PROCIGAR
ASSOCIATION OF DOMINICAN CIGAR MANUFACTURERS

Santiago, Dominican Republic.
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Ministry of Health of Singapore
16 College Road, College of Medicine Building, Singapore 169854
Attention: Director, Epidemiology and Disease Control Division

Subject: "Public Consultation on Proposal to Introduce Standardized Packaging of Tobacco Products in Singapore."

Dear Sirs:

The Dominican Association of Cigar Manufacturers (PROCIGAR) would like to express its consideration as a response to the Ministry of Health's public consultation paper on proposed tobacco control measures for your country. The aforementioned norm seeks to establish "standardized packaging" and regulate trademark, logos, color schemes, and other aspects of tobacco products.

In this regard, PROCIGAR, which is comprised of more than 35 tobacco related companies in the Dominican Republic (recognized since 1994 as the most important premium cigar exporter in the world), would like to share potential conflicts and concerns regarding "standardized packaging" and the negative effects that would derive from the application of such concept in the cigar market.

a) Standardized packaging would infringe intellectual property rights

We strongly believe that standardized packaging will lead to the deprivation of our companies' brands and trademarks, consequently infringing their intellectual property rights. Any mandatory standardized packaging for cigar manufacturers sets a dangerous precedent for all trademark owners.

b) Standardized packaging would increase illicit trade

The introduction of standardized packaging would make counterfeit and contraband products easier to make, distribute and sell, which would result in a significant benefit to crime syndicates that are difficult to regulate and affect legitimate owners. The implementation of any standardized packaging regulation in Singapore related to cigars would potentially cause an increase in the levels of counterfeit products, as it would only make it easier for criminal groups to manufacture imitation products.

c) Standardized packaging would have a serious and widespread negative impact on consumers and retailers

Distinct and registered packaging guarantees origin certification, quality, and originality. Packaging is also essential to trade in the way that it allows consumers and retailers to identify and distinguish products at point of sale, protecting both seller and buyer. The implementation of standardized packaging would impair these fundamental functions of packaging, thereby negatively affecting adult smokers as well as retailers since they would no longer be able to effectively differentiate brands in the supply chain and at point of sale.

d) Brand distinction

Brand or product distinction is fundamental in the sense that it complies with constitutional principles. By implementing standardized packaging, a consumer behavior and pattern is not dispensed by choice, but is forged and imposed by this law, which eliminates product differentiation.

As opposed to cigars, other tobacco products (such as cigarettes) are produced in a systematic operation, mostly by machine, in which the final product is very similar between different brands. On the other hand, every single cigar is made in an entirely different artisanal process and is made up of a completely dissimilar (air cured tobacco leaf) blend than every other cigar in the market. Therefore, imposing standardized packaging represents the denigration of the manufacturer's investment, time and the work of thousands of hands a single cigar passes through to be distinct and unique.

e) Purpose of shock marketing tactics are pointless in the cigar market

There are little to no scientific studies that correlate the gamma of exposed diseases (graphics) and negative side effects exclusively to cigars, but generally include them in the propaganda solely because it's an end-product derived of essentially the same raw material that is used in other products regulated under the same category.

Cigar consumers expend the product by choice and pleasure, not from addiction. Therefore, shock-marketing tactics are useless in the cigar market due to consumer awareness and the adult public that is targeted, as opposed to uninformed youth that could potentially be the consumer target in other markets.

f) Financial impact on Singapore caused by Standardized packaging

An inmense factor that would deeply affect the Singaporese society is the loss of capital. Large sums of profits, taxes, and general income will be dissipated due to a premium good becoming a generic product. Standardized packaging will not only create a loophole for bypassing effective quality control verification, but it will both reduce the demand of a luxury good and drop cigar prices significantly. Standardized packaging precedents demonstrate that consumption levels are virtually static and a shift to cheaper brands is imminent.

In light of the detrimental consequences of standardized packaging highlighted in the paragraphs above, we encourage the Government of Singapore to not implement such damaging regulation to the cigar industry. As we have highlighted, cigars differentiate very particularly from each other, depending on their brand identity to represent the unique flavors that the art of blending bestows upon them, and since they're not meant to be inhaled, rather savoured in the palate, their singularity is represented by their presentation.

We thank the opportunity given by the Ministry of Health to participate in this consultation, and hope that our comments are truly considered while moving forward with this initiative. Most importantly, we would be completely willing and able to contribute in strategizing a segregated and reasonable regulation for our industry.

Best regards,

Hendrik Kelner
President

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