

The impact of a 'soda tax' on prices: Evidence from French micro data

In January 2012, France introduced the 'soda tax'. A tax of €7.16 per 100 litres was applied to all sodas, including light versions, as well as fruit juices, drinks with added sweeteners and flavoured drinks. The aim of this paper is to evaluate the impact of the French 'soda tax' on the price of three main product categories of concerned drinks: (i) flavoured waters, (ii) fruits drinks and ready-to-drink teas and (iii) sodas.

Through the price of 845 different beverage products sold in supermarkets, the data set was followed from August 2011 to June 2012 to see the transition between the pre- and post-tax implementation. The analysis revealed a gradual price increase over time. However, trends differed between the different beverage categories. While the analyses of the prices of flavoured waters and fruit drinks revealed an under-shifting of prices, the prices of sodas revealed a quasi-full shifting of the tax to beverage prices. Finally, this paper also revealed the heterogeneous impact of the tax, not only across product categories but also across beverage brands and retailers.

Reference: Berardi N, Sevestre P, Tépaut M, Vigneron A. The impact of a 'soda tax' on prices: evidence from French micro data. *Appl Econ*. 2016;48(41):3976-3994. [doi:10.1080/00036846.2016.1150946](https://doi.org/10.1080/00036846.2016.1150946)