



**Written submission by the Tobacco Manufacturers' Association to the Science and Technology
Select Committee inquiry into e-cigarettes**

08th December 2017

Introduction

The Tobacco Manufacturers' Association (TMA) is the trade association for the UK tobacco industry. The TMA's members are British American Tobacco UK Ltd., Imperial Tobacco Ltd., and Gallaher Ltd. (a member of the Japan Tobacco Group of companies).

The TMA's member companies are heavily involved in the development of e-cigarettes. This is beneficial as they have the resources and expertise to fully deliver the potential of such devices as an alternative to tobacco products. TMA member companies manufacture half of the top ten best-selling e-cigarette brands (2016)¹.

The tobacco industry directly supports the employment of approximately 5,000 high value jobs, including many scientists, and indirectly supports tens of thousands of jobs throughout the UK within its supply chain. Tobacco manufacturers contribute around £11.5 billion in taxation to the Exchequer every year².

Key points

The tobacco industry is key to the development of next generation products such as e-cigarettes, investing significant resources in the UK and supporting consumer choice. Similarly, the UK is a leader in e-cigarette policy.

There is a growing consensus amongst the public health community, including Public Health England³ and the Royal College of Physicians⁴, that e-cigarettes are likely to be significantly less harmful than tobacco products. Additionally, they are a likely contributor to the significant fall in smoking prevalence witnessed in recent years.

To support next generation products, governments at national, devolved and the local level should not ban vaping in public spaces and should resist introducing an excise tax on them.

¹ The Grocer/Nielsen 2016

² TMA, 2017, Delivering in a year of change, http://the-tma.org.uk/wp-content/uploads/2017/07/TMA_Global-Business-Report_2017_v7.pdf

³ McNeil et al., 2015, E-cigarettes: an evidence update A report commissioned by Public Health England

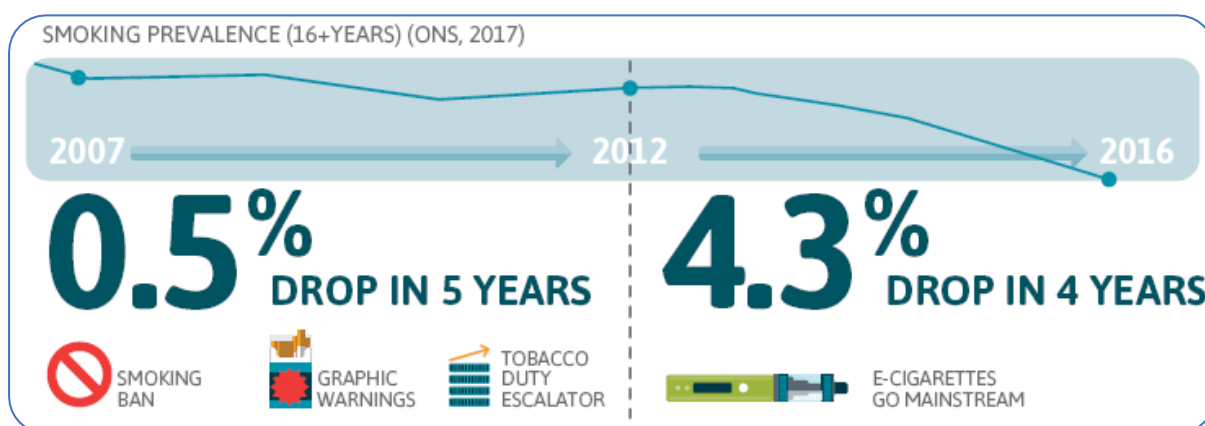
⁴ Royal College of Physicians, 2016, Nicotine Without Smoke; Tobacco Harm Reduction

The Government should also seek to repeal some elements of Article 20 of the Tobacco Products Directive which introduce disproportionate restrictions on e-cigarette devices and liquid. The TMA is of the opinion that review and repeal of the restrictions on e-cigarettes in the Tobacco Products Directive should be considered a priority for the UK post-Brexit.

Background

The UK is a world leader in the use and development of potentially less harmful next generation products (NGP) such as e-cigarettes with 5.6% of the adult population (approximately 2.9 million individuals) using them including 13.7% of smokers⁵.

E-cigarettes became mainstream as a consumer product in approximately 2012 and their emergence could be attributed to decrease in smoking prevalence (see image below).



However, new regulations such as Article 20 of the European Union's Tobacco Products Directive threaten to reduce the impact of NGP as alternatives to tobacco. Restrictions on nicotine concentration and tank size as well as draconian restrictions on advertising may put smokers off switching to them.

On health

- 1. The impact on human health of e-cigarettes — themselves and relative to ‘conventional’ smoking — and any gaps in the science knowledge-base in this area.**

Public Health England believes that e-cigarettes are 95% less harmful than regular tobacco products⁶.

Studies looking at long term health impacts have found that “long-term NRT-only and e-cigarette-only use, but not dual use of NRTs or e-cigarettes with combustible cigarettes, is associated with substantially reduced levels of measured carcinogens and toxins relative to smoking only combustible cigarettes”⁷.

⁵ ONS, 2017, E-cigarette use in great Britain

⁶ McNeil et al., 2015, E-cigarettes: an evidence update A report commissioned by Public Health England

⁷ Shahab et al., 2017, Nicotine, Carcinogen, and Toxin Exposure in Long-Term E-Cigarette and Nicotine Replacement Therapy Users: A Cross-sectional Study

There is no evidence to suggest that nicotine is carcinogenic⁸ and NICE and the MHRA have said that long-term nicotine use is not detrimental to individuals' health⁹.

2. The benefits and risks of e-cigarettes as a 'stop smoking' tool, any gaps in the knowledge-base on this, and whether any approaches are needed to tackle e-cigarette addiction.

Given that e-cigarettes are thought to be significantly less harmful than tobacco products, they are considered (for example by the Royal College of Physicians (RCP)¹⁰) to be an appropriate stop smoking tool. Moreover, as e-cigarette use more closely replicates smoking, it may be a better substitute than other nicotine replacement product use and this could increase its relative effectiveness.

3. The uptake of e-cigarettes among young people and evidence on whether e-cigarettes play a role in 're-normalising' smoking.

There are some studies which suggest that e-cigarettes act as a 'gateway' to smoking, however in the view of the TMA, these tend to be flawed and do not reflect the true relationship between e-cigarettes and smoking. For example, a recent meta-analysis¹¹ found that teenagers who had tried e-cigarettes were more likely to end up as smokers than those that hadn't and thus concluded that e-cigarettes act as a gateway to smoking.

However, this appears to misinterpret the results and confuse correlation with causation. As one commentator put it: "the only conclusion that can be reasonably drawn from the individual studies or the meta-analysis is that teenagers who are inclined to experiment with products disapproved by adult leadership are more likely to use both e-cigarettes and cigarettes than kids not prone to such experimentation"¹².

The continued (and accelerated (see chart on p.2)) fall in smoking prevalence adds further evidence against the argument that e-cigarettes re-normalise tobacco use. 2.9 million people use e-cigarettes, if doing so were a gateway to tobacco use it seems highly unlikely that Great Britain would have seen the declines in smoking prevalence it has witnessed in the past four or five years (from around 20% to around 16% of adults (ONS)).

According to Eurobarometer, the primary motivations for taking up e-cigarettes were to reduce tobacco smoking (67% of respondents said this was important across the EU and 77% in the UK), and to be able to vape in places where smoking is not permitted (44%). These are both push factors from tobacco consumption. Similarly, 72% disagreed that considering them 'attractive, cool or fashionable' was a factor for taking up e-cigarette use and this rose to 85% in the UK¹³ showing that there is little pull for non-smokers to start using e-cigarettes.

⁸ <https://nalliance.org/activities/resources/position-statements> position statement "nicotine does not lead to cancer"

⁹ <https://www.nice.org.uk/guidance/ph45>

¹⁰ Royal College of Physicians, 2016, Nicotine Without Smoke; Tobacco Harm Reduction

¹¹ Soneji et al., 2017, Association Between Initial Use of e-Cigarettes and Subsequent Cigarette Smoking Among Adolescents and Young Adults: A Systematic Review and Meta-analysis.

¹² Nitzkin, 2017, PubMed comment on Soneji et al.

https://www.ncbi.nlm.nih.gov/pubmed/28654986#cm28654986_70033

¹³ Eurobarometer, May 2015, Attitudes of Europeans Towards Tobacco and Electronic Cigarettes, pp94

There seems to be little credible evidence that e-cigarettes re-normalise or act as a gateway to tobacco consumption.

On regulation:

1. Whether there is any regulatory variation between the EU and UK, and across UK nations, and the implications of Brexit on regulation in this area.

The recent developments in e-cigarette regulations stem from the European Union's revised Tobacco Products Directive. This applies across the EU and is discussed in more detail in part 3 of this section.

Within the UK there is some variation on rules around e-cigarette use. For example the Welsh Government considered quite a wide-ranging ban on vaping in enclosed public spaces and workplaces, but the measure was rejected by the Welsh Assembly after strong opposition from public health groups. Similarly, in Scotland, vaping has been banned by a large number of public sector organisations although this has not been undertaken at a Scottish Government level¹⁴. And a recent report found that 32% of Local Authorities require vapers to use their devices within designated smoking areas¹⁵.

As already discussed, e-cigarettes are thought to be much less harmful than tobacco products and any ban only serves to stigmatise vapers on both an emotional and a practical level with negative consequences for smokers attempting to switch.

This has been demonstrated empirically, a US study found that restrictions on vaping led to an increase in pre-natal smoking amongst expectant mothers¹⁶.

2. The effectiveness of regulation on the advertising and marketing of e-cigarettes.

The Advertising Standards Agency recently consulted on revising the codes relating to the advertisement of e-cigarettes. This specifically focussed on two things: marketers would no longer be prohibited from making claims about the relationship between their products and health, and clarifying that organisations were not inhibited from marketing communications regarding e-cigarettes to counter tobacco use.

The TMA agrees that these are sensible alterations to the codes regarding the advertising and marketing of e-cigarettes. Further comments concerning advertising are made in the next section.

3. The impact to date of the Tobacco and Related Products Regulations on the vaping industry and on the prevalence of e-cigarettes.

Article 20 of the EU's revised Tobacco Products Directive (TPD) placed several restrictions on e-cigarettes (including on nicotine concentration, tank size and refill container size) despite the fact that they are not tobacco products.

¹⁴ <http://www.dailyrecord.co.uk/news/scottish-news/electronic-cigarettes-banned-majority-scotlands-3037859>

¹⁵ TFA, 2017, Freedom to Vape; 2017 vaping policies in local councils

¹⁶ Cooper et al., 2017, The effect of e-cigarette indoor vaping restrictions on adult prenatal smoking and birth outcomes

The TPD also placed misguided prohibitions on advertising e-cigarettes (and associated products such as re-fill containers) on TV (including on demand), radio, web advertising and most of the printed press. It also banned sponsorship of television and radio programmes which promotes electronic cigarettes, product placement of electronic cigarettes and sponsorship of activities or individuals that involve or take place in 2 or more EEA states or otherwise have cross border effects.

It is well established in academic literature that advertising in established markets is primarily concerned with encouraging consumers to switch to a particular brand rather than growing the overall market size¹⁷. In this case, the market is for nicotine delivery and a ban on advertising makes it significantly harder for vaping brands to attract smokers or existing vapers to their nicotine delivery products. Furthermore, an advertising ban may give the impression to consumers that e-cigarettes are equivalent to tobacco products and would add a push factor away from e-cigarettes.

The TMA was pleased to see the Government commit to identifying post-Brexit de-regulatory measures that further health objectives in the Tobacco Control Plan¹⁸. Review and repeal of the restrictions on e-cigarette advertising in the TPD should be a priority for the UK post-Brexit.

4. The safety of e-cigarette devices, and any safety regulation requirements.

There have been media reports of fires and other incidents caused by e-cigarettes that may be dangerous to their users. However there are two factors to consider.

Firstly, the overall incidence of e-cigarette fires is low relative to their use¹⁹.

Secondly, most incidents relate to the earlier years of e-cigarette adoption when devices were often made by independent manufacturers who did not have suitable quality and safety standards in place.

As the market has established itself and TMA member companies have brought their products to market, quality standards have risen and so the standards and safety of devices (at least from TMA member companies) is assured.

On finance:

1. The economic impact of the UK's e-cigarette industry.

Unsurprisingly, the rapidly growing prominence and usage of e-cigarettes has dramatically increased their impact on the economy as new businesses emerge and existing ones adapt to cater to changing consumer preferences.

With approximately 2.9 million users there is significant demand for e-cigarettes with estimates for the total UK market size being £1 billion²⁰.

As already noted, e-cigarettes are a great British success story, and not just because of domestic demand. Already, over 360 e-cigarette retailers have registered as distance sellers with Public Health

¹⁷ Snowdon, 2017, Killjoys; A critique of paternalism, Institute of Economic Affairs, pp90

¹⁸ Department of Health, July 2017, Towards a Smokefree Generation, A Tobacco Control Plan for England

¹⁹ National Fire Protection Association (USA), 2015, Electronic Cigarette Explosions and Fires: The 2015 Experience

²⁰ <http://www.ukvia.co.uk/about/industry-facts>

England²¹ as cross-border distance sellers, a remarkable number given the fledgling nature of the product category.

The UK tobacco industry employs approximately 5,000 individuals many of whom are engaged in the development and distribution of e-cigarettes. For example, one member company has a UK facility in which over 50 scientists are employed²². The industry collectively invests significant resources into research and development of new products, and much of this will be into e-cigarettes and other next generation products²³.

There are thought to be approximately 2,000 'vape stores'²⁴ in the UK and the independent sector has a 55% share of the e-cigarette retail market²⁵ and this will also deliver significant sector revenues and employment.

2. The public finances implications of e-cigarettes, including how the rise in e-cigarette consumption could affect NHS costs.

E-cigarettes may impact on the public finances in a number of ways with some effects likely to have a greater magnitude than others.

- a. There have been calls for excise taxes to be levied on e-cigarettes²⁶ but the TMA does not think that this would be a good policy. Making e-cigarettes more expensive would be very damaging to the product category and would hinder their development and use. This could also threaten the UK's place as a leading location for e-cigarette research and development and policy initiatives.
- b. The switching of smokers to e-cigarettes may reduce the amount of tobacco duty collected by the Government.

The OBR forecasts that annual Tobacco Duty receipts until 2021-22 will be around £9 billion²⁷. Additionally the TMA estimates that VAT paid on tobacco products will be c.£2.5 billion per annum²⁸ giving total annual tax revenues from the tobacco industry of around £11.5 billion. This may fall if there is a continued rise in e-cigarette use.

- c. According to analysis published by Public Health England in 2017, the cost of smoking to the NHS in England in 2015 was £2.6 billion²⁹. Given that England makes up c.84% of the UK population we estimate that total NHS costs from smoking across the UK is slightly less than

²¹ <https://www.gov.uk/government/publications/tobacco-products-and-e-cigarette-cross-border-sales-registration/list-of-registered-retailers>

²² TMA, 2017, Delivering in a year of change

²³ Ibid.

²⁴ TMA estimate

²⁵ Independent Retail News, 10th November 2017, Switch on to e-cigarette trends

²⁶ E.g. <https://www.theguardian.com/society/2016/mar/02/e-cigarettes-raised-by-brexit-campaign-with-eu-taxes-set-to-be-raised>

²⁷ OBR, November 2017, Economic and Fiscal Outlook

²⁸ HMRC's 2016-17 tax gap estimate suggests that £1,400m of duty was lost to the illicit market and £400m of VAT. Applying this ratio to the £9bn duty raised gives a VAT estimate of c.£2.5bn

²⁹ <https://www.gov.uk/government/publications/cost-of-smoking-to-the-nhs-in-england-2015/cost-of-smoking-to-the-nhs-in-england-2015>

£3.1 billion. This may fall if there is a continued rise in e-cigarette use (discussed further in due course).

- d. Other cost savings could be attributed to the development of e-cigarettes. For example, Stop Smoking Services in England have declined in use by 62% since 2011-12 having grown by 36% in the previous five years³⁰. This decline could be due to the increase in uptake in e-cigarettes as individuals quit without taxpayer-funded support.

The average cost per quit has been estimated at roughly £570³¹ (but FOIs have found it to be as high as £55,500 per quit³²) so the fiscal impact of e-cigarettes on Local Authority public health budgets has been significant and could continue to save significant sums of taxpayers' money.

The scale of the impact e-cigarette use has on the public finances largely depends on the extent to which smokers continue to switch to them from smoking tobacco.

Eurobarometer researched quit attempts and found that, within the UK, one in five smokers who tried to quit used an e-cigarette and 64% of these cut down on smoking (21% stopped smoking completely, 16% stopped and then re-started and 27% reduced tobacco consumption but never gave up)³³.

The TMA conducts an annual survey of over 12,000 smokers³⁴ which gives unparalleled insight into the attitudes and behaviours of tobacco users.

According to our polling, almost 70% of smokers currently use e-cigarettes or claim they will use them in the future and compared to the 30.8% of smokers who have no intention of using an e-cigarette in the future. As such we think the 'one in five' figure from Eurobarometer is out of date and would be much higher if the polling was undertaken now.

Smokers' awareness of and attitudes to e-cigarettes	Male	Female	Total
I have never heard of e-cigarettes	1.5%	1.2%	1.3%
I have heard of e-cigarettes but I have never used one, and I do not intend to try one	12.8%	12.9%	12.8%
I have heard of e-cigarettes and I have never used one, but I might try one	17.4%	17.2%	17.3%
I have used an e-cigarette before but I do not intend to try one again	16.3%	19.3%	18.0%
I have tried an e-cigarette before and I intend to use one again	22.0%	23.1%	22.6%
I use an e-cigarette occasionally	19.6%	18.3%	18.9%
I use an e-cigarette frequently	6.3%	4.9%	5.5%
I use an e-cigarette daily	4.1%	3.2%	3.6%

³⁰ NHS Digital, 2017, Statistics on Stop Smoking Services, England April 2016 to March 2017

³¹ TaxPayers' Alliance, 2017, The Efficacy of Public Health Spending

³² <https://www.conservativehome.com/localgovernment/2017/10/council-anti-smoking-campaigns-are-an-expensive-failure.html>

³³ Ibid. pp104

³⁴ TMA, 2017, TMA Anti-Illicit Trade Smokers' Polling, Attitudes, Awareness and Understanding; Further details regarding methodology and results can be found on our website www.the-TMA.org.uk or by contacting the TMA directly

However, estimating the take up of e-cigarettes by smokers is subject to many factors. Firstly, the presence of dual users shows that e-cigarette use may be used to moderate smokers' tobacco use rather than to give up altogether. Moreover, there is significant variance in e-cigarette use by different groups of individuals and there are further tables in the annex which provide this analysis for the Committee's information. The TMA is also happy to share the raw data associated with these tables.

In short, the TMA expects that the continued uptake of e-cigarettes may reduce tobacco tax revenues but the timeframe and extent to which this happens is uncertain.

Appendix tables of e-cigarette awareness and use by various demographic splits of smokers ³⁵

Awareness and use of e-cigarettes by UK region	Northern Ireland	Yorkshire & the Humber	West Midlands	Wales	South West	South East	Scotland	North West	North East	London	East of England	East Midlands
I have never heard of e-cigarettes	1.7%	1.5%	1.4%	1.0%	0.9%	0.9%	1.4%	1.2%	0.9%	1.7%	2.0%	1.4%
I have heard of e-cigarettes but I have never used one, and I do not intend to try one	12.1%	13.3%	13.1%	13.1%	13.2%	12.5%	14.1%	13.0%	13.3%	10.7%	14.1%	12.5%
I have heard of e-cigarettes and I have never used one, but I might try one	17.1%	16.0%	18.5%	15.3%	19.1%	17.5%	14.3%	16.1%	16.5%	21.7%	17.4%	15.6%
I have used an e-cigarette before but I do not intend to try one again	20.8%	17.1%	16.4%	20.7%	19.3%	18.7%	18.9%	17.1%	16.5%	13.7%	18.7%	21.8%
I have tried an e-cigarette before and I intend to use one again	26.7%	22.0%	22.7%	23.9%	22.8%	23.3%	23.2%	23.5%	23.0%	20.6%	22.6%	20.4%
I use an e-cigarette occasionally	13.8%	20.9%	18.7%	17.3%	18.3%	19.2%	19.4%	20.2%	19.8%	19.6%	18.5%	16.3%
I use an e-cigarette frequently	2.5%	5.2%	5.4%	4.9%	3.2%	4.8%	5.3%	5.8%	7.0%	8.0%	3.7%	7.8%
I use an e-cigarette daily	5.3%	4.1%	3.8%	3.7%	3.2%	3.1%	3.3%	3.3%	2.9%	4.0%	3.0%	4.1%

Awareness and use of e-cigarettes by primary type of tobacco consumption	Cigarettes	Roll your own cigarettes
I have never heard of e-cigarettes	1.34%	0.90%
I have heard of e-cigarettes but I have never used one, and I do not intend to try one	12.7%	9.1%
I have heard of e-cigarettes and I have never used one, but I might try one	18.2%	11.3%
I have used an e-cigarette before but I do not intend to try one again	15.2%	15.4%
I have tried an e-cigarette before and I intend to use one again	22.3%	16.3%
I use an e-cigarette occasionally	20.1%	12.1%
I use an e-cigarette frequently	6.5%	3.0%
I use an e-cigarette daily	3.8%	2.3%

³⁵ TMA, 2017, TMA Smokers' Anti-Illicit Trade Survey 2017; Attitudes, Behaviours and Awareness, N=12,065, survey conducted in June 2017

Awareness and use of e-cigarettes by number of manufactured cigarettes smoked per day	2-5	6-10	11-15	16-20	21-25	More than 25
I have never heard of e-cigarettes	1.3%	1.2%	1.4%	1.7%	0.6%	1.7%
I have heard of e-cigarettes but I have never used one, and I do not intend to try one	14.8%	13.8%	11.2%	10.6%	16.2%	11.3%
I have heard of e-cigarettes and I have never used one, but I might try one	22.4%	17.8%	16.7%	17.6%	17.3%	15.1%
I have used an e-cigarette before but I do not intend to try one again	18.1%	14.2%	14.0%	15.1%	15.9%	18.0%
I have tried an e-cigarette before and I intend to use one again	18.6%	22.1%	21.8%	25.5%	24.9%	21.3%
I use an e-cigarette occasionally	16.0%	19.3%	24.5%	20.0%	17.6%	21.3%
I use an e-cigarette frequently	5.2%	7.8%	6.5%	6.2%	3.9%	6.7%
I use an e-cigarette daily	3.6%	3.9%	4.0%	3.4%	3.6%	4.6%

Awareness and use of e-cigarettes by number of hand rolled cigarettes smoked per day	2-5	6-10	11-15	16-20	21-25	More than 25
I have never heard of e-cigarettes	2%	1%	1%	1%	0%	2%
I have heard of e-cigarettes but I have never used one, and I do not intend to try one	14%	13%	13%	12%	13%	10%
I have heard of e-cigarettes and I have never used one, but I might try one	16%	18%	14%	17%	15%	17%
I have used an e-cigarette before but I do not intend to try one again	22%	24%	20%	23%	20%	21%
I have tried an e-cigarette before and I intend to use one again	21%	22%	26%	23%	20%	23%
I use an e-cigarette occasionally	14%	14%	18%	18%	24%	21%
I use an e-cigarette frequently	5%	4%	4%	3%	5%	5%
I use an e-cigarette daily	6%	4%	3%	2%	2%	2%

Awareness and use of e-cigarettes by marital status	Single	Married, or living with partner	Separated, widowed or divorced	Prefer not to answer
I have never heard of e-cigarettes	2%	1%	1%	3%
I have heard of e-cigarettes but I have never used one, and I do not intend to try one	12%	12%	18%	15%
I have heard of e-cigarettes and I have never used one, but I might try one	19%	17%	17%	13%
I have used an e-cigarette before but I do not intend to try one again	20%	16%	20%	30%
I have tried an e-cigarette before and I intend to use one again	21%	24%	21%	17%
I use an e-cigarette occasionally	18%	20%	17%	15%
I use an e-cigarette frequently	6%	6%	4%	2%
I use an e-cigarette daily	3%	4%	2%	4%

Awareness and use of e-cigarettes by age	18-24	25-34	35-44	45-54	55-64	65-74	75+
I have never heard of e-cigarettes	1.9%	1.9%	1.1%	1.0%	0.9%	0.3%	0.0%
I have heard of e-cigarettes but I have never used one, and I do not intend to try one	9.3%	10.3%	10.3%	15.0%	17.3%	20.3%	34.3%
I have heard of e-cigarettes and I have never used one, but I might try one	12.9%	14.6%	19.5%	19.9%	19.3%	18.3%	7.5%
I have used an e-cigarette before but I do not intend to try one again	26.4%	18.8%	13.5%	15.3%	16.8%	22.4%	26.9%
I have tried an e-cigarette before and I intend to use one again	22.6%	24.7%	26.3%	22.0%	18.0%	15.0%	11.9%
I use an e-cigarette occasionally	17.8%	19.2%	19.4%	18.4%	19.6%	17.6%	17.9%
I use an e-cigarette frequently	4.9%	6.4%	6.1%	4.8%	5.5%	3.7%	0.0%
I use an e-cigarette daily	4.1%	4.1%	3.8%	3.5%	2.6%	2.4%	1.5%