

Price elasticity of the demand for sugar sweetened beverages and soft drinks in Mexico

Mexico is at the forefront of the obesity epidemic, ranking second in the prevalence of obesity and first in the prevalence of diabetes across all OECD countries. Increasingly, attention is brought to the consumption of sugar-sweetened beverages as a risk factor for obesity, type 2 diabetes and heart disease. This study aimed to estimate the potential effect of a tax on consumption in Mexico.

Current projections show that a price increase of sugar-sweetened beverages would lead to increased consumption of water, milk, snacks and sugar and a decreased consumption of sugar-sweetened beverages and candies. These products have been highlighted as being price elastic, meaning that when their price increases, their consumption decreases. Overall, the study has identified taxation as a recommended policy. However, in order to enhance the effect of taxation, it should be accompanied with other interventions.

Reference: Colchero MA, Salgado JC, Unar-Munguía M, Hernández-Ávila M, Rivera-Dommarco JA. Price elasticity of the demand for sugar sweetened beverages and soft drinks in Mexico. *Econ Hum Biol.* 2015;19:129-137. [doi:10.1016/j.ehb.2015.08.007](https://doi.org/10.1016/j.ehb.2015.08.007)