

Taxing the dose of calories in sugary drinks could help reduce obesity

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A tax on sugary drinks that depends on the number of calories or amount of sugar per liter could help fight obesity, suggests new research published in *Social Science & Medicine*. While a few countries are already trialing a tax on sugary drinks, taxing the dose would encourage drinks companies to offer low-calorie alternatives.

Worldwide, an estimated 1.9 billion adults are overweight, and of these 600 million are obese. Obesity increases the risk of diseases like type 2 diabetes; in the US alone, [obesity](#)-related healthcare costs around \$200 billion a year. Due to their high sugar content and low nutritional value, there is growing concern that [sugary drinks](#) are a significant contributor to obesity. Consumption has increased drastically in recent decades, leading policy makers to look for ways of reducing the amount of sugary

drinks in our diets.

In January 2014 Mexico became the first country to do a nationwide sugar-sweetened drink [tax](#) when it introduced a tax of one peso (around \$0.07) per liter - around 10% of the price. The tax includes all drinks that have been sweetened using sugar, not just [carbonated drinks](#).

Mexico consumes more sugar-sweetened drinks than any other country: looking at Coca-Cola products alone, Mexico consumes 745 servings per person per year, compared to the worldwide average of 94.

Early results indicate that the tax is having an impact and reducing consumption of sugary drinks. However, the new study suggests that basing the tax on the dose of [calories](#) or sugar in a product, rather than applying a flat tax across the board, could make it even more effective.

"Taxing sugary drinks isn't a new concept, but given the immediacy of the global obesity problem, it's time we got creative with how we approach it," said author of the study Dr. Evan Blecher, Senior Economist at the American Cancer Society. "We could get sharper effects from taxation if we tax the dose of an ingredient, like sugar, or calories."

In his new study, Dr. Blecher drew comparisons between taxing tobacco, alcohol and sugary drinks, using South Africa as a case study. While a flat tax is a good approach to tobacco, it may not be the best way to encourage different habits when it comes to the consumption of alcohol and sugary drinks.

So far, the results of tobacco tax suggest that taxing by the number of cigarettes is the best approach. Translated to alcohol and sugary drinks, this would mean taxing by volume. However, taxing the dose of a particular ingredient - the alcohol in alcoholic beverages or the sugar or calories in sugar-sweetened drinks - could be a more effective way to

reduce consumption. This may also incentivize drinks companies to offer healthier alternatives.

This dose approach to taxation has been effective at reducing the consumption of alcohol in South Africa, reducing the amount of alcohol consumed in beer by 12% since 1998. As well as being a possible approach for sugar-sweetened drinks, it could also be effective at controlling unhealthy food consumption, and even fuel consumption.

"Effectively, this is not that different from the conceptual understanding of carbon taxes - the idea is to tax the dose of the pollutant to incentivize consumers and producers to use better technologies to reduce carbon," said Dr. Blecher. "We could use it as a mechanism for taxing fuel: at the moment all petrol is taxed at a flat rate, but different petrols release varying amounts of pollutants in to the atmosphere. Taxing according to pollutant production could be a new approach."

More information: "Taxes on tobacco, alcohol and sugar sweetened beverages: Linkages and lessons learned" by Evan Blecher ([DOI: 10.1016/j.socscimed.2015.05.022](https://doi.org/10.1016/j.socscimed.2015.05.022)). The article appears in *Social Science & Medicine*, Volumes 136-137 (July 2015)

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