**The Soda Tax in Mexico**

**Legal environment, taxes, economic barrier, adaptations**

Description: This video discusses the impact of a tax on sugary and high caloric foods and beverages in Mexico. Mexico competes with the United States as the world’s fattest nation. Because Type II diabetes is incredibly prevalent in Mexico, the government has decided it must take action to try and discourage citizens from consuming too much of these unhealthy foods. It placed a 1 peso per liter tax on sugary drinks and an 8 percent tax on high caloric foods. The tax seems to be working as sales of these foods and beverages have fallen (and sales of healthier juices and water have increased). However, one group believes the decrease in sales has nothing to do with the tax

Please share your thoughts on the following issues as you watch a news video on the impact of a tax on sugary and high caloric foods and beverages in Mexico. Because Type II diabetes is incredibly prevalent in Mexico, the government has decided it must take action to try and discourage citizens from consuming too much of these unhealthy foods. It placed a 1 peso per liter tax on sugary drinks and an 8 percent tax on high caloric foods. *Use with:* [*https://www.youtube.com/watch?v=OivKvGRpXlg*](https://www.youtube.com/watch?v=OivKvGRpXlg)

1. Is the legal environment of Mexico favorable to companies like Coca-Cola and Pepsi?
2. How is the Mexican government using an economic barrier to discourage people from purchasing soda and high-caloric foods?
3. How have purchases of sugary and high caloric foods and beverages in Mexico changed? Do you think this is because of the tax, or could it be something else?
4. What are some ways that Coca-Cola is trying to adapt to this new tax?
5. What are some ways consumers might be able to get around the new tax?