RESEARCH ARTICLE

REVISED Impact evaluation of soft drink taxes as part of nutrition policies in Gulf Cooperation Council countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates [version 2; peer review: 1 approved, 1 not approved]

Previously titled: "Impact evaluation of national nutrition policies to address obesity through implementation of sin taxes in Gulf Cooperation Council countries: Bahrain, Saudi Arabia, Oman, United Arab Emirates, Kuwait and Qatar"

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Abstract

Background: Prevalence of overweight and obesity is high in the Eastern Mediterranean Region, and there are higher rates in Gulf Cooperation Council (GCC) countries. This had led GCC countries to impose policies that aim to decrease obesity, overweight, and diabetes rates. The objective of this research is to measure the impact of such implemented policy to reduce obesity, namely taxes applied to sugar-sweetened beverages (SSB) in GCC.

Methods: The impact of SSB taxes has been measured using a panel data set that covers sales volumes of soft drinks in GCC countries from 2010 to 2020.

Results: annual growth in soft drink sales volumes decreased; from 5.44% to 1.33% in Saudi Arabia, 7.37% to 5.93% in United Arab Emirates, and 5.25% to 5.09% in Bahrain from 2016 to 2017. In Qatar, a tax was implemented in 2019, and a reduction in sales volume growth was observed between 2019 and 2020 (3.78% to 2.45%), and in Oman a reduction was observed between 2018 and 2019 (3.60% to 2.99%). Kuwait was the last GCC country to implement taxes in 2020, and the growth in sales volumes decreased from 6.31% to 5.47% from 2019 to 2020.

Conclusions: The introduction of health-related taxes on soft drinks has been followed by a drop in the growth rates of sales in GCC countries. This, in turn, can be expected to contribute to a reduction in the prevalence of overweight and obesity, especially when combined with complementary public health policies and interventions. Hence,

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awareness campaigns should promote the reduction of the consumption sales of SSB and substitute with more consumption of fresh juices. These recommendations align with the recommended priority actions by the World Health Organization Strategy on nutrition for the Eastern Mediterranean Region 2020-2030 adopted by the countries of the Region in October 2019.

Keywords

Health and Economic Development, Health Behavior, Government Policy, Regulation, Public Health

This article is included in the **Agriculture, Food and Nutrition** gateway.

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REVISED Amendments from Version 1

I have made some modification to the paraphrasing of some sentences based on the recommendations of the reviewer. There was also a correction of the typo in the abstract and the results to the explanation of the data related to one of the countries. The discussion has been also edited based on the recommendation of the reviewer as her comments are of good value as they improve the quality of the paper. Co-author Rania Megally was an Independent Consultant at the time of writing and publishing the version 1 of this article but is now affiliated with "German International University for Applied Sciences (GIU), Administrative Capital, Regional Ring Road, Cairo, Egypt".

Any further responses from the reviewers can be found at the end of the article

Introduction

Excess caloric intake is considered one of the adverse related outcomes of the sugar-sweetened beverages intake (Fidler Mis *et al.*, 2017). This contributes to excess weight gain and the development of overweight and obesity, which in turn contribute to development of diet-related noncommunicable diseases (NCDs). WHO recommends reductions in free sugars intakes for adults and children (WHO, 2015a). Additionally, the extensive consumption of sugar is correlated with adverse health outcomes such as hyperactivity disorder and attention deficit disorder (Del-Ponte *et al.*, 2019; Johnson *et al.*, 2011).

The prevalence rate of obesity and overweight is high in the Eastern Mediterranean Region (EMR) and rates continue to rise. Among adults, age-standardized prevalence of overweight (including obesity) rose from 23.55 in 1975 to 31.8% in 2016, and within the Region there is substantial variation (Al-Jawaldeh *et al.*, 2020). Around 6% of children under five are overweight (Al-Jawaldeh *et al.*, 2020), which is greater than the global average rate of 6.2% (WHO, 2016a). Prevalence among children and adolescents (5–19 years) has increased dramatically from 7.4% in 1975 to 27.4% in 2016 (Al-Jawaldeh *et al.*, 2020). Furthermore, the rate is even higher for children living in Gulf Cooperation Council (GCC) countries (Abdul-Rasoul, 2012). Obesity in children increases the risk of experiencing difficulties in breathing and mental health issues and is an early cardiovascular disease marker (Pizzi & Vroman, 2013; WHO, 2016a). Moreover, obesity in children can negatively affect their educational attainments and quality of life. In addition, obesity in childhood is related to a high risk of obesity in adulthood, diabetes, and cardiovascular diseases (WHO, 2016c). Notably, there is a strong correlation between obesity and prevalence of diabetes (World Health Statistics, 2016). Figure 1–Figure 3 show the increase in prevalence of childhood obesity, overweight, and deaths due to diabetes in the GCC from 2010 to 2016.

Faced with this situation, GCC countries have imposed policies that aim to decrease prevalence of obesity, overweight, and diabetes. Such policies are part of an operational policy for diabetes that has been implemented in all GCC countries, except Oman, and an operational policy to reduce unhealthy diet related to NCDs, which was introduced in 2017 in all GCC countries (WHO, 2016b). One of the most important policies that has been implemented is the imposition of taxes

Figure 1. Prevalence Rate of overweight children from 2012 to 2016 in Gulf Cooperation Council countries. Source: WHO: 1- <http://apps.who.int/gho/data/view.main.CTRY2430A>; 2- <http://apps.who.int/gho/data/view.main.CTRY2450A?lang=en>; 3-<http://apps.who.int/gho/data/view.main.2464ESTANDARD>; 4- <http://apps.who.int/gho/data/view.main.NCDRGLUCAv>.

Figure 2. Prevalence Rate of obesity in children from 2012 to 2016 in Gulf Cooperation Council countries. Source: the data were collected by WHO: 1- <http://apps.who.int/gho/data/view.main.CTRY2430A>; 2- <http://apps.who.int/gho/data/view.main.CTRY2450A?lang=en>; 3-<http://apps.who.int/gho/data/view.main.2464ESTANDARD>; 4- <http://apps.who.int/gho/data/view.main.NCDRGLUCAv>.

Figure 3. Number of Deaths due to diabetes in children from 2010 to 2016 in Gulf Cooperation Council countries. Source: <http://apps.who.int/gho/data/view.main.NCDDEATHCAUSESNUMBERv>.

on sugar-sweetened beverages (SSB), with the aim of reducing soft drink sales and consumption in order to contribute to reductions in the prevalence rates of obesity and overweight, which threaten to undermine health and, thus, the whole economy in the short and long term. GCC countries adopted a 50% tax on carbonated drinks and 100% tax in energy drinks in 2016 (Whitehead, 2019). Saudi Arabia was the pioneer in implementation of the tax followed by United Arab Emirates (UAE) (these two countries implemented the taxes on SSB in 2017) and then Bahrain, also in 2017. Oman and Qatar proceeded with the implementation at the beginning of 2019, and Kuwait in 2020 (Table 1) (Whitehead, 2019).

WHO recommends introduction of taxes on sugar-sweetened beverages (SSBs), but this does not negate the importance of the government's role in running awareness campaigns. Such campaigns are crucial to raise awareness of children and parents of good nutrition, and can support the application of SSB taxes to reduce sugar intakes. These campaigns are important because children's food preferences can be affected by their parent's preferences, mass media and food marketing, peer group, nutritional knowledge, and socio-economic factors (McCullough *et al.*, 2004). Educating children about proper nutrients is essential via nutrition education programs in schools and pre-schools. Nutrition education programs are more effective when they are implemented for long periods (Kim *et al.*, 2018; Sullivan & Birch, 1990; Yeom & Cho, 2016). It is now clear that information and education activities need to be accompanied by a variety of complementary food environment measures to promote and facilitate healthy diets, including fiscal policies (taxes/subsidies, nutrition labelling, standards for foods in public institutions and use of food standards/legislation and food reformulation programmes to improve the nutritional quality of food (WHO, 2017)

World Health Organization recommendations and fiscal policies

Given the fact that food preferences have an impact on lifelong eating habits and health, proper nutrition and adequate selection of food is crucial in early childhood (Okubo *et al.*, 2016; Ventura & Worobey, 2013).

With the rise in the intake of sugars, the World Health Organization (WHO) recommends a decrease in free sugar intakes to less than 10% of the total calories consumed (noting that further reduction to not more than 5% of energy from sugars will bring additional health benefits) (WHO, 2015a). Free sugars include monosaccharides and disaccharides added to foods and beverages by the manufacturer, cook or consumer,

and sugars naturally present in honey, syrups, fruit juices and fruit juice concentrates (WHO, 2015a). Children are usually exposed to sweet taste when they are infants which increase their intake of sugary foods when they grow up (Foterek, 2016; Okubo *et al.*, 2016). Hence, it is crucial to construct an environment that discourages consumption of free sugars (Yeom & Cho, 2019).

Hence, a policy and an action plan for sugar reduction has been developed by the World Health Organization Regional Office for the Eastern Mediterranean, based on WHO guidelines (Alwan *et al.*, 2017) in order to reduce sugar intake by more than 50% for children and adults (WHO, 2020). This is complementary to the regional nutrition strategy (WHO, 2019) and the regional framework for action on obesity reduction (WHO, 2019). Accordingly, one important initiative of the Regional Office is the implementation of fiscal measures that have been constructed to support the actions for obesity prevention 2019–2023. These measures include taxes on SSB, in addition to other taxes and subsidies that promote healthier diets (WHO, 2019).

Objectives

This research has the following objective:

1. Measure the impact of implemented taxes on the level of SSB sales in GCC countries which have applied such taxes (Table 1).

Methods

This paper measured the impact of sin taxes on SSB using a panel data set that covers sales volumes of soft drinks in the GCC from 2010 to 2020. The data were secondary data collected by Global Company Intelligence (GCI) (Underlying data (Megally, 2020)), which is a company that specializes in collecting data from national governments and international industrial companies. GCI created a report for the authors with the following variables for the period 2010–2020 of the GCC countries Saudi Arabia, UAE, Bahrain, Oman, Qatar and Kuwait: consumption volumes of soft drinks in million liters per year, percentage growth from previous period to current (PP Growth %), percentage growth from previous period to current period in million litres, and value of soft drinks in million dollars and local currency of each country per year.

The results have been analysed using STATA 15.0 starting with descriptive statistics, then testing the normal distribution of the time series of both independent and dependent variables using the Shapiro-Wilk test. Finally, the impact of sin taxes on sales volumes has been tested via t-tests, average treatment

Table 1. Year of implementation of SSB tax policy on sugar-sweetened beverages in Gulf Cooperation Council countries*.

Year	2017			2019		2020
Country	Saudi Arabia	United Arab Emirates	Bahrain	Oman	Qatar	Kuwait

* Initially the taxes were all introduced at a rate of 50% on carbonated beverages and 100% on energy drinks.

effects, difference-in-difference estimation, and separate regression analysis.

Measuring the average treatment effect and the difference-in-difference necessitate a random selection of the treatment and control groups conditioning on some observed characteristics X . This enhances an unbiased estimation of the treatment effect. Ravallion (2007) has illustrated a model to simplify the idea by assuming $Y_i(1)$ as Y_i^T and $Y_i(0)$ as Y_i^C where the following equation can be applied to a subsample of treated and untreated as follows:

$$Y_i^T = \alpha^T + X_i \beta^T + \mu_i^T \text{ if } T_i = 1, i = 1, \dots, n \quad (1)$$

$$Y_i^C = \alpha^C + X_i \beta^C + \mu_i^C \text{ if } T_i = 0, i = 1, \dots, n \quad (2)$$

One single regression can be estimated by pooling the data for both treatment and control groups ending up with the following:

$$Y_i = \alpha^C + (\alpha^T - \alpha^C)T_i + X_i \beta^C + X_i(\beta^T - \beta^C)T_i + \varepsilon_i, \quad (3)$$

where $\varepsilon_i = T_i(\mu_i^T - \mu_i^C) + \mu_i^C$. Hence, the treatment effect that can be derived from Equation 3 can be represented in $A^{TT} = E(Y_i | T_i = 1, X) = E[\alpha^T - \alpha^C + X_i(\beta^T - \beta^C)]$. A^{TT} refers to the treatment effect on the treated only. Given Equation 3, the treatment effect can be consistently estimated with OLS under the following assumption $E(\mu_i^T | X, T = t) = E(\mu_i^C | X, T = t) = 0, t = \{0, 1\}$ that predicts no selection bias because of randomization. Practically, the common impact-model is usually assuming $\beta^T = \beta^C$, resulting with the average treatment effect ATE as $\alpha^T - \alpha^C$.

For the difference-in-difference, let's assume the binary regressor explained as follows

$$D_{it} = \begin{cases} 1 & \text{if individual } i \text{ exposed to the treatment in period } t, \\ 0 & \text{otherwise.} \end{cases} \quad (4)$$

Assuming that y_{it} fixed effects model with

$$y_{it} = \phi D_{it} + \delta_i + \alpha_i + \varepsilon_{it}, \quad (5)$$

Where α_i is an individual-specific is fixed effect, and δ_i is a time-specific fixed effect. This is equivalent to regressing y_{it} on D_{it} as well as fixed effects of set of time dummies and individual-specific effects. If there are no other regressors for simplicity, the individual effects α_i can be reduced by first differencing concluding

$$\Delta y_{it} = \phi \Delta D_{it} + (\delta_t - \delta_{t-1}) + \Delta \varepsilon_{it} \quad (6)$$

In this view, the impact of the treatment ϕ can be estimated by pooled OLS regression of Δy_{it} on ΔD_{it} as well as time dummies set.

If we considered two period of time only instead of set of time periods assuming that treatment takes place in period 2 only, so for all individuals in period 1 $D_{i1}=0$, but in period 2 $D_{i2}=1$

only for the untreated individuals and $D_{i2}=1$ for the treated. Hence i subscript can be dropped from (6) to end up with

$$\Delta y_i = \phi D_i + \delta + v_i \quad (7)$$

Where D_i is a binary variable indicates whether the individual in the treated or untreated group. In that view, OLS regression of Δy on the binary regressor D and an intercept can be used to estimate the treatment effect. If we defined the sample average of Δy_i for the treated by $\Delta \bar{y}^{tr}$ where $D_i=1$ and the sample average of Δy_i for the nontreated is defined by $\Delta \bar{y}^{nt}$ where $D_i=0$. Accordingly, the estimator of the OLS will be reduced to

$$\hat{\phi} = \Delta \bar{y}^{tr} - \Delta \bar{y}^{nt} \quad (8)$$

This estimator represents the differences-in-differences (DID) estimator. It is called difference in difference as one of the differences estimates the difference in time for both the treated and nontreated groups and then this difference is taken in the time differences. Definitely, this can be extended from panel data to separate cross sections data if they are available in the two periods. The averages for the treated and untreated groups in the first period will be denoted in $\bar{y}_1^{tr}$ and $\bar{y}_1^{nt}$ and similar averages for both groups in period 2 can be denoted in $\bar{y}_2^{tr}$ and $\bar{y}_2^{nt}$. This will be applicable if it possible that the individual has been identified as treated or untreated in the first period. Hence, the estimator will be as follows:

$$\hat{\phi} = (\bar{y}_2^{tr} - \bar{y}_1^{tr}) - (\bar{y}_2^{nt} - \bar{y}_1^{nt}) \quad (9)$$

A consistent estimation of ϕ for preceding formulation of the DID estimator requires certain assumptions. First assumption states that the time effects δ_i are common between the untreated and treated groups. Second assumption assumes stability of composing treated and untreated groups before and after the assignment of the treatment as the fixed effects α_i is eliminated with panel data differencing. For the repeated cross-section data, it is implied from model (5) that $\bar{y}_t^{tr}$ and $\bar{y}_t^{nt}$ are denoted as follows:

$$\bar{y}_t^{tr} = \phi + \delta_t + \bar{\alpha}_t^{tr} + \bar{\varepsilon}_t^{tr} \quad (10)$$

$$\bar{y}_t^{nt} = \delta_t + \bar{\alpha}_t^{nt} + \bar{\varepsilon}_t^{nt} \quad (11)$$

Considering the occurrence of the treatment in the second period only, the following will bring about:

$$\phi = ((\bar{y}_2^{tr} - \bar{y}_1^{tr}) - (\bar{y}_2^{nt} - \bar{y}_1^{nt})) + (\bar{\alpha}_2^{tr} - \bar{\alpha}_1^{tr}) - (\bar{\alpha}_2^{nt} - \bar{\alpha}_1^{nt}) + v, \quad (12)$$

Where $v = (\bar{\varepsilon}_2^{tr} - \bar{\varepsilon}_1^{tr}) - (\bar{\varepsilon}_2^{nt} - \bar{\varepsilon}_1^{nt})$. The consistency of $\hat{\phi}$ as in Equation (9) will occur if the assignment of the treatment is random and if $\text{plim}(\bar{\alpha}_2^{tr} - \bar{\alpha}_1^{tr}) = 0$ and $(\bar{\alpha}_2^{nt} - \bar{\alpha}_1^{nt}) = 0$

Results

Table 2 shows the decline in percentage change of SSB sales following imposition of soft drink taxes, from 2016 to

2020 in all countries assessed. This reflects the preliminary effect of excise taxes on sales, as will be further explained in the following sub-sections. Saudi Arabia and UAE had implemented excise taxes on SSB in 2017, followed by Bahrain. Oman and Qatar implementing the policy by the beginning of 2019 and then finally Kuwait implemented in 2020 (Table 1) (Whitehead, 2019).

The growth rate of sales volumes decreased from 5.44% to 1.33% in Saudi Arabia, 7.37% to 5.93% in UAE, and 5.25% to 5.09% in Bahrain from 2016 to 2017. The growth rate of sales

volumes in Oman showed a drop from 2018 to 2019 (Oman: 3.60% to 2.99%), Qatar showed a decrease in sales growth in the years following implementation of the excise taxes from 2019 to 2020 (Qatar: 3.78% to 2.45%). In Kuwait, the growth rate of sales volumes decreased from 6.31% to 5.47% from 2019 to 2020.

Estimating the impact of soft drink taxes on the change in sales volume over years

Growth in sales volume of soft drinks decreased when specific taxes have been applied, as shown in Figure 4. The increasing

Table 2. Trends of percentage growth in sales of sugar-sweetened beverages from previous period to current period in Gulf Cooperation Council countries.

Year	Bahrain	Kuwait	Qatar	Oman	Saudi Arabia	United Arab Emirates
2016	5.25	6.51	5.88	5.64	5.44	7.37
2017	5.09	4.45	2.68	4.47	1.33	5.93
2018	-2.68	6.51	2.30	3.60	2.52	5.55
2019	0.51	6.31	3.78	2.99	2.34	6.82
2020	0.95	5.47	2.45	3.09	2.76	6.19

Figure 4. Sales volume of sugar-sweetened beverages between 2010 and 2020 in Gulf Cooperation Council countries.

trend in sales volume of SSB between 2010 and 2020 can be observed. However, the rate of change of sales volume starts to decrease sharply in 2017 in Saudi Arabia, Bahrain and UAE, and 2019 in Qatar and Oman, which is when soft drink taxes were, applied (Figure 5).

Testing normal distribution of the time series variables

The normal distribution of sales volume, the growth rate of sales volume, as well as the value in million dollars had been tested before estimating the model using the Shapiro Wilk test, where H_0 assumes a normal distribution of the variables. The

results in Table 3 show that the time series of the variables are normally distributed, which qualifies them to be used in the regression model except for the sales volume of Bahrain and the growth rate of sales volume of Oman.

Before measuring the impact of soft drink taxes on each country separately, the difference of average change in sales volumes between the GCC countries who applied sin taxes in 2017 as a treatment group with the remaining GCC countries who applied the policy later in 2019 and 2020 as a control group has been measured via t-tests. The results of the first t-test

Figure 5. Percentage point change of sales volumes of sugar-sweetened beverages between 2010 and 2020 in Gulf Cooperation Council countries.

Table 3. Shapiro-Wilk normal distribution.

Variable	Bahrain	Kuwait	Qatar	Oman	Saudi Arabia	UAE
Volume (in Million Liters)	(<0.10)	(> 0.10)	(> 0.10)	(> 0.10)	(> 0.10)	(> 0.10)
PP Growth	(> 0.10)	(> 0.10)	(> 0.10)	(<0.10)	(> 0.10)	(> 0.10)
Value (in Million Dollars)	(> 0.10)	(> 0.10)	(> 0.10)	(> 0.10)	(> 0.10)	(> 0.10)
Observations	11	11	11	11	11	11

observed that there is a significant decrease in the change of sales volumes in the countries that applied the policy versus the control group who had not applied the policy in 2017 with significance <1%. The average decrease of sales volumes growth of soft drinks is represented by 2.637 percentage points reduction in the treatment group versus the control group (Table 4). In addition, there is a significant difference of average change in sales volumes for all GCC countries when compared with the volumes before the implementation of the excise tax policy in 2017 in some GCC countries versus after implementation. The results show that there is a significant decrease by 2.577 percentage points in the change of sales volumes after 2017 relative to the change of sales volumes before 2017 in all GCC countries.

Table 5 shows the estimation of average treatment effect (ATE). The average treatment effect of applying soft drinks taxes on the growth rate of the sales of SSB has been measured using one outcome represented in the change in sales volume. The model observed the potential means of the growth rate of SSB sales controlling for the price of the beverages in dollars. The potential mean of the growth rate of SSB sales in the control group is 6.10%; while, the mean is lower for the countries in the treatment group represented in 3.229%. Such results estimated a negative impact of applying soft drink taxes on the growth rate of sales that is represented by 2.87% less. This implies that the potential means of the growth rate of SSB consumption was reduced by 2.87%. The ATE is significant, which gives enough evidence to reject the null-hypothesis that states there is no difference between the means of the growth rate of the growth rate of sales of both the treatment and control groups. These results support the estimated observations of the t-test.

The impact of the treatment has been also measured by *difference-in-difference* estimator comparing the difference in the growth rate of sales between the treatment and control groups. In addition, the difference in the growth rate of sales have been compared over time with the variable time taking value of 1 starting from 2017 and later and value of 0 when year is before 2017. The difference in both differences is measured by the coefficient of *difference-in-difference*. The estimator shows a significant negative impact of soft drink taxes on the growth rate of sales, which showed a decrease in the growth rate by 3.03% in the treatment group countries relative to the control group countries after imposing the excise taxes policy after 2017 (Table 6).

The impact of sin taxes for each country has been tested via the following model:

$$SalesVol_t = \beta_0 + \beta_1 Price_t + \varepsilon$$

Where $SalesVol_t$ refers to the change in sales volume in million litres and $Price_t$ refers to the price of soft drinks in million US dollars.

The results show that soft drink taxes have a significant negative impact on the change of sales volume over years with significance level <5% and high R^2 . This implies that the implemented soft drink taxes decreased the rate of sales volumes of such drinks in Qatar, Oman, UAE, and Saudi Arabia by 0.8%, 1%, 0.1%, <0.1%, respectively. However, the estimated impact of soft drink taxes did not show significant impact of on sales volumes in Bahrain, which is supported by zero R^2 . This implies that the model does not estimate the impact of

Table 4. T-tests of change in sales volume.

	Change in sales volumes (treatment vs. control)		Change in sales volumes (before 2017 vs. after 2017)	
	No Sin Taxes	With Sin Taxes	Before 2017	After 2017
Mean	5.878	3.241	6.136	3.559
No. of Observations	49	17	42	24
Difference	2.637***		2.577***	

*** The coefficient is significant at <1% significance level

Table 5. Estimation of average treatment effect of soft drink taxes on the growth rate of SSB consumption.

	Change in sales volumes
Potential mean control	6.101***
Average treatment effect	-2.872***
No. of observations	66

*** The coefficient is significant at <1% significance level

soft drink taxes on sales volumes. For Kuwait, the estimated model showed that the higher the value of soft drinks, the higher the sales. However, the model of Kuwait should be estimated later since the policy had just been implemented in 2020 during the lockdown of COVID-19, so the soft drink taxes have not yet shown an impact on Kuwaiti sales volumes (see Table 7).

Discussion

NCDs are a major cause of death and disability in GCC countries. In Qatar, NCDs are responsible for more than half of deaths every year. More than two-thirds of the population (70.1%) are overweight or obese — with women more likely than men to be affected by obesity — and more than quarter (27%) of school children suffer from one or more forms of malnutrition (overweight, obesity, underweight or stunted growth). As in other countries of the Eastern Mediterranean Region, Qatar suffers from a high burden of NCD-related risk factors, such as physical inactivity, tobacco use, and unhealthy diets high in salt, sugar and fat (Al-Kaabi & Atherton, 2015). Similarly, UAE children are facing increased risk of obesity and overweight, and the frequency of obesity among youth is two to three times more than the global average. The implications of childhood obesity on public health are profoundly increased for UAE children and adults, since overweight and obesity increase (Al-Haddad *et al.*, 2005; Malik & Bakir, 2007).

In Oman, it had been shown that 25.7% of 15-19 aged Omani girls were obese/overweight. Based on the high consumption of sugary drinks among adolescents, as well as other practices that are categorized as unhealthy dietary practices, obesity among children is becoming an increasingly serious concern

(Alasfoor *et al.*, 2007; WHO & Oman MOH, 2017; WHO & Oman MOH, 2010). Similar prevalence rates were observed in Bahrain where the prevalence of obesity and overweight in males ranged from 15.7% to 28.9% and from 21.1% to 30.7% among females. High consumption of fast food, sugary beverages, chocolates and sweets are expected to have the highest contribution to the high prevalence rates of obesity in children in Bahrain (Musaiger *et al.*, 2011). It has been also observed that obesity is considered a problem among Bahraini school children that has led to calls for interventions to eradicate obesity among schoolchildren (Musaiger *et al.*, 2014).

Kuwait has also observed an increasing trend in overweight and obesity. Prevalence of overweight (including obesity) among adults increased from 71.7% to 73.4% from 2012 to 2016, and prevalence of obesity increased from 35.6% to 37.9% from 2012 to 2016 (WHO, 2016f). Similarly in Saudi Arabia, the obesity and overweight prevalence rate has increased alarmingly among Saudi Arabian children (Al-Hussaini *et al.*, 2019).

Prevalence rate of obesity, overweight and deaths due to diabetes have increased in the last decade in the EMR and the rate is higher for children living in GCC countries (Abdul-Rasoul, 2012). NCDs play a major role in the high rate of deaths in GCC countries annually. Malnutrition and diet-related NCDs do not only affect adults, but schoolchildren suffer from diabetes, obesity, overweight, underweight and stunted growth (WHO, 2016d). These facts prompted GCC countries to introduce an operational policy for diabetes, and an operational policy to reduce unhealthy diet related to NCDs, which was adopted in 2017 (WHO, 2016e). There has been considerable progress in implementation of policies to tackle unhealthy diet in GCC countries, and one such policy is the introduction of a health-related tax on non-alcoholic beverages (Al-Jawaldeh *et al.*, 2020).

The current study aimed to measure the effect of implemented excise taxes on soft drink sales. Our results showed that the rate of change in sales volume over the last decade in GCC countries started to decrease sharply in the year when health-related taxes were applied to the prices of soft drinks. Sales volumes were increasing but at decreasing rates, and the tax had a significant negative impact on the change of sales volumes over the past 10 years. However, Kuwait has applied the taxes

Table 6. Difference-in-difference estimation in the growth rate of consumption.

	Change in sales volumes
Diff-in-Diff	-3.029***
Value (in dollars)	0.0002
Constant	5.509
R ²	0.2134

*** The coefficient is significant at <1% significance level

Table 7. Estimating the impact of sin taxes on sales volume using regression model.

	Change in volume					
	Bahrain	Kuwait	Qatar	Oman	Saudi Arabia	UAE
Value (in dollars)	-0.0001339	0.8694195***	-0.008437**	-0.0130668**	-0.0011593***	-0.0008054***
Constant	3.690532	174.077	13.06856	15.21186	14.2385	9.383132
R ²	0.0000	0.9924	0.5068	0.3965	0.7174	0.5486

** The coefficient is significant at <5% significance level; *** The coefficient is significant at <1% significance level

in 2020, and it is still too early to determine the impact on the sales of SSB. In addition, the policy had been applied in the time of the COVID-19 lockdown, which may have had an impact on its effectiveness. Also, the results showed that the model did not estimate the impact of taxes on the sales volumes of SSBs in Bahrain, as the model may require more explanatory variables to explain the variation in sales due to the variation in SSB prices. Generally, the growth in sales was 2.87 percentage points lower in the treatment group countries compared to the control group. The growth rate of sales volumes decreased (Alsukait *et al.*, 2020; Megally & Al-Jawaldeh, 2020) from 5.44% to 1.33% in Saudi Arabia, 5.25% to 5.09% in Bahrain and 7.37% to 5.93% in UAE from 2016 to 2017. In Oman, growth in sales volumes decreased between 2018 to 2019 as their excise taxes were implemented in 2019 (Oman: 3.60% to 2.99%;). Qatar showed an impact of applied taxes in the year following tax imposition, between 2019 and 2020, representing a decrease from 3.78% to 2.45%. Kuwait was the last GCC country to implement the excise taxes in 2020 and the figures shows that the growth rate of sales volumes decreased slightly from 6.31% to 5.47% between 2019 and 2020. These results suggest the application of soft drink taxes can have an impact on sales of soft drinks in countries in the EMR.

These results align with the evidence-based nutrition strategies of the United Nations Decade of Action on Nutrition 2016–2025. Studies suggest that fiscal measures of taxes and subsidies are effectiveness in shifting purchasing habits and help to promote healthy diets (Thow *et al.*, 2014; WHO, 2015b; WHO, 2016g). The implemented excise taxes can be expected to decrease the obesity levels among children in GCC countries in the coming years. The results are in line with the experience of Mexico, which in 2012, faced with the highest level of sugary drink consumption worldwide (Valadez, 2013) along with high prevalence rates of obesity and overweight among children and adults, 30% and 71%, respectively (Barquera *et al.*, 2013; Encuesta Nacional de Salud y Nutrición (2012), introduced a tax on SSBs. Studies show that the implemented excise taxes on SSBs played a role in decreasing the sales volumes of SSBs in Mexico (Colchero *et al.*, 2016; Pan American Health Organization, 2015). Other studies have observed similar changes in sales volume trends, further supporting the evidence of that application of SSB taxes can result in a decrease in purchases of SSBs by 20-50%, compared to expected levels based on trends prior to introduction of the taxes (Colchero *et al.*, 2016; Ells *et al.*, 2015; Mozaffarian *et al.*, 2012; Powell *et al.*, 2013; Thow *et al.*, 2014; WHO, 2015b; WHO, 2016g). Hence, it is

recommended to apply taxes to SSBs. To maximize the effectiveness of such taxes, they should be applied to all sugar-sweetened beverages — although the original GCC measure adopted applied to carbonated drinks and energy drinks, Saudi Arabia, for example, later applied a 50% tax to other sugar-sweetened beverages. Taxes should be supported with complementary measures, such as educational programmes and restrictions on the advertising and marketing of SSBs, and are most likely to be effective as part of a wider package of measures to create healthy food environments and promote healthy diets.

Conclusions and recommendations

The need to reduce obesity among children in the EMR has received increasing attention recently, given the high prevalence rates. One health economic action is imposition of excise taxes on SSBs (Lobstein, 2014). The main aim of the current study was to measure the impact of applying soft drink taxes on the sales of SSBs in GCC countries. The estimated results showed a positive effect of applying taxes in terms of decreasing the growth in sales of soft drinks in Qatar, Oman, UAE, and Saudi Arabia, but not yet in Bahrain and Kuwait.

Accordingly, application of a tax on SSBs is recommended to be implemented in other EMR countries. Furthermore, the GCC countries and other countries in the Region are recommended to proceed with implementation of complementary policies as part of a comprehensive approach to promoting optimal nutrition and tackling unhealthy diet. These include actions to improve the nutritional quality of foods, restrictions on marketing and promotion of foods high in fats, sugars or salt, introduction of nutrition standards and healthy public procurement policies for food served or sold in schools, hospitals and other public institutions, regulatory measures requiring clear nutrition labelling (including front-of-pack labelling), and measures for education, marketing, and promotion for nutritious foods. Awareness campaigns should take place to advocate reductions in SSB consumption. These recommendations align with the recommended priority actions by the WHO for the strategy on nutrition for the EMR 2020–2030 (WHO, 2019).

Data availability

Underlying data

Harvard Dataverse: Soft Drinks Volumes - GCC, <https://doi.org/10.7910/DVN/6OFWQE> (Megally, 2020).

Data are available under the terms of the [Creative Commons Zero “No rights reserved” data waiver](#) (CC0 1.0 Public domain dedication).

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- In general, the purpose of this study is important as it explores the impact of implementation of SSB taxes in GCC countries on sales volume and growth rate of soft drinks. It aims to show a positive impact of sin taxes on purchases of SSB as harmful foods for mitigating NCDs. However, there are important aspects that need to be clarified throughout the paper. E.g. Childhood obesity was dealt with as the main expected outcome tackled in the article, yet SSB taxes reflects on both childhood and adult overweight and obesity. It is important that the authors first introduce the link between SSB and childhood obesity, to conform with objective of the article The below paragraph from [WHO website](#) is suggested:
"The consumption of sugar-sweetened beverages has been suggested as a contributing factor to the rising levels of childhood obesity in many countries worldwide. Recent systematic reviews of the literature confirm the link between increased intake of free sugars, particularly in the form of sugar-sweetened beverages and unhealthy weight gain in both children and adults (1, 2) while reducing consumption of sugar-sweetened beverages has been shown to reduce weight gain in children, particularly in those who are already overweight (2–4)".
- The data provided in the study were restricted to industry data which did not attempt to rule out other confounding socioeconomic and demographic variables that might have impacted the sales. The study did not also attempt to show the positive effect of sin taxes on obesity or other NCDs in the population following implementing the taxes for few years.
- It is recommended that the study methodology and different equations proposed be evaluated by an expert statistician to confirm if they provide the sought after answers.

- Regression analysis ruling out factors, other than Sin taxes, that might have impacted sales are also needed before this paper would provide the needed answers to the research question.

This paper cannot be accepted for indexing before ruling out the relevance of the statistical results to the purpose of the study.

Specific observations

The abstract

It is reported in the abstract that: "reduction in sales volumes was observed from 2018 to 2019 (Qatar: 2.30% to 3.78%; Oman: 3.60% to 2.99%)", However the figures for Qatar show an increase in sales.

In the abstract, the conclusion does not refer to the objective of the paper which is documenting the influence of sin taxes on the purchases of SSB and reduction of NCDs and then possibly complement them with the idea of awareness campaigns for a more pronounced and beneficial effect on food habits and curbing obesity in the region, especially childhood obesity.

Introduction :

Lines 1 and 2 "More than half of the adult women (50.1%) and more than 40% of men are obese or overweight in the EMR" need a reference.

The "y" axis in figures 1,2 and 3 need to be labelled.

Line 12: need to be re-phrased: "Moreover, obese children can be highly affected in their educational attainments and quality of life."

Line 15: "There is a correlation between the high prevalence rates of overweight and obesity with the high prevalence rates of diabetes". To prevent repetition, it can be re-phrased simply as: Notably, there is a strong correlation between obesity and prevalence of diabetes.

Line 18: Missing words: Figure 1–Figure 3 show the increase in prevalence of childhood obesity, overweight, and deaths due to diabetes in the GCC from 2010 to 2016.

Line 28: "which aims to reduce significant increases in the prevalence rates of obesity and overweight that have drawbacks on health and whole economy in the short and long run". Can be re-phrased and corrected as: which aims to reduce the prevalence rates of obesity and overweight, which have drawbacks on health and the whole economy on the short and long run.

3rd paragraph (line 37 onwards): The example of forbidding TV advertisement is not an example of raising awareness about importance of good nutrition in kids. It's protecting them from marketing of these products. Raising awareness in children can be through school educational programs as highlighted at the end of the paragraph. Please can the authors align the ideas for better flow. "Nutrition education programs should be run for long periods as it has been shown that short-term education had no impacts on changing dietary intake and behaviour in spite of the fact that it raises nutritional knowledge" can be changed to: Essentially, nutrition education programs are more effective when they are implemented for long periods, as it has been shown that short-term education had no impact on changing dietary intake and behaviour in spite of the fact that it raises nutritional knowledge.

Please can the author highlight this idea in the Discussion: did any of the countries implement these educational programs or ban SSB ads to kids in parallel to the taxes?

World Health Organization recommendations and fiscal policies

1st paragraph: "The World Health Organization (WHO) suggests a decrease of the intake of free

sugar to less than 10% of the total consumed calories given the increasing rate of added sugar intake" may be rephrased as: "With the rise in the intake of added sugar, the World Health Organization (WHO) recommends a decrease in free sugar intake to less than 10% of the total calories consumed".

2nd paragraph: "Children usually are exposed to sweetness when they are infants, which increases their intake of sweets when they grow up (Foterek, 2016; Okubo et al., 2016), so it is crucial to construct an environment that decreases their intake of added sugar." Consider changing to: "Children are usually exposed to sweet taste when they are infants, which increases their intake of sugary foods when they grow up (Foterek, 2016; Okubo et al., 2016). Hence, it is crucial to construct an environment that discourages the intake of added sugar".

Paragraph 3 recommending long term nutrition education is out of context and does not provide the background needed for the paper. The introduction should cover success rate or impact of sin taxes in other countries and provide data on what interventions proved to be more impactful such as long term nutrition education.

Paragraph 4 does not include the % sugar intake in GCC countries which provoked the intervention to decrease it, or provide the evidence for WHO recommendation on limiting energy from sugar to 10%.

A background on evidence of a the link between SSB and obesity is needed.

Objectives:

The first objective is not evident. Only the second objective is tackled in the paper.

Methods:

The authors wrote "equation 5.13", is it equation (3)?

Results:

Throughout the paper the description of results on Qatar need to be modified.

Qatar did not experience reductions in sales volumes from 2018 to 2019 when the taxes were implemented (first pointed out in Abstract and line #6 of Results (Qatar: 2.30% to 3.78%), so it actually increased); the reduction was seen before the sin taxes were implemented and only decreased between 2019 and 2020 (Table 2). The author need to address this change where applicable and highlight this delayed effect in the Discussion. The write-up needs improvement as specifically shown in the upcoming comments.

Table 2: Is the change in percent growth from year to year significant? Can the author please indicate with symbols where significant differences lie?

1st paragraph: "This reflects the preliminary effect of excise taxes on consumption that will be explained further in the following sub-sections of the Result." Suggested change: "This reflects the preliminary effect of excise taxes on consumption that will be further explained in the following sub-sections."

2nd paragraph: "The growth rate of sales volumes in Qatar and Oman showed a drop from 2018 to 2019 (Qatar: 2.30% to 3.78%; Oman: 3.60% to 2.99%)". It cannot be stated that Qatar showed a drop, the growth rate of sales volumes actually increased.

Estimating the impact of sin taxes on the change in sales volume suggest changing over years to overtime

1st paragraph: "Sales volume of SSB decreased when sin taxes have been applied on energy and soft drinks as the figures showed a difference in the sales volumes in the GCC countries from 2010 to the 2020." I thought we were talking about soft drinks; does that including energy drinks? In the methods section, it was written that the data measured soft drinks. So, if it included energy drinks

and sweetened juices, this needs to be highlighted.

Figure 5: Again, it's shown in this figure that Qatar shows an increase upon first implementation. The authors need to amend the text.

Testing normal distribution of the time series variables suggested changes:

2nd paragraph: "The results of the first t-test observed that there is a significant decrease in the change of consumption volumes in the countries that applied the policy versus the control group who had not applied the policy in 2017 with significance <1%." To be consistent, the author should be talking about sales volume rather than consumption volume throughout this paragraph.

"The average decrease of sales volumes of SSB is represented by 2.637% less in the treatment group versus the control group (Table 4)." Instead of less, can be "reduction".

"In addition, the difference of average change in sales volumes for all GCC countries before the implementation of the excise tax policy in 2017 in some GCC countries versus after implementation. The results show that there is a significant decrease by 2.577% in the change of consumption volumes after 2017 relative to the change of consumption before 2017 in all GCC countries." The authors need to combine these sentences as the first sentence is incomplete and need to be rephrased.

3rd paragraph: The statement "The model observed that the potential means of the growth rate of consumption level controlling for the price of the beverages in dollars." is not clear.

The authors need to explain what is meant by number of observations in Tables 4 and 5 (to be highlighted in the footnotes).

Table 5 title: is repetitive and needs to align with text explanation, suggestion as follows:

"Estimation of average treatment effect on the growth rate of SSB consumption".

"The potential mean of the growth rate of consumption in the control group is 6.10%; while, the mean is lower for the countries in the treatment group." What is the mean in the treatment group? The author need to add this to Table 5.

The statement "This implies that the difference between the potential means of the growth rate of consumption of the treatment group countries versus the control is 2.87% less." May be rephrased to: This implies that the potential mean of growth rate of SSB consumption was reduced by 2.87%.

5th Paragraph: "The impact of the treatment has been also measured by difference-in-difference estimator comparing the difference in the growth rate of consumption level between the treated and control groups." Better to use treatment instead of treated and the explanation of difference-in-difference should be in Methods section, not Results.

Table 6 title needs to be more comprehensive, suggestion: "Difference-in-difference estimation in the growth rate of consumption."

Again, the explanation model of *Sales Vol* should be done in Methods section.

6th Paragraph: The statement "This implies that the decrease in rate of sales volumes is explained by the change in price due to the implemented sin taxes by around 51%, 40%, 55%, 99%, 71% in Qatar, Oman, UAE, Kuwait, and Saudi Arabia, respectively." Would fit better in the Introduction.

The results section should report the findings of Table 7, rather than explain them. Explanations should appear in the discussion section.

Methods used in this section needs to be reviewed by an expert statistician to determine whether an increase in population has occurred and was taken into consideration. It is not clear what the equations were used for.

There was no attempt to measure change in obesity prevalence in countries that implemented taxes for long periods which would provide evidence of impact.

Discussion:

In the discussion, the authors expect a decrease in obesity due to decrease in SSB consumption without providing the evidence showing that lower consumption of SSB will impact obesity. The first 4 paragraphs in the discussion need to be in the Introduction as they are relevant to the topic at hand.

In the discussion, the authors need to summarize the statistics of GCC countries childhood obesity and not go into lengthy discussion of adult obesity and its effects. It is important here to discuss the findings of the current study. Were there any previous studies in the GCC that measured consumption after certain sin taxes were implemented? Relate their findings to this study if applicable.

Can the author discuss why Saudi Arabia had a more pronounced effect on sales and consumption?

Also propose why there was a delayed effect in Qatar, whereas immediate effects in other countries. Could it be that national awareness campaigns were put into effect later on? The authors also need to discuss why a year after the implementation of sin taxes, the numbers started increasing again.

7th paragraph: This paragraph is what the Discussion should be about. It supports the study's findings and states its expectations. "Furthermore, these studies showed a decrease of the percentage change of sales volume, which supports the evidence of the countries that applied taxes and decreased the purchases of SSB in a range of 20–50%." (Colchero et al., 2016; Ells et al., 2015; Mozaffarian et al., 2012; Powell et al., 2013; Thow et al., 2014; WHO, 2016g; WHO, 2015b). It is important that the authors go into more details and discuss examples from these papers and relate them to their study findings.

Additionally, it would be good to know if any of the countries implemented educational programs or banned SSB ads to kids in parallel to the taxes? If not, then it can be added as a recommendation in order to have a more pronounced effect on SSB consumption.

Is the work clearly and accurately presented and does it cite the current literature?

Partly

Is the study design appropriate and is the work technically sound?

Partly

Are sufficient details of methods and analysis provided to allow replication by others?

Partly

If applicable, is the statistical analysis and its interpretation appropriate?

I cannot comment. A qualified statistician is required.

Are all the source data underlying the results available to ensure full reproducibility?

Partly

Are the conclusions drawn adequately supported by the results?

No

Competing Interests: No competing interests were disclosed.

Reviewer Expertise: Nutrition and dietetics.

We confirm that we have read this submission and believe that we have an appropriate level of expertise to state that we do not consider it to be of an acceptable scientific standard, for reasons outlined above.

Author Response 25 May 2021

Rania Megally, Independent Consultant, Giza, Egypt

First of all, I do like to express our appreciation for your helpful supporting comments that added a great value to improve the paper.

Almost all your comments have been taken into considerations and the paper has been modified accordingly and re-submitted after modifications.

We are looking for your feedback on the latest version of the paper

Competing Interests: No competing interests were disclosed.

Reviewer Report 18 November 2020

<https://doi.org/10.5256/f1000research.29931.r74057>

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Nasrin Omidvar

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The manuscript is very interesting and is addressing an important public health issue. Overall, it is well organized and properly presented. However, there are a few minor points that is worth revising before indexing:

Introduction: In line 3, in the sentence that starts with "Around 7% of under-five aged children .." there is a proposition "in" that probably needs to be omitted (highlighted in the [attachment](#)). In the same paragraph, the sentence that I underlined, needs a reference (Please see [attached](#)).

Results: In the first line, is table two on SSB consumption or sales?
The second paragraph of the result is repetition of table two. It is recommended to instead just highlight some of the significant points in the table.

Discussion: On page 9, 2nd column, what is the point of the last line of the first paragraph ([highlighted](#)).

It is recommended to mention the study strengths and limitations at the end of discussion.

Is the work clearly and accurately presented and does it cite the current literature?

Yes

Is the study design appropriate and is the work technically sound?

Yes

Are sufficient details of methods and analysis provided to allow replication by others?

Yes

If applicable, is the statistical analysis and its interpretation appropriate?

I cannot comment. A qualified statistician is required.

Are all the source data underlying the results available to ensure full reproducibility?

No source data required

Are the conclusions drawn adequately supported by the results?

Yes

Competing Interests: No competing interests were disclosed.

Reviewer Expertise: I am a nutritionist with experience in program planning and evaluation.

I confirm that I have read this submission and believe that I have an appropriate level of expertise to confirm that it is of an acceptable scientific standard.

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