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18th October 2017

Mr Steve Brine MP
Minister for Public Health
Department of Health
Richmond House,
79 Whitehall
Westminster
London, SW1A 2NS

Dear Minister,

I write as Director General of the Tobacco Manufacturers' Association¹, the trade body for the tobacco industry in the UK. I thought it would be helpful to provide the industry's perspectives ahead of the debate this Thursday on the Government's tobacco control strategy.

It is well recognised that smoking prevalence is in decline and this has been attributed in part to the emergence of harm reduction technology, such as e-cigarettes. Indeed, between 2007 and 2012, ONS figures show that smoking rates declined by 0.5% in five years; this contrasts to a 4.3% drop between 2012 and 2016. E-cigarettes became commercially widely available from 2013 onwards.

Tobacco manufacturers are heavily involved in the development of such products, which is a positive, as they are well placed to provide the necessary resources and research and development to deliver exacting quality standards. The UK industry spent more than £150 million on research and development in 2016².

We also believe that such products are a more effective means of transitioning smokers from combustibles than other traditional means, such as regulatory measures and cessation services. That's why we believe that calls for further resources to go into such services are misguided and not based on the available evidence or the insight of those on the front line.

TMA survey data suggests that 28% of tobacco consumers use e-cigarettes³ whilst the number of individuals setting a quit date with Stop Smoking Services has halved from around 800,000⁴ over the last five years. While correlation and causation should not be confused, it seems highly probable that a large part of the reduction is due to the increased availability of alternatives to smoking.

Councillor Izzi Seccombe, Chair of the Local Government Association's Wellbeing Board, said: "*Since the advent of e-cigarettes and campaigns such as Stoptober, we have seen the number of users of smoking*

¹ The TMA's members are British American Tobacco UK Ltd, Gallaher Ltd (a member of the Japan Tobacco International group) and Imperial Tobacco Ltd

² TMA, 2016 Global Business Local Focus

³ TMA, 2017, TMA Smokers' Anti-Illicit Trade Survey, Attitudes, Awareness and Understanding

⁴ NHS Digital, NHS Stop Smoking Services Collection

cessation services fall... spending large volumes of money on a service people are not using will fast undermine the cost-effectiveness of providing it.”⁵

We believe that this view stands in direct contrast to the impact of tobacco control measures implemented in the past few years that have had questionable effects and some negative consequences, especially with regard to increasing the size of the black market in tobacco.

For example, the small packs ban introduced under the EU Tobacco Products Directive disproportionately impacted on the UK given such packs made up around 75% of the market. Independent analysis conducted by Oxford Economics suggested that the UK Treasury could lose a total of £2.1 billion per annum both in lost VAT from lower incidental spend and via an increase in illicit and non-duty paid. Public health groups in the UK saw small packs as a gateway off tobacco not an access point to it. Mr Martin Dockrell, then Head of Policy for ASH said in 2008: “People buy smaller pack sizes such as 10s when they are attempting to reduce their tobacco consumption and quit. If you wanted people to lose weight you wouldn’t take away fun-sized chocolate bars and only sell jumbos.”⁶ Mr Dockrell is now Tobacco Control Lead at Public Health England.

We are also aware that law enforcement authorities have in recent months seized the first examples of counterfeited standardised packaging, confirming the argument that such packs would make it easier for criminals to copy and introduce onto the UK market.

We would also caution against the use of high taxes as a public health measure. The link between high tax and illicit tobacco is independently proven. More than 40%⁷ of smokers in the last year bought illicit tobacco whilst we are also seeing its impact in public health terms. A recent Trading Standards survey⁸ of young people found that increasingly they were accessing such illicit tobacco bypassing the various restrictions and safeguards.

It is imperative that the Government commits to a proper and independent review of previously implemented tobacco control measures – such as the Tobacco Products Directive and standardised packaging of tobacco products.

In summary:

- The tobacco industry is at the forefront of developing and placing onto the market new technologies such as e-cigarettes that have had a profound impact on smoking prevalence in recent years, far greater, we believe than the control measures introduced over the last decade.
- We welcome the Government’s commitment to creating a supportive environment for next generation products and the role that the UK is playing in this regard internationally.
- We welcome the Government’s commitment to review recently introduced EU control measures post-Brexit. However, we would go further and ask for a full, independent review of all measures introduced in the last decade.

⁵ <http://www.localgovernmentexecutive.co.uk/news/4-10-councils-cutting-stop-smoking-services>

⁶ Convenience Store 25th July 2008

⁷ 2017 TMA survey of 12,000 smokers <http://the-tma.org.uk/2017/09/27/nearly-three-quarters-of-uk-smokers-avoid-paying-tobacco-duties>

⁸ 2015 North West Trading Standards survey https://www.illicit-tobacco.co.uk/wp-content/uploads/2014/03/8780_TSNW-Young-Persons-Alcohol-Tobacco-2015_NW-Report_150702_V5.pdf

- The Government's high taxation policy on tobacco is encouraging the black market and widespread availability of non-UK duty paid tobacco to which children have easier access. We believe the Government should pause any further increase and commission an independent review of its current approach to taxation.
- The industry is not opposed to proportionate regulation, however it needs to be properly evidence based which we do not believe was the case in respect to some of the measures introduced over the last decade.

I hope that these comments are helpful and I would be happy to provide any further insight or evidence that would be of use.

The UK tobacco industry is committed to openness and transparency. I am therefore making a copy of this letter publicly available on the TMA website.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Giles Roca', enclosed within a large, loopy circular flourish.

Giles Roca
Director General