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via email : [bruessel-ov@bmeia.gv.at](mailto:bruessel-ov@bmeia.gv.at)

Brussels, 11 June 2021

**Re: 0% VAT for Vegetables and Fruits**

Dear Ambassador,

Tackling obesity and other Non-Communicable Diseases (NCDs) is one of the greatest long-term health challenges EU Member States face. Weight problems and obesity are increasing at a rapid rate in most of the EU Member States, with estimates of 51.6 % of the EU's population (18 and over) overweight in 2014<sup>i</sup>. According to estimates from the WHO's Childhood Obesity Surveillance Initiative (COSI), around 1 in 3 children in the EU aged 6-9 years old were overweight or obese in 2010<sup>ii</sup>. It is estimated that 7% of national health budgets across the EU are spent on diseases linked to obesity each year.<sup>iii</sup>

Promoting healthy diets is considered a critical action area for policy-makers in this context. Low fruit and vegetable consumption is a major concern,<sup>iv</sup> with only 14 percent of the EU population meeting the recommendation of five portions of vegetables and fruit per day.<sup>v</sup>

As you are aware, Member States have taken different approaches and adopted national strategies to solve the NCD-crisis. Following growing evidence on the effectiveness of prevention policies, more and more Governments have started reshaping food environments to make the healthier choice the easier choice. Areas of action range from marketing restrictions for unhealthy foods, interpretive front-of-pack nutrition labels, minimum standards for school- and kindergarten-meals and fiscal measures like health-related food taxes. Evidence shows the need of a comprehensive strategy, since there is no „silver bullet“ to reducing obesity. Unfortunately, Member States have very limited room for manoeuvre in terms of fiscal measures - more precisely on subsidies for fruits and vegetables.

According to the World Health Organization, targeted subsidies on fruit and vegetables emerge as one of the policy options with the “greatest potential to induce positive changes in consumption”.<sup>vi</sup> The most tax-efficient way to subsidise unprocessed fruits and vegetables is to lower the Value Added Tax (VAT). Some Member States have reduced their VAT rates on fruit and vegetables to the minimum level allowed by European Union law. But most of the Member States have no allowance to reduce rates below five percent.<sup>vii</sup>

Fortunately that situation could change. The Council is currently revising the VAT framework through the Council proposal COM/2018/020 to revise the Directive 2006/112/EC as regards rates of Value Added Tax<sup>viii</sup>. We understand that the Council Working Party on Tax Questions has decided to also include a so called “positive list” for product groups that can have a zero percent VAT rate. To our knowledge, the Council deliberations are still ongoing.

Therefore, we are writing to you to ask if your country will support the inclusion of unprocessed fruits and vegetables in the positive list in order to allow all Member States to reduce VAT rates for healthy foods to zero percent?

We look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, reading "Thilo Bode". The signature is written in a cursive, flowing style.

Thilo Bode, International Executive Director, foodwatch

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<sup>i</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Overweight\\_and\\_obesity\\_-\\_BMI\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Overweight_and_obesity_-_BMI_statistics)

<sup>ii</sup> World Health Organisation. European Childhood Obesity Surveillance Initiative, COSI, round 2010.

<sup>iii</sup>

[https://ec.europa.eu/health/sites/default/files/nutrition\\_physical\\_activity/docs/childhoodobesity\\_actionplan\\_2014\\_2020\\_en.pdf](https://ec.europa.eu/health/sites/default/files/nutrition_physical_activity/docs/childhoodobesity_actionplan_2014_2020_en.pdf)

<sup>iv</sup> [https://www.who.int/elena/titles/fruit\\_vegetables\\_ncds/en/](https://www.who.int/elena/titles/fruit_vegetables_ncds/en/)

<sup>v</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php/Fruit\\_and\\_vegetable\\_consumption\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/Fruit_and_vegetable_consumption_statistics)

<sup>vi</sup> <https://apps.who.int/iris/bitstream/handle/10665/250131/9789241511247-eng.pdf?sequence=1>

<sup>vii</sup> <https://epha.org/living-environments-mapping-food-environments-vat/>

<sup>viii</sup> <https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A52018PC0020>