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**Legislative Subcommittee on Dutiable Commodities
(Exempted Quantities) (Amendment) Notice 2010-05-05
Duty-free cigarettes**

I am a permanent Hong Kong resident since 1967, and have been making submissions to the government on tobacco taxation and other tobacco control measures for over 25 years. I would like to make the following 3 points:

1. Principle of Duty-free Concession

- a) There is no logic that travellers should be able to buy a hazardous substance at a cheaper price, that will harm their health. The ideal would be to remove completely any duty-free concessions. However, allowing an opened packet of 19 cigarettes or less for personal consumption is understandable.
- b) Hong Kong is bound by the international WHO Framework Convention on Tobacco Control, which requires Hong Kong to: “prohibit or restrict, as appropriate, sales to and/or importations by international travellers of tax- and duty-free tobacco products.”

2. Practicalities

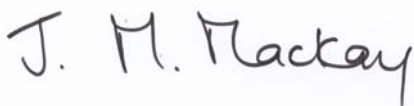
- a) From an enforcement point of view, there is no difference, and there are no additional difficulties, between 1-20 cigarettes
- b) An open pack will reduce smuggling and subsequent sale of an unbroken packet. Currently, an important source of smuggled cigarettes is the duty-free cigarettes, and it behoves the HK government to close this loophole.

3. Results of a “19-only” ban

- a) Reduce the ability of the tobacco industry to associate tobacco with luxury goods and international travel, and to use duty-free stores as marketing venues;
- b) Help reduce the social acceptability of tobacco products;
- c) End a source of relatively inexpensive tobacco products (knowing lower prices increase consumption) and;
- d) Increase government revenue, by eliminating untaxed sales, although this is a secondary result, and not the purpose of this amendment, which is to improve public health

4. Taxation

I fully support the Financial Secretary’s suggestion earlier this year to consider a regular mechanism for tobacco tax increases. It is well known that tobacco tax is the single, most effective mechanism for reducing smoking, especially among the young. Tobacco tax increases are not designed for raising money for the government; they are public health measures to improve the health of Hong Kong.



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