



Corporate narratives work to defeat and weaken taxation of ultra-processed products

I. Introduction

Frequent consumption of sugar-sweetened beverages (SSBs) – such as soda, flavored milk, energy drinks, and fruit juices – is linked to a higher likelihood of developing dental cavities, type 2 diabetes, heart disease, stroke, cancer, weight gain, and obesity in both children and adults. [Taxing these products has proven to be an effective way to reduce sugar consumption and tackle this public-health concern.](#) Additionally, as non-caloric sweeteners begin to replace sugar in sweetened drinks and processed food, more countries are considering taxing these too.

The ultra-processed product (UPP) industry fights aggressively to protect its profits by blocking positive public-health measures like taxes. The industry adapts its playbook according to local contexts and policy process stages, using various narratives to hinder the advancement of taxation policies with solid designs. These industry narratives can be categorized as follows:

- A.** Attacking the policy design and its public-health evidence while proposing policies of voluntary compliance;
- B.** Positioning deceptive economic panic discourses, e.g., that the public-health tax has a regressive effect on people from low-income levels;
- C.** Linking the tax to government corruption from public revenue;
- D.** Positioning its corporate social-responsibility initiatives as vital levers to solve health, economic, social, and environmental problems; and
- E.** Pressuring for presence at policymaking tables, in order to block tax measures through arrangements with governments.

Beyond being unhealthy for people, sweetened beverages also negatively impact the environment. Thirty-five liters of water are needed to create one half-liter of soda. Ironically, UPP companies position themselves as environmental protectors, while also exploiting [natural resources](#) and serving [as some of the world's major plastic polluters](#).



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Considering these introductory points, this alert will equip civil society organizations (CSOs) with strategies to anticipate industry behavior and protect tax policies from vested interests. It includes timeless examples and highlights different narratives connected to corporate practices and experiences from multiple countries where a sugary-drink tax either has been implemented or is being considered. The following table illustrates some countries where such policy is under discussion or has already been approved. Please refer to the [additional resources](#) for more information.

COUNTRY	POLICY PHASE: DEVELOPING	POLICY PHASE: IMPLEMENTED
Australia	X	
Barbados		X
Bermudas	X	
Canada	X	
Colombia		X (Recently passed)
Ghana		X (Recently passed)
Indonesia	X	
Mexico		X
Nigeria		X
Pakistan		X (Recently passed)
Philippines	X	
South Africa		X
Vietnam	X	



II. Snapshot of industry narratives

This section contains an overview and categorization of the main narratives used by the UPP industry to work against and weaken policy that would tax SSBs.

The first category includes corporate narratives commonly used during the development phase of a sugary-beverages tax; these aim to weaken the design of the tax or to block its advancement. The second category includes narratives used to impede adjustments or compliance during the implementation stage of the tax. The third category gathers cross-cutting industry practices used during both the development and implementation of tax policy.

A. Industry narratives: Policy development

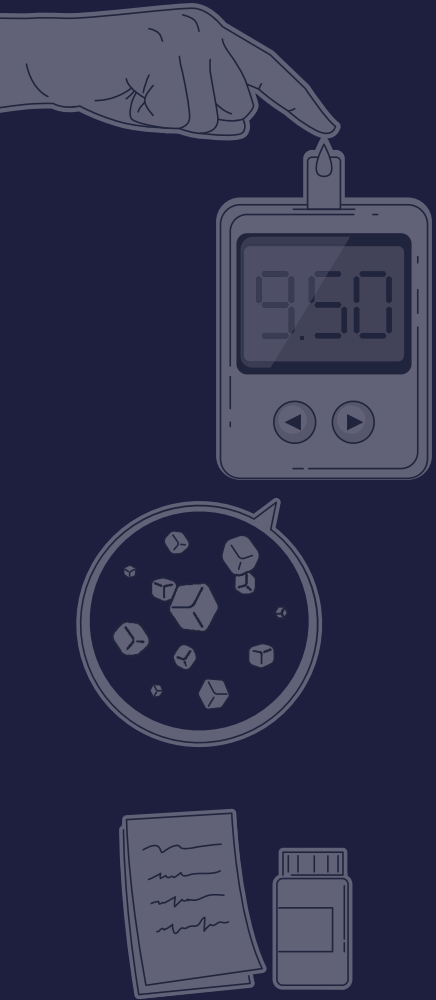
1. **Weaken public-health standards and dispute evidence supporting taxation**
 - a. Dispute evidence of the policy's positive public-health impact
 - b. Claim ineffective tax design in the policy
2. **Raise misleading inequity and economic concerns related to the tax**
 - a. Claim the policy will negatively impact trade and the economy
 - b. Claim the policy will negatively affect vulnerable members of society
3. **Leverage individual-responsibility claims**
4. **Propose voluntary agreements or self-regulation as alternative solutions**

B. Industry narratives: Policy implementation

1. **Oppose adjustments to the tax measures**
2. **Leverage legal tactics to stop the implementation of approved taxes**

C. Industry narratives: Greenwashing

1. **Promote key role in agricultural production**
2. **Boost environmental commitments related to plastic pollution and water**
3. **Capture civic-organization influence**



III. Examples

This section highlights UPP industry behavior used to promote three categories of industry narratives.

A. Industry narratives: Policy development






1. Weaken public-health standards and dispute evidence supporting taxation

During the development of a tax policy on unhealthy products, and while it is being considered or debated publicly, corporations work to defeat or weaken such measures in the following ways:

a. Dispute evidence of the policy's positive public-health impact

Industry goal: To negate the evidence around the positive impact that the taxation of unhealthy foods and beverages will have on public health.

Industry message: *Taxes will not reduce non-communicable diseases (NCDs).*

-  **Ghana:** The Food and Beverage Association of [Ghana argued that a tax on sugary drinks is not necessary](#), as the country's sugar-consumption rates are among the lowest worldwide.
-  **Great Britain:** Coca-Cola argued that the government's tax on a very small number of products containing sugar [will not reduce or even influence the country's obesity rates](#).
-  **Indonesia:** The food and beverage industry has [strongly opposed a sweetened-beverages tax since 2020, arguing a lack of efficacy evidence](#).
-  **Mexico:** An article revealing Coca-Cola's internal emails showed the company's strategy to position narratives [about the ineffectiveness of a SSB tax](#).
-  **Nigeria:** The Foundation for the Advancement of Consumer Freedom stated that taxing Nigerians to prevent them from consuming sugary drinks [would not reduce diabetes, as excess sugar is not the only known cause of diabetes and obesity](#).



🇱🇰 **Sri Lanka:** The International Council of Beverage Associations Asia Pacific Regional Group issued a [confusing statement regarding taxation of sugary beverages](#): "The World Health Organization (WHO) itself recently concluded that taxes on soft drinks are not a cost-effective option for addressing overweight and obesity and are, therefore, a poor option for reducing the prevalence of diseases associated with diabetes."

🇺🇸 **United States:** [American Beverage](#) has stated on its website that it has prevented the approval of taxes on sweetened beverages in several states because [taxes have no proven impact on public health](#).

b. Claim ineffective tax design in the policy

Industry goal: To condemn the design of the tax policy when it is being developed or discussed, by challenging the list of products included within the policy, the tax rate, or the use of the "ultra-processed product" category to define the tax base, among other tactics.

🇦🇺 **Australia:** The Menzies Research Center presented to the Australian Parliament its arguments against a SSB tax, based on its report [Fat Chance: why sugar taxes won't work](#). In the report, Menzies affirms that excise taxes must be well-designed and well-targeted to be effective, collectively maximizing efficiency, equity, and equality simplicity goals. But a good design with these characteristics is problematic, since many factors unrelated to sugary drinks lead to obesity, meaning the tax design does not fulfill the criteria of effectiveness and simplicity.

🇨🇴 **Colombia:** [Postobón and Coca-Cola avoided a tax on sodas](#) by securing a policy adjustment in the sugar-sold threshold, so that it [does not affect the brands of the largest sugary-beverage company in the country](#).

🇲🇽 **Mexico:** [BIG Cola-AJE](#), together with smaller producers such as Boing, proposed an ad valorem tax versus the per-liter tax on sweetened beverages being considered by the Mexican government. Conflict-of-interest-free evidence has shown ad valorem are the least effective taxes in reducing the consumption of SSBs.

🇻🇳 **Vietnam:** Faced with government announcements to include an excise tax on sugary, barley, and non-alcoholic drinks, the American Chamber of Commerce in Vietnam said [the country's existing legal system does not define what a sugary drink is](#).



2. Raise misleading inequity and economic concerns related to the tax

The UPP industry frequently uses misleading arguments related to economic impact and inequity concerns to oppose taxes on unhealthy products. Such claims distort perceptions on tax impacts by using incomplete or inaccurate data. For example, the industry argues that a sugar-sweetened beverage tax would damage the economy, cause job losses, and hurt consumer spending. These claims ignore existing evidence that taxes do not negatively affect the economy and that taxes do create revenue to help fund public-health initiatives.


Additionally, the UPP industry says that taxes would unfairly burden low-income consumers who are more likely to buy sugary drinks or other unhealthy products. This statement ignores existing evidence that taxes actually lead consumers to substitute their regular purchases with healthier alternatives, like water. Also, following the pandemic – a time when public health should have been a top priority – the industry began to use COVID-related arguments to position itself against sugary-beverage taxes.

a. Claim the policy will negatively impact trade and the economy


Industry message: *Taxes will hurt the economy, damaging companies and leading to job loss.*


- ▮ **Barbados:** Representatives from the [Barbados Manufacturers' Association \(BMA\)](#) said they were “[deeply concerned](#)” about an increase in the tax on SSBs which had already taken effect and a “salt tax” scheduled to take effect later on in the year. The BMA claimed that such tax raises would “[severely impact manufacturers](#) that create thousands of good-paying jobs and provide economic stability for families,” as well as make products less affordable for the public.
- ▮ **Ghana:** The [American Chamber of Commerce](#) publicly stated that the government must consider how a tax on sweetened beverages would negatively impact production costs, distribution, and product sales. Likewise, the Secretary General of the Food and Beverage Association of Ghana called on the government to [reduce taxes applied to the beverage industry in order to promote exports](#). He argued that consumers were complaining about the price of domestically-made beverages – compared with foreign brands – and blamed the difference on high beverage-production taxes. Additionally, the Ghana Federation of Labour claimed that “[the increase in the cost of production and the decrease in the purchasing power of consumers already threatens the survival of the local industry.](#)”



 **Pakistan:** The [country's beverage industry warned the Federal Board of Revenue that a proposed four-percent federal excise duty – dubbed as a “sugar tax” – not only would raise prices, but also would hurt the \\$200-million worth of investments planned by two key carbonated soft-drink companies.](#)


Furthermore, Pepsi and Coca-Cola said they are the only industry within the food-and-beverage sector targeted by health taxes: [“Additional implementation of the sugar tax on top of a high federal excise duty will lead to double taxation and the complete collapse of legitimate tax-paying manufacturers in the beverage industry.”](#)

 **Philippines:** Retailers said a [tax on sugary beverages would negatively affect their business:](#) “The biggest that will be hit (by this tax measure) will be the sari-sari stores, since many of them carry just junk food and sweet beverages. These are the big items they buy in supermarkets to resell in neighborhood areas, near schools, and on the sidewalks.”


 **South Africa:** San Antonio Canegrowers requested the government to [remove the Healthy Promotion Levy in order to allow companies to grow.](#) Also, the Beverage Association of South Africa argued that [employment decreases in the sector were due to the tax.](#)

b. Claim the policy will negatively affect vulnerable members of society

Industry message: *Taxes are regressive, and will harm low-socioeconomic families and communities.*


 **Ghana:** The Food and Beverage Association of Ghana claimed that the juice drinks included in the tax are bought mostly by children, and any increase in their price due to taxes [would make them totally unaffordable.](#)

 **Mexico:** The National Association of Producers of Soft Drinks and Carbonated Waters stated that the [sugary-drink taxes recommended by the World Health Organization are a burden for poor families.](#)

 **Philippines:** The [Joint Foreign Chambers urged the Philippine government to reconsider its plan to impose new taxes](#) on “junk food” and higher taxes on SSBs, arguing that middle- and lower-middle-class households are [the main consumers of those products, and would be negatively impacted by further taxes put on them.](#)





 **South Africa:** The chief economist at Agri SA – a federation of agricultural organizations – argued that the wine, tobacco, and [sugar industries had been hardest hit by COVID-19-related restrictions](#) and by the 2021 South African unrest, and that sugary-beverage taxes would prevent these industries from fully recovering from those economic difficulties and would jeopardize many marginal jobs.


 **Vietnam:** Businesses claimed that their sector had been [struggling to recover from the pandemic, and a sugary-drink tax would add a new burden on industry](#) by promoting the [perpetuation of higher retail prices and lower consumer demand](#).


3. Leverage individual-responsibility claims

The UPP industry often challenges effective healthy food policies using messaging around individual responsibility and paternalism, stating that people have the right to make their own decisions about what they consume, and that taxes unfairly limit their choices. But those arguments disregard human and planetary health, and the commercial determinants of health.

 **Australia:** The Australian Beverages Council led the opposition to a tax on sugar-sweetened beverages, claiming that [individuals are responsible for adopting own healthier lifestyles](#), and [government should not interfere with personal choice by influencing what consumers buy, eat, or drink](#).

 **Canada:** Faced with the government’s proposal to tax SSBs, companies said that imposing such a tax on indigenous consumers would be unethical, would contravene current tax law, [and would undermine indigenous people’s rights to self-determination](#).

 **Peru:** The Abresa trade association actively [opposed a sugary-drinks tax](#), and proposed to the Ministry of Health and Education some alternatives related to individual responsibility, such as educational campaigns designed to reverse the excessive consumption of sugars and encourage development of sports practices.


 **United Kingdom:** In response to a sugary-beverages tax, the British Soft Drinks Association has continually claimed that [soft drinks play a positive role in a balanced diet](#).





4. Propose voluntary agreements or self-regulation as alternative solutions


At the **global level**, the International Food and Beverage Alliance said that it has been working for many years on a [voluntary strategy to reduce sugar consumption](#), including reformulating products to reduce added sugar, delivering low- and no-calorie options, and reducing package sizes to promote portion control.

Asia: The multinational beverage giant Suntory Beverage and Food Asia Pacific stated that [“forward-thinking” self-regulation to reduce sugar is important](#) in order to avoid taxes on sugary beverages.

 **Australia:** The [Australian Beverages Council](#), representing the nation’s nonalcoholic drinks industry, proposed [voluntary agreements](#) in response to a call from the Australian Medical Association for a tax on consumers and on local businesses that manufacture sweetened beverages.

 **Ireland:** PepsiCo’s response to the Department of Finance consultation on a sugar-sweetened-drinks tax was to propose voluntary measures to reduce calories: [“We recognize the role of the industry in helping to combat obesity and have a strong following record number of voluntary actions to transform our beverage portfolio.”](#)

 **Mexico:** In response to an article on the impact of Mexico’s tax on SSBs, the [International Council of Beverages Associations](#) claimed that [self-regulation measures are more effective](#), arguing that “fiscal interventions have not proven to be successful in terms of obesity reduction. What actually works is real, meaningful, coordinated efforts by government, industry, and healthcare and consumer stakeholders in local markets around the world, working together to implement evidence-based solutions.”






 **Singapore:** Coca-Cola Asia, responding to the announcement of a tax on sugary drinks, said that other measures are [more effective, such as voluntary agreements to reduce sugar content](#).

B. Industry narratives: Policy implementation



Once taxes on unhealthy foods and beverages are approved, the UPP industry uses different narratives and tools to postpone or oppose their implementation – including legal threats or mechanisms to prevent implementation, or obstruction of potential amendments to the policy design.



1. Oppose adjustments to the tax measures

-  **Bermuda:** The One Bermuda Alliance said an [approved levy should be abolished because the projected health benefits from the tax had not been proven](#) and it was now being used as only a governmental revenue-raising device.
-  **Mexico:** The National Association of Soft Drinks and Carbonated Water Producers – made up of 120 beverage bottlers – stated that a tax on sugary beverages shouldn't be updated because [the tax had not been effective and was actually a tax on the “poor.”](#)
-  **Nigeria:** In response to a proposal to raise the tax on sweetened beverages by 20 percent, the Manufacturers Association of Nigeria – which includes about one-third of the country's manufacturing sector – argued that it was anti-business: [“Most certainly, the additional 20% will not only kill the sector, but also result in the loss of revenue by the federal government and a consequential phenomenal loss of jobs by various layers of the Nigerian workforce.”](#)
-  **Pakistan:** [Corporations argued that for their industry to continue to grow, the federal excise duty must be maintained at its current rate](#), making up for higher prices of key raw materials, high inflation, and supply-chain disruptions.
-  **South Africa:** Despite the request from civil society to raise the tax on sugar-sweetened beverages to help reduce and prevent NCDs, the government refused and [froze the tax level for two years](#), following heavy lobbying from groups like the Sugar Association of South Africa and South African Cane Growers Association.

2. Leverage legal tactics to stop the implementation of approved taxes

-  **Colombia:** The [industry legally challenged an approved tax, citing constitutional grounds](#), and using economic panic, private property and other commercial arguments to argue that the tax will negatively impact low-income households.
-  **Spain:** Many industry associations – including the Spanish Federation of Food and Beverage Industries, the Association of Spanish Supermarket Chains, and others – filed a legal action against an approved tax on SSBs, and it reached the Superior Court of Justice of Catalonia. [The court declared the decree of the Catalan Government null and void.](#)



United States:

In **California**, during a sugary-drink-tax ballot process, two people from Berkeley's No Drink Tax campaign [filed a lawsuit against the City of Berkeley and the Berkeley City Council, requesting changes to the adopted ballot language related to the so-called "soda tax."](#)

In **Illinois**, the Illinois Retail Merchants Association filed a complaint for injunctive relief and declaratory judgment to preemptively enjoin collection of a sugary-beverage tax. The plaintiffs argued that the measure violated the Illinois Constitution's uniformity clause and was unconstitutionally vague. [On November 10, 2016, the Cook County Board of Commissioners enacted the Sweetened Beverage Tax Ordinance.](#)

In **Pennsylvania**, [the American Beverage Association filed a lawsuit against a sweetened-beverages tax, claiming it was unconstitutional.](#)



The United Kingdom: [Soft drink manufacturers considered filing suit against the government regarding an approved sugar-sweetened-beverages tax, because other types of food and drinks were not included in the tax.](#)

C. Industry narratives: Greenwashing

UPP industry members position themselves as essential actors in different arenas, like agricultural production, in order to help connect their products with real food. They also promote their environmental commitments - especially to tackle plastic pollution and protect water - while partnering with civil society organizations to publicly promote these commitments.

1. Promote key role in agricultural production







Colombia: During debate over a tax on SSBs, [Postobón provided \\$278 million in financial incentives for the production of fruit, benefiting 1,016 farmers](#) who belong to the [HIT SOCIAL program](#). With the support of these farmers, the company positioned itself as supporting Colombian farmers and rural food producers during tax discussions.




Ghana: The General Secretary of the Food and Beverage Association of Ghana asked [industry members to critically assess how they could contribute to producing fruits, among other foods, for beverage manufacturing.](#)



2. Boost environmental commitments related to plastic pollution and water

-  **Indonesia:** During discussions over a special tax on sugary drinks, Coca-Cola's Director of Corporate Communications for Indonesia and PNG Coca-Cola Europacific Partners, along with other high-level executives, presented a proposal to [support a circular economy and address the country's plastic-waste issues](#).
-  **Mexico:** While discussing a redesign of the existing sugary-beverages tax for greater efficacy, Mexican beverage and retail giant FEMSA created corporate social-responsibility programs to help populations [protect water sources](#). Such initiatives put the responsibility of caring for water on individuals, and the company evades its accountability and continues to water resources to produce sodas.
-  **Pakistan:** While debating a sweetened-beverages-tax increase, Pepsi-Cola announced a [new partnership](#) with the Sustainable Development Policy Institute to offer environmental protection solutions. PepsiCo Pakistan CEO said PepsiCo was committed to [identifying real solutions for some of the most pressing environmental issues facing the world today](#), to make things better for people and the planet. Similarly, Northern Bottling Company, a PepsiCo subsidiary, announced a new association intended to reduce the impact on water and emissions during the bottling process.
-  **Vietnam:** Parallel with government announcements of a sugar-sweetened-beverage tax, Suntory and Suntory PepsiCo announced a strengthening of the "[Mizuiku - I Love Clean Water](#)" program, designed to help conserve water resources and empower the Vietnamese people.

3. Capture civic-organization influence

-  **Ghana:** The [Ghana Labor Federation joined with the Food and Beverage Association of Ghana](#) to demand a suspension of a tax on SSBs, arguing the tax would negatively affect consumption, saying "the increase in the cost of production and the [decrease in the purchasing power of consumers](#) already threatens the survival of the local industry.
-  **Mexico:** During debate on a tax on sugary drinks, [the Mexican Diabetes Federation publicly opposed the tax, advocating in UPP industry interests and contradicting its affiliation with the World Diabetes Federation](#). The Federation's spokeswoman at the time was later hired



by another Coca-Cola-sponsored organization. The industry also opposed the tax using narratives about physical activity and individual responsibility, forming an association agreement between MOVISA (created by Coca-Cola and Bimbo, among other corporations) and the Healthy Weight Commitment Foundation.



Philippines: Bantay Palengke, an organization of Filipino consumers, [opposed the recommendation of Finance Secretary Benjamin Diokno to levy additional taxes on high-sodium food products and sugary beverages](#), stating “We know for a fact that many poor Filipinos rely on cheap instant noodles and canned goods due to our current economic situation.”



United Kingdom: Civil society organizations – such as the Conservation Volunteers – opposed a tax on sweetened beverages, using the [same industry narratives about physical activity and individual responsibility](#). Additionally, [Coca-Cola has sponsored British organizations such as UKActive](#), the British Dietetic Association, the British Nutrition Foundation, and the National Obesity Forum.





Annex Useful resources on taxation

- University of North Carolina - [Chapel Hill global maps showing locations with taxes on sugar-sweetened beverages or unhealthy foods.](#)
- University of North Carolina - [Chapel Hill factsheet on fiscal policies.](#)
- GHAI evidence sheet: [Sugar-Sweetened Beverage Taxation – Industry Arguments.](#)
- [FULL](#), a discovery tool of food laws and decisions aimed at reducing diet-related noncommunicable diseases.
- [GHAI](#) article, Lessons learned from researchers and advocates on passing and implementing SSB taxes.
- [World Bank SSB tax database.](#)
- [World Health Organization manual](#) on sugar-sweetened-beverage taxation policies.

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