

From: Tobias Ghersetti [<mailto:TGhersetti@Bell-Pottinger.co.uk>]
Sent: Friday, October 07, 2011 5:14 PM
To: PERREAU DE PINNINCK Fernando (TRADE)
Cc: KLEIN Peter (TRADE); SANDLER Peter (TRADE); SOMOGYI Zoltan (TRADE)
Subject: Imperial Tobacco meeting with officials in DG Trade

Dear Mr Perreau de Pinninck,

I am writing in response to your request for more information on the topics representatives of Imperial Tobacco wish to discuss with officials at DG Trade.

As I am sure you are aware, the European Commission is currently holding a consultation about the future of the Tobacco Products Directive (EU TPD).

Imperial Tobacco, as one of Europe's leading tobacco manufacturers and suppliers, is keen to ensure that its comments and concerns with regard to the directive are communicated to decision-makers in as effective a way as possible.

It is of crucial importance that the TPD's review is carried out in a fashion that takes into account the impact it may have on European competitiveness and supports an approach which recognises the importance of intellectual property rights and the wishes of European citizens expressed during the public consultation process.

It is Imperial Tobacco's concern that a number of actions suggested thus far by DG Sanco in the review of the EU TPD do not sufficiently take into consideration the concerns and wishes of the European citizens such as expressed in the recently undertaken Public Consultation.

The public consultation gathered some 85.000 responses which inter alia showed that:

* A significant majority of citizen respondents were against extending the scope of the Directive (i.e. introducing new laws which may add to the regulatory burden).

* A vast majority of citizen respondents were in favour of lifting the ban on snus (oral tobacco).

* A significant majority of citizen respondents disagreed with the regulation of ingredients at the EU level.

* A significant majority of (citizen) respondents opposed limiting access to tobacco products.

Imperial Tobacco are disappointed that, to date, DG Sanco have chosen to gloss over the results of this consultation and pursue an approach to the TPD which has focussed on increased regulation.

There are clear trade-related aspects which ought to be taken into account when discussing the future of the TPD.

Plain packaging:

DG Sanco has announced it is considering the introduction of plain packaging of tobacco products.

Imperial Tobacco is concerned that the concept of plain packaging represents a threat to European competitiveness and stands in stark contrast to the protection of Intellectual Property Rights. It is likely to be detrimental to European industry and a barrier to trade relations.

Plain packaging regulations threaten to compromise European business as a whole and are contrary to the fundamental spirit of the Acquis Communautaire on legal protection of trademarks and designs. Imperial Tobacco also question the scientific validity of plain packaging as a measure to reduce the consumption of tobacco products. For instance, a study undertaken by the UK Department of Health 2008 describes the impact of plain packaging on tobacco consumption as speculative.

Imperial Tobacco are concerned that the introduction of plain packaging of cigarettes will result in an increase in the illicit trade in and counterfeiting of tobacco products, leading to the potential diffusion of substandard unchecked products on European markets.

Ingredients ban:

In the review of the EU TPD DG Sanco has announced that it considers an ingredients ban comprising certain additives. While Imperial Tobacco shares

the conviction that certain additives are undesirable and agrees that tobacco products must be governed by a regulatory framework, it is of paramount importance that the regulation of ingredients in tobacco products inside the EU be proportionate from an international perspective.

Scientifically unfounded ingredients regulations leading to a ban of European traditional blended tobacco products, would have severe socio-economic repercussions for EU tobacco growers (of oriental and burley varieties) and would bring no benefits to public health. This would endanger the jobs of tens of thousands citizens across the European Union who depend on tobacco farming and processing as a source of occupation and livelihood. Such a problem would be particularly acute in recent accession states.

I hope that, in light of these arguments, you will be willing to engage with us on this important issue.

With every good wish,

Tobias Ghersetti

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