

Item #33

Memorandum: Key Points of a New Sugar Tax Study

Memo summarising Cochero et. al. (2017) study on sugar taxes, prepared by the Ministry of Health for the Minister of Health, sent 27 February 2017

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Memorandum: Key points of a new sugar tax study

To: Hon Dr Jonathan Coleman, Minister of Health

Copy to: [REDACTED] Senior Advisor, Office of the Hon Dr Jonathan Coleman

Purpose

This memorandum provides information requested by your office, about a recently published report about the impact of a sugar tax: Cochero, M.A., Rivera-Dommarco, J., Popkin, B.M., and Ng, S.W. (2017), *In Mexico, Evidence of Sustained Consumer Response Two Years After Implementing a Sugar-Sweetened Beverage Tax*, Health Affairs [Retrieved online 23/02/2017].

Key points of the study

1. The study analyses beverage consumption by Mexicans since 2013. The results show a fall in purchases of sugar-sweetened beverages (SSBs) and other bottled drinks in Mexico since 2013. Commentators usually focus on the introduction of a tax on SSBs in Mexico, but in 2013 a whole package of measures was introduced to address obesity and access to safe drinking water, including the tax, an overhaul of the drinking water infrastructure, and a public education campaign. The authors note that they do not separately identify the contribution of each intervention. So, the fall in purchases of bottled drinks since 2013 may demonstrate the impact of a comprehensive approach rather than the impact of a tax.
2. The authors do attribute the fall in purchases of SSBs since 2013 to the tax, but they also emphasise the limitations of their methods and data. They note that different data sources show different results and that they need to clarify these discrepancies by analysing subsequent years of data. These results are therefore not yet conclusive, but we will watch with interest further work.
3. Interesting results in this report include:
 - The fall in SSB purchases since 2013 varies with household income, with the greatest fall in the poorest households.
 - The fall in SSB purchases is small: the fall in purchases of taxed beverages by the poorest households was 24 ml per person per day, or about 7% of a small bottle of Coca Cola.
 - The results suggest very different trends in purchases of untaxed items in 2014 compared with 2015: for example in 2014 there was a small increase in the volume of untaxed bottled water sales (1.7%), whereas sales fell in 2015 (-6.5%).
 - In 2015 the greatest fall in volume purchased per person per day was of untaxed water, which fell 54 ml compared with taxed sodas which fell 0.4 ml and other taxed beverages which fell 11 ml. This fall in purchases of both taxed and untaxed items may indicate that it is access to safer drinking water that is driving behaviour change

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