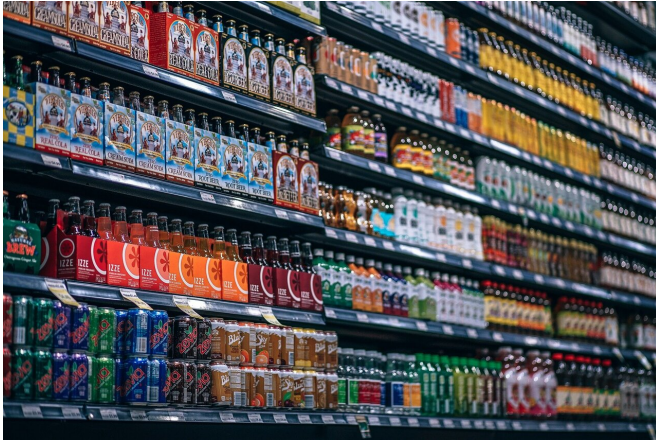


Sugar tax in Spain has led to only tiny reduction in calories in shopping basket

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The introduction of a sugar tax, increasing the price of fizzy drinks and other products high in sugar content, has had only a limited, moderate effect in shifting people's dietary habits and behaviors, according to a new study.

Fresh research from an international team of economists published in the journal *Social Science & Medicine*, focused on the impact of a [sugar](#) tax on people's shopping baskets comparing customer spending in Catalonia in Spain (where a tax had been introduced), with the rest of the country (where it had not been) from May 2016—April 2018.

A sugar-sweetened beverages (SSB) tax was introduced in Catalonia in May 2017, but not for the rest of Spain. The tax has a tiered structure whereby the rate increases dependent on the amount of sugar contained within a product. The Catalan approach mirrors that of the UK Soft Drinks Industry Levy, which came into force on 6 April 2018.

The SSB tax meant that, on average, a one liter bottle of Fanta, Sprite or Seven Up!, which cost

around €1.02 the month before the tax increased to €1.18. However, one of the additional effects of tax has been reformulation—whereby drinks producers have created and marketed new products with much lower overall [sugar content](#) (e.g. Coke Zero).

Drawing on customer data derived from loyalty cards at a Spanish supermarket chain and comparing shopping baskets for nearly a million households (844,943) both before and after the tax was introduced, the research team found that households did reduce purchases of high sugar (taxed) beverages and increased purchases of lower sugar (untaxed) options in response.

However, this reduction was modest. Overall, they calculated this led to an average reduction in sugar of 2.2%, which spread out on a per person basis equalled only a tiny, 3.7 calories per month. Their results also showed a distributional effect with regular (i.e. those doing most of their shopping at this supermarket chain) and high-income customers most affected by the tax.

This might be either due to the fact that the tax was more salient for these groups or that these groups represented the largest share of the sample. Consequently, the researchers argue that much more is needed to influence behaviors and reduce obesity in particular among poorer households.

Lead researcher, Dr. Eleonora Fichera from the Department of Economics at the University of Bath (UK) explains: "In response to rising levels of obesity and the serious and significant negative effects this is having for individuals, their families and wider healthcare systems, over the past five years there has been growing interest in the potential effectiveness of sugar taxes.

"By analyzing the effect of a tiered tax system for sugar-sweetened beverages in Catalonia and by comparing its impact with the rest of Spain (where a tax was not introduced) our results provide

important evidence to policymakers keen to explore the potential effectiveness of this approach.

"And whilst our results demonstrate some impact in shifting behaviors towards products lower in sugar, this effect is modest at best. If these taxes are to be more effective, they need to be more visible at the checkout so that consumers become increasingly aware of the added cost of their high-sugar choices. This requires that the tax is more specific too, ensuring producers are forced to pass the tax through to consumers. Although more than 20% of the Catalan tax was passed through to consumers, not all of it was, making the tax less impactful."

A wide range of additional policies have recently been introduced to tackle growing obesity, including high sugar and high calorie labeling as well as different taxes. In August 2020, Dr. Fichera published separate research suggesting that nutritional labeling is helping to improve the nation's diet.

She added: "There is no one, single, silver bullet which will resolve the obesity crisis that many countries in the West are facing. Obesity is a complex problem, exacerbated by a proliferation of high-sugar, high-fat products but also our increasingly sedentary lifestyles. Our approach to tackle it needs to be holistic and co-ordinated."

More information: Eleonora Fichera et al, How do consumers respond to "sin taxes"? New evidence from a tax on sugary drinks, *Social Science & Medicine* (2021). [DOI: 10.1016/j.socscimed.2021.113799](https://doi.org/10.1016/j.socscimed.2021.113799)

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