

## Colombia introduces junk food tax

The country is one of the first to tax food high in salt and saturated fat to reduce obesity and other diseases. Joe Parkin Daniels reports from Bogotá.



Colombia has implemented a tax on ultra-processed foods, becoming one of the first countries in the Americas to take such a measure to tackle obesity, diabetes, and other lifestyle diseases. 56.4% of the population of Colombia is overweight, according to the health ministry, and nearly a third of adults have high blood pressure. Cardiovascular diseases account for nearly a quarter of annual deaths. A 2016 report published by the health ministry found that the country spends more than US\$6 billion a year on treatment for diseases associated with poor diet, and 13% of annual diabetes deaths are attributed to the consumption of sugar-sweetened drinks.

The new tax was included in a wider reform that passed into law in December, 2022, seeking to reduce the burden of obesity and other diseases on Colombia's health system, while also bringing in revenue in a country that manages a fiscal deficit.

"This isn't to take your money, it is so that you choose healthier foodstuffs and improve the health of the Colombian people", Colombian President Gustavo Petro, who oversaw the law's passage, wrote on X at the beginning of November, when it came into effect.

The tax is being implemented gradually, beginning at 10%, before rising to 15% in 2024 and 20% in 2025, and targets foods that are high in salt and saturated fat, as well as industrially manufactured prepackaged foods.

Juan Camilo Cárdenas, Professor of Economics at the University of the Andes in Bogotá, said that the measure's success will be judged on how consumer habits respond to the change in prices. "From an economic perspective the measure is fairly simple: to create incentives

to guide consumer behaviour to healthier products, and to guide manufacturers to offer more healthy products", Cárdenas said. "The ideal goal is that we reach a point where the collections of this tax are minimal because society (both consumers and vendors) has moved to a healthier market."

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The junk food tax follows other public health measures around healthy eating in Colombia. In June, 2021, the government passed a law requiring food packaging to contain black warnings of high sodium, sugar, or saturated fat content. Other countries in Latin America have taken similar measures, including Ecuador, Peru, Chile, and Mexico. Mexico implemented a surcharge on sugary drinks in 2014, with Ecuador and Peru also levying taxes.

Colombia's new tax attracted criticism from opposition politicians and the country's powerful food manufacturers when it was initially proposed, who argued that the lowest income citizens in the country would be negatively affected while already facing price inflation on foodstuffs.

Carolina Piñeros Ospina, Executive Director of Red PaPaz, a Colombian non-governmental organisation that campaigned in support of the tax, said that similar taxes on sugar-sweetened drinks in other countries did not hurt vendors while providing public health benefits. "In Barbados, in October 2016, 1 year after its implementation, the 10% tax decreased sales of sugary

drinks by 4.3% and increased sales of non-BUA products by 5.2%", Piñeros Ospina said. Similarly in Berkeley, CA, USA, sales of sugary drinks decreased by 9.6% in shops 1 year after the tax was implemented, and sales of packaged water increased by 15.6%. In Mexico, purchases of sugary drinks decreased and purchases of water increased after a tax was introduced, according to researchers.

Negotiations between business lobbies in Colombia and the government achieved compromises, including a lower rate of tax for sugary drinks that contain between 6 g and 10 g of sugar per 100 mL compared with those that contain more than 10 g. Products regarded as traditional, such as a particular sausage, are exempt from the tax.

In October, 2023, the country's constitutional court dismissed complaints over the tax from business associations, ruling that the tax "does not infringe principles of equality, economic freedom or free markets". Academics argue that the tax, rather than hurting the wallets of the poorest people in society, will improve public health. "Low prices of unhealthy food are one of the mechanisms leading to higher exposure to the risk factor of unhealthy diets", said Norman Maldonado, who heads Proesa, a think tank focused on health economics at the Instituto Colombiano de Estudios Superiores de Incoloda University in Cali, Colombia. "The tax approved in Colombia intends to correct that problem, and in that sense, it is a mechanism that increases health, financial and social protection for the poorest in the country, and it is that population that benefits most from the tax."

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