



Taxing Alcohol and Sugar Sweetened Beverages (SSBs)

Mark Goodchild, Economist, World Health Organization

Advancing tobacco taxes in Latin America, Washington DC, 28-30 Oct 2024

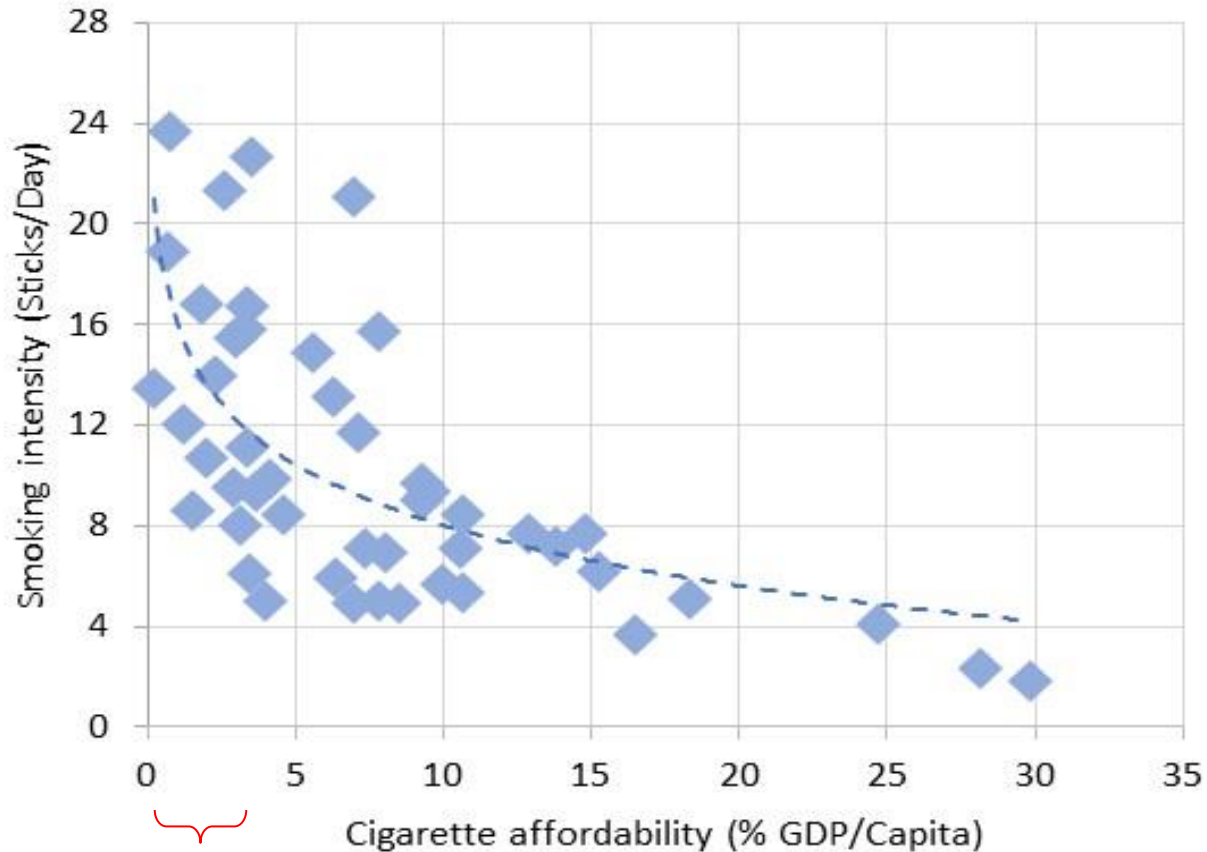
General comments

- **Specific taxes are better than ad valorem taxes from the public health perspective as they link more directly to the harmful ingredient**
- **But ad valorem taxes do have a place including if there many product categories or large variations in product characteristics.**
- **Remember the aim is to increase the price of the unhealthy product high enough to measurably reduce their consumption.**

"Better a diamond with a few flaws than a pebble without one"

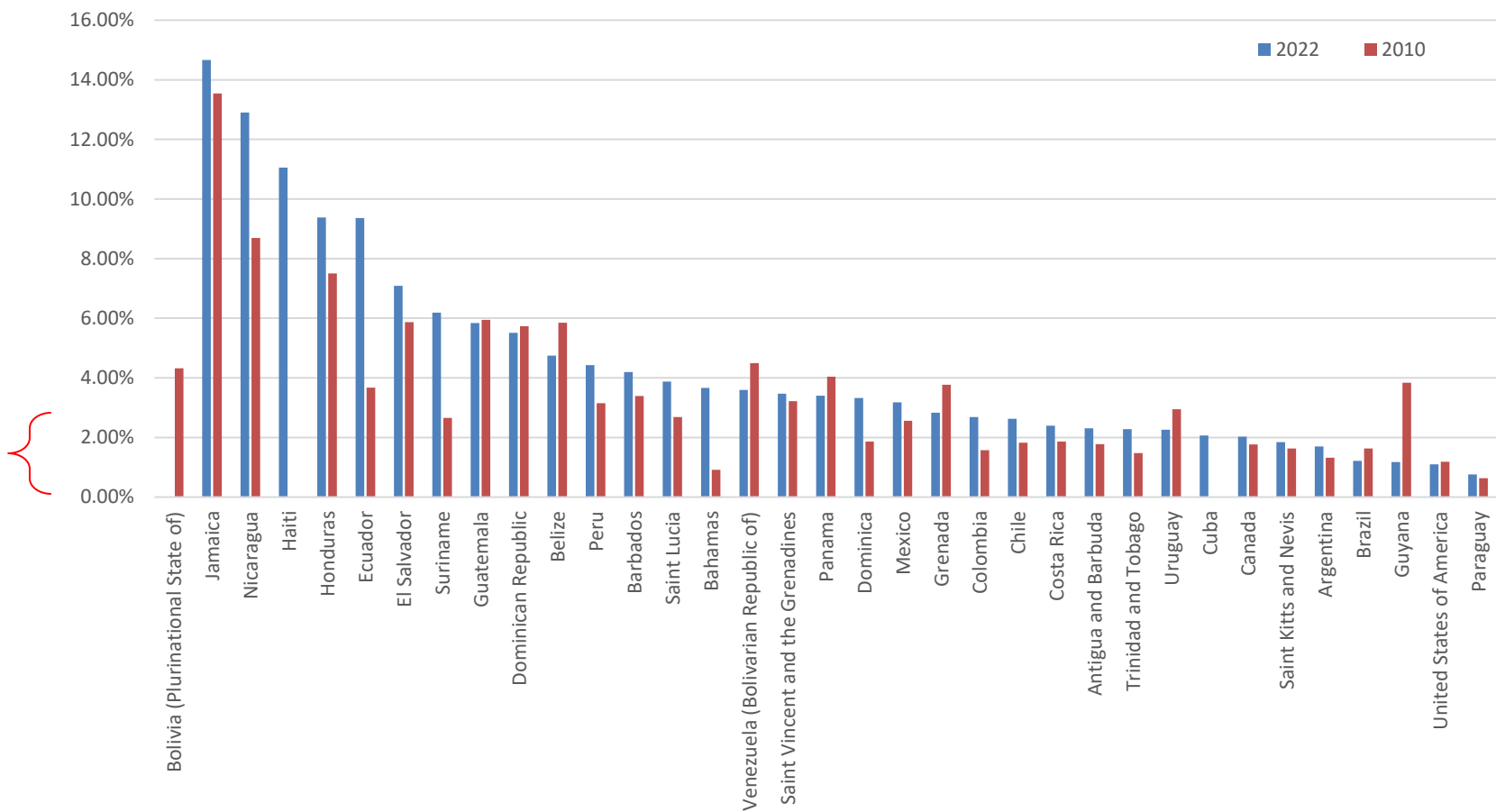
'Affordability' matters - smoking example

Cigarette affordability and smoking intensity in 48 countries globally



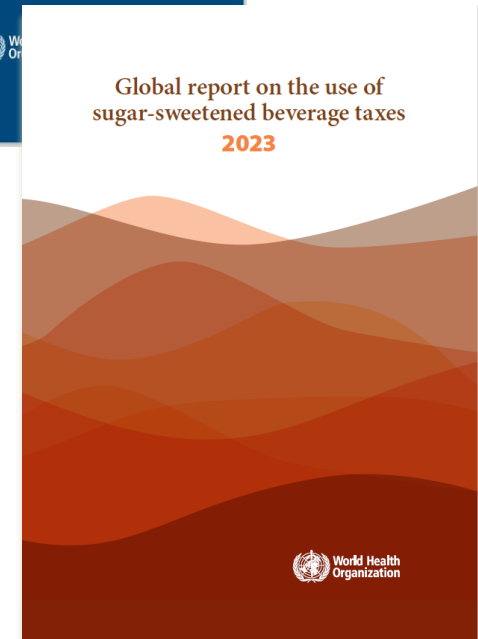
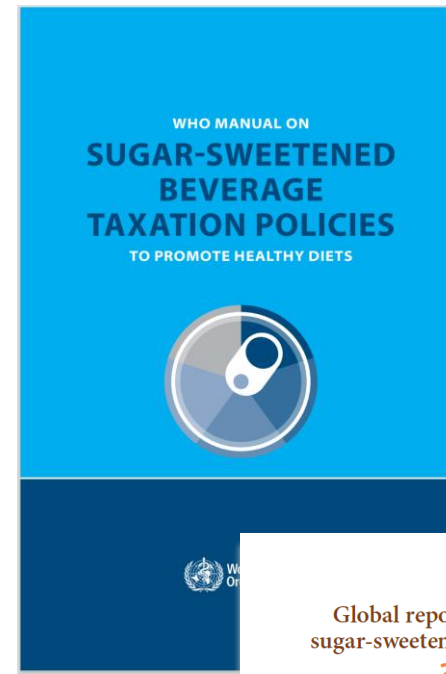
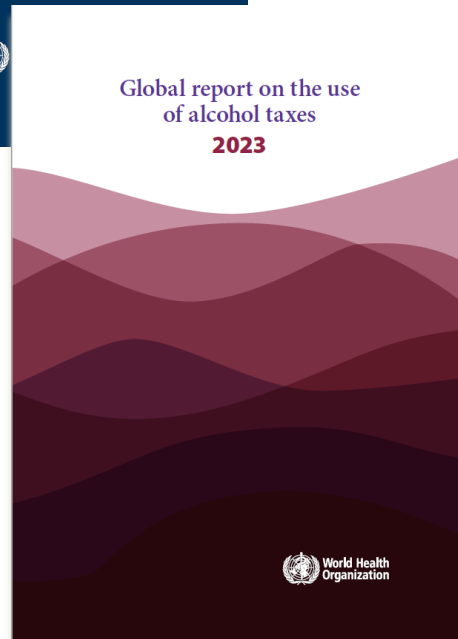
Source: Goodchild M (2024)

Cigarette affordability in the Americas



Some further context

- **Long-running and well-established 'best practices' for tobacco including the WHO benchmark that taxes should account for 75% of the retail price of cigarettes.**
- **Successful countries are also tracking the affordability of tobacco and linking tax policies to national NCD strategies and targets.**
- **Alcohol and SSB taxation often needs to be more nuanced due to the potential for switching and in-country consumption patterns.**
- **Fundamental theory of change is the same.**

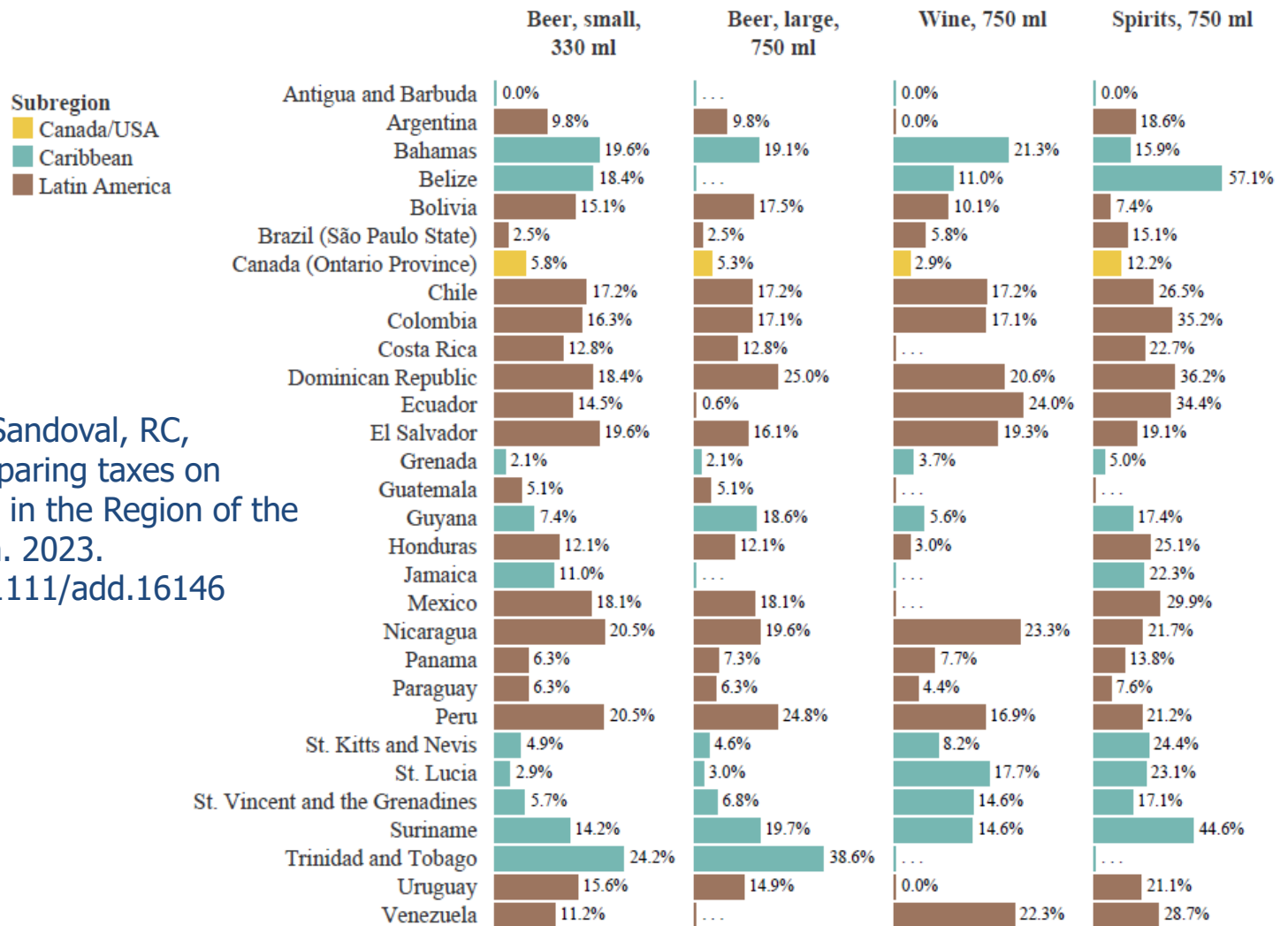


Global summaries

- **Excise is applied to alcohol products in at least 148 countries.**
- **On average, across these 148 countries, excise accounts for 17.2% of the retail price of beer and 26.5% of the retail price of spirits.**
- **Volume-based specific excise taxes represent the most prevalent type of excise applied to beer and wine, while alcohol-content based specific excise tax systems are the most prevalent for spirits.**

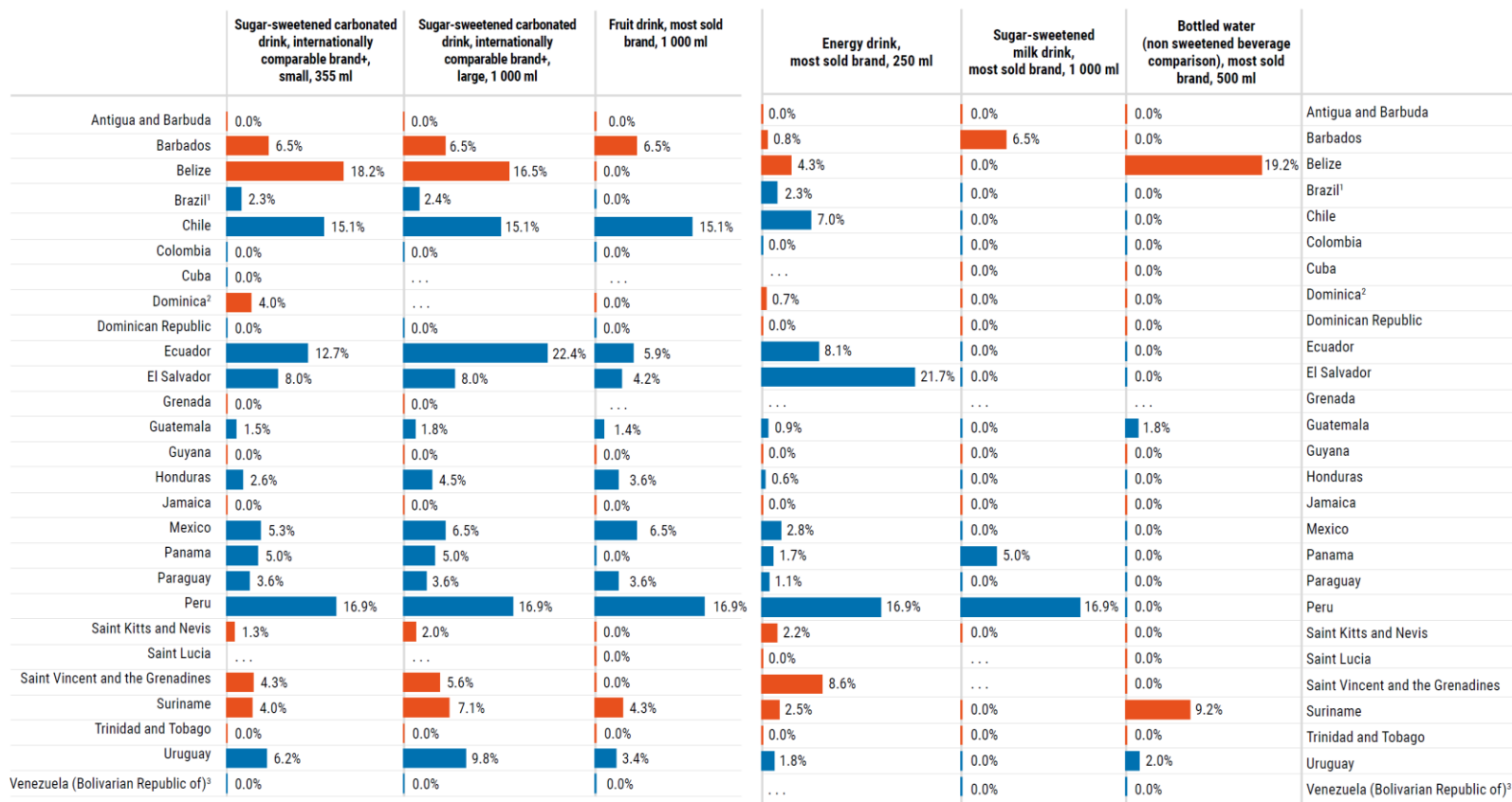
- **Excise is applied to SSB products in at least 108 countries.**
- **On average, across these countries, excise account for 6.6% of the retail price.**
- **Ad valorem accounts for half of all excise systems, while 7 countries apply some form of content-based taxation on SSBs.**

Tax shares on alcohol in the Americas



source: Roche, M, Sandoval, RC, Monteiro, MG. Comparing taxes on alcoholic beverages in the Region of the Americas. Addiction. 2023. <https://doi.org/10.1111/add.16146>

Tax shares on SSBs in the Americas



Source: PAHO (2022). Sugar-sweetened beverage tax indicators in Latin America and the Caribbean. Washington D.C.: PAHO; 2022.

Thank You

Mark Goodchild
goodchildm@who.int

<https://www.who.int/teams/health-promotion/fiscal-policies-for-health>