# GABUNGAN PRODUSEN ROKOK PUTIH INDONESIA

March 14, 2018

No : GAPRINDO/2018/03-54

Ministry of Health
16 College Road, College of Medicine Building, Singapore 169854
Attention: Director, Epidemiology and Disease Control Division

Subject : **Public Consultation on Proposal to Introduce Standardised Packaging of Tobacco Products in Singapore**

Dear Madam/Sir,

The Indonesian White Cigarette Manufacturers Association ("GAPRINDO") provides this letter in opposition to Singapore's proposal to introduce standardised, or plain, packaging for tobacco products, referring to the release by the Ministry of Health (MoH) on February 5th 2018 of its "Public Consultation on Standardised Packaging and Enlarged Graphic Health Warnings for Tobacco Products", and also referring to our submission dated on March 8th 2016 summarizing our views and concerns on plain packaging we made to the Singapore Government during its public consultation in early 2016.

We would like to hereunder reiterate our views and concerns over plain packaging as a formal response to the MoH's "Public Consultation on Standardised Packaging and Enlarged Graphic Health Warnings for Tobacco Products" and take this opportunity to again encourage the Singapore Government to take these into account before making any decision on the potential introduction of plain packaging in Singapore.

As you may recognize, Singapore is one of the largest exporting tobacco products from Indonesia, and members of GAPRINDO also have business in Singapore such as export of their brand to Singapore. In case Singapore introduced plain packaging, there are assumed to be outstanding issues for the business that we would like to highlight below;

1. **Plain Packaging would increase illegal trade.** KPMG's analysis over the recent years demonstrates that the level of illegal tobacco consumption has grown since plain packaging was introduced in Australia, reaching 13.9% of total consumption. In addition, the Australian Border Force has seized considerable volume of illegal cigarettes, many of which contain "metal shavings

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and even bird droppings" that may risk creating serious health hazards for consumers of these products. This means the market of Singapore could be shrink in an unreasonable way.

2. **Plain Packaging would damage the business environments for fair competition and market dynamics, and lead the value of the market to down-trading.** Plain packaging has largely contributed to the price becoming the most important factor of product selection, depriving premium brand-owners of the value of their brands. Down-trading has dramatically reduced the margins for all in the supply chain over the last few years.
3. **Plain packaging would not work.** The available evidence, including the studies that were considered by the MoH, clearly demonstrates that plain packaging does not change smoking behavior and, accordingly, does not cause a reduction in tobacco consumption. The most recent official data from Australia reveals that the long-term decline in smoking prevalence has come to a halt after plain packaging was introduced: "While smoking rates have been on 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)". As for France, which has recently introduced plain packaging, Data published by the French public authorities and quoted by the French health minister demonstrates that the combination of plain packaging and the requirements of the revised Tobacco Products Directive 2014/40/EU's (TPD2) has not had any discernible effect on tobacco sales.
4. **Plain Packaging would be inconsistent with Singapore's international obligations.** Our member's trademarks and logos are irreplaceable intellectual property, which should be protected by the national laws and the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Also, while the WTO Agreement on Technical Barriers to Trade (TBT) requires national technical regulations to be no more trade restrictive than necessary to fulfill a legitimate objective, it should be noted that plain packaging is unreasonable and excessive regulation with the situation mentioned above.

GAPRINDO also strongly support measures to protect public health and recognize the importance of reducing smoking rates and cigarette consumption. But we believe that the Singapore's proposed tobacco control policy would fall short of the intended objectives.

In light of the detrimental consequences of plain packaging highlighted in the foregoing paragraphs, we encourage the Singapore Government - in its capacity as a supporter of free trade and of intellectual property rights - not to implement such a far-reaching and damaging regulation.

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We request at a minimum that the Singapore Government delay any consideration of plain packaging until after the final outcome of the WTO Dispute, inclusive of any appeal to the WTO Appellate Body, and strongly encourage it to carefully review the effectiveness of plain packaging in France, the United Kingdom and Ireland - as well as assess any further data emanating from Australia - before proceeding further with any plans to implement such a restrictive and detrimental policy in Singapore.

Thank you for giving us the opportunity to express our stand on this matter.

GABUNGAN PRODUSEN ROKOK PUTIH INDONESIA
GAPRINDO

Muhaimin Moeftie
Chairman

CC:

1. Bapak Enggartiasto Lukita, Minister of Trade, the Republic of Indonesia
2. Bapak Airlangga Hartarto, Minister of Industry, the Republic of Indonesia

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