

(TRANSLATION)

**Submission of Cigar Shop Operators' Opinion to Bills Committee
on Smoking (Public Health) (Amendment) Bill 2005
Oct. 06, 2005**

As we all know, tobacco comprises of many products other than cigarettes. We doubt the attempt to regulate all tobacco-related products by means of a single approach without deeply understanding the structure of tobacco industry and in particular the cigar industries in Hong Kong. Implementation of the amendment bill shall inevitably lay shocking impact on over 20 existing cigar shops in Hong Kong, even forcing them to close the operation.

We would like to take this chance to assist councillors to further understand the special business mode of cigar shops and give us a possible living space while creating an effective and fair smoking policy.

1) More than 50% of cigar shops' income is from sales of cigar and other tobacco products, mainly to adult consumers in the middle class.

1.1) Commodities of cigar shops are mainly cigars and cigar related accessories. Some of the cigar shops also carry other tobacco products like pipe tobacco. Therefore, more than 50% of cigar shops' income is from sales of cigars, plus a bit other tobacco products.

1.2) Currently, there are around 20 cigar shops in Hong Kong and most of them are not located in shopping arcades. Usually, they are street level shops, up-stair premises, etc. Due to its comparably high price suitable only for those middle class adults, not affordable for youngsters, very few youngsters are cigar customers.

2) Although it is classified as tobacco, cigar is very different from cigarette in terms of its sales model and consumption mode.

2.1) Due to variation of brands, sizes, year of Vintages, cigar shops are carrying hundreds of different items in their display. As a normal practice, customers will buy and smoke individual sticks inside the shop before they can make a purchase decision on the quality and quantity they want. In general, it takes an hour to finish one cigar.

2.2) Therefore, most cigar shops will set up smoking area for customers to taste the cigar (please refer to the attached photos) in order to make a decision on the quantity needed.

2.3) As cigars have to be kept under certain temperature and humidity condition, most customers are used to store their cigars in our conditioned lockers inside the shops.

2.4) In the cigar shops having smoking facilities, ventilation (to outdoor) system or air purification system is usually installed.

2.5) most of the customers visiting a cigar shop will be cigar smokers.

3) We believe that overseas experience is a useful reference for Hong Kong to set up a reasonable policy.

3.1) In view of its special operation and sales mode, many countries and cities in Europe, United State like New York, California, Austria do not ban smoking in cigar shops.

3.2) In the “New York City Smoke-Free Air Act of 2002 (updated November 2003)”, it is specified that tobacco retailers having over 50% of income from sales of tobacco, shall be exempted from smoking ban.

3.3) Similar exemption for tobacco stores is also offered in the new smoking policy of Austria.

3.4) In the “Smokefree Workplace Legislation : Overseas Experience” of the Legislative Council Brief, it is clearly mentioned that tobacco stores and tobacco retailers in New York and California are included within the range of exemption.

4) Responses of cigar smokers on smoking ban in cigar shops

To present cigar smokers’ response on the proposed smoking ban, we had organized a questionnaire research to cigar shop customers (see attached sample). Below is the result summary:

4.1) The interviewees: 182 cigar shop customers filled and returned the questionnaire.

4.2) Currently, 75% of the interviewees take cigar shops as their first priority of location to smoke.

4.3) Currently, 8% of the interviewees take their home as their first priority of location to smoke.

If smoking ban is implemented in all indoor places including cigar shops :

4.4) Only 9% of the interviewees will quit smoking cigar.

4.5) 33% of the interviewees will take their homes as their first priority of location to smoke, significantly increased comparing to 8% in point (4.3).

4.6) Of those cigar smokers taking their home as first priority of location to smoke, 28% is having under-18-year-old kids at home, 41% is having housework helper living with them.

Due to the special living environment in Hong Kong as well as the timing and facilities necessary for cigar smoking, it is hardly for cigar smokers to smoke only in outdoor area. To ban smoking in cigar shops where smokers are the only customers for most of the time, may result in more second hand smoking influence on non-cigar smokers.

5) We wish the Government to consider giving cigar shops exemption from smoking ban.

5.1) While regulating the tobacco industry, Government should also consider the uniqueness and livelihood of particular business entities.

5.2) If smoking ban is implemented in all indoor workplaces, cigar shop cannot continue the existing operation mode and the loss in business cannot be compensated by other income sources. They will be forced to close the business.

6) Health Warning Label on cigar boxes

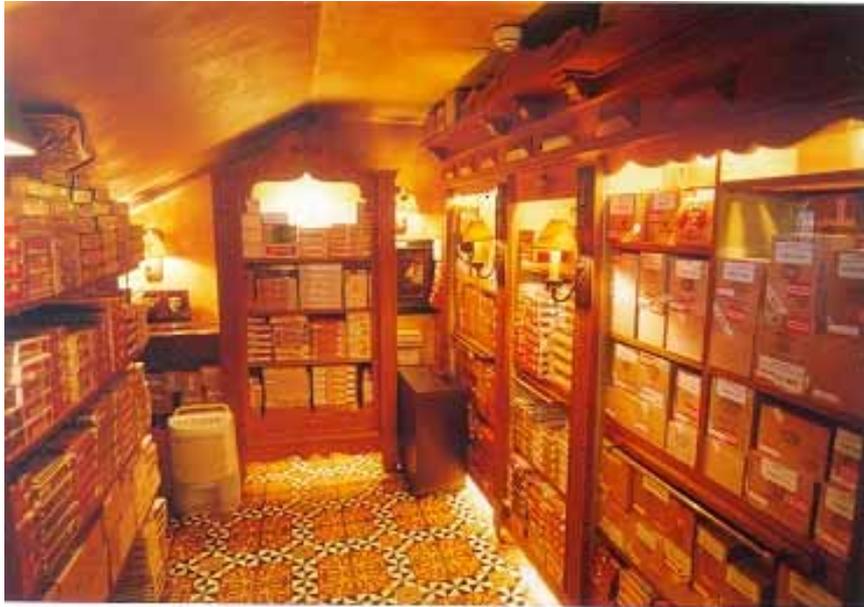
6.1) Owing to the hundreds of size variation of cigar boxes and the comparatively small turnover of cigar products, the proposed size specification for health warning labels on cigar boxes will create a huge technical problem for cigar industry in Hong Kong.

6.2) We would suggest the Government to take reference on other countries, like Canada, that health warning labels be fixed in size if the size of the cigar box is within a certain range, instead of a percentage approach.

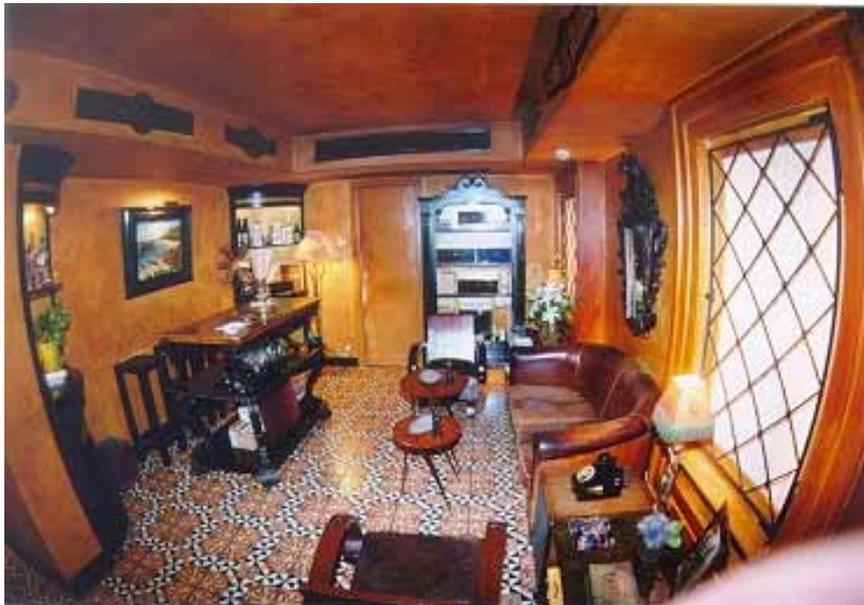
We hope the above elaboration can help councillors to understand cigar shops' special operation mode and the serious impact of the amendment bill on our livelihood.

(Attachment : Photos of some Cigar Shops and Sample of Questionnaire)

雪茄陳列銷售區 Display and sales area



雪茄品嚐區 Smoking area





雪茄陳列銷售區 Display/sales

area



雪茄儲存櫃 Cigar Lockers



雪茄品嚐區 Smoking area

雪茄陳列銷售區 Display and sales area



雪茄品嚐區 Smoking area



雪茄陳列銷售區 Display and sales area



雪茄品嚐區 Smoking area



Dear Customers,

We are a group of cigar shop operators and would like to collect information on how cigar smokers will react to the smoking ban in cigar shops proposed by the Smoking (Public Health) (Amendment) Bill 2005. We will greatly appreciate your filling of the below questionnaire and return to us before 20 September, 2005. (For returning by fax : 2520 6528 Ms Ching)

Research on cigar smokers' response to Smoking Ban in Cigar Shops

1. Currently, what would be your priority of location for smoking cigars?
(1 – First Priority, 6 – Least Priority. Please indicate "X" if it is never your choice.)

Cigar Shops _____, Indoor Restaurant _____,
Indoor Bar/Lounge _____, Outdoor Food & Beverage Outlets _____,
Home _____, Others _____.

2. If smoking ban is implemented in all indoor places including cigar shops, you will:

a) Quit smoking cigars immediately _____.

Or b) Keep smoking _____
in the following places (please indicate priority, 1 – First Priority, "X" if it is never your choice)

Home _____, Outdoor Food & Beverage Outlets _____,
Outdoor Smoking Break _____, Others _____.

(For answer b above, please go to question 3)

3. Please fill in the following.

a) How many family members are living with you? _____.
b) Do you have children under 18 at home _____ (Yes / No)
c) Do you have housework helper living with you _____ (Yes / No)

4. Do you agree to allow smoking in cigar shops?

_____ (Yes/ No) Comments : _____

5. Signature : _____ Name : _____
Date : _____

Thank you very much. Cigar Shop Operator: _____