Response from Christopher Snowdon of the Institute of Economic Affairs to the Singapore government's consultation on standardised packaging.

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.

No. SP has conspicuously failed to reduce smoking prevalence and tobacco consumption in Australia and appears to be failing in a similar manner in France. Data for the UK are not yet available. The consultation paper lists the relevant studies so I will not repeat them here. It is concerning that the consultation document dismisses these findings on the basis that some of them are connected to the tobacco industry. Evidence should be assessed on the basis of whether it is true, not on quantity or funding sources. Evidence from anti-smoking campaigners is equally prone to bias and is of a poorer quality.

In the case of Australia, it is a proven fact that tobacco sales increased quarter-on-quarter in the twelve months after SP was introduced. It is also a proven fact that there was no statistically significant decline in the smoking rate between 2013 and 2016.[1] Official statistics from the Australian government leave no doubt about this. Recently published data also show that legal tobacco sales have risen in the last year in Australia, despite SP and some exceptionally high cigarette taxes.[2]

With regards to the illicit trade, the Australian government has chosen not to conduct any serious research into this and so we are left with research from KPMG. Using the gold-standard methodology of collecting discarded packs, KPMG found a significant increase in illicit and counterfeit cigarettes after SP was introduced. The consultation paper chooses to dismiss this evidence on the basis that it was commissioned by tobacco companies and yet KPMG is a highly respectable organisation and there are no obvious flaws in their research.

There have been countless reports in the Australian press of large-scale tobacco smuggling and illegal growing in the recent years.[3] This is partly due to Australia's extremely high rates of tobacco duty, but SP has also had an effect by (a) making branded cigarettes only available on the illicit market, and (b) lowering the costs for counterfeiters. It should also be noted that plain packaging and rising rates of duty are connected. The government of Australia seems to have raised tobacco duty in an attempt to reduce tobacco sales after SP consciously failed in its first year. We are now seeing the same

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[1] https://www.aihw.gov.au/reports/illicit-use-of-drugs/2016-ndshs-detailed/data

[2] Tobacco sales data available here: http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5206.0Jun%202015?OpenDocument

[3] I list some of them in this post: https://velvetgloveironfist.blogspot.co.uk/2017/09/chickens-coming-home-to-roost.html

thing happening in France where large tax rises are planned after the health minister accepted that 'official sales of cigarettes increased in France: the neutral package did not reduce the official sale of tobacco'.[4]

In summary, there is a good reason to dismiss the evidence that plain packaging 'works' and to take the evidence that it does not work more seriously. Put simply, the former is based on focus groups, opinion and trivial behavioural responses whereas the latter is based on hard outcomes, ie. what actually happens to tobacco consumption, smoking rates and the illicit trade when the policy is tested in the real world. Every indicator from Australia and France shows that SP has failed as an anti-smoking policy and has created negative consequences.

Moreover, as the independent expert Prof Sinclair Davidson has shown, many of the claims about the supposed success of SP in Australia are simply false.[5] [6]

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.)

I have covered much of this above, but it is worth noting that the justification for SP is similar to the justification for graphic warnings in that the policy is supposed to add salience to the warnings. If the warnings are made more prominent, it is assumed that fewer people will smoke. This theory rests on consumers being unaware of the risks of smoking and is therefore immediately suspect. It is notable that much the same type of evidence was used in the campaign for graphic warnings, ie. focus groups found packs which had graphic warnings on them to be less appealing. It is also notable that the policy failed once tested in the real world. Smoking rates were falling in Singapore until graphic warnings were introduced in 2004. After 2004, they rose for several years, as the consultation document acknowledges.

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).

Not applicable. The government should not go ahead with the policy.

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

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[4] http://www.assemblee-nationale.fr/15/cri/2017-2018/20180075.asp#P1117763

[5] https://www.youtube.com/watch?v=ZX7Ba9jQ-1A

[6] https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2780938

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).

It is doubtful that any changes to the appearance of tobacco packaging would affect tobacco consumption or smoking prevalence. Health warnings have been salient and unmissable for many years. People do not smoke because of the packaging and knowledge of the risks of smoking is practically universal.

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).

The experience in the UK shows that smoking rates decline appreciably when smokers are given access to e-cigarettes. The smoking rate in Britain was broadly flat for several years until 2013 when e-cigarettes became mainstream. The rise of vaping coincided with a sharp decline in smoking prevalence and Britain now has the second lowest smoking rate in the EU. Sweden has the lowest rate and this is largely because smokers have switched to 'snus', a low risk smokeless tobacco product. The benefits of vaping as an alternative to smoking and as an effective smoking-cessation method are now widely accepted by British health authorities, including Public Health England.

By contrast, the current stalling of smoking prevalence and the recent rise in cigarette sales in Australia is likely to be due, in part, to Australia's prohibition on e-cigarettes.

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.

Not applicable. The government should not go ahead with the policy.

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.

Not applicable. The government should not go ahead with the policy.

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

The protection of property, including intellectual property, is fundamental to the working of the free market. Singapore has been an exemplar of free market economics for decades and has benefited greatly from avoiding excessive regulation. Free market organisations

such as the Institute of Economic Affairs have often held up Singapore as an example for other countries to follow. Abolishing branding with SP would change that. It would be a retrograde step that would set a dangerous precedent for other products.