



# NATIONAL ASIAN BUSINESS ASSOCIATION

International Trade Hub

Dear Sajid,

As the Chair of the National Asian Business Association (NABA) I am writing to you regarding some key concerns I have following a report which was published this week by the Centre for Economic and Business Research entitled: *Quantification of the economic impact of plain packaging for tobacco products in the UK*.

NABA has nine constituent organisations across the UK with a total membership of around 50,000, of which approximately 10,000 are tobacco retailers. For many stores tobacco sales can account for up to 40% of their overall turnover and there is much evidence to suggest that many non-tobacco sales are in fact additional purchases made by adult smokers coming in store to buy tobacco. My key concern is that the report highlights that plain packaging of tobacco would have some very negative effects on small shops across the UK.

In particular, the Cebr report states that as a result of plain packaging

- *Small retailers' overall earnings will be cut by up to £300 million p.a. – the equivalent of 19%*
- *Up to 30,000 of the 182,300 retail jobs in the UK could be lost*
- *6,400 convenience stores could close*

The small newsagents and retailers which we represent work on average, 16 hours a day to service their communities and they make a very important contribution to the UK's economy. However according to the report this contribution will be cut to a point where it would cost the UK Exchequer around £6billion, this is at a time when the economy is already struggling. As you will appreciate this figure will be of concern not only to our 10,000 retailers but for the entire 50,000 Asian businesses we represent.

As a former independent vice chairman of Leicestershire Police Authority I am also concerned by the fact that the report highlights that plain packaging would fuel tobacco smuggling with an increase in illicit trade of 26.6% in cigarettes. Any type of illicit trade deprives responsible retailers of much needed revenue and only benefits criminal gangs. The illicit trade in tobacco also deprives the Government of much needed revenues, currently costing billions in lost excise and other revenues every year.

Furthermore, as a former non-executive director of the Local Better Regulation Office, which now sits under the Department for Business Innovation and Skills (BIS), I am naturally concerned how Trading Standards officers will be able to identify and trace the source of counterfeit cigarettes. Without the unique and complex techniques which are currently used in the manufacturing of





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tobacco packaging I am concerned that it would not only make the job of counterfeiting easier but also make the detection and therefore enforcement by Trading Standards officers much harder. My concerns are further compounded when these increased burdens are considered alongside challenges faced by enforcement authorities due to spending cuts.

I am surprised that the Government hasn't looked at other measures such as enhanced youth smoking prevention programmes in order to achieve its praiseworthy aim of stopping children from taking up smoking. This would surely be better than introducing a policy which will increase the illicit trade and thereby opportunities for young people to buy tobacco through non-legitimate sources.

I would welcome the opportunity to discuss this with you further.

Yours sincerely

**Chairman NABA**

cc:

**Rt Hon David Cameron MP, The Prime Minister**

**Rt Hon Jeremy Hunt MP, Secretary of State for Health**

**Rt Hon Dr Vince Cable MP, Secretary of State for Business**

**Rt Hon Theresa May MP, Home Secretary**

**Rt Hon Damian Green MP, Minister of State for Police and Criminal Justice**

**Rt Hon Dominic Grieve QC MP, Attorney General**

**Rt Hon Ed Balls MP, Shadow Chancellor of the Exchequer**



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