

Plain Packaging

It does not work

Plain packaging is a ban on branding with no health benefits

With such a ban, trademarks, logos, non-prescribed colors and graphics would be removed and only the use of a brand name would be permitted in a standard font and size.

Such regulation incorrectly assumes that branded packaging causes people to smoke or to smoke more.

As acknowledged by experts and proponents of plain packaging, the decision to begin smoking is influenced by a well-documented set of factors such as the smoking behavior of peers – not branded packaging.

Policies that limit minors' ability to obtain tobacco products, regardless of their packaging, are likely to have the greatest impact on underage smoking.

Plain packaging does not change smoking behavior and, accordingly, does not cause a reduction in tobacco consumption.



The experiment in Australia has been a failure

Official data reveal that plain packaging has done nothing to accelerate the long-term decline in smoking rates in Australia, the first country that implemented the measure.

Data published by the Australian Government show that the decline has halted, one year after the implementation of plain packaging along with larger warnings: "While smoking rates have been a long-term downward trend, for the first time in over two decades, the daily smoking rate did not significantly decline over the most recent 3-year period (2013 to 2016)".

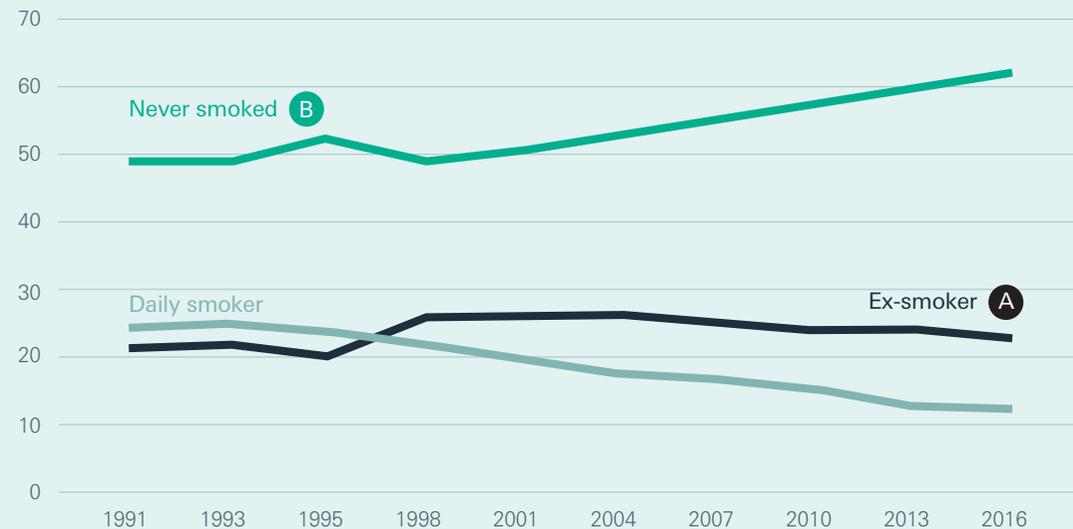
It has even been reported that tobacco consumption" has risen for the first time in more than a decade".

Source: Report by Dr. Colin Mendelsohn

Recent data from South Australia show that in 2017 the smoking rate was almost the same as in 2012, before plain packaging was introduced (16.7% in 2012 vs 16.5% in 2017). If there was an initial decline in smoking rates in South Australia, it appears at the very least to have been followed by an increase.

Source: Smoking statistics SA 2017

Tobacco smoking status, people aged 14 years or older, 1991 to 2016



A Smoked at least 100 cigarettes (manufactured and/or roll-your-own) or the equivalent amount of tobacco in their life and reported no longer smoking.

B Never smoked 100 cigarettes (manufactured and/or roll-your-own) or the equivalent amount of tobacco.

Source: National Drug Strategy Household Survey (NDSHS) 2016

As was predicted by JTI and many experts, Australia's measure has resulted in a number of negative consequences.

The market share of low-priced cigarettes has rapidly increased at the expense of mid-priced and premium categories of cigarettes, reaching 61% in 2018.

In addition, the level of illegal tobacco consumption has increased, reaching 14.1% of total consumption in 2018 with estimated tax loss of AUD 2.02 billion.

Source: KPMG 2018 Full-Year report "Illicit Tobacco in Australia"

Initial findings from the UK and France are similar

Data published by the French public authorities and quoted by the French Health Minister demonstrate that the combination of plain packaging and the requirements of the EU Tobacco Products Directive 2014/40/EU has not had any discernible effect on tobacco sales in France.

Source: OFDT

This is also consistent with the latest expert analysis, which indicates that, following the implementation of plain packaging and the EU Directive's requirements, there has been no discernable impact on tobacco consumption in France or the UK.

Source: Europe Economics, "TPD2 and standardised tobacco packaging – What impacts have they had so far?", December 2018

The recent KPMG analysis indicates that total consumption of illegal tobacco products increased both in France and the UK, since the implementation of plain packaging in 2017.

Source: KPMG Project Stella 2019

It is, therefore, not surprising that first counterfeit 'plain' packs appeared on retailers' shelves as early as one month after the implementation of the measure in the UK.

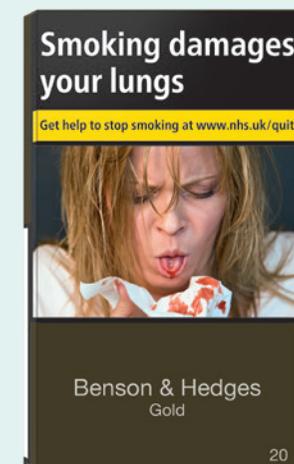
Source: betterRetailing

In addition, the industry illicit trade research reveals that the volume of counterfeited products in France tripled in 2018, compared to 2017 data.

Source: Empty pack survey 2018



Shelf of plain cigarette packs in France (implemented as of January 2017)



UK example of plain cigarette packs (implemented as of May 2017)

Plain packaging has other unintended consequences

As Australian retailers reveal, plain packaging increases transaction times with related additional costs, generates customer frustration and new opportunities for criminal activities, amongst others.

Plain packaging of tobacco products sets a precedent for a whole range of consumer goods. In the UK, the measure was already considered for alcohol.

It is right to create a regulatory framework for tobacco control, which can tackle youth smoking and remind the population of the health risks of smoking. However, the introduction of a measure that has no real health benefits but a number of serious negative consequences is not the right policy to pursue.

There are better alternatives



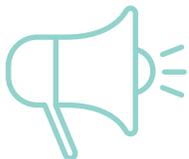
Effective enforcement of the minimum legal purchase age



Reinforcing retail access prevention, such as the "No ID No Sale" program



Greater resources and manpower for targeted enforcement strategies



Focused public information and education campaigns



Implementation of a negative licensing scheme for retailers



Criminalization of proxy purchasing by adults for minors