

# Sugar tax could cut consumption of unhealthier breakfast cereals, new study finds

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A 20 percent sugar tax could discourage shoppers from buying unhealthier breakfast cereals, new research led by Newcastle University shows.

Researchers found demand for [sugary cereals](#) fell by 48 percent if consumers knew a tax was being applied and consumers purchased healthier alternatives.

The study, carried out by experts from Newcastle, York and Anglia Ruskin Universities, examined the impact of both a 20 percent and 40 percent tax on unhealthier [cereals](#) and [soft drinks](#) containing [sugar](#). It also looked at whether telling people they were being taxed influenced the way they shopped.

Lead researcher, Daniel Zizzo, Professor of Economics at Newcastle University Business School, said: "Our findings suggest a 20 percent sugar tax would work and lead to large changes in shopping behaviour."

One thousand people living in the UK took part in the study and were given a budget of £10 to spend on soft drinks and cereals. The products were classed by researchers as healthier or less healthy, depending upon their nutritional value.

The research showed:

- A 40 percent tax was effective at reducing the purchase both of unhealthier cereals and sugar sweetened beverages.
- A 20 percent tax significantly reduced the sale of the cereals but not of the less healthy drinks.
- However, if shoppers knew they were being taxed by 20 percent, then purchases of both sets of products fell by around half.

"We know the Government is already introducing a sugar levy on fizzy drinks in 2018," said Professor Zizzo. "Our evidence shows that it could be applied to other products successfully, though I expect the size of the effect to be smaller than what we found in our study. It also suggests there is an argument for letting shoppers know how much they are being taxed. Our research showed it resulted in a marked effect on their shopping behaviour."

The findings add to those in a report by *Public Health England*, published last October, which considered a tax or levy of 10 percent to 20 percent on high sugar products. They also follow on from a 10 percent [tax](#) on sugary drinks in Mexico, which saw sales drop by an average of 6 percent over a year.

Participants were asked to complete 10 shopping tasks on a supermarket website. Five of the tasks were to buy cereals and the other five were to buy [sugar sweetened drinks](#). They could also decide not to buy and were free to do so.

The goods were split into two categories, healthier and less healthy with the team using criteria Ofcom uses to enforce restrictions of television advertising to children. The scoring system looks at the nutritional content of 100g of a food or drink. It includes energy density, saturated fat, total sugar, sodium and protein, together with an estimate of the fruit, vegetable and nut contents.

**More information:** [www.york.ac.uk/media/che/docum...  
eals\\_soft\\_drinks.pdf](http://www.york.ac.uk/media/che/documents/soft_drinks.pdf)

Provided by Newcastle University

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