



The future of the sweetened beverages tax in Portugal

In 2017, the Portuguese Government created the special consumption tax levied on sweetened beverages.¹ This tax is divided into two tiers: drinks with sugar contents below 80 g/L of final product (charged at €8.22 per 100L) are the lower tier and those above 80 g/L of final product (charged at €16.46 per 100L) are the upper tier. During the first year of implementation, this tax collected about 80 million Euros and all revenue was invested towards the Portuguese National Health Service funding.

To evaluate the effect of this tax, the Portuguese Government created an interministerial taskforce,² to study changes in consumption patterns, industry offering, reformulation of existing products, launch of new products, and competitiveness of national companies versus those overseas. A preliminary analysis showed no substantial change in sales of sweetened beverages between 2013 and 2016.³ According to official data, after the implementation of the tax in 2017, sales had a 7% reduction due to price elasticity and reputational effects. The taskforce identified the reduction of the sugar contents of several beverages as the most important public health effect of the tax (figure).⁴

Reformulation processes led to an 11% reduction of total energy intake through sweetened beverages' consumption by the Portuguese population. WHO Regional Office (Europe) collaborated with the taskforce by undertaking an impact analysis. The aforementioned sales reduction and reformulation should result in 1600 fewer obese people and, according to WHO, should avoid or delay at least 27 deaths directly related to excessive sugar consumption in Portugal every year.⁵

The taskforce argued that the creation of additional taxation tiers could further

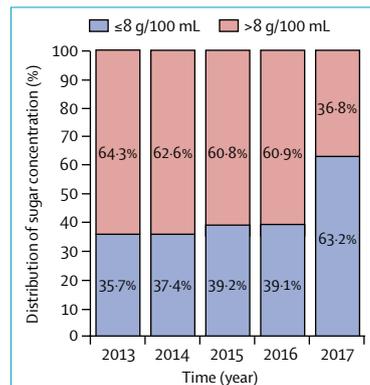


Figure: Distribution of the sugar concentration (g/100 mL) in sweetened beverages consumed in Portugal

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promote product reformulation by the industry given its more progressive nature and the incentive for companies to shift their products towards lower taxation tiers. They recommended adding two additional taxation tiers and increasing the amount levied on the tier with higher sugar contents. According to feedback given by the industry, this new tax design should further reduce energy content intake by 15% in the Portuguese population, as a result of additional incentives for product reformulation until 2020.

Building on these recommendations, the Portuguese Parliament is voting a new sugar-sweetened beverages taxation design on Nov 29, 2018. This new measure will be implemented from Jan 1, 2019 onwards. Portugal is the first country redesigning its taxation model to maximise sugar reduction and reformulation among producers.

Effective health policies must be flexible and able to adapt quickly in light of the most up-to-date scientific evidence. This demands commitment among political leaders regarding evidence-based policy making.

This Correspondence shows preliminary evidence on the importance of reviewing health policies, in particular taxation regimens, based on the Portuguese experience. Policy makers, politicians, and

academics must collaborate to establish a flexible environment in which health policies can adapt to increasing health challenges effectively and efficiently.

FG-d-S, DC-e-S, and MJG were members of the taskforce² referred to in this Correspondence. The other authors declare no competing interests.

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