

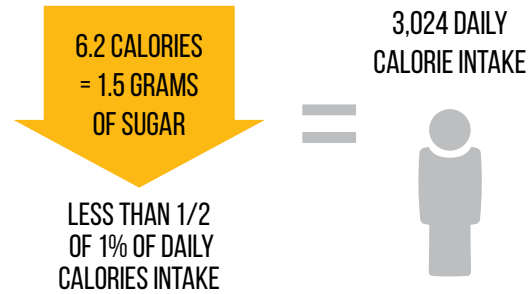
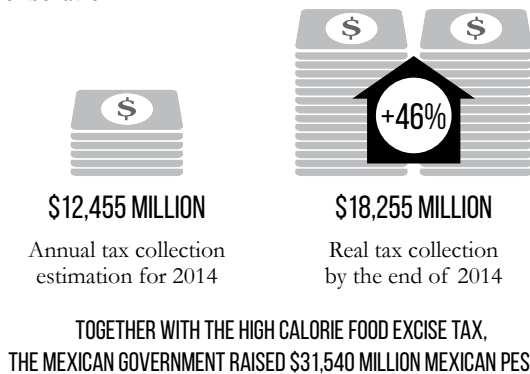
THE TRUTH ABOUT BEVERAGE TAXES

EFFECTS FROM A SUGARY BEVERAGE EXCISE TAX IN MEXICO

THE TAX HAS RAISED REVENUE BUT HAS HAD NO EFFECT ON OBESITY.

According to the National Soft Drinks Association (ANPRAC), the excise tax has served more to raise tax revenues by collecting **\$18,255 million Mexican pesos in sales taxes** than producing a significant impact on consumer behavior.

The source of calories coming from sugary beverages was reduced by 6.2 calories for a 3,025 daily calorie per capita intake which represents 0.20% of a daily diet (According to the National Soft Drinks Association [ANPRAC]).



THE TAX IS HURTING THOSE WHO CAN LEAST AFFORD IT.

The excise tax has resulted in a negative impact on Mexican household economics (Source: KANTAR World Panel, January-December 2014).



THERE WAS A NEGATIVE ECONOMIC EFFECT.

1,700 direct jobs were lost in the Mexican soft drink industry.



44%

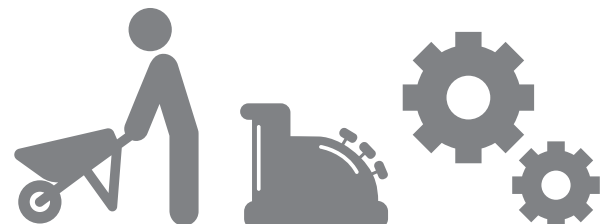
of the closure is explained by the relevance in sales of the taxed.



And an estimated loss of **7,100 jobs from the industry's value chain** (ANPRAC).

More than **30,000 small mom & pop or convenience stores closed** last year due to this tax and lack of safety and security, resulting in the **loss of 50,000 jobs** (Mexico Small Merchants Association).

The Mexico soft drink tax cost the country 10,815 jobs both in the industry directly and in agricultural companies that are the major suppliers to the industry, according to the most recent data from the National Household Income and Expenditure Survey (ENIGH) for 2014, and Monthly Survey of the Manufacturing Industry (EMIM). This finding was made in a study by researchers at the University of Nuevo Leon in December 2015.





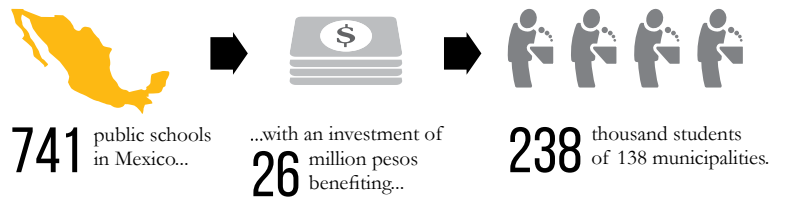
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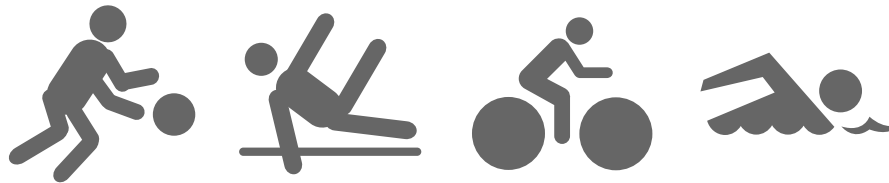
THE INCOME WAS NOT INVESTED ON HEALTH INITIATIVES.

- The Mexican Congress approved an expenditure of **886 million pesos for 2015**, for preventing and controlling obesity in the population and promoting a healthier lifestyle. **(That amount of money represents only 3% of the income from this tax).**
- Also, a **1.3 billion peso package** was approved for installing water drinking fountains in schools. Up to now there is no report of the installation of these fountains.

INSTEAD, THE BEVERAGE INDUSTRY HAS INSTALLED DRINKING FOUNTAINS IN...



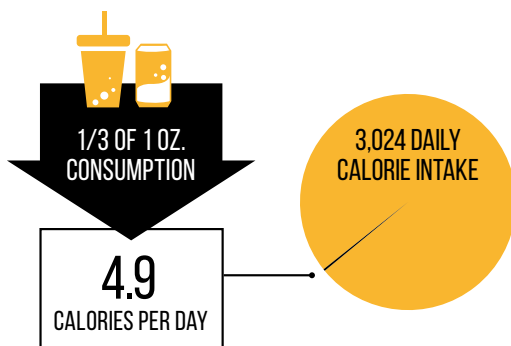
Effective measures to combat obesity and related diseases are those aimed at **influencing the behavior and habits of the population**, which is achieved with **comprehensive policy actions and public education, prevention and promotion of healthy lifestyles.**



EVEN THE STUDY DONE BY SUPPORTERS OF THE MEXICO TAX SHOWS A DROP IN CALORIES SO MINUSCULE IT WOULD NOT BE MEASURABLE ON A BATHROOM SCALE.

Consumption of sugar-sweetened beverages dropped about 1/3 of 1 ounce a day per person in 2014, just 4.9 calories out of an average daily diet of 3,024 calories.

Source: *British Medical Journal*, Barry M. Popkin, co-author



A study by the Mexico Autonomous Institute of Technology (ITAM) found that there was no change in BMI in 2014. Zero. It remained flat.

Source: ITAM

