

PRESS RELEASE

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HEALA CALLS ON THE FINANCE MINISTER TO TAKE THE HEALTH OF SOUTH AFRICANS SERIOUSLY AHEAD OF HIS 2023 BUDGET SPEECH

Healthy Living Alliance (HEALA) is calling on the Finance Minister to put people's health ahead of industry interests when he delivers his 2023 budget speech on 22<sup>nd</sup> of February. South Africans are facing a deluge of non-communicable diseases which could be prevented if the government institutes research based fiscal and legislative policies. Our health system is significantly challenged. The South African health system faces a range of systemic and structural challenges to deliver quality and affordable health care.

It is important to clarify that many of the issues plaguing the sugar sector have little to do with the Health Promotion Levy (HPL). The challenges plaguing the sugar industries are well documented and date back to over two decades prior to the implementation of the HPL in 2018, the sugar industry was already highlighting issues of a lack of economies of scale and scope, high inputs costs (Chemicals and seeds), lack of access to markets, farming marginal and communal lands and serious governance challenges, especially in cooperatives. These were highlighted by the South African Farmers Development Association (SAFDA) to the Trade Industry and Competition Committee in 2017.

"The main issues are cheap sugar imports, climate change, floods, loadshedding and the sugar industry's own inefficiencies, corporate governance and corruption, high labour outputs, outdated technology. The HPL cannot be the main reason for the sugar industry's problem. It is important for Industry to begin addressing its own inefficiencies that affect jobs and stop scapegoating the HPL" says Nzama Mbalati, Programme Director at Healthy Living Alliance (HEALA).

South Africa suffers from a considerable health burden including communicable disease, violence, and injury as well as non-communicable diseases. Reducing morbidity and mortality for all South Africans requires an approach that transcends health services, where public policy addresses the broader social and economic determinants of health by designing and implementing interventions that improve people's health more effectively than individual interventions within the health sector.

Legislative, regulatory, and fiscal policies could substantially and cost-effectively reduce the burden of nutrition-related non-communicable diseases. South Africa has successfully reduced the salt content of foods through mandatory regulation and there is evidence demonstrating that a 20 per cent tax on sugary beverages will reduce obesity.

What the sugar industry fails to mention is how much the illnesses caused by their products are costing taxpayers. Diet-related diseases are killing us. In 2017, about 47000 people died from diabetes and cardiovascular diseases. Currently, an estimated twelve million South Africans suffer from diet-related diseases. It costs ZAR62 billion to treat annually, and about ZAR33 billion of that expenditure can be avoided if SA takes measures to prevent diet-related diseases.

SA cannot sit for her people to suffer from industry profit activities. Industry must accept responsibility of loss of life, rising NCD management cost, and the pain our people suffer through no

fault of theirs. The history of the South African sugar industry cast light upon deeply rooted obstacles for sugar reduction anti-obesity interventions.

This is money that could be used to fund much-needed social programmes. Let us remember that this financial burden falls on the very people whose jobs they claim have been shed by the tax, the money used to treat people with non-communicable diseases is taken from the taxpayers, many of whom are struggling to make ends meet.

Research exists to show that the sugar tax has worked in reducing obesity, particularly in young people. Experts from the Epidemiology Unit at the University of Cambridge reported that the introduction of the sugar tax was associated with an 8% relative reduction in obesity levels.

The local sugar industry has been and continues to be in steady decline. It is important for the industry to pivot and find relevance in diversifying crops and look at other uses of sugar through biofuel market.

ENDS

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