

Item #37

Email discussing effect of Mexican sugar tax

Email chain discussing evidence of impact of sugar taxes, including Professor John Gibson's research, sent 9 May 2017

Sent By: Bronwyn Croxson/MOH on 9/05/2017 1:13:39 p.m.  
To: katherine.rich@fgc.org.nz  
Copy To: Hannah Cameron/MOH, [REDACTED]  
Subject: Email with Katherine Rich NZ Food and Grocery Council (FGC) re Mexican data re sugar tax

Dear Katherine,

Many thanks for your kind offer, and I am sorry for the delay in responding to you [REDACTED]  
[REDACTED] I am picking up the correspondence.

Are you able to send me any information about the data - years, variables, and so on as well as caveats on its use, so I can see whether we are able to use it?

With best wishes

Bronwyn Croxson

Dr Bronwyn Croxson  
Chief Economist  
Client Insights and Analytics  
Ministry of Health  
[REDACTED]

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----- Forwarded by Bronwyn Croxson/MOH on 09/05/2017 01:07 p.m. -----

----- Forwarded by [REDACTED] on 05/05/2017 04:23 p.m. -----

From: Katherine Rich <katherine.rich@fgc.org.nz>  
To: [REDACTED]  
Date: 21/04/2017 11:45 a.m.  
Subject: Re: Sugar tax evidence

[REDACTED], I've purchased the new sales data from Mexico. Would you like to analyse it? I haven't done anything with it yet but I thought you'd find it useful. K

Sent from my iPhone

On 24/06/2016, at 09:24 [REDACTED] <[REDACTED]>  
wrote:

Dear Ms Rich,

I am a policy analyst with the Ministry of Health, and a good friend of Eric Crampton who gave me your email address. One of my responsibilities for the last year has been to maintain a watching brief on emerging evidence relating to sugar tax. Your recent article "Did the Mexican sugar tax really reduce sales?" which was published in Food New Zealand was very interesting to me for two reasons: Firstly the use of more up-to-date Nielsen data from Mexico which indicates that our concerns about how any impact of a tax can be sustained are valid, but also because of the statement about a 5% decline in consumption of carbonated drinks in New Zealand over the past 12 months. Can you please tell me what data the statement about NZ was based on and, if you have the data, is there any way that you could share that with the Ministry of Health?

Recently Dr John Gibson, an economics professor at the University of Waikato who received a grant

from the Marsden Fund to research consumer substitution in sugar-sweetened beverages and tobacco gave a very interesting presentation at the Ministry of Health. His main conclusion is that consumers tend to make substitutions on quality (which here means non-price characteristics in order to obtain essentially the same products at a lower price to help offset the tax - for example, buying Budget brand cola instead of Coca-Cola), and that previous studies have over estimated the quantity response due to the failure to consider this quality response. I would be very happy to share with you the slides from that presentation if you are interested.

Kind regards

[REDACTED]  
Senior Policy Analyst Economics  
Office of the Chief Economist  
Client Insights & Analytics  
Ministry of Health  
[REDACTED]  
Fax: 04 496 2344

<http://www.health.govt.nz>  
[REDACTED]

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