



For Immediate Release

NEW ZEALAND PLAIN PACK ACT SIMPLY FOLLOWING FAILURE

“Tobacco plain packaging in Australia is not having any impact on consumption there and adopting the same measures in New Zealand is simply following failure,” said British American Tobacco’s New Zealand Head of Legal and External Affairs, Saul Derber, in a statement today.

“Despite all the hype around its introduction across the Tasman, the plain pack policy is simply a failure,” Mr Derber said.

“Not only is the Australian tobacco plain packaging experiment failing to meet its objectives, the policy is having serious unintended consequences. The tobacco black market has grown by over 20% in Australia since the introduction of plain packs, costing the Australian Government about NZ\$1.5 billion in lost revenue in 2015.

“Also, plain packaging is an attack on companies’ intellectual property rights and undermines the principles on which international trade is founded. There is a real risk that similar packaging restrictions could be applied to a wide range of consumer products like fast food and alcohol and indeed calls for such restrictions have already begun.

“Given that New Zealand, unlike Australia, has an unlicensed personal tobacco growing allowance and lower penalties for trade in black market tobacco, we expect the black market here to grow as well. It is naive to imagine that introducing plain packaging in New Zealand will not increase the black market and erode Government revenue whilst having no impact on total tobacco consumption. Black market tobacco has no graphic health warnings, no controls preventing sales to youth and pays no taxes. This can only grow with excise hikes over the next four years.” Mr Derber said.

Mr Derber said BAT continues to reserve its position on whether it will initiate a legal challenge against the legislation.

“Regardless of that, BAT will of course meet the requirements of the plain pack regulations, whatever those regulations might be,” he said.

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