

Keys point on submissions on Proposal to amend the health warnings on packets and retail containers of tobacco

My name is Franky LIU Kwai Sum. I am a packaging specialist and product expert in Tobacco industry for more than 20 years of experience. I have obtained numerous product training and product authentication certificate in past 20 years and have been the registered product authenticator in the Hong Kong Customs for various brands in Hong Kong. Also, my previous jobs had been involved in Australia, Thailand & Hong Kong Graphical health packaging launch projects. My current company, Infinite Partners limited specialized on services to verify cigarette packaging authentication in Asia. We have observed and gained lot of insights and product issues concerning illicit consumption trend in Hong Kong throughout the projects we have been handling in the past. We would like to take this opportunity and raise a few concerns and points from our perspectives.

Technical concerns:

Giving only 6 months grace period is not practical and not feasible for tobacco manufacturer to comply. It is a common practice in many countries in Asia to have at least 12 months period on any packaging change in tobacco industry. There are few technical key reasons to require this minimum length of time to cover a few critical processes, they are:

- to use up and exhaust the printing materials of existing design,
- to re-design packaging brand element and align / adjust the percentage required on graphical health warning by the new regulation,
- to get approval on artwork design from government body (e.g. pre-alignment with government authority on colour tone & pictorial printing standard) and from company internal stakeholders including regional and global teams on various aspects,
- to have printing kick off process in printing manufacturer including reproduction stage of packaging artwork (a process prior to printing cylinder making), making printing cylinders, embossing die & tooling, trial print , final re-touching on artwork / tooling & finally commercial print run,
- Then, finally, after commercial run, printing manufacturer is to ship

- & send commercial printing materials to tobacco factories which many of them are located overseas & situated in different countries,
- Tobacco factories will have to do roster to properly schedule product manufacturing according to various markets demand and shipment schedules.

Illicit trade concerns:

As a product authentication expert, I am also deeply concerned implementation of 85% graphical health warning proposal will only worsen the currently rampant illicit cigarette trade in Hong Kong. New graphical health warning proposal to cover 85% of the packaging that may leave too little spaces for tobacco manufacturer to place anti-counterfeit devices or features on cigarette pack. Reducing this packaging space on branding, that will send the confusing message to consumer that all packs are look-alike and they will not be to differentiate the legitimate products from illicit products. Moreover, it will lead to illicit traders to copy pictorial packaging much easily at a lower cost and thus causing counterfeit product rate (# 29.1%) be further increased.

(# Source: The Asia Illicit Tobacco Indicator 2015: Hong Kong [1] states illicit incidence in Hong Kong rose to 29.1% which was 1.1pp higher than that estimated in 2014 making it one of the top 5 countries/territories in Asia for illicit trade consumption.)

Conclusion:

I disagree strongly the new proposal to offer only 6 months grace period to implement this new regulation and deeply concerned the implementation of 85% graphical health warning proposal which definitely will lead illicit cigarette situation to get worse in Hong Kong. We urge to reconsider and to revise the proposal again.