

How did the UK Soft Drinks Industry Levy (SDIL) Influence Consumer and Producer Behaviours, and what Aspects of the Policy Contributed to these Impacts? – A Narrative Literature Review

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Abstract:

Background: Many fiscal policies have been implemented worldwide to reduce SSB consumption due to the health implications surrounding SSBs. These usually comprise a tax on soft drinks with added sugar, but the design and structure of the tax vary across jurisdictions. As part of measures to tackle childhood obesity, in 2016, the UK government announced the Soft Drinks Industry Levy (SDIL), which came into effect in 2018. The main aim of the levy was to incentivise producers to reformulate their drinks to contain less added sugar. The SDIL was unique in its design as it adopted a two-tiered tax rate based on the sugar concentration of the drinks and a two-year gap between its announcement and implementation.

Aim: To provide an up-to-date understanding of the positive and negative impacts of the tax on producer and consumer behaviours and recognise the aspects of the policy which contributed to these outcomes.

Objectives: Firstly, perform a literature review to identify the impact of the SDIL on purchasing and consumption of SSBs and industry responses to the levy. Next, discuss how the SDIL influenced the behaviours of producers and consumers based on the results of the literature review. Then, explore what aspects of the levy contributed to these changes. Finally, provide recommendations to increase the effectiveness of the SDIL.

Methods: A narrative literature review was conducted. The electronic databases Google Scholar, PubMed, Embase, and Scopus were systematically searched for relevant literature, which was then screened for inclusion using the eligibility criteria. Data from the ten eligible studies were extracted and summarised in tabular form, which highlighted the study aim, methodology, study period, main outcomes, major findings, and limitations of the chosen studies. This table was then used alongside notes made on the individual studies to identify and group the key outcomes within the literature, which were then organised and presented as a textual description.

Results: A total of six outcomes were explored in the ten chosen studies. These were changes in sales of soft drinks following the levy, reformulation activities, changes to sugar purchased through SSBs, pricing changes, and changes in domestic turnover of soft drinks companies. The review revealed that the SDIL