



UK Vaping Industry Association

Submission to the Science and Technology Committee Inquiry into E-Cigarettes

December 2017

About the UKVIA

The UKVIA represents supports and promotes the fastest growing consumer goods sector in the UK. We are a partnership of twenty one of the leading producers, distributors and vendors of vaping products, with a vision to create a world where the evidence about the life changing public health benefits of vaping products is fully understood and their positive impact is maximised. We represent the full breadth of the vaping industry from independent retailers and manufacturers to tobacco and pharmaceutical companies.

The UKVIA supports sensible, evidence based vaping regulation that protects consumers and ensures the highest levels of product quality so that consumers, the government, regulators and the public health community have absolute confidence in the industry and smokers are encouraged to make the switch to vaping.

Request to be called to provide oral evidence to the Committee

As the industry association representing the largest share of the vaping industry in the UK, we respectfully ask the Committee for the opportunity to provide oral evidence to assist this inquiry.

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Introduction

The vaping industry is one of the fastest growing and most innovative in the United Kingdom today. There are estimated to be 1700-2000 vaping stores across the country and more opening every week, with one market analysis finding that on the current trajectory the UK vaping market will be worth £4bn by 2021.¹

As an Association our vision is to create a world where the life changing public health benefits of vaping products are fully understood, and their positive impact is maximised. Office of National Statistics' (ONS) figures show that 15.8% of the UK's adult population smoke² and, although this is the lowest on record, hundreds of thousands of people still die from smoking related diseases every year. The ongoing dramatic decline in UK smoking rates has in large part been due to the entry of vaping products (popularly known as e-cigarettes) into the market.³ For the first-time, smokers have a viable, desirable alternative to smoking that is proving more effective at reducing levels of smoking rates than any method before.

It is essential that public health authorities, charities, the industry, Parliament and non-governmental organisations work together to share factual information with consumers about this potentially life changing alternative to smoking and create the regulatory environment to allow the industry to continue to flourish.

This submission responds to the particular points requested by the Committee, and identifies the specific areas that should be addressed to allow the public health potential of vaping to be fully realised.

Responses to the particular points requested by the Committee

Health

(1) The impact on human health

A strong consensus has developed between leading and respected health organisations that vaping is considerably less harmful than smoking, and that it could represent one of the biggest opportunities for public health in the 21st century. The quantity and quality of evidence supporting the public health potential of vaping has been increasing dramatically in the last few years.

- In September 2015, thirteen organisations, including Public Health England (PHE) and Cancer Research UK signed a joint statement on vaping.⁴ This statement advocated the public health opportunity presented by smokers switching to vaping products, reporting that e-cigarettes are

¹ www.beigemarketintelligence.com/reports/research-report-consumer-and-retail-market/vape-ecigarette-vaporizer-market-research-report/

² Office of National Statistics, Adult Smoking Habits in the UK: 2016, <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/adultsmokinghabitsingreatbritain/2016>

³ Frontier Economics, Working towards a smoke-free England, November 2017 http://www.frontier-economics.com/documents/2017/11/frontier-report_working-towards-smoke-free-england_nov-2017.pdf

⁴ E-Cigarettes: an emerging public health consensus, 15 September 2015, www.gov.uk/government/news/e-cigarettes-an-emerging-public-health-consensus

at least “95% less harmful to your health than cigarettes”. This statement was ratified again in July 2016.⁵

- In April 2016 the Royal College of Physicians published a report titled: *Nicotine without smoke: Tobacco harm reduction*. In that report they found that “the hazard to health arising from long-term vapour inhalation from the e-cigarettes available today is unlikely to exceed 5% of the harm from smoking tobacco.”⁶
- In April 2017 the Royal Society for Public Health called for all local stop smoking services to become “e-cigarette friendly.”⁷
- In 2017, Cancer Research UK released the findings of one of the first long-term clinical studies of the effects of e-cigarettes on people who had switched from smoking to vaping, or vaped whilst still smoking.⁸ This research found that levels of cancer-causing chemicals and other toxins were substantially reduced in those who had completely switched to e-cigarettes compared to cigarette smokers and were comparable to the levels found in long-term users of licensed nicotine replacement therapy (NRT) products.
- The Department of Health acknowledged the public health potential of vaping in its Tobacco Control Plan, published in July 2017. The Plan contained a commitment that PHE would include messages about the relative safety of vaping products in their stop smoking campaigns. These messages have been highly visible in the Stoptober campaign 2017, and have been accompanied by many local authorities promoting vaping as an effective part of smoking cessation for the first time.
- In October 2017, the British Psychological Society called for e-cigarettes to be promoted as a method of stopping smoking in its behaviour change report.⁹
- The British Medical Association published a paper on e-cigarettes in November 2017 and noted ““The short-term health risks associated with e-cigarette use appear minimal, but it remains important to monitor any potential long-term health impact on users”¹⁰.
- A new study published in *Nature Scientific Reports* in November 2017 examined the health impact of e-cigarettes over 3.5 years on daily users of vaping products, compared with never smoking non-vapers. The study reported that there was no significant difference between vapers and non-vapers in any of the health measures studied, including blood pressure, heart rate and lung function.¹¹
- The Mental Health Smoking Partnership recently published a statement calling for vaping products to be provided to smokers suffering from a mental health condition. Smoking rates among people suffering from mental health problems are twice as high as the general population, and the Partnership recognised the potential for vaping products to reduce this prevalence.¹²

⁵ E-Cigarettes: an emerging public health consensus, July 2016, www.gov.uk/government/uploads/system/uploads/attachment_data/file/534708/E-cigarettes_joint_consensus_statement_2016.pdf

⁶ Tobacco Advisory Group of the Royal College of Physicians. Nicotine without smoke: tobacco harm reduction. Royal College of Physicians, 2016 www.rcplondon.ac.uk/projects/outputs/nicotine-without-smoke-tobacco-harm-reduction-0

⁷ Royal Society for Public Health, E-Cigarettes Position Paper, April 2017

⁸ www.cancerresearchuk.org/about-us/cancer-news/press-release/2017-02-06-e-cigarettes-safer-than-smoking-says-long-term-study

⁹ The British Psychological Society, Changing Behaviour: Electronic Cigarettes, October 2017, <https://beta.bps.org.uk/sites/beta.bps.org.uk/files/Policy%20-%20Files/Changing%20behaviour%20-%20electronic%20cigarettes.pdf>

¹⁰ British Medical Association, Position Paper on E-Cigarettes, 29 November 2017: <https://www.bma.org.uk/collective-voice/policy-and-research/public-and-population-health/tobacco/e-cigarettes>

¹¹ Health impact of E-cigarettes: a prospective 3.5-year study of regular daily users who have never smoked, *Scientific Reports* 7, Article number 13825 (2017), <https://www.nature.com/articles/s41598-017-14043-2>

¹² Mental Health Smoking Partnership, Statement on Electronic Cigarettes, October 2017, <http://smokefreeaction.org.uk/wp-content/uploads/2017/11/FINAL-Partnership-Statement-on-E-cigarettes.pdf>

ONS figures show that there are still an estimated 7.6 million smokers in the UK¹³. In 2017, Action on Smoking and Health (ASH) has found that, for the first time, of the nearly three million vapers in the UK, over half have given up smoking. In addition, 97% of vapers are either smokers or ex-smokers. **Vaping presents a huge potential opportunity to convince millions of smokers to switch to vaping products, improve public health and save billions of pounds for the NHS.**

(2) The benefits of vaping products as a stop smoking tool

The UKVIA agrees that additional research into the use of vaping products as a stop smoking tool would be welcome. **However, there is existing research that overwhelmingly demonstrates the important role of vaping in convincing smokers to reduce or stop smoking.**

- A 2016 study estimated that an additional 22,000 smokers had managed to give up smoking through the use of vaping products, where they would not have been able to do so using NRTs.¹⁴
- The recently updated Cochrane Review¹⁵ of e-cigarettes for smoking cessation, whilst acknowledging the small number of published clinical studies available, concluded that vaping products containing nicotine can help smokers to quit with no increased health risks associated with short-term to mid-term use.¹⁶
- ASH has found that, of the nearly 3m vapers in the UK, over half have given up smoking entirely, and that 97% of vapers are either smokers or ex-smokers.¹⁷
- Louise Ross of the Leicester City Stop Smoking Service confirmed that of users of their service who used NRT alone, around 45% quit smoking after four weeks. However, of the people using e-cigarettes, with or without NRT, around 65% quit smoking after four weeks.¹⁸
- Research from the US, published in the *British Medical Journal*, has found that the use of e-cigarettes among US adults is linked to a significant increase in the numbers of people quitting smoking. The study demonstrated that vapers were more likely to attempt to stop smoking (60%), than non-vapers (40%).¹⁹
- In evidence to the All Party Parliamentary Group for E-Cigarettes, Cancer Research UK described that there is a traditionally hard to reach segment of smokers on which vaping products seem to have been uniquely effective as stop smoking tool.²⁰

However, despite this positive data, recent research has indicated that the number of people using vaping as a tool for smoking cessation has started to decline. This is unsurprising given the contradictory regulatory environment which conflates vaping products with tobacco products and

¹³ Office of National Statistics, Adult Smoking Habits in the UK: 2016, <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/adultsmokinghabitsingreatbritain/2016>

¹⁴ West, R., Shahab, L & Brown J. (2016). Estimating the population impact of e-cigarettes on smoking cessation in England. *Addiction* 111(6), 1118 – 9. Doi: 10.1111/add.13343

¹⁵ Cochrane Reviews are systematic reviews of primary research in human health care and health policy, and are internationally recognised as the highest standard in evidence-based health care resources.

¹⁶ Hartmann-Boyce, J., McRobbie, H., Bullen, C. et al. (2016). Electronic cigarettes for smoking cessation. *Cochrane Database of Systematic Reviews Issue 9*. Art. No.: CD010216. Doi: 10.1002/14651858.CD010216. pub3

¹⁷ ASH factsheet: Use of electronic cigarettes (vapourisers) among adults in Great Britain, May 2017 <http://ash.org.uk/information-and-resources/fact-sheets/use-of-electronic-cigarettes-vapourisers-among-adults-in-great-britain/>

¹⁸ All Party Parliamentary Group on E-Cigarettes, State of the Vaping Nation, November 2017, page 9 <http://www.ukvia.co.uk/wp-content/uploads/2017/10/State-of-the-Vaping-Nation-Report.pdf>

¹⁹ E-cigarette use and associated changes in population smoking cessation: evidence from US current population surveys, BMJ 2017;358:j3262, <http://www.bmj.com/content/358/bmj.j3262>

²⁰ All Party Parliamentary Group For E-Cigarettes, State of the Vaping Nation Report, page 6

the sensationalist media headlines based on poor scientific evidence that often surrounds vaping products. Only by building confidence in the public health credentials of vaping, will it be possible to convince every smoker that switching to vaping could positively change their lives

(3) The uptake of e-cigarettes among young people

There is no evidence that vaping products act as a ‘gateway’ into smoking for young people

- ASH reported that, although young people’s awareness of and experimentation with e-cigarettes is increasing, regular use of vaping products remains rare and is most common among those who currently smoke or have previously smoked.²¹
- The research by ASH also demonstrated that whilst 2% of 11-18 year olds surveyed used e-cigarettes more than once a month, this figure had not increased since the same survey was conducted in 2015.²²
- A recent analysis of the use of vaping products taken from various separate UK studies revealed that, although there is some experimentation amongst young people who have never- smoked, there is no evidence of this group of young people regularly using vaping products.²³
- The UK’s largest ever analysis of data from research studies recently showed there is no evidence that vaping products are leading young people into smoking. The study was a collaboration between the UK Centre for Tobacco and Alcohol Studies, Public Health England, Action on Smoking and Health, and the DECIPHer Centre at the University of Cardiff, and found that regular use of e-cigarettes among young people who have never smoked was negligible – between 0.1% and 0.5%.²⁴
- There have also been significant declines in youth smoking rates. Recent statistics indicate that only 7% of 15 year olds in England smoke regularly (at least once a week), compared to 8% in 2014, and 20% in 2006.²⁵
- In 2017, the British Medical Association noted in their key messages for policymakers that: *“Though awareness of and experimentation with e-cigarettes is increasing in the UK, few children are becoming regular users of e-cigarettes. Nearly all of those that are currently or have previously smoked”* and continued: *“Current data on e-cigarette use and smoking does not support concerns that e-cigarettes will promote tobacco use among children and young people. Youth cigarette smoking has declined over the period of time that e-cigarettes have become increasingly available”*.²⁶

The UKVIA is clear that vaping products should not be sold or marketed towards under 18s, or indeed non-smokers. As such, we are pleased to see that there remains no credible evidence to suggest vaping is leading to an increase in the use of nicotine or tobacco products among young people or non-smokers. **Concerns about this so-called ‘gateway’ effect should therefore not prevent the public health community continuing to embrace vaping as an alternative smoking, nor prevent the exploration of possible areas for sensible deregulation to support vaping.**

²¹ ASH Fact Sheet: Use of electronic cigarettes among children in Great Britain, October 2016

²² ASH Fact Sheet: Use of electronic cigarettes among children in Great Britain, October 2016

²³ Bauld, L et al: “E-Cigarette Uptake Amongst UK Youth: Experimentation, but Little or No Regular Use in Nonsmokers”, *Nicotine & Tobacco Research*, 2016

²⁴ Bauld, L., et al., Young People’s Use of E-Cigarettes across the United Kingdom: Findings from Five Surveys 2015-2017. *Int J Environ Res Public Health*, 2017. 14(9) and <http://ash.org.uk/media-and-news/press-releases-media-and-news/uks-largest-ever-analysis-of-data-shows-no-evidence-that-e-cigarettes-are-leading-young-people-into-smoking/>.

²⁵ NHS Digital (2017) Smoking, Drinking and Drug Use Among Young People in England 2016. Available at: digital.nhs.uk/catalogue/PUB30132

²⁶ British Medical Association, Position Paper on E-Cigarettes, 29 November 2017: <https://www.bma.org.uk/collective-voice/policy-and-research/public-and-population-health/tobacco/e-cigarettes>

Regulation

(1) The effectiveness of regulation on the advertising and marketing of vaping products

The UKVIA considers the advertising rules around e-cigarettes to be confusing and disproportionate to their public health potential. In particular, the current regulations do not allow the industry to take steps to correct a developing negative perception of vaping and prevent the dissemination of accurate, credible information about the relative safety of vaping versus smoking. This risks deterring smokers who could significantly benefit from a switch to vaping.

- Article 20 of the Tobacco Products Directive (TPD)²⁷ has created a huge amount of confusion around advertising vaping products; it prohibits most, but not all, vaping products being advertised or promoted on television, radio, internet adverts and printed publications including newspapers and magazines, akin to tobacco restrictions.
- In addition to the regulatory restrictions imposed by the TPD, in the UK additional restrictions on the advertising and marketing of vaping products are contained within the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP). In particular, these codes currently prevent the vaping industry citing public health statistics such as the 95% less harmful figure or advertising vaping as an alternative to smoking.
- This has led to a situation where there is a strong consensus that vaping is considerably less harmful than smoking among public health professionals, but an increasingly negative perception of vaping by consumers. In 2017, ASH found that perceptions of vaping products among UK smokers are getting worse - only 20% agreed that vaping products are “a lot less harmful” than smoking, compared to 31% in 2015.²⁸
- The UKVIA supports sensible, evidence based regulations. Indeed, the UKVIA considers that only products that are in full compliance with current regulations, and are notified with the MHRA, should be able to use health related messages in their advertising or communications.
- The 95% less harmful statement by Public Health England is based on high quality vaping products that have been through rigorous testing,²⁹ and indeed the latest product developments have resulted in even further design and safety advances. It is necessary to guard against a situation where manufacturers of vaping products, who do not meet these high standards, are able to make health statements.
- However, in return, the UKVIA believes that the regulatory regime must take the public health potential of vaping into account and more clearly set vaping apart from tobacco products with a higher risk profile.

The Advertising Standards Agency has recently consulted on a proposal to remove some of the non-TPD restrictions in the CAP and BCAP. This would enable the vaping industry to cite relevant public health statistics and remove the restrictions on including health claims within advertising for e-cigarettes as an alternative to smoking. The UKVIA welcomes this proposal and responded positively to the consultation.

²⁷ As transposed into UK law by the Tobacco and Related Products Regulations (TRPR)

²⁸ ASH factsheet: Use of electronic cigarettes (vapourisers) among adults in Great Britain, May 2017

<http://ash.org.uk/information-and-resources/fact-sheets/use-of-electronic-cigarettes-vapourisers-among-adults-in-great-britain/>

²⁹ E-Cigarettes: an emerging public health consensus, 15 September 2015, www.gov.uk/government/news/e-cigarettes-an-emerging-public-health-consensus

The UKVIA also welcomed the active promotion of e-cigarettes in PHE's Stoptober campaign. UKVIA members reported a considerable rise in starter-kit sales during PHE's Stoptober campaigner, suggesting the initiative had led to a significant increase in those smokers trying vaping for the first time. For example, Vape Club, the UK's largest online vape e-liquid shop and JAC Vapour, a leading retailer, wholesaler and producer of vaping products, have experienced increases in starter kit sales by **37%** and **65%** year on year respectively. Vaporized, the UK's largest vape retail chain, experienced a **40% year on year rise** in sales this October.³⁰ These figures demonstrate that when the public health potential of vaping is able to be accurately communicated, more of the UK's remaining smokers will make the decision to switch to vaping.

However, whilst welcome, these important improvements are not enough in isolation and still do not correct a confusing and illogical regulatory regime. For example, despite the ASA's proposed changes to BCAP it will still not be possible for the public health potential of vaping to be broadcast to consumers on TV and radio, yet confusingly adverts on the side of buses or in cinemas are permitted by the TPD.

The advertising restrictions severely curtail the ability of the industry to communicate the public health potential of vaping to smokers and existing vapers, and create a confusing climate for both consumers and the industry. **If the Government and public health authorities believe vaping is manifestly less harmful than smoking, then the industry must be allowed to inform consumers of the potential of vaping as an alternative to smoking. Only by building confidence in the public health credentials of vaping, will it be possible to convince every smoker that switching to e-cigarettes could positively change their lives, and support the Government in achieving its smoking reduction targets by 2022.**³¹

(2) The impact of the Tobacco and Related Products Regulations (TRPR)

The declining public perception of vaping is exacerbated by the current regulatory framework, which fails to recognise the positive public health opportunity vaping represents.

- Since the advent of the TPD in the UK and the passing of the TRPR, the number of consumers who have a negative perception of vaping has increased. As referred to above, ASH statistics are clear that the public perception has worsened dramatically since 2015.³²
- The UKVIA fully supports evidence-based regulation of vaping products that is proportionate to their public health potential, and clearly sets them apart from tobacco products with a higher risk profile. This is essential for responsible category growth, adult consumer access and to support take-up by more smokers.
- For this reason, and because they do not contain tobacco, UKVIA believes vaping products should not be bound up in or modelled on tobacco regulation. Instead, vaping product regulation must be based on robust product quality and safety standards, together with responsible marketing practices.
- However, the current UK regulations follow the EU's approach of conflating vaping products with tobacco products (Article 20 of the Tobacco Products Directive [TPD]).

³⁰ <http://www.ukvia.co.uk/parliamentarians-call-on-government-to-keep-promoting-the-health-benefits-of-vaping-in-the-wake-of-public-health-englands-successful-advertising-campaign/>

³¹ Towards a smoke-free generation: tobacco control plan for England, Department of Health, 18 July 2017, <https://www.gov.uk/government/publications/towards-a-smoke-free-generation-tobacco-control-plan-for-england>

³² ASH factsheet: Use of electronic cigarettes (vapourisers) among adults in Great Britain, May 2017 <http://ash.org.uk/information-and-resources/fact-sheets/use-of-electronic-cigarettes-vapourisers-among-adults-in-great-britain/>

(3) The opportunity presented by Brexit

The Government's 2017 Tobacco Control Plan promised a review of Article 20 to identify areas for sensible deregulation. It is important that this review is carried out urgently and with **industry involvement**. The UKVIA calls for the review to consider the following:

- **Advertising.** As referred to above, Article 20 of the TPD has created a huge amount of confusion around advertising vaping products. It is necessary to reconcile the inconsistent picture of what can and cannot be said of vaping's public health potential, and where this can be said, so that the industry can be clear with consumers. If the Government believe vaping is manifestly less harmful than smoking, then the industry must be allowed to say so.
- **Product restrictions.** The packaging restrictions on vaping products are more stringent than those for many hazardous products, including bleach. Article 20 of the TPD imposes arbitrary, non-evidence based restrictions on vaping products in terms of nicotine strengths, bottle sizes and product information. The UKVIA supports the requirement for consumer warnings to be included on packaging where necessary to inform consumers of both risks and benefits. However, regulators should provide adult consumers with the basis for making an informed choice, as opposed to exaggerating certain risks to deter use of vaping products.
- Similarly, the nicotine strength restrictions are not based on what works for encouraging smokers to switch. The bottle size restrictions have simply added costs to the consumer and industry, and increased environmental waste, without any practical effect, other than to possibly deter smokers from switching to vaping.
- **Short-fills or 'nic-shots'.** A further regulatory inconsistency exists around e-cigarette liquids that do not contain nicotine. These flavoured e-liquids (which have come to be known as 'short-fills') are being manufactured and sold (in 60ml and 100ml bottles) with the sole intention and purpose that they then be mixed with high strength, non-flavoured nicotine 'shots' (sold in 10ml bottles) and subsequently be used for vaping. However, because these 'short-fills' contain no nicotine, they are subject to none of the requirements of notification, provision of ingredient information and testing data and bottle size limits (10ml max) under the TRPR.³³ Several UKVIA members have conducted tests on some of these products; the tests found 2,3-Pentanedione/Acetylpropionyl (an ingredient that is banned under TRPR, due to potential consumer risks) in a number of samples above the limit of detection for the testing sample.³⁴ In terms of consumer protection and public health, the risks are self-evident. This is the illogical and potentially dangerous result of the current regulatory regime, created without industry involvement or input.
- **Flavours.** E-liquid flavours are a core part of the appeal of vaping products to smokers seeking to switch. Several countries around the world have restricted, or seek to restrict, certain flavours. The UKVIA is clear that all steps must be taken to ensure products are not marketed towards under-18s or non-smokers, but it is vital that product choice and flavour variability is maintained.³⁵
- There is no evidence to suggest that certain flavours encourage young people or non-smokers into vaping. Indeed, scientific research suggests that flavours are not a determinative factor in leading non-smoking young people to start vaping.³⁶

³³ Although, it is worth noting that the same chemical tests are imposed on non-nicotine containing liquids in other EU countries, for example France and the Netherlands.

³⁴ Testing results and details to support this point are available on request.

³⁵ Flavours may also be associated with higher rates of smoking cessation – see Tackett, A. P., W. V. Lechner, E. Meier, D. M. Grant, L. M. Driskill, N. N. Tahirkheli and T. L. Wagener (2015).

³⁶ Pepper, J.K et al: "Adolescent Males' Awareness of and Willingness to Try Electronic Cigarettes." *Journal of Adolescent Health*, 2013

- There is also no evidence that different flavours have a health impact on users. Indeed, the BMA recently concluded that “While this is not evidence of an absence of harm, given the large numbers of people using flavoured e-liquids without reporting problems, it is unlikely they are having a significant acute impact on the health of users”.³⁷

Aside from the opportunities for regulatory reform of Article 20 of the TPD, there is an important business case to be made for maintaining the UK’s position as a global centre of leadership in this industry. Vaping is an outward-looking, growth-focused industry and is well placed to capitalise on the huge potential that the new global trading environment that Brexit presents. The UK is seen as a standard-bearer in the vaping sector and it is in this environment that the uptake and innovation of vaping products has flourished.

It is crucial that future customs and excise arrangements allow the free trade of vaping products, and do not undermine the UK’s status as a world leading innovator in safe, high quality products. In light of the emerging consensus around the role of vaping products in tobacco harm reduction, the government should endeavour to maintain their affordability. This would be undermined by an excise tax; as it would likely force manufacturers to raise product prices and deter smokers from switching to vaping.

The World Customs Organisation (WCO) is currently considering a proposal by Australia to re-classify vaping liquids within the “tobacco or manufactured tobacco substitutes category”.³⁸ Vaping liquids do not contain tobacco, and the UKVIA is concerned that by conflating vaping products with tobacco in this manner, the WCO will pave the way for additional customs or excise duties to be imposed on vaping products, as well as perpetuate unhelpful perceptions of vaping as a tobacco product. It is essential that vaping products are distinguished from tobacco products in both nomenclature and affordability if they are to remain an attractive alternative to cigarettes.

Finance

(1) The economic impact of the UK’s e-cigarette industry

The UK vaping industry has been developing rapidly since the first products began entering the market in the late-2000 and is now one of the fastest growing and most innovative in the UK.

- The global market for vaping products is growing every year. A recent analysis suggested that the global market for vaping products could be as much as £25 billion by 2021.³⁹
- The use of vaping devices by smokers increased rapidly after their introduction to the market. Use trebled from 700,000 in 2012 to 2.1million in 2014, with a further one million new users between 2014 and 2016.⁴⁰ Although the rate of new vapers has slowed down, ASH has found

³⁷ British Medical Association, Position Paper on E-Cigarettes, 29 November 2017: <https://www.bma.org.uk/collective-voice/policy-and-research/public-and-population-health/tobacco/e-cigarettes>

³⁸ Documents to support this point are available on request.

³⁹ www.beigemarketintelligence.com/reports/research-report-consumer-and-retail-market/vape-ecigarette-vaporizer-market-research-report/

⁴⁰ ASH factsheet: Use of electronic cigarettes (vapourisers) among adults in Great Britain, May 2017 <http://ash.org.uk/information-and-resources/fact-sheets/use-of-electronic-cigarettes-vapourisers-among-adults-in-great-britain/>

that there are now nearly three million vapers in the UK, over half of whom have given up smoking entirely, with 97% of vapers now being either smokers or ex-smokers.⁴¹

- There are over 450 brands of vaping products and 7,500 flavours of e-liquid, thousands of people are employed by the industry nationwide and up to 2000 vaping specialist stores across the country.⁴² Vaping products are also now included in the Consumer Price Index⁴³.
- Vaping products were the fastest-growing UK supermarket product of 2014, with sales increasing by 50% during that year.⁴⁴ Other estimates suggest that overall UK sales of vaping products rose from £25m to £459m between 2011 and 2014. The UK market is the world's second-largest behind the US.⁴⁵
- There are estimated to be 1700-2000 vaping stores across the country and more opening every week, with one market analysis finding that on the current trajectory the UK vaping market will be worth £4billion by 2021.⁴⁶

(2) The public finance implications of e-cigarettes

Vaping products have already saved the NHS and wider UK economy billions of pounds by offering a desirable alternative to smoking. If the public health opportunity of vaping is fully realised, vaping could go on to save the UK even more by convincing more smokers to stop smoking.

- Smoking represents huge costs to our health and social services, estimated at £3.1 billion a year, in addition to further billions of projected costs to the economy.⁴⁷
- ONS statistics show that there are an estimated 7.6 million smokers in the UK. This presents a huge potential opportunity to convince smokers to switch to vaping products, improve public health and save billions of pounds for the NHS.⁴⁸
- ASH has found that, of the nearly 3m vapers in the UK, over half have given up smoking entirely, and that 97% of vapers are either smokers or ex-smokers.⁴⁹
- The value of the health gains associated with a single successful quit attempt is £74,000 according to the MHRA.⁵⁰ Therefore, the ASH figures suggest that vaping has already saved the UK in the region of £111billion and could save more.⁵¹

⁴¹ ASH factsheet: Use of electronic cigarettes (vapourisers) among adults in Great Britain, May 2017

<http://ash.org.uk/information-and-resources/fact-sheets/use-of-electronic-cigarettes-vapourisers-among-adults-in-great-britain/>

⁴² Zhu et al. Four hundred and sixty brands of e-cigarettes and counting: implications for product regulation. Tobacco Control Vol 23, 2014 www.tobaccocontrol.bmj.com/content/23/suppl_3/iii3

⁴³ Consumer Price Inflation: The 2016 Basket of Goods and Services

www.ons.gov.uk/file?uri=/economy/inflationandpriceindices/articles/consumerpriceinflationbasketofgoodsandservices/2016/cpi2016basketofgoods.pdf

⁴⁴ Tobacco Advisory Group of the Royal College of Physicians. Nicotine without smoke: tobacco harm reduction. Royal College of Physicians, 2016 www.rcplondon.ac.uk/projects/outputs/nicotine-without-smoke-tobacco-harm-reduction-0

⁴⁵ Tobacco Advisory Group of the Royal College of Physicians. Nicotine without smoke: tobacco harm reduction. Royal College of Physicians, 2016 www.rcplondon.ac.uk/projects/outputs/nicotine-without-smoke-tobacco-harm-reduction-0

⁴⁶ www.beigemarketintelligence.com/reports/research-report-consumer-and-retail-market/vape-ecigarette-vaporizer-market-research-report/

⁴⁷ All-Party Parliamentary Group on Smoking and Health, Burning Injustice Reducing tobacco-driven harm and inequality - Recommendations to the Government, local authorities and the NHS, page 8

⁴⁸ Office of National Statistics, Adult Smoking Habits in the UK: 2016,

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/adultsmokinghabitsingreatbritain/2016>

⁴⁹ ASH factsheet: Use of electronic cigarettes (vapourisers) among adults in Great Britain, May 2017

<http://ash.org.uk/information-and-resources/fact-sheets/use-of-electronic-cigarettes-vapourisers-among-adults-in-great-britain/>

⁵⁰ All-Party Parliamentary Group on Smoking and Health, Burning Injustice Reducing tobacco-driven harm and inequality - Recommendations to the Government, local authorities and the NHS, page 8

This represents a massive public health opportunity. Vaping has a significant role to play in encouraging smokers to give up smoking. It is crucial that public health authorities, charities, the industry and non-governmental organisations work together to provide accurate and realistic information of this life-changing alternative to smokers.

⁵¹ Of the 2.8 million adults using vaping products, 1.5 million are ex-smokers. See ASH Fact Sheet on the use of electronic cigarettes (vapourisers) among adults in Great Britain, May 2017, <http://ash.org.uk/information-and-resources/fact-sheets/use-of-electronic-cigarettes-vapourisers-among-adults-in-great-britain/> 1.5 million vapers who are ex-smokers multiplied by the quit smoking saving of £74,000 = £111billion.