

Denmark has taken decisive action in the battle against obesity by becoming the first western European country to introduce a 'fat tax'. Could the UK follow suit? **James England** reports

The world digests 'fat tax' move

The spotlight is firmly on Denmark for all those with a vested interest in food and eating out. Not because the capital Copenhagen boasts Noma, the number-one restaurant in the world, but because it has become the first western European country to introduce a so-called 'fat tax'.

It has imposed a levy of 16 kroner – about £1.90 – per kg (2.2lb) of saturated fat in food products. This will add about 26p to the price of a small packet of butter and about 10p to the price of a burger.

While the Danes are the first to introduce an out-and-out tax of this sort, many other developed countries are watching with interest, and some are readying their own legislation. Hungary has already introduced levies on foods high in calories and low nutrients, while other countries including Australia, Finland, The Netherlands and New Zealand reportedly plan to follow suit. France is set to go the way of some American states in introducing a tax on sugar-heavy carbonated soft drinks.

The sugar hit has not gone unnoticed here either. As *M&C Report* went to press our PM appeared to endorse the move, suggesting Britain should consider similar measures to help fight obesity. This despite Mr Cameron's preference for the 'Big Society' and the so-called "nudge theory" – using a subliminal carrot rather than a legislative stick – when it comes to encouraging people to eat well, exercise and avoid smoking.

Cameron may have been thinking out loud, but if these forecasts are accurate, nudging may not be enough. Figures published by *The Sunday Times* suggest 61% of adults in Britain are overweight or obese, and 28% of children between the ages of two and 10 are overweight or obese. Grimly, the *Health Survey for England* – drawing on 2009 data – suggests if current trends continue, as much as 60% of the population will be "morbidly obese" by 2050.

If you know what's good for you...

Certainly, if nutritional awareness among the public is a meaningful indicator, the Government has much work to do to educate UK consumers. A poll of 3,000 people carried out by Fourth Hospitality has unearthed startling findings, such as the fact that 56% polled said pizza was healthy if topped with certain vegetables or fruit (tomato, spinach, peppers, rocket, pineapple). More than 20% thought ham, egg and chips was 'fairly healthy', and over 20% thought pizza was 'fairly healthy' – regardless of toppings. Similarly, a fifth thought peanut-butter lamb shank was healthy, a quarter believed steak and kidney pie was healthy, and the figure was more than a third for sausage and mash.

While a good proportion of the population was well-enough equipped to answer basic questions, a surprisingly high proportion of what was a robust sample showed a lack of knowledge over what is good for us to eat and what is not. At the same time, two-thirds of those polled said restaurants and

UK consumers and food ignorance – what the survey said:

- More than 20% of those surveyed thought ham, egg and chips was 'healthy'
- More than 20% thought that pizza was 'fairly healthy' – regardless of toppings
- 20% thought that peanut-butter lamb shank was 'fairly healthy'
- 25% believed steak and kidney pie was 'fairly healthy'
- 35% said sausage and mash was 'fairly healthy'
- 70% said spaghetti Bolognese and home-made burgers were 'healthy'
- 55% of respondents often check food labels when visiting supermarkets
- 46% described their knowledge of nutrition and health as 'very good', or 'good'
- 80% said they would find calorie listings on restaurant menus useful
- 58% said that if calories, salt content and fats were listed on restaurant menus they would be more likely to switch to low-fat/salt/calorie options if they were offered
- 36% admitted that they are good at watching their weight at home, but find it all goes to pot when eating out
- 54% said that they would be more likely to choose a restaurant that showed calories and nutritional content of its foods over one that didn't

eating-out groups had their part to play by providing diners with nutritional information. These findings are similar to a study by Unilever earlier this year in its *World Menu Report*, when it emerged that 73% of consumers said they wanted more nutrition data when eating out.

Market resistance

It is clearly an issue that requires hospitality owners and brands to stay close to customers. While the UK's biggest restaurant group, McDonald's, has followed others such as Pizza Hut and YO! Sushi in pressing ahead with calorie disclosure, chains such as Pizza Express and Pret A Manger have taken a lighter approach, making such information available on websites and in restaurants – but not on menus. However, despite these initiatives it is clear many restaurateurs and multiple-site operators hate the idea of calorie disclosure, especially on menus. The common rationale is that this is a grocery issue – supermarkets are where people buy food to eat at home, which is still where most meals are prepared and consumed, and therefore where issues of obesity and excessive consumption of sugar, salt and saturated fat are best addressed.

A trip to a full-service or casual-dining restaurant remains for many a treat, one that could be sullied by a reminder of how many calories your favoured dish contains. It is simply not something many operators believe their customers want.

However, for fast-food companies like McDonald's, which has higher visitor frequency, there is perhaps a more valid argument on the need for nutritional information for its customers.

Certainly the fast-food sector is seen as a target for the health lobby amid suggestions the effects of obesity cost the NHS £21.5bn a year. The Royal College of Paediatrics and Child Health says consumption of unhealthy food should be on a par with smoking and binge-drinking in terms of its impact on long-term health. Local authorities are also entering the fray – against the backdrop of a

significant local obesity challenge, Oldham has contemplated some form of 'fat tax' on 250 take-away outlets in its town centre.

With more people seemingly calling for nutritional data and local and central government paying greater attention to the nation's waistline, the pressure may increase on food companies to provide nutritional information and healthier options.

The impact of calorie disclosure

Insights from calorie disclosure on menus in New York and here in the UK suggest that calorie disclosure does tend to impact people's behaviour around the margins – but not as much as perhaps expected – or as much as consumers suggest. In the survey, 58% of respondents said that if calories, salt content and fats were listed on restaurant menus they would be more likely to switch to lower-content items. However, in a six-month test at the 181-strong Harvester chain, diners on average purchased dishes with 25 fewer calories.

Where it starts to get really interesting is when considering the link between calorific content and total dish price, or calorific content and dish GP, and whether or not a shift in calorific-purchasing behaviour in restaurants would have a significant commercial impact on hospitality businesses. It is work we are just starting with our clients – in order to understand the extent to which further menu engineering may be required in the event of a modest shift to lighter-calorie items.

What we eat, burn off and how the shape of future public health policy impacts the eating-out market is clearly one of the big issues of the day, and one that is growing in importance.

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