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BUSINESS NEWSLETTER

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WHAT IS SUGAR TAX?



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TOY MANUFACTURERS AND THEIR REVENUES



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FINCEN FILES AND INTERNATIONAL CRIMES



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A LOOK AT SOFT DRINKS INDUSTRY



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1 What Is Sugar Tax?

Nations across the world are imposing sugar tax or soda tax on sweetened beverages to tackle the problem of diabetes type II and obesity. Let's understand what sugar tax is and its impact.

Sugar Tax

- Sugar tax or soda tax is a tax on carbonated soft drinks, sports drinks, and energy drinks. It has been introduced with the aim to **reduce the consumption of drinks** with added sugar.
- Global companies like Coca-Cola, PepsiCo, etc have opposed it.

Similar To Tobacco Tax

- Tobacco tax was introduced to tackle the problem of cancer caused due to Tobacco. And it proved to be **successful** in many developed countries.
- Thus, proponents of sugar tax are hopeful that it will help to tackle diabetes.

SUMMARY

Impact

- As per one study, sales of soda in **Mexico** declined 6% after the imposition of the soda tax in 2014.
- In 2018 Australian Beverages Council announced that to cut sugar content by 10% by 2020, and another 10% by 2025.
- In 2017 **United Arab Emirates** announced a 50% tax on soft drinks and a 100% tax on energy drinks to tackle health problems

Taxation Methods

- Countries use different methods to impose Sugar tax.
- Some countries tax it on the basis of **volume**. Whereas some countries tax it on the basis of **sugar content**.

Did you know? The consumption of carbonated drinks in US and some developing countries has been declining over some years, whereas in developing countries its growth is giving positive signs?

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2 Toy Manufacturers And Their Revenues

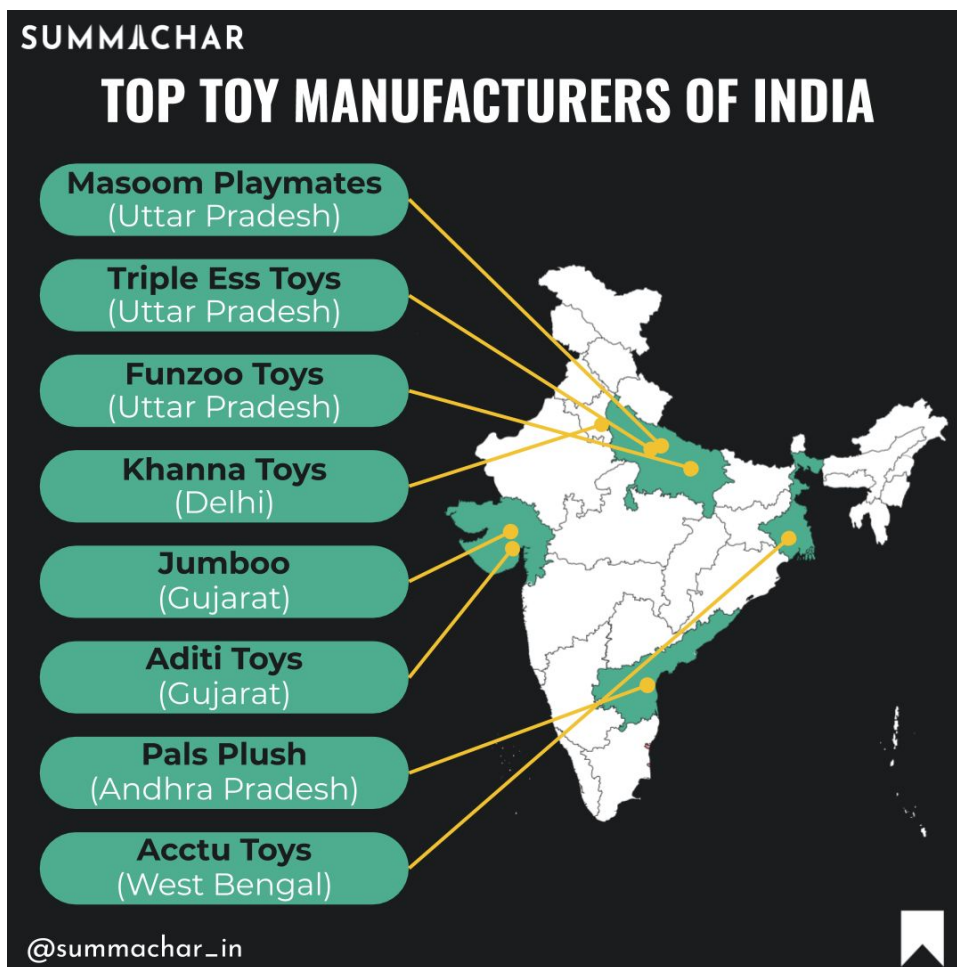
The Indian toy industry began with the manufacturing of **traditional toys** such as whistles, wooden carts, and unbranded plush dolls, but with the increase in demand for international brands and due to the influence of pop culture and social media the Indian toy industry is transitioning.

Prominently Manufactured Toys

- Some of the most popular types of toys are **licensed toys** that are manufactured globally from popular shows and Disney animated movies like Frozen, DC, and Marvel Cinematic Universe.
- Other popular categories include sports and outdoor play toys, puzzles, board games, construction and building toys, and electronic toys.
- **Plush toys** are also one of the most popular categories of toys for children as they are considered safe and for all ages

Largest Toy Manufacturers In India

- Geographically, the largest toy market currently is in **Maharashtra**, followed by, Tamil Nadu, Karnataka, Gujarat, and Delhi.
- Mattel's subsidiary, US-based Fischer-Price, Mattel's Hot Wheels, Funskool (India) Ltd are among the India's largest toy manufacturers.



Did you know? Kondapalli toys are the toys made of wood in Kondapalli, Andhra Pradesh.

INFOGRAPHIC STORY

DEEP DIVE STORY

3 FinCEN Files And International Crimes

An American news website, BuzzFeed's recent investigation revealed that numerous global banks, financial institutes, companies, and individuals were involved in illegal financial activities. Let us find out which big names are out and what did they do.

What Is FinCEN?

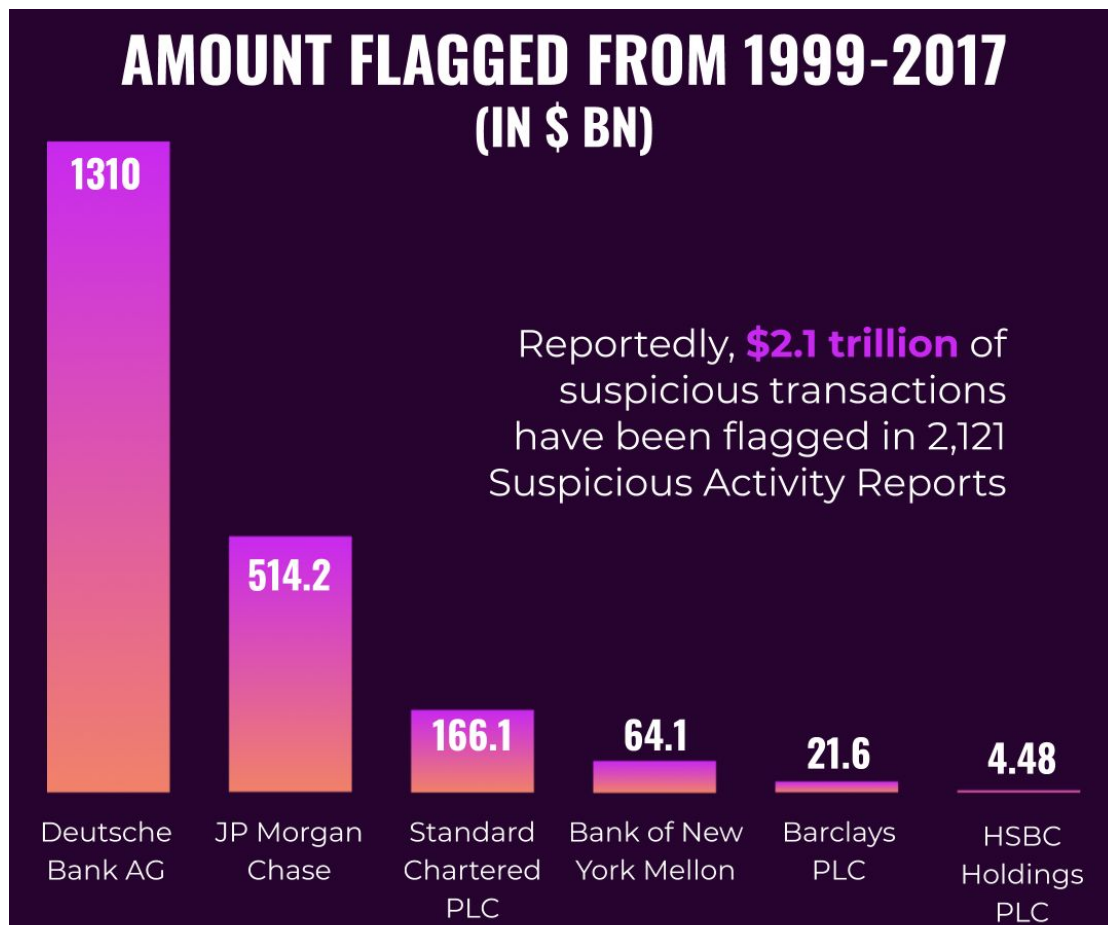
- **Financial Crimes Enforcement Network (FinCEN)** works under the US Department of Treasury. Its aim is to collect and analyze financial records to keep a track of money laundering, terrorist financing, etc.

What Are FinCEN Files?

- FinCEN files are a collection of **2,657 documents**. A whistleblower leaked files to BuzzFeed News, which distributed them to 108 news organizations in 88 countries.
- A bank reports a suspicious transaction or a client to FinCEN in **Suspicious Activity Reports (SARs)**; **2,121** files of the total leaked are SARs.

What Did It Reveal?

- Fraudsters used **HSBC** to move millions of dollars of stolen money around the world. HSBC despite knowing about the Ponzi scheme of transfer of millions of stolen dollars, just filled SARs and didn't intervene to stop it..



Did you know? Roman Abramovich, owner of Chelsea, used an offshore company to fund footballers not owned by his club.

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4 A Look At Soft Drinks Industry

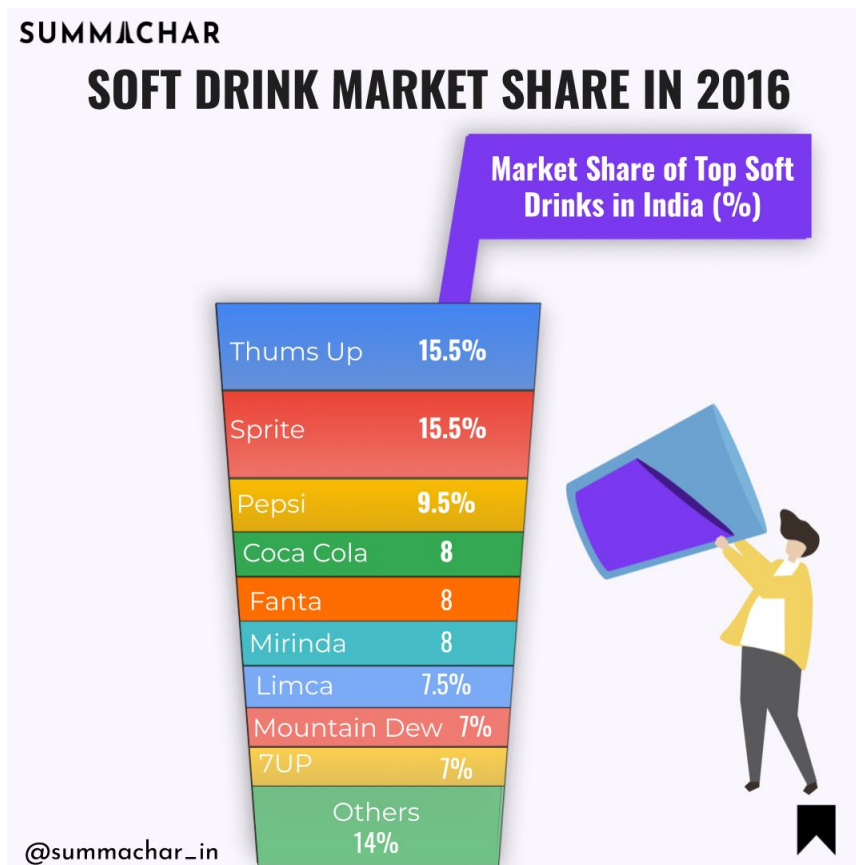
When the global soft drink market, especially in developed countries is slowing down or contracting, its demand in developing countries like India seems to indicate faster growth. Let's have a comprehensive look at the global and Indian soft drinks industry.

Global Soft Drinks Industry

- In 2019-20, the global revenue from soft drinks was **\$667.4 bn** in 2020 and the US contributed **\$200.29 bn** to it.
- In relation to the total population, \$89.67 per person were generated from soft drinks revenue in 2019-20.
- Soda consumption in US rocketed from the 1960s to 1990s but since past 2 decades it has been declining.
- **Bottled water** seems to be replacing carbonated drinks in the beverage market and is expected to increase 5 times from 2016 to 2024.

Soft Drinks Market In India

- Experts say that the soft drink market in India seems promising and might continue its “robust growth trajectory”. Carbonated beverages account for 51% of PepsiCo’s sales volumes in India.



- Due to Covid-19 and lockdown, the industry suffered a loss of ~₹1,200 crore as raw material expired.

Did you know? Coca-Cola sponsored the 1928 Summer Olympics, and has subsequently remained a sponsor to the current time.

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Hope you enjoyed reading!

For feedback, suggestions, or just to have a quick chat, reach out to us at communications@summachar.in.