

Novartis Ireland submission in support of tax on sugar sweetened drinks (SSDs)

Question 1

The tax will apply to water-based and juice based drinks with an added sugar content of above 5 grams per 100ml. It will not apply to milk-based drinks. Are there drinks on the market which do not fit neatly into these categories, which may be of concern for producers from a compliance point of view?

Squashes, dilutable cordials iced or ‘slushy’ drinks should also be included in the scope of the tax. As the market develops, there may be the need to include newly developed products within the tax.

Question 4:

The tax will apply to pre-packaged drinks products only. This presents difficulties in relation to drinks which are intended to be consumed as a diluted level. Is there scope to declare the sugar contents of these particular products at their intended consumption levels, at the early point of import or production?

Dilutable drinks are a significant part of the soft drinks market and there is less awareness of their sugar content, compared to “fizzy drinks”. In order to ensure that the tax applies fairly to products it is essential that any dilutable drinks are taxed according to the diluted volumes as drunk by consumers, rather than as indicated on packaging (which may not reflect consumer behaviour).

Question 5:

What do respondents consider to be an ‘added sugar’? What would they define as necessary to include in this definition in order to cover the types of sugars typically added to soft drinks

The system should follow the World Health Organisation definition of free sugars from the 2015 Guideline: sugars intake for adults and children:

“Free sugars include monosaccharides and disaccharides added to foods and beverages by the manufacturer, cook or consumer, and sugars naturally present in honey, syrups, fruit juices and fruit juice concentrates”.

WHO Guidelines on sugar intake (2015) recommend adults and children reduce their daily intake of free sugars to less than 10% of their total energy intake and they suggest that a further reduction to below 5% would provide additional health benefits. However, in Ireland, SSDs alone contribute approximately 5% of total energy in the diet of children.

Exclusion of pure fruit juices (without added sugars) from SSD tax

Pure fruit juices (i.e. without added sugars) should be excluded from the tax as they can be used as one portion of the recommended 5-a-day fruit and vegetable consumption.

Question 6:

If you are a very small producer of SSDs, what concerns do you have regarding being included in the SSD tax?

For consistency all SSDs, regardless of producer, should be subject to the tax. The only exemption would be a 'very small producer' ie someone who trades only as a sole market stall trader.

Question 7:

In relation to milk-based drinks, should there be a minimum milk content in order for a drink to be defined as milk-based?

Only drinks with 90% milk content and which have less than 5% (5g per 100ml) added sugar should be exempt from the SSD tax. Some of the flavoured milks or drinkable yogurts on the market contain significant levels of sugar. Plant-based drinks, eg almond/soya based drinks, which have added sugar in excess of 5g per 100ml should also be subject to the tax.

Question 8:

Are there particular cross-border issues that you envisage will exist if the Irish SSD tax does not closely align with the UK soft drinks industry levy?

No – key is to implement the tax in a timely manner.

Question 11:

More broadly, do you have any concerns from a health perspective about which products are included and excluded by the scope of the tax?

In the interests of fairness and for the tax to work, and provide health benefits, there should be a consistent and comprehensive approach to ensure that all high sugar drinks are subject to the tax.

In addition to the other products referred to in the consultation document, the IHF recommends the inclusion of:

Additional Comments

The SSD tax is just one measure which is needed to reduce consumption, encourage healthier diets and to **incentivise** the food industry to **focus** on selling and promoting more nutritious products. This tax has already been very successfully implemented in a number of countries. In order gain public support for this tax and for this tax to be effective, the proceeds of the tax need to be ringfenced (as has been done in the UK and other countries) and used to support healthier lifestyles, in the community or it can be

used to fund Healthy Ireland community initiatives. The proceeds of the tax could also be used to fund public awareness campaigns on the importance of a healthy diet and adequate exercise. PE and sports facilities could be improved in disadvantaged schools, only if it means that the school will commit to increasing children's PE time or time for physical activity.

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Novartis are contributing as a corporate body with an interest in healthcare in Ireland.
