***Conference Sub-Theme 3****: PHC and Healthcare financing*

**Fiscal Policies for Health**

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**OBJECTIVE**

Zambia is experiencing a rise in the mortality and morbidity associated with obesity related non-communicable diseases (NCDs); including cardiovascular disease, diabetes mellitus (Type II), and cancers. This will all have an associated cost of treatment, specifically with the introduction of the newly introduced NHIF bill.

The excessive consumption of sugar from non-alcoholic caloric beverages such as sugar-sweetened beverages (SSB), has been associated with obesity and related diseases such as CVDs and diabetes. The introduction of a sugar tax has potential to reduce the burden of NCDs and raise revenue which will add to the Zambian Budget

**METHODS**

A mathematical model was developed in Microsoft Excel to simulate the effects of introducing a SSB tax in Zambia. Baseline consumption values for SSBs and their substitutes were derived from the 2015 Zambia Living Conditions Monitoring Survey (LCMS) data. Age and sex specific Body Mass Index (BMI) were computed from the 2017 Zambia NCD STEPS Survey. Own-price and cross price elasticities from the literature were applied to find the effect of a 25% excise tax on SSB consumption, energy intake and the corresponding change in BMI, obesity prevalence, deaths averted, and life years gained. We conducted Monte Carlo simulations to construct 95% confidence bands and sensitivity analyses to account for uncertainties in key parameters.

**RESULTS**

Over a 40-year time horizon, a 25% SSB tax was found to avert 2,526 deaths. The tax was found to potentially generate an additional US$ 5.46 million (95% CI: US$ 4.66 million – US$ 6.14 million) in revenue annually.

**DISCUSSION AND CONCLUSIONS**

The introduction of an SSB tax in Zambia has the potential to significantly decrease the amount of disability-adjusted life years lost to lifestyle-related disease in women, highlighting important health equity outcomes. Women have higher baseline BMI and therefore are at higher risk for NCDs. In addition, the significant revenue generated through the introduction of an SSB tax may make an important contribution in financing the Zambian health system, given the limited financing options presently available.