

**Written evidence submitted by Scott Vines, Managing Director of Tor Imports Ltd, to the House of Commons Public Bill Committee on Tobacco and Vapes (2023-24) (TVB07)**

**House of Commons Public Bill Committee Tobacco and Vapes Bill (2023-24)**

**Executive Summary**

1. Introduction and background to Tor Imports
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4. Previous Governmental consideration of Other Tobacco Products
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**1. Introduction**

1.1. I am writing as the Owner and Managing Director of Tor Imports Ltd, which specialises in importing niche tobacco products (OTPs) such as handmade cigars and pipe tobacco.

1.2. Based in Central Devon, my company has operated in a rural economy since 1992 and now employs 18 people.

1.3. Tor is a family-owned company that imports niche products from primarily family-owned producers based primarily in Central America and supplies primarily family-owned businesses across the UK. We would never be considered Big Tobacco, nor is there any evidence that our products encourage young people to take up smoking.

1.4. To put into context, the Tor share of the £10 billion tobacco duty collected in 2023 is 0.02% (source: tobacco statistics commentary – January 2024)

1.5. Tor Import's customer base is not just a list of names but a community of other small, family-owned retailers and hospitality venues. These businesses, like ours, are not just economic entities but pillars of the local economy. Any disruption to our operations could have far-reaching consequences for the livelihoods of many in our community.

1.6. Tor Imports does not import or distribute Cigarettes or Roll-Your-Own tobacco, two key products that the Tobacco and Vapes Bill (2023-24) seeks to restrict with a rolling increasing legal age for purchase. We focus on niche tobacco products that should not form any part of the Bill's scope.

1.7. The Bill is of grave concern to the future viability of our business and the network of customers we supply.

1.8. It is disheartening to see that the niche products we offer, which have their own unique market and consumer base, were not adequately considered in the initial drafting of the proposed legislation or in the Impact Assessment (IA) published in March 2024 (see Appendix 1)

1.9. This lack of consideration feels unjust and could have severe consequences for our business and the communities we serve.

1.10. This bill removes the freedom of certain adults to make decisions for themselves in the future.

## **2. Impact assessment March 2024**

2.1. The Impact Assessment supporting the legislation seems to rely exclusively on data pertaining to mass-market tobacco products (such as cigarettes), which are primarily manufactured and distributed by multi-national tobacco companies. (See Appendix One for IA-specific analysis). This focus extends to cigarette consumption, sales, revenue, margins, risk reduction, costs, business impacts, and investment levels.

2.2. Within its 164 pages, it does not consider cigars, cigarillos, or pipe tobacco adequately; indeed, the word 'cigar' is mentioned only once.

2.3. Further, at no point within the IA is either the word 'Importer' or 'Distributor' mentioned. These are often small to medium family-owned enterprises, such as Tor Imports, and represent the primary representation and route to market for over 90% of all handmade cigars within the UK.

2.4. It should be noted that the producers of OTPs supplying companies such as Tor Imports, whilst not based in the UK, are also predominately small family-owned enterprises. Again, no account of this specific supply route was taken within the IA.

2.5. This is prohibitionist behaviour, a significant and historically unproven governmental action; before proceeding, all facts and consequences should be more fairly, inclusively, and carefully explored and considered.

## **3. What makes OTPs different from cigarettes?**

3.1. They are niche, so niche in fact that the UK government cannot adequately collect meaningful data as consumption levels are statistically insignificant within the overall UK tobacco market.

3.2. Cigars and Pipe Tobaccos fundamentally differ from mass-market tobacco in demographics, consumer price, availability, consumption habits, volumes and alternatives that offer consumers a switching option.

- The average age of consumers beginning to buy handmade cigars is reported to be 30 years.
- The pricing of such products is significantly more expensive than a packet of cigarettes and Roll-Your-own tobacco, with the average retail price of a single handmade cigar being over £20.00.

- As well as how they are purchased, handmade products are different from any other tobacco products in terms of how they are stored. The storage of handmade cigars requires strict humidity and temperature control of 70% Relative Humidity and 18 degrees centigrade. These strict storage requirements need speciality retail locations to sell handmade cigars.
- Retail locations are low, and most handmade cigars are only sold through the UK's 175 or so specialist tobacconists.
- The average consumption of cigars is low, with less than 2% of the adult UK population consuming them; on average, the average Handmade cigar smoker reported smoking cigars 1.2 days out of 30 days.
- There are no alternative products (such as vapes for cigarettes). Cigar and Pipe Tobacco smokers consume for pleasure, have no desire to quit and have no switching options available.

3.3. For Tor Imports' customer base, particularly the 175 or so specialist retailers that make up nearly 70% of our sales (Tor Imports internal figures 2023), the revenue reductions due to the introduction of the proposed age legislation would be severe, threatening the viability of these small family-owned and operated businesses.

3.4. Specialists are legally defined in the UK. They must make 50% of their turnover from OTPs, and they cannot diversify into other product lines like a Newsagent might by expanding its confectionery range. Rapidly, such specialists would become starved of investment and ultimately cease to exist, progressively pushing sales online where enforcement of age regulations is more problematic.

#### **4. Previous Governmental consideration of Other Tobacco products**

4.1. The UK Government's initiatives to prevent and reduce the consumption of tobacco products have primarily targeted cigarettes and hand-rolling tobacco, the combination of which accounts for the vast majority of tobacco products consumed in Great Britain.

4.2. In many instances, the introduction of policy measures has, by default, been extended to OTPs. This has often been despite a lack of evidence regarding the minor degree to which, if any, the inclusion of OTPs would further the government's stated policy objectives.

4.3. More recently, however, the government has recognised that OTPs comprise a category of products distinct from cigarettes and hand-rolling tobacco in terms of their market structure, distribution networks, the profile of consumers they attract, and their use patterns.

4.4. As a result, OTPs have been subject to differential treatment concerning measures such as the UK's standardised packing regulations and health warning requirements. Such an approach is consistent with sound, evidence-based policymaking, and the government's commitment to it.

4.5. Given the government's oft-stated rationale for its smoking policy – to prevent young people from starting to smoke to protect them from the harms of smoking as they grow older – as well as

the evidence presented in support of the measure, it is readily apparent that the inclusion of OTPs will make no measurable contribution to furthering the government's policy objectives.

4.6. In a significant Government policy announcement, Neil O'Brien, former Minister for Primary Care and Public Health, stated in his speech on achieving smokefree 2030 at the DHSC Webinar on April 4, 2023:

***"...The Khan Review last year advocated the 'New Zealand' approach .... this would be a major departure from policy pursued over recent decades, which has emphasised personal responsibility and help for people to quit. And it is the help for current smokers to quit that we want to focus on .... there is much more we can do to help people quit smoking...."***

4.7. Considering the devastating effect, the inclusion of OTPs would have on UK small and medium-sized family-owned businesses such as Tor Imports and other business entities such as specialist tobacconists, we urge the government to reconsider the inclusion of OTPs within the Tobacco and Vapes Bill (2023-24).

## **5. Direct Impact on Tor Imports as a Company**

5.1. Tor Imports survives because its specialist products and services require high levels of expertise and knowledge about the niche markets in which it operates. For example, unlike cigarettes and Roll-Your-own tobacco, all our handmade cigars need to be stored in expensively specialised conditions with the correct humidity and temperature.

5.2. These specific skill sets and operational processes, along with the relationships and agility that come from being modest in size, give us our competitive advantage over larger companies in the mass-market tobacco sector or other FMCG players in adjacent markets (such as vaping or nicotine pouches). We have neither the scale nor investment required to diversify into new markets.

5.3. The Tobacco and Vapes Bill (2023-24) will effectively close our market down over time, making our now legal business impossible to operate legally within the UK.

5.4. Tor Imports complies with all current Government tobacco legislation and has operated HMRC-approved Customs and Excise Bonded facilities for several years; we are Good Citizens!

5.5. Our reward will be to see the product, market, and relationships we have nurtured over many years be directly outlawed purely by government legislation.

5.6. The impact on the people who own, operate and work with Tor Imports will be absolute.

5.7. Our communities and rural economies will be the poorer because of this bill, as will our cigar-making partners in some of the poorest countries in Central America.

5.8. Considering our operation in 2023, the following will be under threat: -

**[PLEASE NOTE: CONTENT HERE REDACTED BEFORE PUBLICATION DUE TO ITS CONTAINING  
COMMERCIALY SENSITIVE INFORMATION]**

**We would ask that the committee redact the information contained in the bordered box above before publishing it publicly on the basis that this is commercially sensitive information pertaining only to Tor Imports. The information is provided only for the specific use of committee members.**

## **6. Conclusion and Actions**

- We recommend that an updated IA that includes the specific impacts on our products, customer base, suppliers and specific companies be commissioned.
- We recommend that the differences between OTPs and mass-market tobacco and vaping products be carefully measured and that limited exemptions for OTP firms and the specialist market they supply be considered.
- We recommend that the UK government's previous differential approach be studied, and its validity weighed against the blanket inclusion of all tobacco products in the proposed rising, rolling age of purchase within the Bill.
- We ask that due consideration be given to the active process of an elected government making a legal industry illegal over time.

25<sup>th</sup> April 2024

Scott Vines, Managing Director  
Tor Imports Limited

## 7. Appendix One – IA Analysis

Area of Concern	IA Reference	IA Extract	Observed Issues
Data Used	Whole report	All studies quoted/data based on cigarette smokers.  ONS 2022 Adult Smoking Study has been used as a source for UK-based data.	No data on OTP consumption has been collected by ONS since 2016 due to the 'statistical insignificance " of these products.
Modelling of policy impacts on smoking rates/behaviours	Whole Report	The model used to assess the legislation relies exclusively on surveys of youth and adult cigarette smoking from which the smoking of cigars and other tobacco products is excluded in the survey questions:  -UCL's Smoking Toolkit Study -ONS Adult smoking habits in the UK -NHS Digital's Smoking, Drinking and Drug use among young people in England	There is no support for the inclusion of OTPs as supporting the Bill's objective of stopping youth initiation and nicotine addiction, a problem which is particular to cigarette and hand-rolling tobacco consumption.
Retail Impact	Whole Report	All data has been based on cigarette sales via retail outlets such as newsagents and supermarkets, which offer a variety of products from which to generate other revenue.	The retail impact is likely to be significantly higher if the loss of OTP sales is taken into account. There are around 100 specialist tobacconists in the UK.  Specialist importers and distributors mainly supply them. These businesses will close because of this legislation.
Loss of profit for Retailers	Sections 231 to 236	"We have used the average price of cigarettes and applied this to consumption values to estimate the loss in profit for retailers ".	Loss of profit resulting from a decline in sales of OTPs has not been assessed.
Increase in profits from less expenditure on tobacco	Section 241/242	"It is likely that losses estimated will at least in part be offset by increased profits on goods and services purchased in place of tobacco. Specifically for retailers, these goods will also likely carry a higher profit margin than tobacco".	There are no alternative products to OTPs that can be substituted in the case of Specialist Tobacconists.  OTP margins are between 25% to 40%, not the stated 6% for cigarettes.  Impact on OTPs not assessed or quantified.
Impact on Wholesalers	Section 252 - 255.	"The methodology for estimating lost profits for wholesalers is the same as for retailers above, with the only change being the overall profit per pack lost".  "Therefore, based on an estimated 4 billion fewer factory-made packs of cigarettes sold between 2027 and 2056,	Cigarette data used.  Impact on OTPs not assessed or quantified.

		Table 23 shows the estimated total costs in lost profits to wholesalers in England and the UK (borne by all tobacco wholesalers, and over 30 years)".	
Impact on Manufacturers and Shareholders:	Section 256-260	Profit estimates for manufacturers are based on information obtained through the Standardised Packaging of Tobacco (SPoT) impact assessment consultation. For manufacturers, this was £0.22 per pack of factory-made cigarettes. In 2027 prices, this is £0.29.	OTPs not considered as not subject to SPOT.  <b><u>Significant data has been shared on this in previous consultations.</u></b>
Impact on Tourism	Section 299	"The smoke-free generation policy may make the UK a less attractive place to come for tourists, immigrants, and international students who are smokers.  As we do not have evidence on the impact this policy would have on tourism and immigration, we have not been able to quantify this impact. However, for the reasons explained above, we expect this impact to be minimal".	UK reputation for centre of excellence for OTPs and particularly cigars.  It attracts collectors, tourists, and connoisseurs who visit the UK for this purpose. Their spending on hotels, restaurants, and shopping is significant.  The impact on tourism is significant.
International investment	Section 303	"As we do not have evidence on the impact this policy would have on international investment, we have not been able to quantify this impact".	OTPs and particularly cigars, attract investment through hotels and restaurants who sell the product and invest significantly in their offering or their clients.  International Cigar Brands invest in the UK market.
Small and Micro Business Assessment (SaMBA)	Section 318, 319	"Although we are aware of a limited number of small and micro tobacco product manufacturers that are based in the UK, who mainly appear to produce a diverse range of specialist tobacco products, we have not been able to identify sufficient data on these businesses to estimate the loss in profit for these specific businesses as a result of the smokefree generation policy".  319. "With reference to the RPC's SaMBA checklist, the very limited data we have	Significant representations were made clearly setting out the impact on these businesses and have been made in previous consultations.  The Consultation response stated that the views of anyone connected to the tobacco industry had been disregarded-using Article 5.3 of the WHO Framework Convention.

		been able to identify does not enable us to: i) identify the number of businesses in scope of the regulation; ii) the market share of these businesses; iii) what the impact would be in these businesses - not least because we do not have data on what proportion of their sales are overseas to determine what proportion of their sales are unaffected by this policy"	Manufacturers and Importers are obliged to submit this data to DHSC every year, so it is readily available.  Track and Trace requirements also means this information is readily available.
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