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Cut down on sugar

Multiple levers are available to improve public health

The World Health Organization (WHO) has issued draft guidelines to countries on how they can construct fiscal policies to promote healthy diets. An important part of these guidelines, which are currently under public consultation, is that the tax system can be used to provide disincentives for sugar-sweetened beverages, or SSBs. The WHO has sought in particular to promote the experience of countries that have successfully put extra taxes on SSBs — countries that include the United Kingdom, South Africa, and Mexico. The reasons for this concern are well founded. The fact is that excessive sugar intake, including through disguised methods like SSBs such as carbonated drinks, energy drinks, and fruit juices, is a major cause of Type 2 diabetes across the world, including in developing countries. Lifestyle diseases like diabetes need to be taken seriously, especially in countries that are experiencing increasing prosperity. Generally, the WHO has found that poor, ultra-processed diets kill more people globally than smoking does. Given that fiscal policy has been used by governments as a major anti-nicotine tool, there is certainly a logical reason to hope that some fiscal measures could be repurposed to address this additional killer as well.

India, however, has some specific problems that need to be considered in this respect — specifically, the structure of goods and services tax (GST). Aerated drinks are already taxed at the highest "sin" rate of GST, 28 per cent — the same as cigarettes. It may be unwise to impose a further charge on this, because destabilising the GST structure is generally to be avoided. Adding another slab could further complicate the GST system. Certainly, other SSBs, including sweetened and processed fruit juices, can be added to this basket. Currently, the classification of fruit juices, for example, continues the line of clarification "whether or not containing added sugar or other sweetening matter"; these are taxed at 12 per cent. It is straightforward to divide this classification into two, one for those containing added sugar, and one for natural juices. The former can then be taxed at the same rate as carbonated fruit juices. It is after all the added sugar, not the carbonation, that is the "sin" component.

Indeed, all products with refined sugar can be taxed at the higher rate. This will ensure that food-processing corporations find healthier ways to market their products than through the addition of excess sugar. The consequences for public health and general fitness in India will soon be evident. In addition, clear front-of-pack labelling of added sugar similar to how vegetarian and non-vegetarian products are labelled is overdue. The Food Safety and Standards Authority of India has been sitting for too long on clear directives on this subject, following hectic lobbying by some fast moving consumer goods companies. Transparency for consumers is best served by clear labelling that catches a shopper's eye. A simple list of ingredients clearly does not work. Clear labelling will enable the consumer to make better choices. There are multiple global examples of best practice in this respect, which require labelling that is as clear (if not as overwhelming and intimidating) as that on tobacco products. This regulatory intervention is relatively simple to make and is clearly overdue. The government would also do well to run effective campaigns to spread awareness about the risks of diabetes.