EUROPEAN COMMISSION
HEALTH & CONSUMERS DIRECTORATE-GENERAL

Directorate D
D4 – Substances of Human Origin and Tobacco Control

Brussels, 6 January 2012

MINUTES OF THE MEETING

Participants:

Dominik Schnichels, Antti Maunu, Sigrid Wimmer, Anna-Eva Ampelas, Katja Bromen, Matus Ferech (DG SANCO D4)

Inge Delfosse (ESTOC), Prof. Lars-Erik Rutqvist (Swedish Match), Peter van der Mark (ESTA), Marcel Crijnen (ECMA), Ad Wintermans (ECMA)

Place: **Rue Froissart 101, 2/17A**

Date: **19 December 2011**

The meeting was organised on the request of industry representatives in order to discuss the ongoing revision of the Tobacco Products Directive (TPD). It was agreed that the meeting will be structured according to product categories: cigars, smokeless tobacco and pipe tobacco and roll-your-own.

Cigars

ECMA stressed the need to treat cigars differently from other tobacco products. They explained that the producers and consumers of cigars are essentially different from cigarettes. Cigars are composed and manufactured differently. Manufacturers are mainly small or medium sized companies. According to ECMA, cigars are not targeting young adults. Cigar consumers are not brand-loyal, they smoke in specific situations and generally (62%) less than one cigar per day. The main cigar smoking EU countries are: DE, FR, ES, UK, NL and BE. Cigar consumption represents barely 0,8% of the total consumption of tobacco products in the EU.

ECMA specified that cigars are composed of specific dark-air-cured tobacco. During the last few years cigars have become smaller in size (probably due to smoking restrictions and long combustion times of big cigars). About 15-20% of their products include added flavours. The main flavours are vanilla, caramel and coffee-like flavours (some 80 % of the added flavours).

ECMA confirmed that they also manufacture smaller shaped cigars called "cigarillos". Their cigarillos are made with a natural wrapper and in that sense they are different from those marketed in Canada and the US that are made with a homogenised wrapper (similar to "eco-cigarillos" in Germany). These types of products were very cheap in Canada and became popular among youngsters. This could not happen in the EU due to tightened tax definitions that require natural wrappers, to which only DE and HU have derogations (until January 2015).

Packages for cigars are very varied and not very often changed (around 3-5 years).

About 95% of the EU market is dominated by EU producers. They have about 5.000 employees within the EU. Exports outside the EU count for 10-15 %.

SANCO asked the cigar manufacturers to send further information on:
- estimated market size for 2011 (value, volumes ,ideally per MS) and trends since 2002
- market developments (in particular relating to smaller size/cigarillos)
- producers (name, address, turnover, number of employees)
- ECMA's views on appropriate warning messages
- ECMA promised to send the available information in first week of January.

<u>Smokeless</u>

ESTA described nasal snuff and traditional chewing tobacco and stressed the need for clear definitions regarding different smokeless tobacco products. These products are produced by around 20 SMEs and 3 – 4 bigger companies in the EU. They have always been flavoured. Traditional chewing tobacco for example is often flavoured, including with liquorice. Around 250 t nasal tobacco is produced p.a. in the EU.

ESTOC stressed the need to lift the ban on oral tobacco (snus) and regulate all smokeless tobacco taking into account non-discrimination in the internal market.

Mr Rutqvist gave a presentation on snus. According to him the reasons to ban snus have been rebutted by the recent scientific studies. First, snus is not attractive to young people and is not a gateway to smoking. Second, it does not cause oral cancer and there is no clear link to pancreatic cancer. Third, it is less addictive than cigarettes. He also stressed that snus is less harmful to health than cigarettes. Two industry sponsored studies (from US and Serbia) showed that snus was an effective way to quit smoking, and it is the most common quitting aid in Norway and Sweden.

Concerning smokeless tobacco, SANCO asked ESTA and ESTOC to send further information on:
- overview of product categories
- estimated market size for 2011 (value, volumes, ideally per MS) per category and trends since 2002
- producers (name, address, turnover, number of employees)
- consumers (age, gender, regions)
- flavours used.

SANCO asked ESTOC to send all new scientific publications on snus since its last submission (including information on who sponsored the respective study) and – to the extent available – information on consumers (age, gender, cessation).

ESTA and ESTOC promised to send the information in the second week of January.

Pipe tobacco and roll-your-own (RYO)

ESTA expressed its concern about the on-going impact assessment and mentioned that the views of pipe tobacco and RYO manufacturers (mostly SMEs) were insufficiently taken into account in the RAND report. Moreover, it was difficult for companies to respond to questions on impacts on packaging, for example, without knowing what exactly is going to be proposed.

ESTA described pipe tobacco as a highly flavoured product the smokers of which interchange brands regularly. Amongst typical flavours used are vanilla and cherry.

ESTA also stressed the need for a different treatment compared to cigarettes due to different production methods and consumer profiles and stressed the need to clear definitions of product categories. Pipes are not used by young people, and therefore it would not make sense to ban flavours. In addition, ESTA stated that it does not consider the concept of attractiveness to be a valid basis for regulation.

Concerning fine cut and pipe tobacco, SANCO asked ESTA to provide more information on:
- overview of product categories
- estimated market size for 2010 (value, volumes, ideally per MS) per category (fine cut tobacco and pipe tobacco) and trends since 2002
- producers (name, address,)
- consumers (age, gender)
- flavours used.

All associations were given the opportunity to also submit other relevant information/views, but were invited to be concise. The information should be received in the second week of January.