13 March 2018

Attention: Director, Epidemiology and Disease Control Division

Ministry of Health
16 College Road
College of Medicine Building
Singapore 169854

Dear Sir,

We are writing to you today as licensed tobacco retailers in response to the Public Consultation on Standardised Packaging and Enlarged Graphic Health Warnings for Tobacco Products held by the Ministry of Health from 5 February to 16 March 2018. As operators of various general trade retail chain stores in Singapore, we represent a total of 136 outlets.

We have conducted a survey amongst a group of licensed tobacco retailers in Singapore (total of 563 respondents) to better understand their concerns over the above-mentioned Public Consultation and the proposals it is considering. In summary,

(a) >96% of retailers are worried about the negative impact of Standardised Packaging to their business;

(b) >98% of retailers worry that Standardised Packaging would result in various operational issues and in a loss of productivity for their business;

(c) >98% of retailers believe that Standardised Packaging will lead to an increase in both the supply and demand for illicit tobacco products; and

(d) >99% of retailers require at a minimum that some form of trademarked logo, brand and variant name be displayed on packs and cartons to allow for an easy identification and differentiation among tobacco products, thereby facilitating the sale transaction, stock-taking and storage of the wide variety of tobacco brands and variants for sale in their retail outlets.

Noting the results, we are concerned specifically with:

(a) 5.1 of the Public Consultation Paper i.e. Whether standardised packaging would facilitate the counterfeiting of cigarettes

As responsible business owners, the burden falls on us to ensure that we are retailing genuine products. Therefore, we are very concerned that the introduction of Standardised Packaging will make it very difficult for our front line staff to easily differentiate legal packs from illicit products, and unknowingly be involved in the sale of contraband or counterfeit products.

(b) 5.3 of the Public Consultation Paper i.e. whether implementation of standardised packaging would give rise to difficulties for retailers.

Given the results of the survey, it is without a doubt that retailers are still very worried about the operational difficulties, loss of productivity and negative business impact that would result from any mandating of standardized packaging. Notably, the consultation paper highlighted the difficulty for non-English-educated staff to carry on this business. While the paper notes that "this group is a small and declining minority", we would like to highlight that a significant 35% of the survey respondents replied to the survey in Chinese.

While we have only recently introduced the Retail Display Ban earlier in August 2017, there has been no follow up by the authorities to assess the effectiveness of this new regulation. Furthermore, starting 1 January 2019, we are now expecting the phased increase over the next 3 years of the Minimum Legal Age from 18 to 21 years old. The introduction of any new tobacco control measures, such as those that are currently being consulted on, should also consider the increasing burden on retailers to ensure compliance with the already existing tobacco-related regulations. Given the findings, we hope that the Singapore Government will carefully consider and assess the effectiveness of the regulations already in place before considering the introduction of Standardised Packaging.

We would also strongly encourage the relevant authorities to conduct face to face consultations with tobacco retailers to better understand their operational concerns and difficulties in line with those expressed in the foregoing paragraphs.

Summary of Results

98% of retailers are worried about the loss of profitability due to increased time and manpower costs to manage the product category

96% of retailers are worried about customers down-trading to cheaper products due to a lack of product differentiation as a result of the removal of on-pack branding

99% of retailers are worried about longer service time per customer due to issues with identifying the correct packs

99% of retailers are worried that more time is needed for staff to conduct stock checks when receiving and merchandising new stocks

99% of retailers are worried about more time is needed to train new staff to be familiar with stocktaking and retailing the tobacco category

98% of retailers are worried about opportunist theft from the store by customers and front liners due to increased complexity to retrieve stocks behind closed cigarette dispenser doors

98% of retailers are worried that it will be easier for Plain Packaged products to be counterfeited as the packaging is very easy to replicate

98% of retailers are worried that retailers, consumers, and law enforcement authorities will not be able to easily differentiate legal packs from illicit products

99% of retailers are worried that as there would likely be an increase in the supply of illegally smuggled products, this would make it easier for under age youths to get access to illicit tobacco products

98% of retailers are worried that Plain Packaging will lead to a rise in gangs involved in the smuggling of illicit tobacco products as well as in other criminal activities, and therefore compromise our neighbourhood and national security

99% of retailers agree that if some form of packaging change were to be considered for implementation in Singapore, it would at a minimum need to allow for the continued use of the trademarked logo, brand and variant name on both packs and cartons to enable retailers, customers and law enforcement authorities to easily differentiate among tobacco products.

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Owner
M28 minimart
6 Retail outlets

UME HOLDINGS PTE LTD

Toh Hong Aik
Managing Director
UME Holdings Pte Ltd
44 Retail Outlets
96179007

NEW ECON HOLDINGS PTE LTD
Reg. No. 201714533R

TAN QUNGEN
DIRECTOR
NEW ECON HOLDINGS PTE LTD
14 Retail Outlets
9022 3818

Huang Guolun
Owner
Hock Siang Cheng
Trading Enterprise
5 Retail outlets

Glenn Koh Peck Chung
Director.
De Tian Holdings Pte Ltd

Sebastian Teo
Director
Nice Minimart Pte Ltd
6 Retail outlets

Patrick Tan
Group Managing Director
Hao mart
41 Retail Outlet.

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Ang Swat Hong
Hello Sunshine
manager
5 Retail Outlets

K K Tan

Fortune Supermarket Pte Ltd

Manager

9 Retail Outlet

FORTUNE SUPERMARKET PTE LTD 463

Andy

Kung Seng Food Industries Pte

Manager

5 Retail Outlet

KUNG SENG FOOD INDUSTRIES PTE. LTD.