



# International Sugar Organization

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**EXECUTIVE DIRECTOR**

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## **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 - 06/03/2018**

#### **SRI LANKA: Beverage firms worried about sugar tax**

Sri Lankan beverage firms appear to have been hit in the pocket by the country's new tax on sugar-sweetened beverages (SSBs), according to FoodNavigator Asia.

The Sri Lankan SSB tax, introduced by the government on November 9, has led to sales and profits slumps in beverage companies.

Sri Lankan news portals such as The Daily Mirror and Economy Next reported that the new tax has hit food and beverage firms like Nestlé Lanka and Ceylon Cold Stores.

The increase in costs, which has also translated to consumers, has affected the profitability of the companies.

Ceylon Cold Stores PLC (CCS), a unit of John Keells Holdings (JKH), saw earnings for the quarter ending December 31 drop 32% to LKR563.2 million (US\$3.63 million).

The company cited the sugar tax as the cause of the plunge in sales, in addition to consumer discretionary spending.

Said JKH chairman Susantha Ratnayake in his earnings review, "The volume decline in the beverage business was further exacerbated by the implementation of a sugar tax from November 2017, which resulted in substantial price increases across the industry."

CCS is the market leader in carbonated soft drinks and ice cream, which has also taken a hit in sales of about 6% according to JKH.

The Daily Mirror also reported that sales and profits for Nestlé Lanka were down toward the end of 2017.

The Sri Lankan SSB tax launched in November put in place a 50-cent tax on each gram of sugar in soft drinks. Later that month, at an event marking World Diabetes Day, President Maithripala Sirisena asked the finance minister to extend the tax to all forms of sweetened beverages.

In January, Sri Lanka's Health Minister Dr Rajith Senaratne stated that he refused to give any concession to beverage companies regarding the tax. He said this in response to representatives of beverage companies that had appealed for concessions.

Dr Senaratne said this at an event that month, to recognise award winners of the World Diabetes Day.

Prior to the tax, the Sri Lanka, government had introduced a colour-coding system to display the sugar content in SSBs.

Dr Senaratne said that deaths due to diabetes have risen in Sri Lanka and the main cause is excessive sugar consumption. He emphasised that he, and the government, would not bow to any pressure.

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### **ECRUU Sugar News Monitor - 6 March 2018** **WORLD - EU, Mercosur talks hit another roadblock**

EU and Mercosur countries failed to sign the long-pending free trade agreement (FTA) during the talks at Asuncion on March 2 due to new demands from trade unions and Latin American industry associations. The two blocs will continue to negotiate for three more weeks to find a solution to these issues, an EU director for the Americas said. ([America Latina en Movimiento](#) & Todo Logistica)

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### **ECRUU Sugar News Monitor - 7 March 2018** **JAPAN - Coca-Cola launches its first alcoholic drink**

Coca-Cola is launching an alcoholic drink, the first time in the history of the company. The alcopop will be launched in Japan, where the "Chu-Hi" (canned drinks with alcohol) market is thriving. The alcohol content is expected to be between 3-8% which means it will compete with the beer segment. The company said this was an experiment which would probably only stay in Japan but was also a sign that the company is exploring new opportunities amid falling fizzy drink sales. ([Financial Times](#) & [Yahoo](#))

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### **Sugaronline Ebriefing - 07/03/2018**

#### **UK: Three major confectioners to carry 'Be treatwise' label while Nestlé cuts sugar**

Three major confectioners will carry a redesigned 'Be treatwise' label on certain products in the UK to encourage moderate consumption. Separately Nestlé is cutting sugar in its UK confectionery range, according to Confectionary News.

Cadbury originally developed the 'Be treatwise' label in 2006.

Mondelēz UK, Ferrero UK and Mars Wrigley Confectionery UK will now adopt a redesigned mark.

"The new Be treatwise label is currently in development and we will be able to share more in the coming months," a Be treatwise spokesperson told ConfectioneryNews.

The Be treatwise companies will also consult parents, grandparents and health experts on new actions industry could adopt to help families eat responsibly.

The companies will then look to trial at least one of these measures in the UK market, which will be evaluated by an independent panel.

Be treatwise urges other companies offering confections with 250 kcal or less per portion to join the initiative.

Nestlé is not part of the program, but Wednesday announced it cut 7.4% of sugar in its UK & Ireland confectionery range last year.

In March 2017, Nestlé UK & Ireland pledged to remove 10% of sugar in its confectionery range by the end of 2018.

"Anything that confectionery companies can do to encourage healthier diets is to be applauded," a Nestlé spokesperson told us when asked why it has not signed up for Be treatwise.

" Our own focus has been on reformulating our products and improving our nutritional labelling over a number of years to make it easier for consumers," they said.

The Be treatwise companies say reformulation has limitations and hope a logo on products will help consumers make smarter choices.

The Be treatwise website says: "The science does not yet exist to substitute sugar in chocolate without compromising on taste or quality."

"We haven't cracked this yet, but our research and development teams are constantly looking for ways to reduce sugar while retaining the great taste people love."

Asked why Be Treatwise could not cut sugar like Nestlé, a spokesperson for the initiative said: "We can't comment on what our competitors are doing, but as we've said, we continue to explore the science behind reformulation."

Nestlé claims its sugar reduction strategy has not compromised the taste of its confectionery brands.

Nestlé said in a report published Wednesday it had achieved sugar reduction for brands such as KitKat and Milkybar by adding more existing non-artificial ingredients such as cocoa and milk.

The company filed a patent for technology it claims restructures sugar naturally in late 2016.

It said at the time, the faster dissolving sugar tech could reduce total sugar content by up to 40% in its confectionery products and would be rolled out in its confectionery range by 2018.

"The ground-breaking method to structure sugar differently is a great example of the work we are doing in research and development to make cutting-edge food technologies a reality

however this has not been used in any of our products yet," said a Nestlé spokesperson today.

The company spokesperson said Nestlé is focusing on using the tech in its own products and said it's too early to say if the company will license its method.

Public Health England (PHE) yesterday set a target to cut 20% of calories in pizzas, ready meals, ready-made sandwiches, meat products and savory snacks by 2024. The government body hopes the move will help curb childhood and adult obesity.

Chocolate and sugar confectionery are excluded from the calorie target, but are part of a voluntary PHE target set in August 2016 to cut sugar 20% by 2020, versus 2015 levels.

PHE recommends chocolate should contain a maximum of 43.7 g of sugar per 100 g by 2020, while sugar confectionery should have no more than 48.4 g by the same date.

Some confectionery companies previously pledged to reduce calories as part of the UK government's 2012 Public Health Responsibility Deal. The deal urged food & drink makers to help reduce the UK's total calorie consumption by 5 billion calories (kcal) a day.

Food and Drink Federation (FDF) members including Mondelēz International signed up to a 250 calorie cap on single-serve confectionery sold in the UK in 2016.

Separately, pressure group Action on Sugar has called for the UK's sugary drinks tax to be extended to confectionery and urges a government ban on confectionery price promotions.