



Brief: Pricing policy for non-communicable disease prevention in Fiji

PURPOSE

To establish an evidence base for the application of food and beverage taxes and complementary measures to encourage dietary substitution towards healthier, local food products in Fiji.

BACKGROUND

- The people of Fiji are experiencing a double burden of malnutrition, which has social and economic costs, including lost productivity and health care service costs.
 - Iron deficiency anaemia affects half of children under 5 years, and one third of women.
 - Hypertension and obesity each affect more than 30 percent of adults, one third of teenagers are overweight, and 16 percent of adults have diabetes.
- Poor diets are linked to NCDs and micronutrient deficiency:
 - Only 1 in 7 people eat enough fruit and vegetables, and 60 percent of children have sugary drinks daily.
 - Discretionary foods (e.g. confectionary, snacks and sweet beverages) are only 9 percent of daily food intake, but make a higher contribution to NCD risk: 16 percent of calories, 25 percent of fat and 20 percent of salt.
- Discretionary foods tend to be inexpensive, and they do not provide essential nutrition.
- Global evidence shows that taxation can disincentivize and reduce consumption of unhealthy food.

POLICY OPTIONS

1. Apply **excise taxes (20 – 50 percent) on discretionary foods** not meeting nutrient profiling criteria (see p2):
 - * Confectionary and sugar; Beverages (sweetened drinks, juice, milks); edible ices; Cakes, sweet bakery and biscuits; savoury snacks, including instant noodles.
 - * Review price control to ensure fiscal policy changes can be passed on to consumers
2. The revenue generated by taxation could support **implementation of complementary measures recommended in the draft Food Security and Nutrition Policy and Action Plan**:
 - Additional **incentives for reformulation**, such as nutrient targets for salt, fat and sugar in processed foods, based on the nutrient profiling.
 - Complementary **social marketing**, or school-based campaign that de-normalises consumption of discretionary foods, to promote public awareness and support for the tax, and healthy diets.
 - **Restrictions on marketing** of discretionary foods, to enhance the existing the draft regulation on marketing of foods and beverages to children
 - Financial support for measures that target healthy food affordability and availability, such as **healthy food subsidies**.

IMPACT OF RECOMMENDATIONS

- **On diets and nutrition:** reduction in consumption of: 2 – 4 percent for calories, 5 – 7 percent for fat and 4 – 6 percent for salt (20 percent tax); to 5 – 10 percent for calories, 7 – 11 percent for fat and 9 – 14 percent for salt (50 percent tax).
- **On health:** These reductions in intakes of nutrients of concern are associated with reduced risk of diabetes, cardiovascular disease and overweight. There is a potential risk reduction for stroke and ischemic heart disease mortality, for those aged 60 – 69 years, of 3 – 4 percent.
- **On households:** Our modelling for all scenarios show either neutral effects or reductions in average household spending.
- **On revenue:** Estimated annual revenue generated: FJD51.4 M (20 percent tax) to FJD74.3 M (50 percent tax).

CONSULTATION

National Food and Nutrition Centre, Ministry of Health, Fiji
 Ministry of Agriculture, Fiji
 Food and Agriculture Organization of the United Nations, Fiji (funder)

Nutrient profiling model with thresholds proposed for Fiji

Threshold group	Food Category	To be considered 'healthier', product must contain less than:				
		Fat g/100g	Saturated Fat g/100g	Sugar g/100g	Sodium mg/100g	Additional criteria
1	Choc, confect, honey, toppings, syrups	5		5		
2	Raw sugar	Not applicable				
	Table salt					
3	Beverages (sweetened drinks, juice, milks - including powdered mixes)	5		5		In future, 'added sugar' and reduce to zero.
4	Other dairy (cheese, yogurt, cream, canned)	20		5		
5	Edible ices	5		8		
6	Cakes, sweet biscuits, pastries	10		10	400	
	Sweet baked buns, breads					
	Breakfast cereals					In future, use 'added sugar' to distinguish
7	Bread, crisp bread, roti, flour				400	
8	Savoury snacks, nuts	10			450	
	Noodles, rice, grains					
9	Composite meals (prepared, convenience and ready-made)	10	4	10	500	>75g vegetable content per serve
10	Butter, fats, oils (inc coconut oil)		20			In future, consider adding trans-fatty acid limit
11	Fresh fish, seafood, poultry, other meat	20	4		500	In future, consider adding trans-fatty acid limit
	Processed fish, meat, poultry					
12	Sauces, dips, condiments				400	
13	Fresh and minimally processed fruit and vegetables	Not applicable				
	Coconut products (no other ingredients)					

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