# DRAFT PROPOSAL FOR THE INTRODUCTION OF THE HEALTH PROMOTION LEVY IN THE SOFT DRINKS INDUSTRY IN KENYA.

## Introduction

The increasing consumption of sugar-sweetened beverages (SSBs) in Kenya has contributed significantly to rising cases of obesity, diabetes, and other non-communicable diseases (NCDs). To mitigate this public health crisis, we propose the introduction of the Health Promotion Levy in the Soft Drinks Industry (HPL). This levy aims to reduce sugar consumption, encourage healthier product reformulation, and generate revenue to support public health programs.

## Objectives of the Levy

1. Health Improvement – Reduce sugar consumption by discouraging the production and purchase of high-sugar soft drinks. To be expounded by Dr. Kiprop  
2. Industry Reformulation – Encourage manufacturers to lower the sugar content in their products.  
3. Revenue Generation – Raise funds to support public health campaigns, school nutrition programs, and healthcare infrastructure.  
4. Consumer Awareness – Promote healthier beverage choices and public education on the health risks of excessive sugar consumption.

## Proposed Tax Structure

The levy will be applied to manufacturers and importers of sugar-sweetened beverages as follows:

The set base is 4g/100ml which is exempt from tax.

Any gram above the set base attracts levy as follows:

* Local manufactured beverages at a rate of Ksh 1 per g/100ml above the set base.
* For imported beverages it is at a rate of Ksh 2 per g/100ml beyond the set base.

Example:

Drink Y has 6g/100ml it attracts a levy of Ksh 2 if locally manufactured or Ksh 4 if imported as per the format above.

## Exemptions

- 100% fruit juices with no added sugar.  
- Dairy-based beverages containing at least 75% milk content.  
- Exported goods to be exempted.

## Implementation and Revenue Allocation

- The Kenya Revenue Authority (KRA) will administer the collection of the levy while the verification of the contents to be evaluated by Kenya Bureau of Standards (KEBS).  
- Funds raised will be allocated to:  
 - School feeding programs and public health awareness campaigns.  
 - Subsidies for healthy beverage alternatives.  
 - Diabetes and NCD prevention programs.

## Expected Impact

- Reduction in sugar consumption and obesity-related diseases.  
- Increased innovation in the beverage industry towards healthier alternatives.  
- Strengthened public health initiatives through dedicated funding.

## Conclusion

The introduction of the Soft Drinks Industry Levy will significantly contribute to improving the health of Kenyans while promoting responsible industry practices. We urge Parliament to pass this proposal in the interest of public health and economic sustainability.