

# Briefing



October 2006

**Tim Lord,  
Chief  
Executive  
TMA,  
comments...**



*The TMA has not produced a Briefing for over a year, but by popular request it is back. We plan to keep you up-to-date on issues affecting the industry at regular intervals.*

*The main focus of this briefing is the Health Act 2006, which effectively bans smoking in enclosed public places and workplaces in 2007. Whilst we are disappointed with the blanket nature of this ban we now have to look forward. The key issues are to ensure that the hospitality trade and other employers are able to accommodate smokers by providing outdoor smoking facilities in line with the Regulations, and that important exemptions, such as our ability to undertake research and development continues to be permitted.*

*Looking to Scotland where the ban has been in effect since March, a report by A C Nielsen, highlighted in the Morning Advertiser, shows that the Scottish smoking ban is having a detrimental effect on the pub trade. Volumes were down 6% in May compared with the same period in 2005. Indeed the Scottish Licensed Trade Association (SLTA) held a press conference on August 23rd to present the results of their own research which also showed very negative effects on the pub trade. However pubs that make accommodation for smokers are faring better than those that do not.*

*Our anti-smuggling poster is also highlighted in this Briefing. The poster is designed to stop shoppers buying cigarettes etc off the street and only from legitimate shops. For the first time we stress that it is against the law to buy these. In order to help HMR&C tackle tobacco smuggling we have distributed these posters with the help of the Tobacco Alliance to newsagents throughout the country.*

*Enjoy the Briefing and we look forward to communicating with you regularly in the future.*

Tim Lord, Chief Executive

## FOCUS POINT

### The Smoking Ban – status / issues

With the implementation proposed during 2007 of the Health Act 2006, smoking in virtually any enclosed work or public place, including vehicles used for work, will become a criminal offence; so too will failing to prevent someone smoking in any of those places, or failing to display a specified 'no-smoking' sign. In other words, there will hardly be any place, other than in the open air or a person's home, where a smoker will be able to smoke, or meet socially and smoke with friends. Not even private clubs, which are otherwise allowed to determine their own rules, are to be exempt from the prohibition.

All that now remains is for the regulations to be made. Then, enforcement will principally be the responsibility of local authorities. Mainly through the various planning requirements local authorities will largely determine whether specific facilities for smokers that are not enclosed places are to be permitted. Thus, many owners and operators - particularly those in the large independent licensed sector - will need time to develop their plans, allow for any planning application to be determined and to complete the necessary works. The key for them now is to have sight of definitive regulations and the implementation date. Without these they are working in the dark.

The date when the regulations are scheduled to come into force is crucially important. Ministers are currently saying that this will be summer 2007 in England and April 2nd in Wales and N.Ireland. This may not be enough time to allow pubs, clubs, restaurants etc to adjust to a non-smoking regime, for example by developing external facilities. The hospitality trade has made a submission to the consultation containing detailed timing recommendations.

What is vital is that pubs and clubs make arrangements for smokers in outside facilities. This is important not only to accommodate the 26% of the population who choose to smoke, but also to preserve small businesses and jobs in the pubs, clubs and restaurants of Britain.

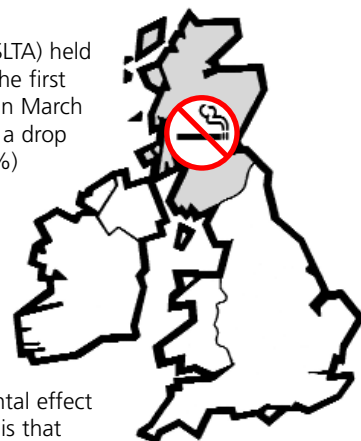
### Tobacco Manufacturers' Research Facilities

Tobacco manufacturers are obliged by law to test products for various issues, for example for tar and nicotine levels. They also have a duty of care to customers to test products for consistency, quality etc, as well as testing new product developments. This work is done in controlled environments in facilities at tobacco company premises and designated laboratories. The government agreed, in principle, to make an exemption to allow this to continue but the industry is concerned that the draft wording is not clear enough. Representations were made during the consultation period.

### The News from Scotland

On August 23rd The Scottish Licensed Trade Association (SLTA) held a press conference in Edinburgh to release its findings of the first survey of Scottish licensees since the ban came into force in March 2006. Almost ten times as many licensees (46%) reported a drop in business than reported an increase (5%). Over half (51%) reported that their regulars are spending less. These losses have not been counterbalanced by new business from non-smokers. Paul Waterson, chief executive of the SLTA said "... many operations have been hit and some are suffering significant downturns in business."

Whilst some of the larger pub chains and the First Minister questioned their conclusions, there appears to be strong evidence that the smoking ban will have a detrimental effect on business. However what does appear to be happening is that those venues who are providing good quality outdoor smoking facilities are faring better than those that do not.



## Anti-smuggling legislation

On 1st October new anti-smuggling legislation came into force which complements the existing Memoranda of Understanding between HM Revenue & Customs (HMRC) and the UK tobacco manufacturers. The TMA and tobacco companies have worked closely with HMRC in helping develop this legislation. We hope that this latest measure will make serious in-roads into the smuggling problem faced by the UK by restricting the availability of genuine cigarettes to smugglers and stop them from entering the country.

We have also, in conjunction with the Tobacco Alliance, distributed an anti-smuggling poster to newsagents across the UK which warns smokers that they are potentially committing an offence when purchasing tobacco products on the black market.



## THE MONTHS AHEAD

**9 October** – End of English consultation on Health Act.

**13 October** – End of Welsh consultation on Health Act.

**3 November** – End of N.Irish consultation on smoke free legislation.

## IN THE NEWS

### Age of Sale Consultation

The Government has consulted on whether the age for the sale of tobacco goods should be raised from 16 to 18. The consultation ended on 2 October. The Scottish Executive is also looking into the issue while the age in Ireland has been 18 since 2001. The TMA believes that the Government should decide on the age that people are able to buy cigarettes and will support that decision when it is made. The TMA is concerned that retailers should be given enough time to adapt and to inform their customers. The CitizenCard, proof-of-age card, of which we are the main supporters, should be given Government backing to protect retailers from potential violence and criminality whatever the age of sale.



### Picture warnings consultation

The Department of Health consultation on whether tobacco packs should carry pictorial warnings ended on 25 August. The TMA responded to the consultation on behalf of its principal members by asking the Government to undertake an impact assessment of the warnings before bringing them in and, should it decide to go ahead with the warnings, to restrict them to cigarette and handrolling tobacco packaging only. We also argued that there should be no increase in the size of the warnings on the grounds that current sizes are more than fit for their purpose.

## In Quotes:

***"The case of passive smoking is an example in which policy demonstrates a disproportionate response to a relatively minor health problem, with insufficient regard to statistical evidence"***

House of Lords Economic Affairs Committee Report "Government Policy on the Management of Risk" - June 2006

## Did you know?

- 26% of adults still smoke tobacco products in Great Britain.
- According to Government figures almost £3 billion in revenue was lost to the Government through smuggling of tobacco products in 2003/04.
- The cost of 20 cigarettes in the UK is approximately £5.23 compared with £0.44 in Latvia or £2.61 in Belgium.

## Who to contact at the TMA

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