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Ministry of Health
16 College Road
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The Hague, 16 March 2018
Our reference: HvS/BG/18-002TF

Attention: Director, Epidemiology and Disease Control Division
Response of the European Carton Makers Association (ECMA) to the Public Consultation on a Proposal to Introduce Standardised Packaging of Tobacco Products in Singapore

This submission is made on behalf of the European Carton Makers Association (ECMA) in relation to Singapore's consultation on its proposal for Standardised Packaging.

ECMA is the established forum and officially recognised umbrella organisation for national carton associations throughout Europe. Founded in 1960 to promote the interests of one of the most diverse sectors of the packaging industry, ECMA today represents approximately 500 carton producers which account, by volume, for 90 percent of the total European market. The total EU turnover for the sector as a whole is €9 billion and ECMA members employ 45,000 people across Europe.

Further information about ECMA and its members is available at www.ecma.org.

ECMA urges Singapore to reject Standardised Packaging in the absence of clear evidence that it is an effective intervention. Developments in Australia or in Europe with regard to Standardised Packaging have not demonstrated this, while at the same time there is a clear and significant risk of increased counterfeit. Below you will find our reasoning for this position in response to your consultation questions.

We have chosen to answer only those questions which, as packaging experts, we are qualified to answer.

1. **Do you agree that the SP Proposal would contribute to reducing smoking prevalence and improving public health over and above existing tobacco control measures? Please cite any relevant studies (specifically, the particular page or part of these studies) or information that support or contradict this.**

ECMA's view is that Standardised Packaging will have important negative and unintended consequences on health policy in the long term due to increased availability of cheaper, unregulated and potentially harmful product becoming more widely available on the market. We believe that policy changes as significant as Standardised Packaging will be met with a reaction from the illicit market, that this reaction is foreseeable, and it will exacerbate the illicit trade situation.

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In this context, we deem Standardised Packaging not only detrimental to long term health objectives but also unnecessary, given that it has not been proven to be an effective intervention to reduce smoking prevalence and reduce attractiveness among consumers. Developments in Australia and Europe have failed to demonstrate this.

Evidence compiled by the European Commission suggests that packaging is not the problem. The Special Eurobarometer 385 Report[1], which was commissioned by the European Commission and formed part of the evidence base of its impact assessment on the revised Tobacco Products Directive, states that:

- 79% of respondents say that peer influence is the most commonly cited reason to start smoking[2];
- by contrast only 3% cited packaging as a reason to start smoking[3];
- 1% of respondents indicated that the shape or texture of a pack made consumers think the brand was less harmful than other brands[4].

In 2015, the European Commission refreshed its research with a new Eurobarometer report. While it does not repeat exactly the same questions as the 2012 report some do recur and some new ones are asked which are relevant to any government considering restrictive packaging regulation. Of most relevance are:

- In terms of factors that influence consumer choice in relation to cigarettes taste (87%) and price (69%) were the most important while packaging was the least important aspect, with only 22% of consumers stating that this had any influence over their choice[5].
- In terms of the factors that consumers consider indicative of harmful effects in relation to a cigarette brand, the shape or texture of the packaging remains the least important consideration with only 2% of consumers citing it as a factor compared to 1% in 2012[6].

On this basis the packaging industry questions whether Standardised Packaging measures are necessary to contribute to reducing smoking prevalence and achieve enhanced health benefits.

[1] Special Eurobarometer 385 Report, Attitudes of Europeans Towards tobacco, European Commission, May 2012.
[2] Idem at page 69.
[3] Idem.
[4] Idem at page 86.
[5] Special Eurobarometer 429, Attitudes of Europeans Towards Tobacco and Electronic Cigarettes, May 2015, p.38
[6] Idem at p.107

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2. **Do you agree that the SP Proposal has the potential to achieve one or more of the five objectives set out above? Please cite any relevant studies (specifically, the particular page or part of these studies) or information that support or contradict this. (Please specify which of the above objective(s) you think the SP Proposal may achieve.)**

As expressed in our response to Q1, we believe SP can pose greater health risks, counter-productive to the aim it seeks to achieve, as well as prove potentially misleading to consumers by limiting their ability to authenticate legitimate products over counterfeits.

As packaging experts we are aware that one of the key roles of packaging is to allow for consumer authentication. In Australia, Standardised Packaging is already creating authentication issues with legal tobacco[7] where the introduction of SP has in effect removed the ability to differentiate between high and low quality products.

3. **Do you have any suggestion(s) to improve the SP Proposal measure under consideration as set out in Part 3.3.3 of this document? Please cite any relevant studies (specifically, the particular page or part of these studies) or information that support your suggestion(s).**

N/A

4. **If you do not support the proposal to introduce the SP Proposal, do you have any suggestions to regulate the shape, size and look of tobacco products and packaging to achieve the objectives set out above? Please cite any relevant studies (specifically, the particular page or part of these studies) or information that support your suggestion(s).**

Given the inconclusive evidence around public health benefits of Standardised Packaging vs the impact of counterfeits, our recommendation is for the Government to focus on a solution that maintains, if not increases, the level of packaging complexity to act as a more effective deterrent to the illicit tobacco trade.

From a technical perspective, the printing technologies used to manufacture Standardised Packaging are considerably less sophisticated and labour intensive than technologies required for Complex Packaging. Removing this level of complexity would lower the bar for replicating cigarette packs and expose Singapore to entry for counterfeiters.

5. **If you do not agree that the SP Proposal should be introduced, what other options do you think should be adopted to reduce smoking prevalence, and the harm it causes? Please cite any relevant studies (specifically, the particular page or part of these studies) or information that support your suggestion(s).**

N/A

[7] Euromonitor International Analysis, Tobacco Packaging in Australia, June 2014

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6. **If adopted, do you agree that the SP Proposal should be applied to non-cigarette tobacco products such as cigarillos, cigars, ang hoon, and roll-your-own tobacco? Please cite any relevant studies (specifically, the particular page or part of these studies) or information that support or contradict this.**

As set above, we oppose the introduction of Standardised Packaging and this applies to any product category.

7. **If adopted, do you think that the SP Proposal might have any incidental impact in the Singapore context other than matters addressed in answer to the above questions? If so, please elaborate on the possible incidental impact and any evidence in support of the same.**

ECMA opposes Standardised Packaging because continuously evolving packaging complexity is the first and best line of defence against counterfeits, a form of illicit trade that is often misunderstood and indeed confused with today's higher profile issue of smuggling. Complexity concerns the different enhanced design features added to a pack that allow differentiation and authentication by consumers and authorities, and includes embossing, debossing, hot foil stamping, and UV Varnish technologies. The removal of these complex features in favour of pack standardisation at low, static levels will open the door to a growing volume of counterfeit production fueled by:

- Lower barriers to entry for counterfeiters resulting from lower technology hurdles and lower upfront investment costs.
- Increased economic incentives for counterfeits on the market driven by lower input costs for the legitimate industry and higher taxes.
- Limited capacity to authenticate genuine products making it easier for counterfeit goods to be passed off as genuine product.

Standardised Packaging thus has three significant negative effects:

- Loss of responsible manufacturing of tobacco cartons - standardisation removes competition lowering industry standards; quality packaging and skilled jobs move to other markets.
- Health risks for consumers - counterfeit products are unregulated and there are no controls over hygiene, ingredient composition or level of toxic materials.
- Loss to the public purse - Illicit trade already costs governments significant amounts in lost tax revenue. We expect those losses to increase significantly under SP.

Standardised Packaging would create a major disruption to current business practices, and it is our belief that as market structures change to adapt to the new realities, so too will the structure of the illicit market change in response.

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8. Please include any other comments or concerns regarding the SP Proposal that you would like the Government to take into account.

It remains ECMA's considered view that Standardised Packaging will have negative and unintended consequences on health policy by making counterfeit products more widely available on the market. Removing packaging complexity through Standardised Packaging is thus tantamount to facilitating counterfeit production. Complex packaging should be a central feature of tobacco control policies.

The question remains why any government should take a risk that Standardised Packaging could lead to unintended consequences for both health policy and industry at a time when tobacco trends are largely favourable for health policy and new legislation with increased health protection measures is being implemented globally.

We believe that national governments would be well advised to wait for an objective assessment of the merits of Standardised Packaging policies underway in Australia and the few EU countries that have chosen to implement it, to inform its course of action.