



**PAHO**

# PRESS RELEASE

## **Consumption of sugary drinks could decline substantially if they were properly taxed, PAHO study shows**

*Report demonstrates how to utilize taxes to reduce consumption of sugar-sweetened beverages, which are major contributors to overweight and obesity in the Americas. Income from taxes could be used to respond to COVID-19.*

**Washington, D.C., May 10, 2021 (PAHO)** Taxes could greatly reduce consumption of sugar-sweetened drinks, according to a new study released by the Pan American Health Organization (PAHO). A 25% increase in the price of sugar-sweetened beverages resulting from higher excise taxes would likely lead to a 34% reduction in consumption of these drinks, the study shows.

"Sugary beverages greatly contribute to overweight and obesity, and these conditions are known to cause heart disease, diabetes, and other serious noncommunicable diseases," said PAHO Director Carissa F. Etienne. "Reducing consumption of these beverages improves health, and excise taxation is an effective tool to achieve this."

She said that effective policies such as taxation of sugar-sweetened beverages have become even more urgent amid the COVID-19 pandemic. Scientific evidence indicates that people who are overweight or obese or suffer from diabetes and heart disease are more likely to develop severe cases of COVID-19.

In the Americas, [64% of men and 61% of women](#) are overweight or obese, which are the highest rates in the world.

"Excise taxes on sugar-sweetened beverages could generate a triple win for countries," said Anselm Hennis, Director of PAHO's Department of Noncommunicable Diseases and Mental Health. Dr. Hennis explained that sugar-sweetened beverage taxes not only generate revenue, but also improve health, while reducing long-term health costs and productivity losses due to illnesses

related to overweight and obesity.

In addition, Dr. Hennis said, "Sugar-sweetened beverage taxes could be used as an immediate source of tax revenue to respond to the COVID-19 pandemic, finance economic recovery plans, and support countries as they advance to universal health coverage."

Taxes on sugar-sweetened beverages are increasingly being adopted by governments globally, and have been implemented in more than 73 countries worldwide. In the Americas, 21 PAHO member states apply national-level excise taxes to sugar-sweetened beverages, while seven jurisdictions in the United States apply local taxes to these drinks.

The PAHO report notes that many taxes on sugar-sweetened beverages in the Americas have been designed with fiscal goals in mind and do not consider the important role they can play in the protection of health. The report explains how existing taxes could be utilized to improve health through reduced consumption of sugar-sweetened beverages.

"As more governments adopt and improve taxes on sugar-sweetened beverages, this is expected to reduce the burden of noncommunicable diseases," Dr. Hennis said.

## LINKS

Report: [Sugar-sweetened beverage taxation in the Region of the Americas](#)

PAHO Topic webpage: [Health Taxes](#)

[Webinar: Launch of "Sugar-sweetened beverage taxation in the Region of the Americas."](#)

## MEDIA CONTACTS

Sebastián Oliel: +1 202 316 5679

Daniel Epstein: +1 301 219-2105

Nancy Nusser: +1 410 934-9588

Nadia Peimbert-Rappaport +1 703 228-9518

[mediateam@paho.org](mailto:mediateam@paho.org)

The Pan American Health Organization (PAHO) works with the countries of the Americas to improve the health and quality of life of its population. Founded in 1902, it is the world's oldest international public health agency. It serves as the Regional Office of WHO for the Americas and is the specialized health agency of the Inter-American system.