

Item #28

Summary of German sugar tax modelling study (Schwendicke, 2017)

Draft summary of Schwendicke (2017) study on sugar tax, prepared for internal use only, 24
January 2017

Schwendicke, F. and Stolpe, M. (2017). *Taxing sugar-sweetened beverages: impact on overweight and obesity in Germany*. BMC Public Health 17:88. Published online 17 January 2017.

Summary

Modelling study based on a 20% sales tax on SSBs in addition to the existing VAT in Germany. Elasticities used were from a previously published meta-analysis¹. Own price elasticity for SSBs was -1.21 (mean across groups). Cross price elasticities for juice and milk were 0.637 and 0.150 (means).

Limitations

- Price elasticity of demand for SSBs based on (probably) overestimated previously published elasticities.
- In the base case, elasticities were assumed not to differ by gender or age (some adjustment made for sensitivity analysis based on assumption due to lack of data on age-sex specific elasticities)
- In the base case, the tax was assumed to be 100% passed through to consumers (80% pass-through assumed for sensitivity).
- Substitution to juice and milk were the only substitutions considered.
- No other changes in diet or in physical activity as a result of reduced SSB intake or as a result of weight loss was allowed for.
- The effect of price promotions and stockpiling behaviour were ignored.

¹ Long MW, Gortmaker SL, Ward ZJ, Resch SC, Moodie ML, Sacks G, Swinburn BA, Carter RC, Claire Wang Y. Cost Effectiveness of a Sugar-Sweetened Beverage Excise Tax in the U.S. Am J Prev Med. 2015;49(1):112–23