



EHFG 2012: More prevention in answer to the crisis – Trend toward fat and sugar taxes

Lifestyle diseases account for 77% of the total burden of disease and that figure is on the rise. World Bank expert Dr Armin Fidler called at the EHFG for making prevention measures a priority. A number of countries now levy taxes on unhealthy food to try to influence behaviour and raise new resources for limited budgets.

Bad Hofgastein, 5 October 2012 – The global economic and financial crisis has meant less income due to recession and unemployment, a high level of government debt, and austerity packages. These factors are putting pressure on the health care systems of many countries. Speaking at the European Health Forum Gastein (EHFG), Dr Armin Fidler, Lead Advisor for Health Policy and Strategy, World Bank, put the situation in a nutshell: “We can either save ourselves into a log-jam of reform or seize the opportunity and tackle reforms that are long overdue.” “Crisis as Opportunity—Health Care in Times of Austerity Politics” is this year’s theme at the EHFG, the most important congress for health policy in the EU. In his speech at the EHFG, Dr Fidler called for making prevention a clear priority, adding: “That makes sense from the standpoint of both health economics and macroeconomics.”

Lifestyle diseases of ruinous dimensions

Dr Fidler warned: “Non-communicable diseases, in other words typical lifestyle diseases such as diabetes, cancer, cardiovascular diseases or chronic lung disorders, are already taking on ruinous proportions for national economies.” In fact, non-communicable diseases account for 77% of the burden of disease in the 53 countries of the WHO Region Europe and are the cause of 86% of all deaths. All forecasts are unanimous in predicting further increases. Here are just a few examples. From 2000 to 2015, the number of deaths annually caused by cancer in the EU will increase from 1.12 million to 1.41 million. The number of diabetes patients will grow to an estimated 66 million from 2010 to 2030. The EU has 22 million overweight or obese children and adolescents and the EU Commission forecasts that figure will grow by at least an additional 400,000 a year.

Poor Health — declining economic performance

The World Bank expert: “If the frequency of non-communicable diseases increases by 10%, economic growth shrinks by 0.5%. The indirect costs of these diseases far exceed the direct ones. They shorten a person’s healthy life span and cut down on productivity in what are referred to as a person’s best years.” They pose a big risk for economies already battered by the crisis. The epidemic spread of non-communicable diseases is worrisome and irritating alike, because the diseases are largely attributable to well-known and avoidable risk factors: lack of exercise, unhealthy diet, alcohol abuse and smoking. The economic evidence is rarely as clear as it is in this case. The main approaches for saving millions of human lives involve taking action against smoking, reducing daily consumption of salt to curb the frequency of strokes and heart attacks, eliminating trans fats and reducing saturated fatty acids and efficiently promoting exercise by transport policy and other means.

Prevention also pays off economically

A World Bank study shows what tailor-made prevention measures can do. It analysed the cost-benefit effect of lifestyle interventions among people with a high risk of diabetes. Dr



Fidler from the World Bank: “If a package of prevention measures focusing on nutritional advice and exercise is offered, every one dollar spent on the package in a low-wage country saves at least two dollars in treatment costs. For countries in the medium-income bracket, the savings are more than three dollars.” Yet prevention policy entails more than merely raising awareness through education. Fiscal and market policy measures, for example, can also encourage people to opt for a healthy lifestyle in their everyday lives.

Water or fizzy drinks: Minor decisions with major effects

For instance, a study by Boston Children Hospitals published in the New England Journal of Medicine in 2012 reported on what a disastrous effect a person’s choice of beverages can have on his or her body weight. The study compared children and adolescents who were already overweight or obese. Unlike the control group, one group received bottles containing water and low-calorie beverages delivered to their home for one year and were regularly encouraged to refrain from drinking beverages containing sugar. The bodyweight of individuals in the intervention group rose by 3.5 pounds during the project period whereas that of the control group increased by 7.7 pounds, nearly twice as much. The differences levelled out again when the delivery of low-calories beverages was stopped. A recent study by the Free University of Amsterdam arrived at similar findings: It compared weight gains among four to eleven year-old children divided into two groups receiving every day either a small amount of a beverage containing sugar or a calorie-free drink. Over 18 months, the sugar-free group gained an average of 13.9 pounds, the other group 16.2 pounds.

Taxes on fat, sugar & co.

It is not for nothing that people are increasingly discussing levying taxes on junk food, sugar or fat while subsidising fruit and vegetables. These actions can not only influence the consumption and nutritional behaviour of people, they can also raise additional resources for health care. At the same time, businesses are put under pressure to sell healthier products. “Several countries in Europe are taking this approach,” Dr Fidler reported at the EHFG. Last year, Denmark introduced a tax on food containing more than 2.3% saturated fats. Finland passed a tax on sugared beverages and sweets and France levied additional tax on beverages containing sugar or sweeteners. Hungary attracted attention when it levied a junk food tax on food and beverages high in sugar, fat or salt. Taxes on sugar or fat are also being discussed in Ireland and Great Britain.

Effects of price controls

Regulatory interventions of this kind may be controversial, but their effectiveness has been shown in a number of studies. A group of researchers from Oxford University reported in the British Medical Journal (May 2012) that at least one in five people profit from a targeted health-related tax policy on food. One study analysed by the team of researchers found that a 35% tax on beverages containing sugar (€ 0.34 or £0.28) results in a 26% decline in sales in a cafeteria. Another study predicted that a 20% tax in the USA on beverages containing sugar could decrease the prevalence of obesity by 3.5%. Several studies indicate that small changes in diet often have big consequences with regard to the risk factors for the overall population: If a 17.5% value-added tax were levied on unhealthy food in Great Britain, the incidence of ischaemic heart disease could be cut by one to three per cent. Expressed in terms of human lives, that translates into 900 to 2,700 fewer deaths per year.



Taxes on unhealthy foods and drinks alone will not suffice to fight the multiple factors causing obesity. However, ultimately they do raise part of the funds needed for prevention. In France alone, a small two-euro-cent sugar tax on 33 cl fizzy drinks is supposed to raise € 280 million a year. That money will go directly to the war chest for fighting obesity, even in times of crisis.

The EHFG is the most important conference on health care policy in the European Union. In this its 15th year, the EHFG attracts more than 600 decision-makers from 45 countries to discuss major topics on the future of the European health care system from 3 to 6 October 2012.

Please find photos of the European Health Forum Gastein using this link: <http://www.ehfg.org/940.html>.

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