

# THE MEXICAN TAX ON SUGAR-SWEETENED BEVERAGES IS WORKING

PRESS CONFERENCE  
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# CONSUMPTION OF SUGAR-SWEETENED BEVERAGES (SSBs) IN MEXICO

- Mexicans consume on average 163 liters of SSBs each year.<sup>1</sup>
- Between 1989 and 2006, the consumption of sugary drinks increased by 60% per capita.<sup>2</sup>
- 24,000 Mexican deaths may be attributed to the consumption of SSBs.<sup>3</sup>



1. Calculation by K. Brownell, based on data from Datamonitor/  
Euromonitor 2009. 2. Barquera et al. 2008. 3. Singh et al., submitted

# DISEASE MORTALITY ASSOCIATED WITH SSBs AND OBESITY

Cardiovascular Diseases (CVD)	145,237
Diabetes mellitus (DM)	87,245
Total (CVD + DM)	232,482

**38% of total deaths in Mexico are attributable to CVD and DM**

# THE MEXICAN TAX ON SUGAR-SWEETENED BEVERAGES

- Passed by Mexican Congress: **October 29, 2013.**
- Went into effect: **January 1, 2014.**
- Type of tax: **Specific excise tax (called a IEPS in Spanish).**
- Amount of the tax: **1 peso (0.07 USD)\* per liter.**
- A tax of approximately 10% was applied **to non-alcoholic and nondairy beverages that contain added sugar.**



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\*Note: At average currency exchange rate for 2014 of 13.840 Mexican pesos to 1 US dollar (IRS).

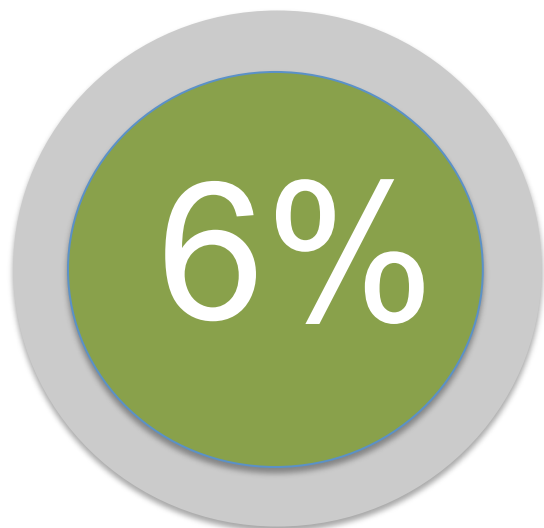
# STUDY: PRELIMINARY RESULTS ON THE CONSUMPTION OF SUGAR-SWEETENED BEVERAGES AFTER THE IMPLEMENTATION OF THE TAX

- Carried out by the Mexican National Institute of Public Health and the Carolina Population Center at the University of North Carolina to determine changes in household beverage purchases during 2014.
- The model adjusted for the downward trend in taxed-beverage purchases since 2012 and also for macroeconomic variables associated with purchasing.

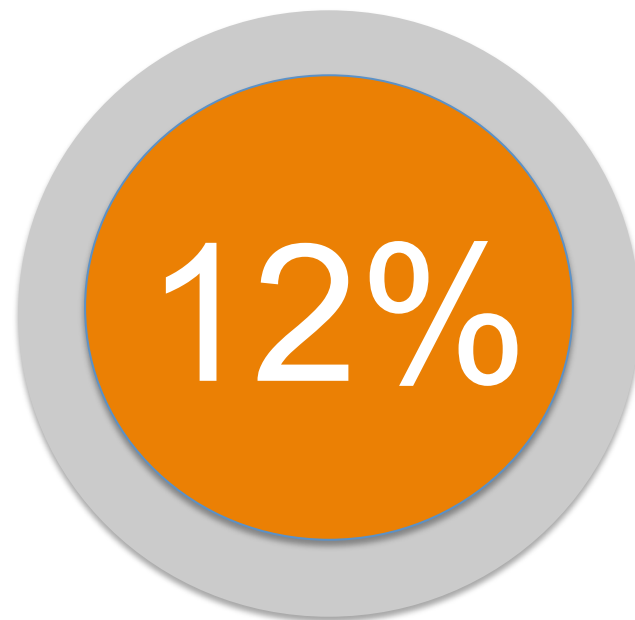


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# REDUCTION IN THE PURCHASE OF TAXED BEVERAGES IN MEXICAN HOUSEHOLDS



**Average reduction during 2014** in the purchase of taxed-beverages



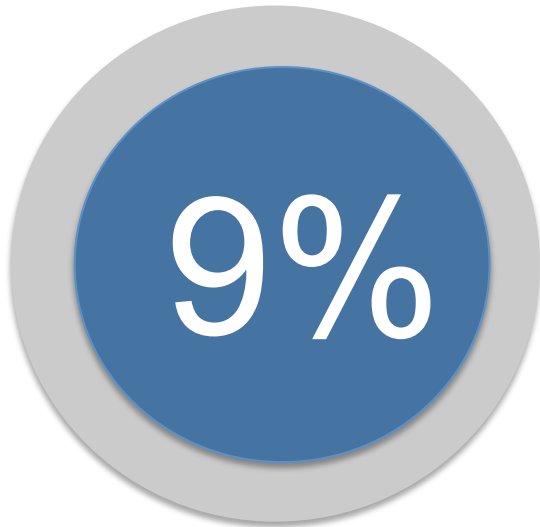
The reduction increased over the year, **reaching 12% in December.**



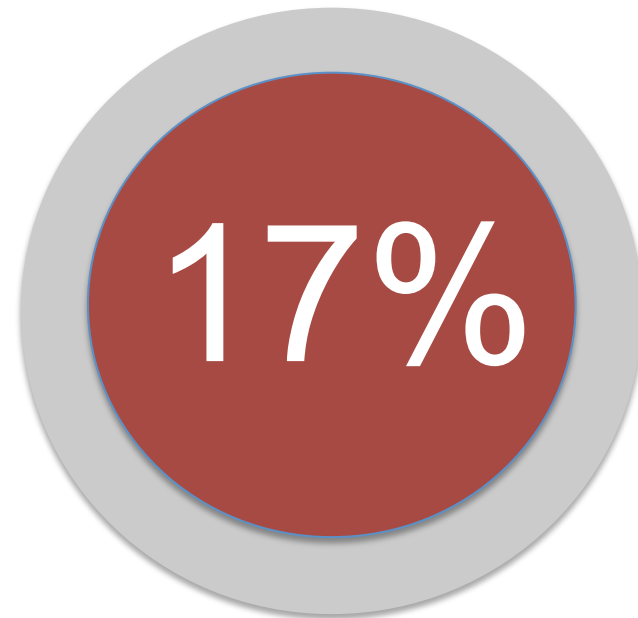
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# LARGEST REDUCTION IN PURCHASES AMONG THE LOWEST SOCIOECONOMIC GROUP

Low SES families are spending less and consuming fewer sugar-sweetened beverages, which will result in direct benefits to health.



**Average reduction during 2014** in the purchase of taxed beverages



The reduction increased to reach **17% in December**

# DIABETES CAN LEAD A MEXICAN FAMILY TO BANKRUPTCY

Annual cost of medical treatment for a complicated case of diabetes  <i>(Mexican Institute for Competitiveness, IMCO, 2015)</i>	\$65,896 pesos (\$4,761 USD)*
Annual average salary  <i>(Mexican National Occupation &amp; Employment Survey, 2012)</i>	\$61,896 pesos (\$4,472 USD)*

\* Note: Conversions at average currency exchange rate for 2014 of 13.840 Mexican pesos to 1 US dollar (IRS).



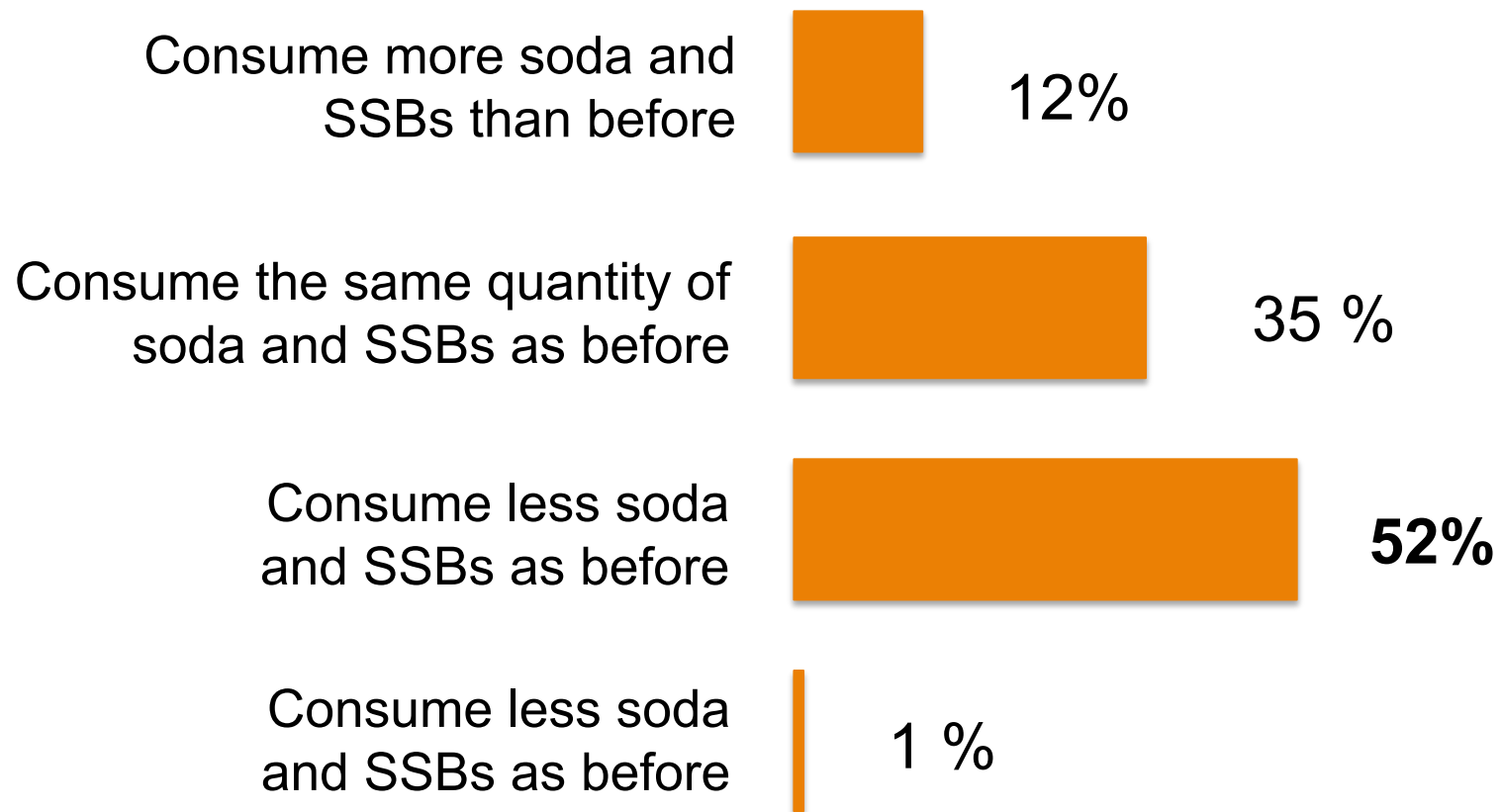
# GREATER EFFECT AT THE END OF THE YEAR

- A similar effect has been observed in other studies on taxed goods, such as that of tobacco, that are hard to give up.
- In these instances, the consumer response occurs more slowly and the effect of the tax increases over time.

(Chaloupka FJ, Pacula RL. 2001)



# 52% consider that they consume fewer SSBs this year (2014) than the previous year



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