Tobacco Products Directive
2014/40/EU

European Commission's
Directorate General for Health and Food Safety, Unit D4

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Outline

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1. Introduction - facts and figures (I)

**Effects of smoking**

- Tobacco is the largest avoidable health threat in the EU
  - Causes nearly 700,000 premature deaths per year
  - Half of all smokers die prematurely (on average 14 years)
  - Smokers have more life years in poor health conditions (cancer, cardiovascular, respiratory diseases)
- Annual EU public healthcare expenditure on treating diseases caused by tobacco: 25 bEUR per year
- **Productivity losses** due to tobacco: 8.5 bEUR per year
- Governments' revenues from excise duty and VAT on the sale of tobacco products in the EU are estimated at 77 bEUR and 22 bEUR, respectively.
1. Introduction - facts and figures (II)

**EU Tobacco Market**

- 4 big players in cigarettes and Roll-Your-Own tobacco. Other tobacco products - mostly smaller companies.
- Cigarettes represent 89% of the market value, Roll-Your-Own tobacco 7%.
- The total value of the EU Tobacco Market at retail level including taxes is 130.5 bEUR (before taxes value: 31 bEUR).
2. Rationale for the new Directive (I)

Main reasons of the revision

Previous Tobacco Products Directive dated from 2001– since then:

- Market developments (new marketing strategies/new products);
- Scientific developments (new studies);
- International developments (EU/MSs Parties to WHO FCTC).

The main objective is to guarantee proper functioning of the internal market, while ensuring a high level of health protection, Art. 114 TFEU

Internal market
- Update and modernise already harmonised areas
- Remove divergences of national provisions
- Address circumvention (safeguards of TPD should reach consumers)

Health
- Limit smoking initiation, in particular by young people
2. Rationale for the new Directive (II)

Socioeconomic impact of the revision

- The new Directive is expected to lead to a drop of tobacco consumption of 2% within five years. This corresponds to 2.4 million smokers less in the EU;
- Reduction of health care expenditure of 506 mEUR annually;
- Reduction of productivity losses of 165 mEUR annually;
- Possible losses for tobacco industry mitigated by savings through harmonisation and by measures against illicit trade (current tax losses: 10 bEUR annually);
- Overall, positive impacts on employment.
3. Main elements of the new Directive (I)

Ingredients

- Ban of characterising flavours;
- 4 year transitional period for flavoured products with market share > 3% (e.g. menthol);
- Certain additives (vitamines, caffeine, etc.) are prohibited;
- Reporting obligations for all ingredients and enhanced reporting obligations for additives on a so-called priority list;
3. Main elements of the new Directive (II)

Packaging and labelling

- Mandatory combined (picture and text) warnings (65%) on both sides of the unit packet;
- No ban of slim cigarettes;
- Pack standardisation to ensure visibility warnings;
- No promotional elements;
- MS can introduce plain packaging.

Future pack of cigarettes
3. Main elements of the new Directive (III)

**Illicit trade**
- EU-wide tracking and tracing system at unit pack level;
- Independent third party to provide the data storage facility;
- In addition (anti-counterfeit) security features on all packs;
- Longer transitional period for products other than cigarettes and RYO.

**Smokeless tobacco products (STP)**
- Ban on oral tobacco (e.g. snus) maintained;
- Reinforced labelling provisions (both sides of the pack);
- No ingredients regulation for snus; limited regulation for other STPs.
3. Main elements of the new Directive (IV)

**Electronic cigarettes**

- MS may choose to subject e-cigs to pharma legislation if justified;
- All other e-cigs fall under TPD rules, including: safety and quality requirements, notification obligation, rules on packaging and labelling, rules on advertising, and monitoring and reporting on market developments;
- Special rules for "refillables".
3. Main elements of the new Directive (V)

**Cross border distance (internet) sales**
- Notification obligation for cross border distance retailers and age verification system;
- Member States are entitled to ban cross border sales.

**Novel tobacco products**

**Herbal products for smoking**

**Internal market clause**
4. Implementation calendar

- 10 acts for adoption before May 2016
- 3 acts for adoption by mid-2017
Thank you!

Any questions?

Further Information