Public Policy to contain obesity and diabetes: the case of Mexico

Mauricio Hernández-Ávila
National Institute of Public Health, Mexico
Secretary General, IANPHI
Introduction

- Mexico faces dual epidemics of obesity and diabetes.
- Obesity prevalence among adults was 32.4% in 2012\(^1\), the second highest within the OECD.
- Dramatic increase in the prevalence of obesity.

For example among women, prevalence of obesity increased 3.7 times, from 9.5% in 1988 to 35.2% in 2012.

- Estimated direct and indirect costs for obesity in Mexico were $3 billion USD in 2008, and projected to increase to $13 billion USD by the year 2017.

• People living with a T2D diagnosis has doubled since 1994
• 6.2 million Mexicans living with a T2D diagnosis, **25% with adequate metabolic control.**
• 83,000 premature deaths in 2012, average age of 66.7 years.
• Mexico has the highest prevalence rate for T2D among OECD countries.
• **SB´s cause 4,000 deaths/yr** 12.1% of all diabetes, CVD, and obesity-related cancer deaths.

_Prevalence estimates of diabetes. OCDE, adults aged 20-79 years, 2011_

Factors that increase the risk of obesity, DT2, and other NCD’s in México

- Food insecurity and poverty.
- Health and Education inequities.
- Lowering breastfeeding trends.
- Sedentary lifestyles.
- High intake of energy dense & micronutrient-poor foods.
- High percentage of calorie intake as "liquid calories": soft drinks [176 L/pp], fruit drinks and fruit and vegetable juices.
- Weak regulation to protect children
- Low accessibility to vegetables, fruits, legumes, & whole grains
- Low nutrition literacy and deficient front-of-pack labelling
- Marketing and high accessibility of energy dense foods and fast food outlets.
- Increasing portion sizes.
## Policies implemented between 2008 and 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Policy Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td><strong>Political mandate in the Health Sectorial Plan</strong>: Develop policy to prevent and control overweight, obesity, diabetes and CVD’s.</td>
</tr>
<tr>
<td>2010</td>
<td><strong>The National Agreement for Alimentary Health: Strategy Against Obesity</strong>. Signed by 8 ministries + the F&amp;B industry.</td>
</tr>
<tr>
<td>2010</td>
<td><strong>Non-binding instrument</strong> to increase inter-sectoral policy actions against obesity. Based on 10 strategic goals articulated into 103 specific initiatives committed by signing Parties.</td>
</tr>
<tr>
<td>2010</td>
<td><strong>National School-Based Obesity Prevention Policy</strong>: aimed to increase physical activity, nutrition literacy, and access to healthy food on school premises. Established Nutrition Standards for all food and beverage sold or distributed in schools.</td>
</tr>
</tbody>
</table>
|   | Policies implemented:  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4 2013</strong></td>
<td>Fiscal Law to increase taxes for high energy density foods [junk food] and sugary beverages. Excise tax of $1.00 per liter on all SSB (~10% increase) &amp; 8% tax on non-basic foods with an energy density of ≥275 kcal per 100 grams.</td>
</tr>
<tr>
<td><strong>6 2014</strong></td>
<td>Regulation of TV and movie advertising to children. Transition from a self-regulatory code (yr2008) to regulation. Aimed to children under 12 years (&gt;35% audience). Restricted to movies rated A &amp; television: M-F: 14:30 to 19:30pm Sat-Sunday: 7:00 to 19:30. Not Applicable to: soap operas, sports, news programs, sitcoms which are not officially rated for children. Ruling cannot be updated before 5 years.</td>
</tr>
</tbody>
</table>

## Policies implemented...

<table>
<thead>
<tr>
<th>7</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Frontal labeling</strong>&lt;br&gt;<strong>Mandatory FP labeling</strong>&lt;br&gt;• Makes the Guideline Daily Amount (GDA) the official FOP labeling&lt;br&gt;• Based on a 2000 Kcal diet&lt;br&gt;• % contribution to total energy or nutrient&lt;br&gt;• Caloric content for total package and one portion&lt;br&gt;• Total Sugar 360 Kcal [18% of total daily energy intake]</td>
</tr>
<tr>
<td></td>
<td><strong>Voluntary nutrition Seal</strong>&lt;br&gt;• The “Nutritional quality Seal” may be obtained by producers who comply with nutritional standards.&lt;br&gt;• It is based on the EU Pledge criteria: [voluntary initiative]&lt;br&gt;• Includes 8 food categories with several subcategories.</td>
</tr>
</tbody>
</table>
Impact of tax increase sugary beverages on purchasing and consumption behaviors.

SB taxes increases → Increased concern about prices → Change in purchasing behavior → Seek out cheaper low/untaxed sources:
- Water
- Non-caloric beverages
- Milk
- Switch to lower price brands

Increased concern about health effects → No mass media campaign → Reduce consumption.
Taxes on Sugar-Sweetened Beverages: preliminary results

- Difficult to get funding for the evaluation
- Data: 6,253 households in urban areas ≥ 50,000 inhabitants, panel study between 2012-2014.
- Methods: difference in difference model, to predicted consumption change of taxed vs untaxed beverages.
- Results:
  - Soda Tax revenue, 2014: 1,206 Million USD
  - Average reduction of 6% in 2014 for taxed beverages
  - Taxed beverages declined at an increasing rate during the year reaching 12% in the last month. Higher reductions among the lowest SES groups.
  - Average increase of 4% in 2014 for untaxed beverages
- Moderate but increasing reductions of taxed beverages during the year. Continued monitoring is needed for evaluation
Lessons Learned

- Long process: MoH actively lobbying for this tax since 2007.
- Dialogue with the Ministries of Economics and Agriculture is key. SSB-tax has a potential impact on important stakeholders: sugarcane growers, beverage industry....
- Important to generate evidence, to work with stakeholders, and to estimate & manage policy risks [who wins vs. who looses].
- Mexican INSP was effective in generating, analyzing and translating local and international evidence to influence policy:
  - White paper for policy recommendations for SSB
  - Direct input to Congress and federal government for understanding evidence & designing of the SSB tax.
  - Providing evidence to the public, organized civil society and the mass-media communications.
Lessons Learned

- Finance Ministry opened a window of “political opportunity” with the new government change.
- Competing priorities: National Crusade Against Hunger
- Civil Society was important in positioning health effects of SSB in the media and lobbying for the tax and the use of the tax revenues for obesity prevention.
- Industry opposed the tax and mounted a large media campaign, arguing that the tax was regressive and would have a negative impact on jobs and economy.
- Evaluation and information feedback to tax-payers, OCS, & stakeholders is key to maintain the effort and making policy stick.
TAX policy: issues raised by industry

- SSB taxes are regressive: will disproportionately hurt the poor.
- The government should stay out of private behavior.
- People who consume too many SSBs are just making bad personal decisions.
- Taxes aren’t necessary because industry is part of the solution, not the problem.
- It’s wrong to blame SSBs for obesity because sales of regular soft drinks have decreased but obesity rates are still rising.
- SSB taxes can’t be compared to cigarette and alcohol taxes.
THE TRUTH ABOUT THE BLOOMBERG TAX AGAINST SSB

Congressmen, don’t be fooled the tax against SSB:

“The TAX WILL” NOT..

• Reduce the obesity problem
• Reduce the caloric intake
• Change behaviors
• There are NO “good” and “bad” products, only inadequate choices and diets

HOWEVER ITS APPORVAL...

• Increases the cost of the Basic Food Basket
• Demonize a single product
• Affects the Sugar Cane Growers
• Threatens income and stability of 3.5 million jobs
• Has a negative impact on 1 million small business

Because of that we say: NO TO THE BLOOMBERG SSB TAX