

Dear Sir,

in the South China Morning Post last week was an article summarised below:

"Effect on jobs of smoking ban to be studied "

*"We will study how the smoking ban affects business in the industry," health secretary York Chow Yat-ngok said after the meeting. "But I want to stress that the economic loss caused by second-hand smoking, which harms public health, is far greater than the **financial loss** caused by the smoking ban, as society will be burdened by a heavy medical cost." A health bureau spokesperson said views would be collected from the industry and data from studies conducted by academics, to examine the impact. Liberal Party legislator Tommy Cheung Yu-yan, who represents the catering industry, said about 100,000 people would be unemployed as a result of the ban.*

I comment that this statement by the Health Secretary , unless he was misquoted, implies that there will be a **financial loss** attributable to any smoking ban. Reports from eminent academics and worldwide bodies show the opposite to be the case and any such investigation by local academics will no doubt refer to these studies , when they locate them.

In this regard I provide you with the following links to worldwide economic impact assessment reports so you can hopefully accelerate this process .

<http://www.vctc.org.au/tc-res/Hospitalitysummary.pdf>

Comprehensive summary of Studies Assessing the Economic Impact of Smoke Free Policies in the Hospitality Industry (up till July 2005)

http://www.moh.govt.nz/moh.nsf/wpg_index/Publications-smoke+is+Clearing:+Anniversary+Report+2005

New Zealand Government report

The Smoke is Clearing: Anniversary Report 2005

"Initial data on the impact of the Smoke-free Environments law change since 10 December 2004.

A first anniversary report assessing impacts of the Smoke-free Environments Amendment Act (2003) has found strong public support, increasing patronage trends in bars, and no significant economic impacts for hospitality venues overall. The law introduced smoking bans for all indoor workplaces and hospitality venues from 10 December 2004, to help protect all New Zealanders from the harmful

health effects of second-hand smoke exposure."

http://www.shdir.no/vp/multimedia/archive/00003/Norways_ban_on_smokin_3413a.pdf

Norway's ban on smoking in bars and restaurants - a review of the first year

[http://www.smokefreeeurope.com/assets/downloads/luk_joossens.ppt#257,1,](http://www.smokefreeeurope.com/assets/downloads/luk_joossens.ppt#257,1)

The (EC) economic impact of a smoking ban in bars and restaurants

http://www.meerkinapel.com.au/bowles_v_tien_tien.html

Australian lawsuit showing that restaurants and bars have a 'Duty of Care' to their clients

http://www.globalink.org/tobacco/fact_sheets/05fact.htm

Dr Judith Mackay : **"However, the value of human life is beyond costing. While economic arguments are important, and must be answered, the rising death toll from tobacco is an epidemic. No civilized country asks the economic costs before it decides to fight an epidemic. "**

<http://www.soa.org/ccm/content/areas-of-practice/life-insurance/research/economic-effects-of-environmental-tobacco-smoke-SOA/>

Economic Effects of Environmental Tobacco Smoke

<http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5307a2.htm>

Impact of a smoking ban on Restaurants and Bar Revenues in Texas in 2002

<http://tc.bmjournals.com/cgi/content/full/11/4/DC1>

Review of the quality of studies on the economic effects of smoke-free policies on the hospitality industry

<http://www.zagat.com/about/about.aspx?menu=PR18>

Zagat Survey of almost 30,000 New York diners shows business increased after the smoking ban came into being.

<http://tc.bmjournals.com/preprint/tc13649.pdf>

Report from a Canadian University Phd on the impact of the Irish Smoking ban

http://www.mja.com.au/public/issues/183_01_040705/hur10832_fm.html

Conclusions: This study provides further support for the proposition that modest and achievable reductions in smoking rates can substantially improve health outcomes and reduce health care costs, even in the short term

<http://www.cancerouncil.com.au/editorial.asp?pageid=1891>

The macroeconomic and distributional effects of reduced smoking prevalence in New South Wales

[http://www.health.gov.au/internet/wcms/publishing.nsf/Content/health-pubhlth-public-at-mono.htm/\\$FILE/mono49.pdf](http://www.health.gov.au/internet/wcms/publishing.nsf/Content/health-pubhlth-public-at-mono.htm/$FILE/mono49.pdf)

Latest (Collins & Lapsley 2002) report from the National Drug Strategy on social costs of drug abuse - showing tobacco's \$21b pa cost, including \$3.5b annual cost to business. The report includes tobacco-caused death and disease estimates.

http://www.europa.eu.int/comm/health/ph_determinants/life_style/Tobacco/Documents/tobacco_fr_en.pdf

Tobacco or Health in the European Union - includes economic effects

http://tobaccoresearch.net/resources_econ.htm

Helpful site

<http://www.tcsg.org/sfelp/economic.htm>

Helpful links

<http://www.cancerouncil.com.au/editorial.asp?pageid=1383#3>

See Litigation and Passive Smoking section

I see this only as a matter of time before like cases are initiated in Hong Kong once people become aware of their rights and the failure of Government to enforce existing workplace laws here..

<http://www.lexum.umontreal.ca/csc-scc/en/rec/html/2005scc049.wpd.html>

In line with the above and similar cases in USA in which the State Governments initiated proceedings against Big Tobacco , like action should be pursued in Hong Kong to get the purveyors of death to pay for the Medical coss of treating their legally sold poison.

<http://www.tobacco-on-trial.com/>

<http://tobaccodocuments.org/>

http://www.cdc.gov/tobacco/sgr/sgr_2004/

US Surgeon General Report on health consequences of smoking

Source : www.no-smoke.org • anr@no-smoke.org Defending your right to breathe smokefree air since 1976

ECONOMIC IMPACT OF SMOKEFREE LAWS: CASE STUDIES

December 2004

All reliable economic impact studies on business show either no economic effect or a positive one after a smokefree law goes into effect. When the issue of smokefree air arises, the tobacco industry will work hard to create dissent and fear. Their goal is to convince business owners and residents that the sky will fall if a smokefree law passes. Since 1987, the tobacco industry and smokefree opponents have consistently claimed that smokefree laws lead to a decrease in business in restaurants, bars, bingo halls, and billiard halls, usually by 20-50%, with an accompanying decrease in employment. These claims are totally unfounded. On the contrary, the number of peer-reviewed economic studies showing that smokefree laws have either no economic effect, or a positive one, continues to mount as more communities pass and implement strong smokefree laws. Going smokefree is good for health and good for business. Period.

State

- New York: Contrary to arguments of smokefree opponents that smokefree air puts bars and pubs out of business, there was no reported sharp decline in the number of bars following the law's implementation. In fact, the number of bars in the state has increased by 3.5%, from April 2002 to May 2004. New York's comprehensive law took effect on June 23, 2003.¹

- California: According to the California Board of Equalization, the Golden State's hospitality sector continues to grow since the California Clean Indoor Air Act was enacted in 1994. Sales tax data show an increase in annual sales from \$7.16 billion in 1997 for establishments selling beer and wine to \$9.6 billion in 2002. For establishments selling all kinds of alcohol, sales increased from \$8.64 billion in 1997 to \$11.3 billion in 2002. In 2003, the Board's Employment Development Department reported that the number of individuals employed in California's bars and restaurants had about 200,500 more employees than they did in 1995, before the smokefree policy took effect.²

- Delaware: Despite predictions that the smokefree law would have dire economic effects on the hospitality sector, comparative data compiled by the Delaware Division of Public Health and Division of Revenue shows that business remains steady. In fact, data shows the number of restaurant, tavern, and taproom licenses in Delaware has increased since the smokefree law took effect. The number of issued restaurant licenses increased from 3,291 in November 2002 to 3,323 in October of 2003. Employment within the hospitality industry increased, as well, from 27,900 individuals employed in food service and drinking establishments in September 2002 to 28,100 in September 2003.³

- Massachusetts: A systematic statewide comparison of 239 communities in Massachusetts revealed that local smokefree laws do not harm businesses. Taxable meals receipts data was collected for over 1,000 restaurants between 1992 and 1999. Contrary to restaurateur predictions, researchers found that restaurant sales in towns with strong smoking restrictions experienced a slightly faster rate of growth than restaurant sales in towns without such Ordinances - restrictions. Included in the study was an analysis of the effect of comprehensive ordinances on communities bordering towns without similar smoking restrictions. The data revealed that this factor “failed to have a statistically significant effect on meals receipts.”⁴

- Texas: Clean indoor air ordinances were passed in Arlington, Austin, Plano, and Wichita Falls between July 1994 and March 1996. Researchers evaluated the effect of these ordinances on restaurant sales using restaurant and retail tax data. Information was collected from the first quarter of 1987 through the last quarter of 1999. Despite variations in the municipalities’ geographic, demographic, and economic composition, no detrimental effect on restaurant sales was found to have resulted from the ordinances in any of the four cities studied.⁵

Local

- New York City: Business is booming in New York City’s bars and restaurants with tax receipts up 12% since the introduction and enactment of the city’s Smoke-Free Indoor Air law in March 2003. Figures from the city’s Department of Finance show \$12 million paid in taxes from bars and restaurants from April through September of 2003, compared to \$10.8 million in 2002. Department of Finance Commissioner, Martha E. Stark said one early economic trend was encouraging since the policy was introduced last March: “New York’s bars and restaurants paid the city 12% more in business taxes in the months since the ban began than they did in the corresponding six-month period in 2002.” In addition, a 2003 New York City Department of Health and Mental Hygiene study designed to measure the ordinance’s effect on employment rates in smokefree establishments, found a gain of 10,000 jobs since the implementation of the smokefree air act.⁶

- Minot, North Dakota: After analyzing six years of data collected by the Office of the North Dakota Tax Commission, a study conducted by the Minot State University College of Business and the North Dakota Center for Persons with Disabilities, found “no adverse change in restaurant sales because of [Minot’s] restaurant no-smoking ordinance,” which went into effect on January 1, 2002. Data was collected from the first quarter of 1997 through the fourth quarter of 2002, and figures were analyzed using linear regression analysis – a statistical technique that adjusts for normal fluctuations in sales due to economic trends and seasonal patterns.⁷

- Fort Wayne, IN: Hudson Institute Fellow, William Styring, investigated the impact of a 1998 smoking ban on restaurant revenues in Fort Wayne. Sales tax data was collected between 1987 (twelve years before the ordinance was enacted) and 2000 (two years after the ordinance was enacted). No statistically significant variation in revenues was found.⁸

- Boulder, Colorado: According to GASP (Group to Alleviate Smoking Pollution) of Colorado, sales tax revenues continued to grow in Boulder after the passage of the smokefree restaurant ordinance in 1995. Revenues from January through October of 1997 were up 3.14%, 1998 revenues were up 4.83%, and 1999 revenues were up 4.31%. The Boulder city finance department referred to the 1999 restaurant sales as a positive “strength.”⁹

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- Dane County, Wisconsin: In 1992, the city of Madison and several surrounding towns in Dane County passed ordinances restricting smoking in restaurants. A report on the impact of these laws found that between 1992 and 1997, per capita restaurant expenditures rose at a higher rate within the county than in the rest of the state. Meanwhile, employment in restaurants grew faster than in any other Madison industry. Furthermore, the number of voluntary smokefree restaurants in Dane County areas not covered by the ban grew from 4 in 1993 to 89 in 1997.¹⁰

- Corvallis, Oregon: A July 1998 smokefree law in Corvallis bars did not harm business, concluded a study conducted by the Pacific Research Institute in Eugene. Sales data was collected from September 1997 through September 1999 and compared to data collected in nearby communities where similar smokefree laws were not in place. Researchers concluded that smokers did not abandon Corvallis bars and restaurants, and that revenues from the nonsmoking majority replaced any loss of business from smokers. Furthermore, Corvallis showed no decline in malt beverage sales relative to surrounding communities.¹¹

- Chapel Hill, NC: Researchers at UNC-Chapel Hill examined restaurant sales data between 1990 and 1997 in ten counties; five with comprehensive smoking ordinances

and five similarly situated counties with weak or no smoking ordinances. No differences were found in restaurant sales between the two groups.¹²

- Flagstaff, AZ: A study conducted by researchers at Northern Arizona University found that Flagstaff's smokefree restaurant ordinance had no adverse effect on restaurant sales, as measured by tax data from January 1, 1990 (3.5 years before the enactment of the smokefree ordinance) to December 31, 1994 (1.5 years after enactment). Using four different methods of analysis, the study compared Flagstaff restaurant and retail sales with sales in two similar Arizona cities, three counties, and the entire state of Arizona.¹³

- West Lake Hills, TX: Researchers at the Centers for Disease Control and Prevention used sales tax data to analyze the impact of a 100% smokefree ordinance on restaurant sales in West Lake Hills. Data was collected for a 17-month period preceding the enactment of the ordinance and for a 19-month period following the enactment. Multiple linear regression techniques were used to account for seasonal variations and temporal economic trends. The study concluded, "The total sales of the restaurants did not decrease after implementation of the ordinance."¹⁴

- Beverly Hills and Bellflower, CA: The California cities of Beverly Hills and Bellflower repealed their smokefree restaurant ordinances following opposition organized by the tobacco industry. Studies have since shown that, contrary to tobacco industry claims, there was no detectable drop in restaurant sales during the time the ordinances were in effect, nor was there an increase in restaurant sales following reversal of the 100% smokefree ordinances.^{15,16,17}

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International

- British Columbia, Canada: On January 1, 2000, the Workers' Compensation Board (WCB) of British Columbia amended its workplace smoking laws to include the hospitality industry. The following March, the amendment was overturned in court pending further public consultations. A study conducted by Pacific Analytics Inc analyzed both the real (two month) and potential economic impact of the amendment at the request of the WCB. Researchers concluded that the amendment would have had no long-term impact on employment or restaurant sales. A new amendment prohibiting smoking in all hospitality and entertainment facilities went into effect in April 2002.¹⁸

c Americans for Nonsmokers' Rights, revised 2002, 2004.

REFERENCES

1 RTI International, "First Annual Independent Evaluation of New York's Tobacco Control Program," New York State Department of Health, November 2004. Accessed

on November 29, 2004. Download at http://www.health.state.ny.us/nysdoh/tobacco/reports/docs/nytcp_eval_report_final_11-19-04.pdf.

2 California State Board of Equalization: California Department of Health Services, Tobacco Control Section, November 2002; State of California, Employment Development Department, Labor Force Statistics, November 2003.

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11 Dresser, Boles, Lichtenstein and Strycker, "Multiple Impacts of a Bar Smoking Prohibition Ordinance in Corvallis, Oregon," Pacific Research Institute, [n.d.].

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Restaurant Sales," American Journal of Public Health 84:1081-1085, 1994.

17 [n.a.], "The 30 Percent Myth," Consumer Reports, May 1994.

18 Pacific Analytics Inc., "The Economic Impacts of the Proposed Amendment to the ETS Regulation," The Workers Compensation Board of British Columbia, February 2001.

<http://legacy.library.ucsf.edu/cgi/getdoc?tid=pfo14e00&fmt=pdf&ref=results>

Philip Morris internal document May 2003

"Financial impact of smoking bans will be tremendous....Three to five fewer cigarettes per day per smoker will reduce annual manufacturers profits a billion dollars plus per year."

http://www.breath-ala.org/html/work_anr.htm

THE ECONOMIC IMPACT OF 100% SMOKE-FREE ORDINANCES ANR Study
May 6, 2002

Fort Wayne, IN: Conservative Hudson Institute Fellow, William Styring, investigated the impact of a 1998 smoking ban on restaurant revenues in Fort Wayne. Sales tax data was collected between 1987 (twelve years before the ordinance was enacted) and 2000 (two years after the ordinance was enacted). No statistically significant variation in revenues was found. (Styring, "A Study of the Fort Wayne (IN) Restaurant Smoking Ban: Has it impacted the Restaurant Business?" May 2001)

British Columbia, Canada: On January 1, 2000, the Worker's compensation Board (WCB) of British Columbia amended its workplace smoking laws to include the hospitality industry. The following March, the amendment was overturned in court pending further public consultations. A study conducted by Pacific Analytics Inc analyzed both the real (two month) and potential economic impact of the amendment at the request of the WCB. Researchers concluded that the amendment would have had no long-term impact on employment or restaurant sales. A new amendment prohibiting smoking in all hospitality and entertainment facilities went into effect in April 2002. ("The Economic Impacts of the Proposed Amendment to the ETS Regulation." Prepared for the Workers Compensation Board of British Columbia by Pacific Analytics Inc. February, 2001.)

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New York City: A study published in the *Journal of Public Health Management and Practice*, reported that hotels and restaurants in New York

City experienced increases in taxable sales revenue after the 1995 smokefree air act took effect. Furthermore, the sales at eating and drinking establishments in NYC went up as a percentage of both total sales in the city and total restaurants sales from New York State after the law was implemented. Researchers stated that, "Based on these data, it can be concluded that the smoke-free law did not harm the restaurant industry in New York City." (Hyland, Cummings, and Nauenberg, "Analysis of Taxable Sales Receipts: Was New York City's Smoke-Free Air Act Bad for Restaurant Business?" Journal of Public Health Management and Practice, January 1999.)

Corvallis, Oregon: A July 1998 smoking ban in Corvallis bars did not harm business, concluded a study conducted by the Pacific Research Institute in Eugene. Sales data was collected from September 1997 through September 1999 and compared to data collected in nearby communities where similar smokefree laws were not in place. Researcher concluded that smokers did not abandon Corvallis bars and restaurants, and revenues from the non-smoking majority replaced any loss of business from smokers. Furthermore, Corvallis showed no decline in malt beverage sales relative to surrounding communities. (Dresser, Boles, Lichtenstein and Strycker, "Multiple Impacts of a Bar Smoking Prohibition Ordinance in Corvallis, Oregon." Pacific Research Institute, Eugene Oregon. n.d.)

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California and Colorado: In a follow-up to a landmark 1994 study, University of California researchers found that 100% smokefree restaurant and bar ordinances do not adversely impact revenues. Researchers analyzed sales tax data, comparing restaurant sales in 15 cities to total retail sales in the same cities, and restaurant sales in 15 comparison cities. The researchers also examined five cities and two counties with smokefree bar ordinances. (Glantz and Smith, "The Effect of Ordinances Requiring Smoke-Free Restaurants and Bars Revenues: A Follow-up, "American Journal of Public Health, 87(10): 1687-1693, October 1997.)

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Yours faithfully,

James Middleton

Pat Heung , NT, Hong Kong