

Economic justification for Sugar-Sweetened Beverage Taxes in Ghana: A rapid review

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| | **Capacity Building** | **Stocktaking** | **Policy Dev't** | |

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Outline

BACKGROUND

REVIEW APPROACH

SUMMARY OF FINDINGS

ECONOMIC ARGUMENT

CONCLUSION

Background

- Non-Communicable Diseases contribute 40 million deaths globally,
 - 85% occurring in Low-and-Middle Income Countries (LMICs) alone
 - Rising NCD incidence and related deaths in Ghana
 - Driven by unhealthy diets
- WHO recommends health-related taxes as best buys for combating NCDs
 - including SSBs, smoking and tobacco, the main determinants of NCDs.
- Endorsement of best buys by Ghanaian stakeholders
 - leading to tax-related NCD prevention interventions for alcohol and tobacco, but not unhealthy diets.
- Review needed to make economic argument for SSB taxation in Ghana

Review approach

Review question:

- What is the potential economic impact of SSB taxation in Ghana?

Protocol Registration:

- PROSPERO registration system, number CRD42022337336

Eligibility

- Economic impact of taxes on SSB in SSA:
sales, employment, production and distribution

Information sources

- Electronic databases (PubMed, Cochrane, Global Health, WHO Global Library, Science Direct and Google Scholar)
- Grey literature
- References of studies

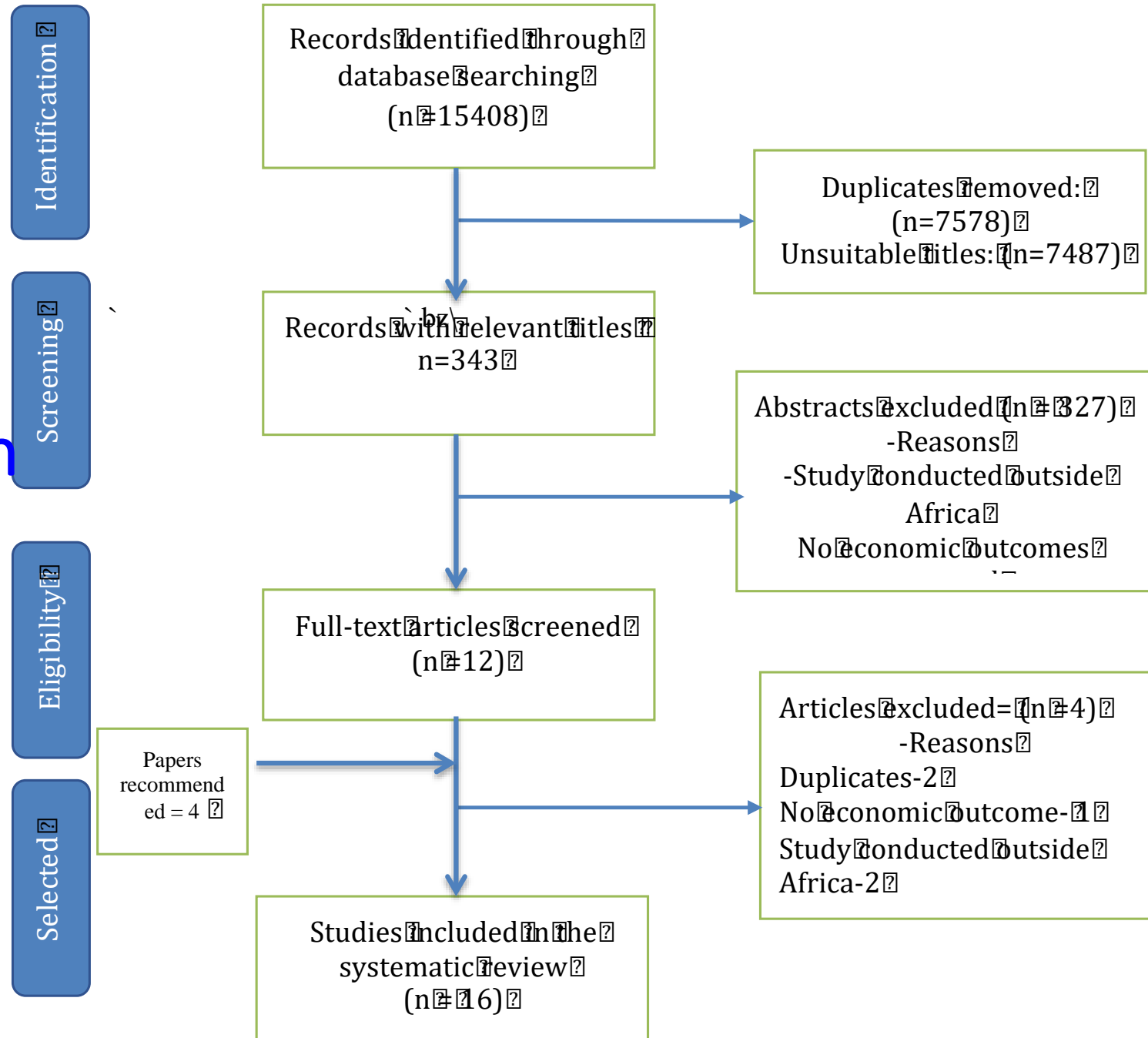
Search and data extraction

- Title, abstract and full text

Quality assessment

- Different tools

Prisma of study selection process



Results on economic impact of SSB taxation

- **PRICES**

- 4 studies
- Increase in price across different store types to discourage consumption
- Reformulation to avert taxes but increase in prices of reformulated products



SALES AND PURCHASES

- 4 studies
- Decreased purchases and lowered sugar consumption
- Reduction in purchases from 28% to 51%
- Middle income households had bigger reduction due to switching to reformulated products
- 9% reduction in purchasing soda by low income households per week



• GOVERNMENT REVENUE

- 3 studies
- Increased government income
- Cost-effectiveness analysis estimated 6 billion ZAR (US\$450 million) in tax revenues per annum
- further 2 billion ZAR (US\$140 million) in savings from subsidized healthcare over 20 years



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CONSUMPTION

- 7 studies
- SSB consumption reduced
- Reduction about 22% in children who consumed larger quantities
- 27% reduction in SA
- Study reported reduced consumption prior to announcement of taxation



CROSS BORDER SHOPPING

- People travel to shop in nearby jurisdiction with no taxation



EMPLOYMENT

- 1 systematic review impact on employment
- Estimated that around 27,500 jobs losses in SA
- Job losses reabsorbed by reformulation industry



The economic argument: cost-benefit analysis

- Three distinct approaches have been used to compute the economic burden of disease: (Bloom et al., 2011)
 - (1) the standard cost of illness method
Direct and indirect costs, including personal medical and non-medical care costs
 - (2) macroeconomic simulation
Depleted labour caused by disease, capital and other factors to production levels in a country
 - (3) the value of a statistical life
Economic value on the loss of health and life

Conclusion

- ❖ SSB taxation has a positive economic impact on society:
 - ❖ by directly reducing purchases and consumption through increased prices
 - ❖ Increased government revenue be channelled into health promotion interventions and healthcare delivery to reduce NCD burden
- ❖ Conduct a cost-benefit analysis to evaluate the impact of the tax in Ghana



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thank you



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