SUGAR, OBESITY AND DIABETES – THE OTHER GLOBAL FOOD CRISIS
A CROSS-SECTOR APPROACH TO DIET-RELATED CHRONIC DISEASE

A breakfast discussion as part of Oliver Wyman’s participation in the World Economic Forum

Davos, Switzerland
Wednesday, 20 January 2016
EXECUTIVE SUMMARY

Worldwide, rates of obesity and type 2 diabetes are increasing—with profound social and economic consequences. The rise of these diet-related chronic diseases is closely linked to the globalization of unhealthy lifestyles, and especially the proliferation of high-sugar food products. Governments around the globe are implementing a variety of regulation, food taxes, public-awareness campaigns and advertising restrictions aimed at reducing sugar consumption and improving diet. But with little impact.

That is why Oliver Wyman is bringing together leaders from the health, food and retail industries with government officials for a discussion of new, collaborative strategies for tackling this complex challenge. At this special, invitation-only event, an expert panel will discuss a variety of cross-industry solutions to halting the spread of diet-related chronic disease.

As a firm, Oliver Wyman is committed to making lasting contributions to society. Through our Social Impact programme, which is focused on delivering strategic advice to charities and not-for-profits around the world, we tackle truly global problems, including health disparities and disease epidemics. This, coupled with our close relationships with leaders from major food, retail and health companies grants us a unique perspective on this global crisis and the cross-sector response that it demands. It also provides us the unique ability—and responsibility—to serve as a facilitator, convening a broad range of perspectives to formulate a cross-industry approach.

Although the crisis cannot be solved in one morning, Oliver Wyman is committed to advancing the discussion on diet-related chronic disease. Our hope is that this event furthers understanding of the scale of the challenge and stimulates cross-industry discussion.

“Diet-related chronic disease is not simply a health issue; it is a global challenge with ripple effects throughout societies and economies. Industry and government leaders must explore new strategies to halt this epidemic.”

Andrew Chadwick-Jones, Partner
Global Health Leader
HALTING A SPREADING EPIDEMIC

Our discussion at Davos will focus on:

The scope of the issue. Worldwide, an estimated 1.5 million deaths are directly caused by diabetes; at least 2.8 million people die as a result of being overweight or obese; and 17 million more die as a result of associated cardiovascular disease. Although obesity rates have levelled in developed nations, they are still rising in developing nations, where they take an especially heavy toll. Rates of heart disease and diabetes in low- and middle-income countries are increasing faster, in younger people, and with worse outcomes than in wealthier countries.

Beyond the human toll, the cost of the epidemic is significant: The World Economic Forum considers chronic diseases the main threat to economic development after climate change.

The sugar challenge. The global per capita sugar consumption has increased by over 50 percent over the past 50 years. Sugar is found in the vast majority of processed food and drink products. Sugar consumption, which is closely linked to obesity and diabetes, is rising fastest in low- and middle-income nations; and sales of sugary drinks have increased sharply in developing nations.

World Health Organization guidelines recommend individuals reduce daily intake of free sugars to less than 10 percent of total energy intake, and less than 5 percent for even greater health benefit. A recent report from Public Health England concluded that decreasing individuals’ sugar intake to 5 percent of total energy intake (about six teaspoons/day) could greatly improve that nation’s health outcomes and save around £500m each year.
TRANSFORMATIVE SOLUTIONS

To effectively combat the spread of obesity and diabetes, the food, retail and healthcare industries must work together with government leaders to address global diet and sugar consumption. Questions to consider and complexities to weigh include:

DO SUGAR TAXES HAVE A ROLE?

Many in the healthcare sector advocate these taxes, based on the impact tobacco taxes have had on smoking and early results from a sugary-drinks tax in Mexico. Others, however, question their efficacy unless imposed at very high rates and raise concerns about the impact this type of regressive tax will have on the poor.

SHOULD RESTRICTIONS BE PLACED ON FOOD AND DRINK ADVERTISING, PARTICULARLY ADVERTISING TO CHILDREN?

There are many successful benchmarks based on tobacco- and alcohol-advertising restrictions; but some question the efficacy of such advertising controls. In some countries, freedom-of-speech issues pose a substantive challenge to such restrictions.

WHAT OTHER EFFECTIVE REGULATORY INTERVENTIONS ARE THERE?

In some countries and regions there is a ban on the sale of chocolate and sugary drinks in schools. What evidence demonstrates the efficacy of such a ban? Is it replicable?

IS THERE A ROLE FOR REGULATIONS THAT LIMIT THE AMOUNT OF SUGAR IN FOOD AND DRINK?

Can policy makers reduce incentives for the food industry to continue or increase production of processed foods with free sugars?

WHAT IS THE MOST EFFECTIVE WAY TO STIMULATE RISK AWARENESS IN THE POPULATION?

How can schools best educate children of the dangers of poor diets and especially sugar consumption? Should sugar levels in foods be transparent and how is this best achieved? Is there a role for advertising against sugar consumption?

“The relationship between excess sugar consumption and the global challenge of obesity and diabetes is well understood. But the problem is not being effectively tackled. We need a concerted drive by all the players; and as the recent Public Health England research shows, we need it now.”

Panelist Dr. Charles Alessi
Co-Chair of the UK National Association of Primary Care and Senior Advisor to Public Health England
WHAT ROLE CAN THE FOOD AND RETAIL INDUSTRIES PLAY?
What is the relationship between sugar levels in food and corporate economics in a competitive arena? What can the industry do to reduce sugar content and portion size? Could/how could self-regulation work?

COULD/HOW COULD SELF-REGULATION WORK?
Can industry support schools and community-based organizations in educating the young about the risks of poor diet?

WHAT IS THE APPROPRIATE HEALTHCARE RESPONSE?
What is the role of healthcare organisations in improving public awareness and education? Are their potential clinical solutions, such as gastric banding, that could contribute significantly to the challenge? And are out-of-hospital patient-centric care models for the chronically sick going to help with preventative action and proactive treatment and, thus, reduce the burden?

3 QUESTIONS FOR ANDREW CHADWICK-JONES
Oliver Wyman Partner, Global Health Leader

WHAT ARE YOUR ASPIRATIONS FOR THIS PANEL?
No one has cracked this problem. The answers lie in working across sectors; but at the moment, most approaches are not joined up. Hence the lack of progress. I hope that this panel can stimulate discussion and advance public-private collaboration and cross-industry cooperation to address this growing crisis. Though some solutions have been proposed—and a few are being put in place in a few nations—a more coordinated effort is needed to make an impact. Our hope is this panel will help jumpstart that process.

WHY IS OLIVER WYMAN FOCUSING ON DIET-RELATED CHRONIC DISEASE IN DAVOS?
One of the objectives of this year’s WEF is to discuss how public and private sectors can improve long-term competitiveness while providing broad-based progress in living standards. Diet-related chronic disease cuts to the core of this challenge, for it sits at the complex intersection of health, economic growth and development.

WHAT DO YOU HOPE LEADERS AT DAVOS WALK AWAY FROM THE PANEL KNOWING?
There is no single solution that will solve the challenge of diet-related chronic disease. However, convening leaders will foster further understanding of the scale of the challenge and stimulate cross-industry dialogue, creating opportunities to drive the process forward.
ABOUT OLIVER WYMAN

Oliver Wyman is a global leader in management consulting. With offices in 50+ cities across 65 countries, Oliver Wyman combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. The firm’s 3,000 professionals help clients optimize their business, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), a global team of professional services companies offering clients advice and solutions in the areas of risk, strategy, and human capital. With 52,000 employees worldwide and annual revenue exceeding $10 billion, Marsh & McLennan Companies is also the parent company of Marsh, a global leader in insurance broking and risk management; Guy Carpenter, a global leader in risk and reinsurance intermediary services; and Mercer, a global leader in human resource consulting and related services.

Oliver Wyman’s Health & Life Sciences practice serves clients in the pharmaceutical, biotechnology, medical devices, provider, and payer sectors with strategic, operational, and organizational advice. Deep healthcare knowledge and capabilities allow the practice to deliver fact-based solutions. In 2011 Oliver Wyman launched a Health Innovation Center (OWHIC) dedicated to promoting positive change in healthcare. OWHIC champions innovation by disseminating proven innovations; envisioning market-based solutions to today’s and tomorrow’s challenges; and establishing a cross-industry community of thought-leaders to share and shape ideas.

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