



# International Sugar Organization

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**EXECUTIVE DIRECTOR**

**Press Release(17)52  
(English only)**

**12 December 2017**

## **Various sugar related articles**

The Executive Director would like to draw your attention to the articles below all of which are relevant to the sugar sector.

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### **Sugaronline Ebriefing - 11/12/2017**

#### **THAILAND: Sugar tax aims to fill government coffers**

Faced with rising obesity rates, as well as health care costs that are ballooning nearly as fast as people's waistlines, the Thai government has introduced an excise tax aimed at nudging beverage makers into making less sugary drinks, according to Japan's Nikkei newspaper.

Pricier soda and sweet tea is causing grumbles, and it is not just soda fans who are complaining. According to a report by the U.S. Department of Agriculture, the excise tax affects around US\$9 million worth of U.S. exports, raising their tax burden by 20-30% for some beverages. The report cites industry forecasts from U.S. companies such as Coca-Cola and PepsiCo.

The government began raising taxes on soft drinks with high sugar content on Sept. 16. The levy is to rise in stages over the next six years. Taxes on sugar-sweetened soft drinks were changed from a 20% excise tax on the wholesale price to a 14% excise tax on the recommended retail price, plus a sugar tax based on content.

With the change, taxes on fruit and vegetable juice rose to between THB0.06 and THB0.54 (US\$0.002 to US\$0.02) per bottle, and on energy drinks with high sugar content to between THB0.32 and THB0.9. The sugar tax hit tea and coffee drinks hardest, as these were previously exempt. Taxes on these drinks increased by about THB1 to THB2 per bottle.

Obesity is a common concern among Southeast Asian nations. Singapore has requested beverage makers, including Coca-Cola, to commit to a maximum sugar content of 12% for all of their drinks sold in Singapore by 2020. Indonesia plans to introduce legislation next year aimed at reducing the content of sugar, salt and fat in food. Malaysia abolished a consumer-friendly subsidy for sugar in 2013.

The Thai Finance Ministry estimates the sugar tax will boost revenue by THB2.5 billion annually. The country's excise tax is 30% at the maximum. The government is trying to encourage beverage makers to adjust their product lines by holding down the tax rate on beverages with low sugar content for two years after the sugar tax is introduced.

The new sugar levy briefly pushed down the stock prices of major Thai beverage makers. Immediately after the plan was announced in June, shares in makers of sweet teas, such as Oishi Group and Ichitan Group, as well as energy drink producer Carabao Group, fell.

Thais have a sweet tooth. Tan Passakornnatee, CEO of green tea maker Ichitan, said working-class people in Thailand want tea-flavored syrup, not unsweetened tea.

Obesity is rising as more people get white-collar jobs and exercise less. According to a survey by the World Trade Organization, 26% of men and 33% of women in Thailand were obese in 2014, up 7-8%age points from 2004.

In March, the Asian Development Bank issued a report estimating the cost of obesity to the Thai economy at US\$404 million, or 12 billion baht annually. Among these costs, 46%, or US\$186 million, comes from direct health care costs for outpatient and inpatient care. The remaining 54%, or US\$218 million, comes from indirect costs, including those associated with premature death (US\$195 million) and absenteeism (US\$23 million).

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**FoodNavigator.com – 8 December 2017**

**Food sector breathes relief as Brexit talks to move to stage two**

**08-Dec-2017 By Katy Askew**

The UK food sector has welcomed news that Brexit negotiations will move to stage two – the future trading relationship – after the European Commission confirmed “sufficient progress” has been made on discussions over the divorce settlement.

<https://www.foodnavigator.com/article/2017/12/08/food-sector-breathes-relief-as-brexit-talks-to-move-to-stage-two>

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**FoodNavigator.com – 8 December 2017**

**EU needs a comprehensive food policy, says EESC**

**08-Dec-2017 By Niamh Michail**

Europe needs a comprehensive, over-arching food policy because the current system does not lead to sustainable food systems, according to the European Economic and Social Committee (EESC).

<https://www.foodnavigator.com/article/2017/12/08/eu-needs-a-comprehensive-food-policy-says-eesc>

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**FoodNavigator.com – 8 December 2017**

**EU science community urge an evidence-based approach in solving food security lapses**

**08-Dec-2017 By Will Chu**

Scientific research and innovation must underpin efforts in tackling issues such as food safety and waste that blight nutritional and agricultural ecosystems, according to a European science consortium.

<https://www.foodnavigator.com/article/2017/12/08/eu-science-community-urge-an-evidence-based-approach-in-solving-food-security-lapses>

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**FoodNavigator.com – 11 December 2017**

**Nestlé launches UK food waste partnership**

**11-Dec-2017 By Katy Askew**

Nestlé is developing an “innovative approach” to cutting food waste in the UK in cooperation with Company Shop, a surplus food redistributor.

<https://www.foodnavigator.com/article/2017/12/08/nestle-launches-uk-food-waste-partnership>

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