

Should we tax soft drinks?

August 17 2012

Jack Winkler's commentary on a report by Ng et al., challenges the proposal of a 10% tax on 'sugar-sweetened beverages' (SSB). Both articles appear in the current issue of *British Journal of Nutrition* and raise important questions about soft drink taxation and consumption.

In their report, 'Patterns and trends of [beverage consumption](#) among children and [adults](#) in Great Britain, 1986-2009', the authors Ng, Ni Mhurchu, Jebb and Popkin conclude that a 10 % increase in the price of SSB could potentially result in a decrease of 7.5 ml/capita per d. Their analysis implies that taxation or other methods of shifting relative costs of these beverages could be a way to improve beverage choices in Great Britain.

While applauding the 'heroic analysis' of the UK food purchase and consumption data Winkler observes in his commentary that the 10% tax proposed would lead only to a 4.6% reduction in SSB purchases. In real terms this equates to a less than gram of sugar (or one sip from a 2 litre bottle).

Moreover the nature of consumer behaviour, where consumers regularly pay 950% extra for a well-known brand over a value brand, a 10% tax will have little effect. Crucially, the [soft drink](#) market is complex and the nature of supermarket deals plus variations in price between locations and outlets renders the 10% increase meaningless. Winkler also suggests that popular resistance amongst manufacturers and consumers alike mean that no politicians are likely to adopt the 10% tax idea anyway.

Importantly the Ng report does not clarify an opinion on the related issues of fruit juices and sweeteners. The leading brand of Unsweetened apple juice contains more sugar than the leading cola brand, and nothing is suggested about this problem. Winkler remarks "Anyone serious in sugar evading cannot avoid this issue".

Winkler suggests that by not discussing 'Sweeteners' and the increase in consumption of sugarfree [beverages](#), nutritionists are neglecting an important aspect of potential nutritional policy. Manufacturers effectively charge a premium for sugarfree products even though they cost less than SSB's to produce. A tax exemption on sweeteners is one instrument to invert this trend, and is a viable consideration when looking at ways to reduce sugar consumption.

Winkler concludes that not only is a [tax](#) on SSBs not likely to be adopted but even it was it would be ineffective but the Ng report does open up a lot of questions for Nutrition Policy makers:

'First, what are we seeking to do, change people or change foods? Second, the issue contrasts principled and pragmatic strategies. Should we, as a matter of principle, seek to switch people to healthy diets directly and quickly?. Finally, price instruments can punish the bad, reward the good, or both.' In short: 'Make the healthy choice the cheaper choice'

More information: Why soft drink taxes will not work, J.T. Winkler. *British Journal of Nutrition* / Volume 108 / Issue 03
journals.cambridge.org/article_S0007114511006477

Patterns and trends of beverage consumption among children and adults in Great Britain, 1986-2009 Shu Wen Ng, et al. *British Journal of Nutrition* / Volume 108 / Issue 03
journals.cambridge.org/article_S0007114511006465

Provided by Cambridge University Press

Citation: Should we tax soft drinks? (2012, August 17) retrieved 11 May 2024 from <https://medicalxpress.com/news/2012-08-tax-soft.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.