



Revision of Tobacco Products Directive (TPD)

Directorate General for Health and Consumers

Reasons for the Revision

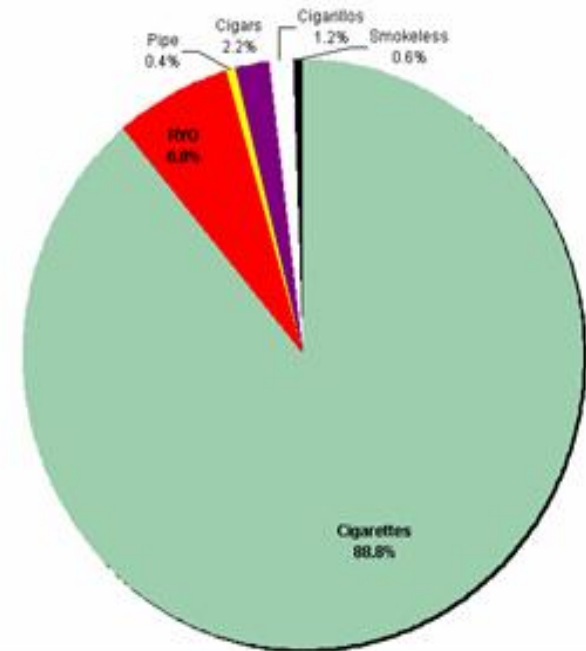
- TPD dates from 2001. It is necessary to bring it in line with market, scientific and international developments.
 - Market: new products, new marketing strategies
 - Scientific: new studies
 - International: EU and all Member States are Parties to the WHO Framework Convention on Tobacco Control (FCTC) and have a legal obligation to implement it

EU Tobacco Market

- The total value of the EU Tobacco Market at retail level including taxes is 136.5 bEUR in 2010 (excise duties 79 bEUR)
- Cigarettes represent 89% of the market value, RYO tobacco (Roll Your Own) 7%

Category	Value 2010	Change 2000-10	Volume 2010	Change 2000-10
	(bEUR)	(%)	(bsticks/ ttonnes)	(%)
Cigarettes	121.3	+33.8	608.8 bs	-23.3
Roll-your-own	9.3	+123	75.5 tt	42.2
Pipe tobacco	0.48	-17	4.03 tt	-36
Cigars/cigarillos	4.65	+0.6*	9.92 bs	27*
“Smokeless”	0.83	+73	5.9	10

*incl. “eco-cigarillos”



Health Risks and Economic Impacts

- The overall number of smokers has decreased, but 28 % of all EU citizens and 29 % of young people, 15-24 years, still smoke in 2012.
- 70% of smokers start before the age of 18, 94% before the age of 25
- Tobacco is the largest avoidable health threat in the EU
 - Responsible for 697000 deaths (8,5 million life years)
 - Half of all smokers die prematurely (on average 14 years)
- Annual EU public healthcare expenditure on treating diseases caused by smoking amounts to 25.3 bEUR (conservative estimate)
- Society loses 8,3 bEUR per annum due to productivity losses linked to smoking.

Summary of Main Measures (1)

- Ingredients: Reinforced reporting obligations, ban on cigarettes, RYO and STP with characterising flavours and of products with increased toxicity or addictiveness. Additives essential for manufacturing remain allowed. No discrimination between tobacco varieties
- Packaging and labelling: Mandatory large picture warnings (75%) on both main sides of cigarette and RYO packs, some standardisation of the pack to ensure full visibility of warnings, ban on slim cigarettes, no promotional elements, MS can introduce plain packaging provided it complies with the Treaty and is duly justified.
- Traceability: Tracking and tracing at pack level up to the first retailer. Security features on all packs. Transitional period of five years for products other than cigarettes and RYO.

Summary of Main Measures (2)

- STP: maintain the ban on oral tobacco (snus), reinforced labelling (2 sides of the pack) and no STP with characterising flavours.
- Cross border distance sales: Notification and age verification systems.
- Novel tobacco products: Notification obligation. TPD provisions remain applicable.
- NCP (including electronic cigarettes): subject NCP above a certain nicotine threshold to pharmaceutical legislation, below the threshold introduce labelling rules
- Herbal products for smoking: labelling rules



Future pack of cigarettes



Socioeconomic impacts of the revision

- Combination of preferred policy options is expected to lead within a five year period to a drop of tobacco consumption of 2% (beyond the baseline) of cigarettes (FMC) and RYO (nota bene: this corresponds to 2,4 million smokers in the EU).
- Possible losses for the tobacco industry would be mitigated by the measures directed against illicit trade.
- Overall, the impacts on employment are estimated to be positive based on the input/output model (money not spent on tobacco would be spent on something else).

Socioeconomic impacts of the revision

Government/Society

Benefits

- Major health benefits: people live longer and have more healthy life years. If monetised in line with IA guidelines, a positive value of 9.4 bEUR annually appears realistic.
- Reduction of health care expenditure of 506 mEUR annually.
- Reduction of productivity losses of 165 mEUR annually.

Theoretical risk:

- Corresponding to the 2% drop in consumption, tax revenues could go down by 1.59 bEUR if fiscal instruments are not used (experience show gradual increase of tax rates).



Further Information

http://ec.europa.eu/health/tobacco/products/revision/index_en.htm