

Pearson Edexcel GCE

Economics and Business

Advanced

**Unit 4B: The Wider Economic Environment
and Business**

June 2017

Paper Reference

6EB04/01

Pre-release material

To be opened on receipt

Advice to Centre Staff and Candidates

- Candidates are expected to be familiar with the evidence provided here for the Unit 4B question paper before entering the examination room.
- A copy of this pre-release material will be included in the question paper, together with some new evidence, which you should study carefully before answering the questions.
- Candidates will not be allowed to take copies of this pre-release material into the examination.

Turn over ►

W48922A

©2017 Pearson Education Ltd.

1/1/1/1



PEARSON

Evidence A

Diabetes time-bomb warning over doubling in cases in two decades

Forecasts from the charity Diabetes UK warned that 5 million people are expected to develop diabetes by 2025 – twice the number recorded just five years ago.

The vast majority of sufferers have Type 2 diabetes, which is linked to obesity, poor diet and sedentary lifestyles. The charity said the NHS was already under “huge strain” with 10% of its budget now spent on treating the disease.

More than 70,000 deaths a year occur among those suffering from the condition – one in seven of all deaths. Patients with Type 2 diabetes are 36% more likely to die in any given year than those of the same age without the condition. An ICM poll of 1,000 people for Diabetes UK found that just 13% of people were aware that the condition increased the risk of death. Less than one in three were aware of other major complications of the disease, which can cause blindness, amputations, heart attacks and strokes.

(Source: adapted from Diabetes timebomb warning over doubling in cases in two decades © Copyright of Telegraph Media Group Limited 2016)

Evidence B

Obesity and diabetes

Diabetes is a metabolic condition in which the body does not produce sufficient insulin to regulate blood glucose levels or where the insulin produced is unable to work effectively.

There are two main types of diabetes:

Type 1 diabetes is an autoimmune condition in which the cells that produce insulin are destroyed so lifelong treatment with insulin is required to prevent death. About 10% of people with diagnosed diabetes have Type 1 diabetes.

Type 2 diabetes occurs when the body either stops producing enough insulin for its needs or becomes resistant to the effect of insulin produced. The condition is progressive, requiring lifestyle management (diet and exercise) at all stages. Over time most people with Type 2 diabetes will require oral drugs and/or insulin. Type 2 diabetes may remain undetected for many years.



(Source: adapted from http://www.noo.org.uk/NOO_pub/briefing_papers)

Evidence C

Deprivation and obesity

Deprivation is strongly associated with higher levels of obesity, physical inactivity, unhealthy diet, smoking and poor blood pressure control. All these factors are inextricably linked to the risk of diabetes or the risk of serious complications for those already diagnosed.

It is difficult to get clear evidence of absolute risk related to deprivation. The Health Survey for England 2011 found that men in the lowest 20% income group were 2.3 times more likely to have diabetes than those in the highest 20%, and for women the risk was 1.6 times higher.

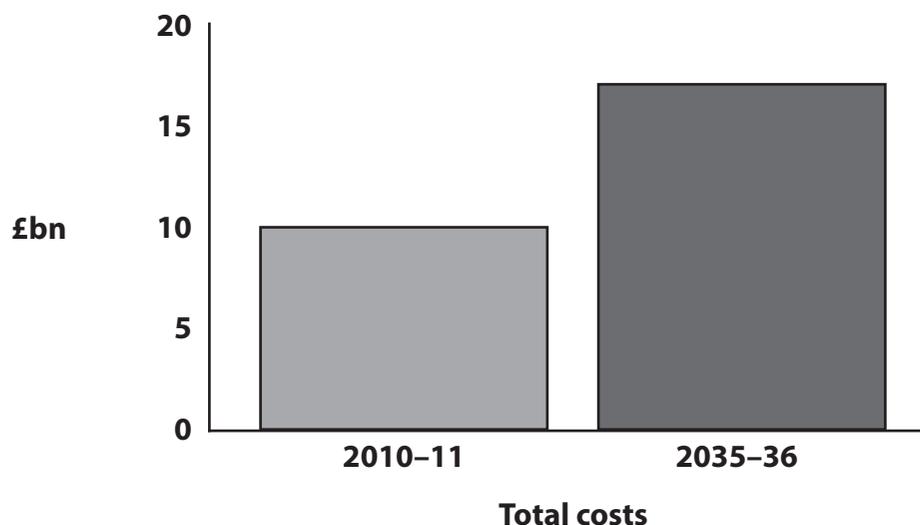
The variation in income and diabetes is only seen in those with Type 2 diabetes. Income has no effect on developing Type 1 diabetes, which is unsurprising as it is not lifestyle related.

(Source: adapted from https://www.diabetes.org.uk/About_us/What-we-say/Statistics/)

Evidence D

Chart showing an estimation of the current and future costs of Type 1 and Type 2 diabetes in the UK. This includes direct costs to the NHS, private healthcare and external costs such as lost productivity.

The costs of diabetes in 2010–11 vs. the projected costs for 2035–36



(Source: adapted from <https://www.diabetes.org.uk/Documents/Diabetes%20UK%20Cost%20of%20Diabetes%20Report.pdf>)

Evidence E

The return of rickets

The UK Faculty of Public Health (FPH) will call for a national food policy, including a sugar tax, as concerns rise over malnutrition and vitamin deficiencies in British children. It will also appeal for all political parties to back a living wage to help combat the illnesses.

Doctors and hospitals are seeing a rise in children suffering from ailments caused by poor diet and the faculty has linked the trend to people's inability to afford quality food. Latest figures show there has been a 19% increase in people hospitalised in England and Wales for malnutrition over the past 12 months but experts say this is only the extreme end.



Dr John Middleton, from the FPH, said the calls for a national food policy would come in the faculty's manifesto to be published next month and warned that ill-health arising from poor diets was worsening throughout Britain "through extreme poverty and people having to resort to the use of food banks".

He said that obesity remained the biggest problem of food poverty as families are forced into choosing cheap, processed high fat foods just to survive. "It's getting worse because people can't afford good quality food," he said. "Malnutrition, rickets and other manifestations of extreme poor diet are becoming apparent. GPs are reporting rickets anecdotally in Manchester, the East End of London, Birmingham and the West Midlands. It is a condition we believed should have died out".

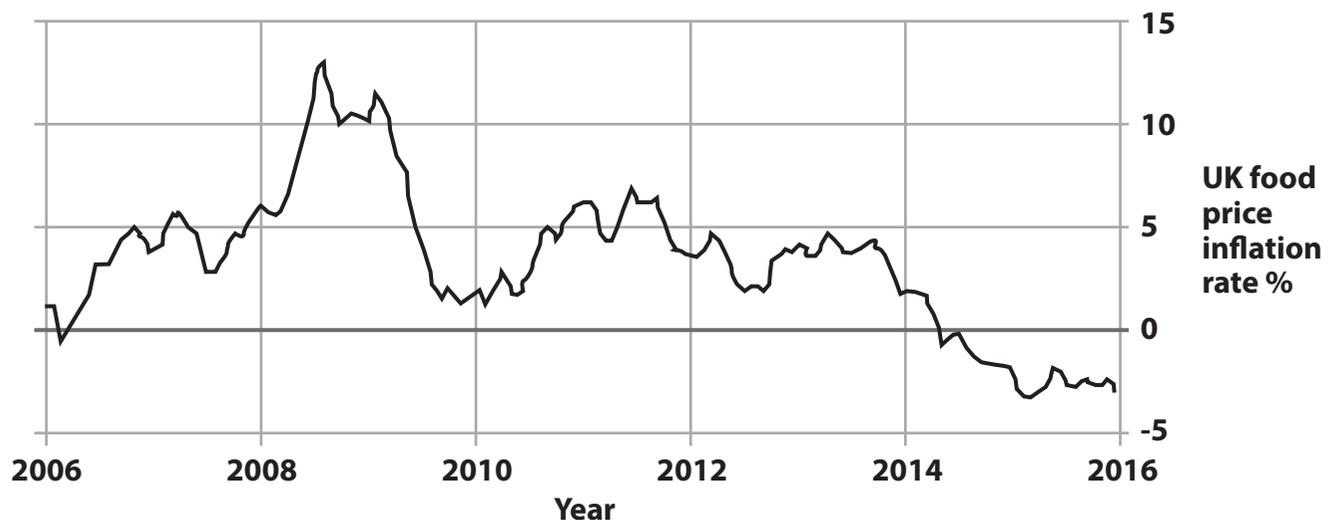
Dr Middleton went on to say: "If the nutritional diseases are markers of a poor diet, the food banks are markers of poverty – the evidence from the Trussell Trust suggests the biggest group of people who use food banks are hard working poor families who have lost benefits, live on low and declining wages and or they have fallen foul of benefits sanctions, which propel them into acute poverty and/or hunger. This is a disastrous and damning indictment on current welfare policy and a shame on the nation. The food banks are providing a real and valued service staving off actual hunger – they are actually keeping people alive".

(Source: adapted from Rickets returns as poor families find healthy diets unaffordable © 2016 Guardian News and Media Limited)

Evidence F

UK food price inflation 2006–2016

Cost of food in the UK decreased 2.90% in December 2015 over the same month in the previous year. Food price inflation in the UK averaged 2.74% from 1989 until 2015, reaching an all-time high 13% in August of 2008 and a record low of -3.30% in February 2015.



(Source: adapted from <http://www.tradingeconomics.com/united-kingdom/food-inflation>)

Evidence G

Global sugar prices in July 2015

The price of sugar fell to a six-year low after news of a bumper harvest in Brazil compounded fears of a global supply glut. Despite some food makers promising to reduce sugar levels in their products, levels of the sweetener in many popular products remain the same.

Things are not so sweet for the sugar market. Whilst gold made the headlines, the dramatic fall in the sugar price was widely overlooked, despite ending the day down 4.4%, compared with a 2.3% slump in the price of gold.

Over the past year alone, sugar prices have fallen by 25%. So why has everything turned sour?

The sharp price drop was due to signs that Brazil, the world's biggest producer of sugar, is on track for a larger harvest than expected. Brazil, which accounts for roughly 25% of the world's 180 million tonnes of sugar output each year, is mid-way through its crucial harvesting and crushing period. This takes place between April and September. Dry weather in June helped boost yields, so the harvest will be better than expected, adding to an already oversupplied global sugar market.



(Source: adapted from Forget gold, the sugar price collapse is far more dramatic – and here's why © Telegraph Media Group Limited 2016))

Evidence H

NHS chief to introduce sugar tax in hospitals to tackle UK obesity crisis

The NHS plans to impose its own sugar tax in hospitals to help tackle the “national sugar high” increasingly ruining people’s health, the service’s boss reveals. Hospitals across England will start charging more for high-sugar drinks and snacks sold in their cafes and vending machines in an effort to discourage staff, patients and visitors from buying them, the NHS England Chief Executive, Simon Stevens, said.



Without bold measures, the obesity crisis – already causing huge health problems such as Type 2 diabetes – threatens to overwhelm an NHS that is already under increasing pressure. Explaining why tough action was needed, Stevens said: “It’s not just the wellbeing of people in this country and our children. But it’s also the sustainability of the NHS itself.”

(Source: adapted from NHS chief to introduce sugar tax in hospitals to tackle UK obesity crisis © 2016 Guardian News and Media Limited)

Evidence I

Link calories to minutes of exercise on food labels

The Royal Society of Public Health (RSPH) has called for “activity equivalent” labelling to be introduced to show how much exercise would be required to burn off calories contained in food and drink. Sample images of packaging issued by the society show pictures of stick men jogging, swimming and cycling, in each case accompanied by the number of minutes it would take to burn off the calories



contained in the food. In the case of a 171-calorie packet of crisps, the equivalent activity given, based on British Heart Foundation figures, is 19 minutes of jogging, 23 minutes of cycling or 13 minutes of swimming. For a chocolate bar, the respective values are 40, 49 and 29 minutes and for a can of fizzy drink, 15, 23 and 13 minutes.

The RSPH says the move would help tackle the growing obesity crisis and cited research showing two-thirds of people would be in favour of such a move. But a leading obesity campaigner suggested it was over-simplistic and did not address the risks posed by a bad diet. Shirley Cramer, RSPH Chief Executive, said: “Although nutritional information provided on food and drink packaging has improved it is evident that it isn’t working as well as it could to support the public in making healthy choices.

“Activity equivalent calorie labelling provides a simple means of making the calories contained within food and drink more relatable to people’s everyday lives, while also gently reminding consumers of the need to maintain active lifestyles and a healthy weight.”

Respondents to the survey were three times more likely to indicate they would undertake physical activity after viewing ‘activity equivalent’ calorie labels than after viewing current ‘traffic light’ nutritional labels alone. Just over half (53%) of the 2,010 adults polled said it would cause them to make positive behaviour changes such as choosing healthier products, eating smaller portions or doing more physical exercise.

Dr Asseem Malhotra, cardiologist adviser to the National Obesity Forum, said he was all for encouraging activity but added: “What this sort of labelling doesn’t do is account for the fact that different calories have a different metabolic effect on the body. What you don’t want is to give people the impression you can out exercise a bad diet.”

One in three children are overweight or obese by the time they leave primary school and almost two-thirds of adults are overweight.

(Source: adapted from Link calories to minutes of exercise on food labels, says health body © 2016 Guardian News and Media Limited)