

FISCAL POLICY AS A PUBLIC HEALTH TOOL: LEVERAGING TAXES AND SUBSIDIES

Using fiscal policies for NCD prevention can save lives, promote equity, reduce healthcare costs and generate revenue for the government

The taxation of unhealthy products and redirecting health-harming subsidies to health-promoting policies are highly effective interventions.

PRICE INCREASE



Health taxes must aim to decrease consumption of unhealthy products by increasing their price

Health taxes on tobacco, alcohol and sugar-sweetened beverages (SSBs) are common, but applied far below their potential. Raising these taxes is a proven, cost-effective way to further curb NCD risk factors and generate sorely needed revenue.

Subsidies must aim to increase consumption of healthy products by reducing their price

Subsidies from health-harming industries can be redirected to health- and equity-promoting policies, including subsidies for producing nutritious food or ensuring access to clean energy sources.

PRICE REDUCTION

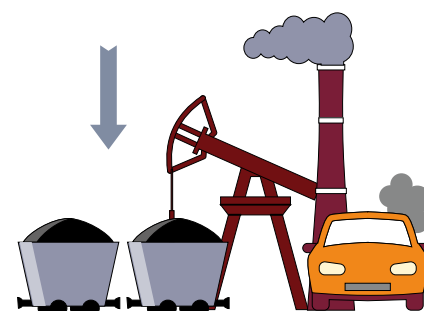


Health promoting fiscal policies bring wide benefits

They reduce healthcare spending by lowering the NCD burden, increase productivity, and generate resources which can be used for human and planetary health and sustainable development.

Globally **US\$6 TRILLION** is spent annually on **FOSSIL FUEL SUBSIDIES**, equivalent to **5% of global GDP.***

*This is the latest estimate from the [World Bank](#) and the figure is based on the current global GDP of around \$120 trillion.



Health-harming fiscal policies are benefiting industries involved in tobacco, alcohol, ultra-processed food and fossil fuels at the cost of public health

Subsidising or providing tax incentives for unhealthy products burdens public budgets twice: once by the cost of the subsidy, and again by the resulting health consequences and productivity losses.



Removing these subsidies could prevent **1.6 million premature deaths** a year caused by air pollution by 2030 and generate enough revenue for developing countries to achieve the Sustainable Development Goals, including for universal healthcare coverage.

CALL TO ACTION

We call on governments to take action to address the growing burden of NCDs by implementing cohesive, health-promoting fiscal policies. Mainstreaming health into fiscal policies can reduce spending on treating preventable NCDs, leverage human capital, and enhance budgetary and debt management. Freed resources can be redirected to sustainable development and human and planetary health.

WE CALL ON POLICYMAKERS TO:

Implement taxes on unhealthy products, including tobacco, alcohol, SSBs, and other foods high in sugar, salt and fat, to significantly decrease the affordability of these products.

Implement taxes on fossil fuels to support human and planetary health.

Remove subsidies and tax incentives that promote the affordability and consumption of unhealthy products and/or create loopholes that aggravate exposure to NCD risk factors and undermine health policies.

Ensure these fiscal policies are accompanied by those **promoting access to nutritious diets and clean energy sources**.

Strengthen universal health coverage schemes and support the prevention of NCDs by unlocking domestic revenue through coherent fiscal policies and efficient budget allocation.



READ MORE:

[Getting fiscal policies right: Lessons and recommendations across NCD risk factors](#)