



JTI: ‘Hasty’ Decisions on the Revised EU Tobacco Products Directive Will Only Lead to Ineffective Legislation

Numerous Measures will be Costly for Member States and Businesses

Brussels, December 18, 2013 – JTI (Japan Tobacco International) today commented on the agreement reached between the European Commission, Parliament and Council on the proposal for a revised Tobacco Products Directive (TPD).

“The TPD has been negotiated hastily, pushed by political agendas, with little consideration given to the effectiveness of the numerous measures and the cost entailed for EU Member States and businesses. Policies that are not supported by strong evidence and that do not consider market dynamics are bound to fail – they do not deliver any public health benefits”, said Ben Townsend, JTI’s Head of EU Affairs.

Many of the measures of the revised TPD are disproportionate and are a threat to the internal market from an innovation, competition, consumer choice and cross-border trade standpoint. Thousands of businesses – wholesalers, retailers, packaging suppliers to name but a few – will need additional time to absorb these radical changes.

Oversizing health warnings to 65% with pictures positioned at the top of the pack and standardizing the pack shape and size (minimum of 20 cigarettes per pack and 30 grams for roll-your-own tobacco) will not work, as people already understand the health risks associated with smoking. Rather, these restrictions will confuse retailers and consumers, making it difficult for them to distinguish brands.

It will also be much easier for counterfeiters to produce and sell cheap cigarettes that are not regulated, not tested, and not taxed. *“The more complex and innovative the packaging is, the more difficult it is to counterfeit. Simply put, these restrictions will give counterfeiters a blueprint on how to fake a pack”,* added Mr. Townsend.

Like many other measures, the proposal to ban entire product categories such as menthol cigarettes is not based on any sound evidence. If consumers are unable to find their preferred products through legal channels, smugglers will make sure they are available from the boot of their car.

As a consequence, the TPD will threaten jobs, investment and much needed revenue in EU Member States. *“While the legitimate tobacco sector directly and indirectly employs around 1.5 million^[1] people across the EU, the illegal trade in tobacco is already costing EU countries around EUR 12.5 billion^[2] a year. This is what is at stake”,* concluded Mr. Townsend.

^[1] Nomisma report June 2012

^[2] Project Star report, KPMG: 16 April 2013

Objections to the TPD have been raised multiple times by EU Member States, Members of the European Parliament (MEPs) and a number of important Parliament committees, but it appears their concerns have fallen on deaf ears. Many of the measures still need to be carefully considered by EU decision-makers before the Parliament and Council come to vote for the final time on the TPD in the New Year.

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JTI, a member of the Japan Tobacco Group of Companies, is a leading international tobacco manufacturer. It markets world-renowned brands such as Camel, Winston and Mevius (Mild Seven). Other global brands include Benson & Hedges, Silk Cut, Sobranie, Glamour and LD. With headquarters in Geneva, Switzerland, and about 27,000 employees worldwide, JTI has operations in more than 120 countries. Its core revenue in the fiscal year ended December 31, 2012, was USD 11.8 billion. For more information, visit www.jti.com