) and the BSDA (British Soft Drink Association).

I would like to thanks many of you that have sent information. It is of great value to everyone in WSRO and highly appreciated.

Subject: Sugary Drinks Levy in UK

Dear all,

Many of you will be aware that a sugary drinks tax has been announced in this afternoon's UK Government Budget. The Budget sets tax and spending plans for the UK government for the coming year.

I have placed a brief summary and some useful links below.

- The tax will take the form of a levy imposed directly on the soft drinks industry, rather than directly on consumers
- Soft drinks will be taxed according to the volume of the sugar-sweetened drinks they produce or import
- Drinks will be considered in two bands, one for total sugar content above 5g per 100 millilitres, and a second, higher band for the most sugary drinks with more than 8g per 100 millilitres
- The tax will come into force in two years' time in order to give companies time to change the ingredients of their products

The money raised - an estimated £520 million a year - will be spent on doubling funding for sport in primary schools.

Reuters - Britain's surprise tax on sugary drinks delights health campaigners

BBC - George Osborne unveils sugar tax on soft drinks

<u>Daily Telegraph - Budget 2016: Sugar tax on soft drinks</u> – includes a table breaking down how individual brands would fall into the tax bands

Crucially as the tax is being levied directly on soft drinks manufacturers, rather than at the point of purchase, we consider this an issue primarily within the remit of the British Soft Drinks Association.

We are currently referring any media enquiries directly to them.

They have released the below statement and expect they will be involved in further activity over the next day or so.

Please get in contact with SN UK if you have any questions.

Press Releases:

Gavin Partington, Director General, BSDA:

"We are extremely disappointed by the Government's decision to hit the only category in the food and drink sector which has consistently reduced sugar intake in recent years - down 13.6% since 2012.

We are the only category with an ambitious plan for the years ahead – in 2015 we agreed a calorie reduction goal of 20% by 2020.

By contrast sugar and calorie intake from all other major take home food categories is increasing – which makes the targeting of soft drinks simply absurd."

Ian Wright, Director General, FDF:

Responding to the announcement of plans for a sugary drinks tax in Chancellor's Budget, Ian Wright CBE, Director General of the Food and Drink Federation, the voice of the UK's largest manufacturing sector, said:

"We are extremely disappointed by today's announcement of a new tax on some of the UK's most successful and innovative companies. For nearly a year we have waited for an holistic strategy to tackle obesity. What we've got today instead is a piece of political theatre.

"The imposition of this tax will, sadly, result in less innovation and product reformulation, and for some manufacturers is certain to cost jobs. Nor will it make a difference to obesity. Many of those singled out today by the Chancellor have been at the forefront of efforts to provide consumers with healthy choices. The industry will now ask whether such efforts are still affordable."

Notes to Editors

. 57% of soft drink market is low or zero calorie, 5% mid calorie, 38% regular. Source: BSDA Annual Report 2015