
Taxing Junk Food to Raise Revenue and Fight Against Obesity

Today, 28th March 2012, the European Public Health Alliance (EPHA) - Europe's leading NGO advocating for better health - outlined that taxing unhealthy food and subsidising fruits and vegetables would not only support the fight against obesity but would also raise public revenues in a time of austerity.

"Food taxation offers governments a two pronged arrow to deal with two of the most pertinent issues they face: not only tackling the obesity epidemic, the revenues produced can also boost austerity-stricken budgets." stated Ms Kosinska to a panel of EU and national decision makers and other stakeholders at the 6th European Nutrition and Lifestyle Conference.

She also welcomed efforts by national governments (such as Denmark, Hungary or France) that have so far, implemented such measures and encouraged others to follow their examples.

Answering concerns about the impact of such taxes on low socio-economic groups, Ms Kosinska explained that "Any move taken to improve the health of people in Europe cannot be taken in isolation: Member States should not only apply taxes to unhealthy food products but work towards making the healthier option more available and affordable, through subsidies on fruits, vegetables and grain notably."

She further explained that "Low socio-economic groups tend to spend the main part of their income on food. They choose food which is rich in energy but poor in nutrients because energy-dense products are artificially cheaper. Moreover, it is often difficult to find fresh fruit and vegetables within walking distance of disadvantaged areas. However, low income households are also the best respondents to changes in food prices. Therefore, applying a multi-nutrient tax to unhealthy food but also, crucially, subsidising wholegrain, fruit and vegetable consumption can be a good way of increasing the price of certain 'unhealthy' food products while promoting the consumption of nutrient-rich foods ».

EPHA has consistently supported measures taken to address the obesity crisis in Europe. Chronic non communicable diseases, including cardiovascular diseases, diabetes type 2 and cancer, account for 86 percent of deaths and 77 percent of the disease burden in the WHO European Region. The OECD recently modeled the impact that taxation could have on reducing obesity. However, unless fully thought through and well implemented fat taxes could simply increase the proportion of the money spent by the poor on food.

With governments across Europe discussing their implementation, food taxes are now going from idea to reality, despite strong opposition from food retailers and agro-food companies.

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