

## Assessment of the impact of a public health product tax

The World Health Organisation highlighted food taxes and subsidies as good tools to promote healthy diets while simultaneously being highlighted as cost-effective measures that reduce non-communicable diseases risk factors. Hungary is a country that followed their recommendation and implemented a “public health product tax” in September 2011. The aim of that tax is to “reduce the consumption of food products that are not useful from a public health point of view and to promote a healthy diet [...] to make healthy food choices accessible and to improve public funding from health care services, especially public health programmes.” This second impact assessment, conducted in collaboration with the World Health Organisation Regional Office for Europe, observed the effect of the tax across five product groups: energy drinks, sugar-sweetened soft drinks, pre-packaged sweets, salty snacks, and powdered soup and salty condiments.

The results highlighted that changes in consumption were sensitive to weight, with the greatest consumption changes observed among overweight and obese individuals. This was also strongly affected by age and sex. The awareness of the tax and its components differed by educational levels, with people with primary education only being less aware. Finally, it was also observed that between 2011 and 2014, the tax generated €200 million which was then used to increase wages in the health sector. We can therefore conclude that the effects from the “public health product tax” have been achieved in the long-term: consumption of taxed products sustainably decreased and population health literacy improved. Finally, this assessment provides a set of recommendations based on the implementation experience of the tax in Hungary.

Reference: World Health Organization Regional Office for Europe. *Assessment of the Impact of a Public Health Product Tax*. Budapest; 2015. [http://www.euro.who.int/\\_data/assets/pdf\\_file/0008/332882/assessment-impact-PH-tax-report.pdf?ua=1](http://www.euro.who.int/_data/assets/pdf_file/0008/332882/assessment-impact-PH-tax-report.pdf?ua=1)