



EXECUTIVE DIRECTOR

**Press Release(18)22
(English only)**

15 March 2018

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.

Sugaronline Ebriefing - 14/03/2018

UK: Sugar tax revenue seen down after drinks manufacturers slash sugar content

The incoming soft drinks tax will raise less than half the cash originally predicted by the Government after firms have slashed the sugar content in their drinks, according to the UK's Press Association.

The Office for Budget Responsibility (OBR) estimates the levy - which comes into force on April 6 - will raise GBP240 million (US\$335.1 million) in 2018/19.

This is less than half the GBP520 million it was expected to raise when the Government first announced the move at the 2016 budget.

The OBR raised questions over the spending commitments for the new levy as a result of the forecast changes, with the Government having pledged to use the cash raised to pay for school sport.

In its economic and fiscal outlook report published alongside the Spring Statement, the OBR said it had been forced to dramatically cut its forecasts for the sugar levy after firms have altered their drinks formula "sooner and more aggressively than originally assumed".

More than 50% of manufacturers have changed their formulas to reduce the sugar content ahead of the levy, according to new figures from the Treasury.

The OBR said that rates of the levy have not been changed to match the Government's target to raise GBP500 million from the soft drinks levy in 2019/20.

"In Budget 2016, the Government presented the levy as being hypothecated to 'pay for school sport', but the receipts shortfall has not led to changes in the associated spending commitments," it added.

The Treasury said it was good news that manufacturers were cutting their sugar content and added "nothing had changed" in terms of its spending commitments.

A Treasury spokesman said: "This levy is about changing behaviour. It's about making people healthier overall."

"It's really positive that the industry has recognised this and engaged so much on this."

From next month, the most sugary soft drinks - those with more than 8g of sugar per 100ml - are to be taxed at 24p per litre, while those with 5g of sugar per 100ml will pay 18p.

Irn Bru maker AG Barr is one of the firms which has changed its formula ahead of the levy, sparking uproar earlier this year among loyal fans of the popular Scottish fizzy drink.

It stopped making the original full-sugar version of Irn Bru in early January and expects 99% of its entire drinks range to be low sugar - containing less than 5g per 100ml - by the time the new soft drinks sugar tax comes into force.

In its forecast report, the OBR also cut the amount it expects the Government to raise from the bank levy, by GBP200 million to GBP2.4 billion in 2017/18.

It said revenues from the bank tax are also expected to fall to GBP900 million a year by 2022/23.

This is thought to be partly due to the smaller size of bank balance sheets, as well as the previously announced move to reduce the headline rate to 0.1% by January 2021 and narrow the scope of the levy in future years.

ECRUU Sugar News Monitor - 13 March 2018 **INDIA - Coca-Cola to focus on local drinks**

Coca-Cola is looking to expand its regional portfolio by introducing ethnic beverages and fruit juices and raise their share to two-thirds of its offerings over the next three years. Currently, 50% of its brands are local products, developed and sold within the country. It also aims to offer low-sugar or no-sugar variants of such products. ([Outlook India](#))

ECRUU Sugar News Monitor - 12 March 2018 **SOUTH AFRICA - Gives more details on sugar tax policy**

Revenue service (SARS) officials told beverage industry stakeholders that producers such as Coca-Cola, Twizza and Woodlands Dairy will have to register and obtain a licence to comply with the new sugary beverages levy (SBL). Beverages produced before April 1 will not be taxed, and producers need to share the stock situation with SARS, it was said. Additionally, producers must also declare each year the volume of sugar that the company intends to use. More detail is available [here](#). ([The Herald](#))

Food Navigator.com – 13 March 2018 **Nestlé will do 'more than ever' to accelerate reformulation** 13-Mar-2018 By Katy Askew

Nestlé is "working tirelessly" to make sure its products are "the best they can be" and "will be doing more than ever" to help tackle public health challenges through reformulation efforts, the company's UK and Ireland chief says.

<https://www.foodnavigator.com/article/2018/03/13/nestle-will-do-more-than-ever-to-accelerate-reformulation>

Food NavigatorUSA.com – 13 March 2018

Mediterranean Umami may help savoury applications reduce sugar and sodium

14-Mar-2018 By Stephen Daniells

Salt of the Earth's Mediterranean Umami may allow simultaneous sodium and sugar reduction in clean label foods like savoury sauces.

<https://www.foodnavigator-usa.com/article/2018/03/14/mediterranean-umami-may-help-savoury-applications-reduce-sugar-and-sodium>
