

**THE HEALTH HARMS
OF AN ECIGARETTE
TAX IN IRELAND**



CONTENTS

- 4 Executive Summary
- 5 The Risk of Relapse
- 6 Deterring Smokers from Quitting
- 8 Electronic Cigarettes: The Evidence and Reactions
- 10 About the IVVA

EXECUTIVE SUMMARY



Quality Adjusted Life Years – QALYs – are years of life, adjusted for quality, such that 10 years of life in perfect health equates to 10 QALYs while the same 10 years of life at 50% quality of life would equate to 5 QALYs.

Proposals by the Irish Government and the European Union to tax electronic cigarettes, potentially at the same rate as tobacco products, pose a major risk to public health in Ireland.

A 23% VAT is already levied on e-cigarettes, but there are ongoing discussions in Dublin and Brussels of a new excise category that would force up the price of these alternatives to tobacco.

A worst case scenario based on modest estimates of the numbers of people who will return to tobacco cigarettes in response - and also of the numbers who will continue smoking rather than begin 'vaping' - implies Irish citizens as a whole losing almost **250,000** (quality adjusted) years of life.

Half of tobacco cigarette users die of a smoking-related disease, resulting in 19 smoking-related deaths a day in Ireland. Each admission to hospital with a tobacco related disease costing an average of €7,700.

Proposals for a high e-cigarette tax risk reversing progress made as some vapers return to smoking, either because the cost benefits have disappeared or because their supplier closes, no longer able to operate in the sector. There is also a risk that a new tax would be viewed by Ireland's vapers as evidence for the false view that the harm from tobacco and e-cigarettes is the same – so it makes no difference whether they smoke or vape.

An estimated 70,000 vapers in Ireland no longer smoke. The academic evidence is that each person who quits smoking gains an average of between 0.99 and 2.58 years of life, quality adjusted (ie QALYs).

If 20% of Ireland's vapers return to cigarettes, between **13,860** and **36,120** quality adjusted years of life would be lost.

There is also the risk that existing smokers who would otherwise have switched decide against doing so. If 10% of existing smokers would otherwise have quit, that means **82,700** more smokers and a consequent loss of an extra **81,873 – 213,366** quality adjusted life years.

An e-cigarettes tax would have greatest negative impact on Irish citizens aged 25 to 34 and the most deprived areas of the country, as smoking rates are highest among these groups.

THE RISK OF RELAPSE

The Irish Government and the European Union are both currently discussing taxing electronic cigarettes, potentially at the same high rate as tobacco products.¹ A 23% VAT is already levied on e-cigarettes, but there are ongoing discussions in Dublin and Brussels of a new excise category that would force up the price of these alternatives to tobacco.

These proposals are being made despite overwhelming evidence of harm reduction when smokers switch to electronic cigarettes. Half of tobacco cigarette users die of a smoking-related disease.² This is 19 people a day in Ireland, with each admission to hospital with a tobacco related disease costing an average of €7,700.³

The harm reduction potential – and reality - of e-cigarettes is therefore very high. Almost all vapers are former or current smokers. 99.9% of never-smokers are not current e-cigarette users.⁴

Proposals for a high e-cigarette tax risk reversing progress made as some vapers return to smoking, either because the cost benefits have disappeared or because their supplier closes, no longer able to operate in the sector. There is also a risk that a new tax

would be viewed by Ireland’s vapers as evidence for the false view that the harm from tobacco and e-cigarettes is the same – so it makes no difference whether they smoke or vape.

An estimated 70,000 vapers in Ireland no longer smoke.⁵ The academic evidence is that each person who quits smoking gains an average of between 0.99 and 2.58 years of life, quality adjusted (ie QALYs).⁶

If only 10% of Ireland’s vapers return to cigarettes, between **6,930** and **18,060** quality adjusted years of life would be lost.

If 20% of Ireland’s vapers return to cigarettes, between **13,860** and **36,120** quality adjusted years of life would be lost.

Quality Adjusted Life Years – QALYs – are years of life, adjusted for quality, such that 10 years of life in perfect health equates to 10 QALYs while the same 10 years of life at 50% quality of life would equate to 5 QALYs.

| Relapse rate | Number of new smokers | Quality adjusted life years lost ⁷ |
|--------------|-----------------------|-----------------------------------------------|
| 5% | 3,500 | 3,465 – 9,030 |
| 10% | 7,000 | 6,930 – 18,060 |
| 15% | 10,500 | 10,395 – 27,090 |
| 20% | 14,000 | 13,860 – 36,120 |

1 See, for example, at 'E-cigarette tax sets scene for EU lobbying war, EU Observer, 1 March 2016, at <https://euobserver.com/science/132510> and the discussion in the Dail at <https://www.kildarestreet.com/wrans/?id=2015-06-24a.238&s=e-cigarettes#g239.q>
 2 '1 in every 2 smokers', QUIT.ie, at <https://www.quit.ie/1-in-every-2-smokers/>
 3 '19 people die from smoking illness every day', Independent, at <http://www.independent.ie/regionals/newrossstandard/lifestyle/19-people-die-from-smoking-illness-every-day-29080206.html>
 4 "Amongst ex-smokers, 6% currently use ecigarettes, whereas just 0.1% of never-smokers use e-cigarettes." - HEALTHY IRELAND SURVEY 2015: Summary of Findings, Healthy Ireland & Ipsos Mori, at <http://health.gov.ie/wp-content/uploads/2015/10/Healthy-Ireland-Survey-2015-Summary-of-Findings.pdf>, p.22
 5 Two in three e-cigarette users are also smoking tobacco, Irish Cancer Society, 16 April 2015, at <http://www.cancer.ie/content/two-three-e-cigarette-users-are-also-smoking-tobacco#sthash.ZA7tzwhu.dpbs>
 6 'Cut down to quit' with nicotine replacement therapies in smoking cessation: a systematic review of effectiveness and economic analysis, D Wang, M Connock, P Barton, A Fry-Smith, P Aveyard and D Moore, February 2008, at <https://www.nice.org.uk/guidance/ph10/evidence/cut-down-to-quit-with-nicotine-replacement-therapies-65607373>, p.38
 7 Range of QALY lost calculated by multiplying the number of new smokers by both the 0.99 lower and 2.58 upper estimate of QALYs gained by quitting smoking.

DETECTING SMOKERS FROM QUITTING

Even the tens of thousands of years of life lost if existing vapers relapse is dwarfed by the opportunity costs of a new tax.

23% of Ireland’s population above the age of 14 smokes – 827,000 men and women.

If a new tax on e-cigarettes leads even small numbers of smokers, who would otherwise have quit in the future, to continue smoking, the effects would be dramatic. The same reasoning as above apply. The relative benefits of vaping will be much reduced with the cost benefit of switching reduced or eliminated and with some suppliers who competed on price no longer

available. The false public health message that a tax would send out could also be harmful, leading many to believe there are no health benefits to switching from tobacco to vaping.

If the ban results in only 1% of smokers continuing to smoke when they would otherwise have quit, the result would be **8,270** more smokers and a consequent loss of an extra **8,187** to **21,337** quality adjusted life years.

If 5% of existing smokers would otherwise have quit, that means **41,350** more smokers and a consequent loss of an extra **40,937** to **106,683** quality adjusted life years.

| Smokers who would otherwise have quit (as % of smoking population) | Smokers who would otherwise have quit | Quality adjusted life years lost |
|--------------------------------------------------------------------|---------------------------------------|----------------------------------|
| 1% | 8,270 | 8,187 – 21,337 |
| 2% | 16,540 | 16,375 – 42,673 |
| 3% | 24,810 | 24,562 – 64,010 |
| 4% | 33,080 | 32,749 – 85,346 |
| 5% | 41,350 | 40,937 – 106,683 |
| 6% | 49,620 | 49,124 – 128,020 |
| 7% | 57,890 | 57,311 – 149,356 |
| 8% | 66,160 | 65,498 – 170,693 |
| 9% | 74,430 | 73,686 – 192,029 |
| 10% | 82,700 | 81,873 – 213,366 |

If 10% of existing smokers would otherwise have quit, that means **82,700** more smokers and a consequent loss of an extra **81,873 – 213,366** quality adjusted life years.

Combining these tables gives the following best and worst case scenarios.

| | Smokers who would have quit + vapers who relapsed | Quality adjusted life years lost |
|----------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------|
| Best case scenario (5% relapse and 1% of smokers who would otherwise have quit) | 11,770 | 11,652 – 30,367 |
| Worst case scenario (20% relapse and 10% of smokers who would otherwise have quit) | 96,700 | 95,730 – 249,490 |

Disparate impact

Because not all sections of society smoke at equal rates, measures that reduce the number of smokers who quit have a disparate impact on some age groups and demographic groups.

Men would be impacted slightly worse than women, and the 25 to 34 age group would be hit much harder than the 55 to 64 or 65+. Smoking is more than twice as common in the most deprived areas of Ireland than in the least, so the negative impact would be greatest in areas of most deprivation.

| Smoking prevalence ⁸ | % | no. smokers |
|---------------------------------|----|-------------|
| Total | 23 | 827,000 |
| Men | 24 | 441,067 |
| Women | 21 | 385,933 |
| 15 to 24 | 19 | 119,038 |
| 25 to 34 | 32 | 200,485 |
| 35 to 44 | 26 | 162,894 |
| 45 to 54 | 25 | 156,629 |
| 55 to 64 | 18 | 112,773 |
| 65+ | 12 | 75,182 |
| Least deprived 10% of areas | 16 | 62,711 |
| Most deprived 10% of areas | 35 | 137,180 |

⁸ Healthy Ireland Survey 2015: Summary of Findings, Ipsos Mori, October 2015, at <http://health.gov.ie/wp-content/uploads/2015/10/Healthy-Ireland-Survey-2015-Summary-of-Findings.pdf>, pp.21-22

ELECTRONIC CIGARETTES: THE EVIDENCE AND REACTIONS

Dr Ruairi Hanley, GP

"I believe that severely restricting the use of electronic cigarettes is a highly-irrational policy that could condemn tens of thousands of Irish people to premature and preventable deaths.

"The harsh reality is that tobacco continues to be one of the biggest public health problems in Ireland. As it stands, approximately 29pc of the population continues to light up regularly, while the number of tobacco-related deaths stands at roughly 7,000 a year.

"By their very nature, e-cigarettes do not contain the same levels of cancer-causing compounds as traditional tobacco, and are thus less likely to cause serious illnesses. Even the most trenchant opponents of vaping grudgingly accept this.

"If every smoker in Ireland were to switch to e-cigarettes overnight, there can be no doubt that hundreds of lives would be saved every year."⁹

"[O]ur profession should seriously consider embracing this new technology as a public health measure."

"A significant number of smokers across Ireland have switched their addiction to e-cigarettes. These are typically individuals for whom all traditional methods of cessation have been unsuccessful. I cannot but welcome this development."¹⁰

Dr Garrett McGovern, GP Specialising in Alcohol & Substance Abuse, Dublin

"Taxing e-cigarettes makes no sense at all. It is likely to reduce access to a potential pathway out of tobacco for a group that are among the most marginalised in our society and who are particularly vulnerable to the medical complications of long term smoking. There is also an implicit message that e-cigarettes are in some way on a par with tobacco in terms of harm which is absurd."¹¹

Healthy Ireland Survey 2015

E-cigarette use is 60 times as common among former smokers as among never-smokers: "Amongst ex-smokers, 6% currently use ecigarettes, whereas just 0.1% of never-smokers use e-cigarettes."¹²

Matt Cooper, Irish Examiner

"If electronic cigarettes were to become a socially acceptable norm, would it not follow that lung cancer and emphysema rates would fall sharply? What about all the medical experts who have made the seemingly reasonable point that millions of lives could be saved if all smokers were to use e-cigarettes instead of normal cigarettes?"¹³

9 'Stubbing out e-cigarettes will condemn smokers to death', Ruairi Hanley, Irish Independent, 29 August 2014, at <http://www.independent.ie/opinion/stubbing-out-ecigarettes-will-condemn-smokers-to-death-30545658.html>

10 'Ireland should lead the e-cigarette way', Dr Ruairi Hanley, Irish Medical Times, 21 March 2014, at <http://www.imt.ie/opinion/2014/03/ireland-should-lead-the-e-cigarette-way.html>

11 Dr Garrett McGovern, GP Specialising in Alcohol & Substance Abuse, Dublin 14, via email

12 "Amongst ex-smokers, 6% currently use ecigarettes, whereas just 0.1% of never-smokers use e-cigarettes." - HEALTHY IRELAND SURVEY 2015: Summary of Findings, Healthy Ireland & Ipsos Mori, at <http://health.gov.ie/wp-content/uploads/2015/10/Healthy-Ireland-Survey-2015-Summary-of-Findings.pdf>, p.22

13 'Arguments just a smokescreen for opponents of e-cigarettes', Matt Cooper, Irish Examiner, 16 August 2013, at <http://www.irishexaminer.com/viewpoints/columnists/matt-cooper/arguments-just-a-smokescreen-for-opponents-of-e-cigarettes-239978.html>

Royal College of Physicians, United Kingdom

“[E]-cigarettes are not a significant gateway into smoking for a new generation. Instead they will help existing generations of smokers to give up, reducing smoking related harm and saving lives.”¹⁴

“On the basis of available evidence, the RCP believes that e-cigarettes could lead to significant falls in the prevalence of smoking in the UK, prevent many deaths and episodes of serious illness, and help to reduce the social inequalities in health that tobacco smoking currently exacerbates.”¹⁵

- “There is no evidence that EC are undermining the long-term decline in cigarette smoking among adults and youth, and may in fact be contributing to it. Despite some experimentation with EC among never smokers, EC are attracting very few people who have never smoked into regular EC use.”¹⁹
- “Recent studies support the Cochrane Review findings that EC can help people to quit smoking and reduce their cigarette consumption. There is also evidence that EC can encourage quitting or cigarette consumption reduction even among those not intending to quit or rejecting other support.”²⁰

Public Health England

- “e-cigarettes release negligible levels of nicotine into ambient air with no identified health risks to bystanders”¹⁶
- “The current best estimate is that e-cigarette use is around 95% less harmful to health than smoking.”¹⁷
- “Encouraging smokers who cannot or do not want to stop smoking to switch to EC could help reduce smoking related disease, death and health inequalities”¹⁸

14 RCP welcomes evidence review on e-cigarettes, Royal College of Physicians, 19 August 2015, at <https://www.rcplondon.ac.uk/press-releases/rcp-welcomes-evidence-review-e-cigarettes>
 15 RCP statement on e-cigarettes, Royal College of Physicians, 25 June 2014, at <https://www.rcplondon.ac.uk/press-releases/rcp-statement-e-cigarettes>
 16 Ibid
 17 E-cigarettes: a new foundation for evidence-based policy and practice, Public Health England, 19 August 2015, at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/454517/E-cigarettes_a_firm_foundation_for_evidence_based_policy_and_practice.pdf, p.4
 18 E-cigarettes: an evidence update, Public Health England, 19 August 2015, at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/454516/E-cigarettes_an_evidence_update_A_report_commissioned_by_Public_Health_England.pdf, p.6
 19 Ibid
 20 Ibid

ABOUT THE IVVA

The Irish Vape Vendors Association (IVVA) was set up as an association limited by guarantee in 2014, after the coming together of a number of vendors who all share common goals.

The aims of the IVVA are:

- To promote and protect the business interests of vendors of vaping products in Ireland.
- To represent the views of our members on matters relating to the industry.
- To act as an advisory service for the benefit of our members with respect to legislation, industry changes, emerging scientific data, etc..
- To advocate on behalf of our members for fair and appropriate legislation for the electronic cigarette industry which will keep vaping products readily available and affordable for the Irish consumer.
- To ensure our members sign up to and adhere to a code of conduct that promotes best industry practice which safeguards both the advancement of the industry and consumer peace of mind.
- To give consumers the confidence that they are purchasing from companies that are legitimate and ethical in their businesses within this industry.



Our association has no conflict of interest with respect to Article 5.3 of the WHO Framework Convention on Tobacco Control protocol.

Our members are:



www.ecigarette.ie



www.ezsmoke.ie



www.newagesmoke.com



www.thebestshop.eu



www.vaporium.eu



www.vapourpal.com



e-smokeireland.com





The Irish Vape Vendors Association Ltd. is an association limited by guarantee, established in 2014.

Registered address: 12 Talbot Street, Dublin 1.

Website: www.ivva.ie

E-mail: admin@ivva.ie

Tel: 089 4600690