

LCQ1: Tobacco control measures

Following is a question by Dr the Hon Johnny Ng and a reply by the Acting Secretary for Health, Dr Libby Lee, in the Legislative Council today (March 20):

Question:

It has been reported that before the presentation of the new Budget last month, due to a widespread rumour in the community about the Government's upcoming increase of tobacco duty, some sellers of duty-not-paid cigarettes (commonly known as illicit cigarettes) took the opportunity to step up sale promotion efforts, including distributing flyers to residents in public housing estates and widely sending messages to their customers, in order to remind them to purchase cigarettes as early as possible. Regarding tobacco control measures, will the Government inform this Council:

(1) as it is learnt that the situation of selling cheap cigarettes with duty-not-paid (commonly known as "Cheap Whites") in the market has worsened in the wake of the proposal to increase tobacco duty put forward in the Budget presented in February last year, of the number of law enforcement actions (including decoy operations) taken by the authorities and the numbers of illicit cigarettes and "Cheap Whites" seised, with a breakdown by month;

(2) as the Government indicated in the reply to a question raised by a Member of this Council on May 31 last year that it would consider the printing of a QR code tag on each stick of duty-paid cigarette or each relevant cigarette pack for identification purpose, of the latest progress of the relevant work; whether it will strengthen the role and law enforcement work of the Tobacco and Alcohol Control Office of the Department of Health in respect of combating illicit cigarettes; and

(3) as there are views pointing out that increasing tobacco duty may not be an effective tobacco control measure and will on the contrary encourage the sale of illicit cigarettes and "Cheap Whites", and the Government completed the public consultation on the tobacco control strategies of "Vibrant, Healthy and Tobacco-free Hong Kong" on September 30 last year, of the latest progress of the relevant follow-up work?

Reply:

President,

Regarding the question raised by Dr the Hon Johnny Ng, having consulted the Financial Services and the Treasury Bureau and the Customs and Excise Department (C&ED), our consolidated reply is set out below:

The Government's tobacco control policy seeks to discourage smoking, contain the proliferation of tobacco use and minimise the impact of second-hand smoke on the public. Since the early 1980s, the Government has progressively stepped up tobacco control through a multi-pronged approach,

including legislation, enforcement, taxation, education and smoking cessation, which has proved to be effective. Smoking prevalence in Hong Kong has gradually dropped from 23.3 per cent in 1982 to 9.5 per cent in 2021, making Hong Kong a forerunner of tobacco control in the world. The Government has made reference to the World Health Organization (WHO)'s target on tobacco control and aims to reduce smoking prevalence to 7.8 per cent by 2025.

Hong Kong is facing an ageing population and a continuous rising number of chronic disease patients, while smoking is the most important and preventable risk factor leading to chronic diseases and deaths. There are still about 580 000 people in Hong Kong who are daily smokers of traditional cigarettes, and a considerable portion of them belong to the lower income group in the society, which is the group that can least afford the health and economic damage brought about by smoking. Smoking will only continue to exacerbate the health and economic disparity between the rich and the poor, and the whole society and the healthcare system will have to pay a heavy price for smoking-related diseases. Preliminary data from a local study conducted in 2021 revealed that the economic loss resulting from tobacco-induced health problems was estimated to be about HK\$8.2 billion every year. There is a genuine need to put in place more stringent measures to minimise the harmful effects of tobacco on the society.

To further reduce smoking prevalence, the Government conducted the Vibrant, Healthy and Smoke-free Hong Kong public consultation on tobacco control strategies last year. The Health Bureau is exploring the implementation of tobacco control measures by phases, and plans to give an account of the next step of work in due course. The preliminary results of the consultation show that over 90 per cent of the respondents support further reducing smoking prevalence in Hong Kong, and many of the tobacco control measures proposed are widely supported by the public, including increase in tobacco duty. In fact, as supported by empirical evidence, increasing the tobacco duty is recognised internationally as the most effective means of reducing tobacco use. The WHO points out that every 10 per cent increase in tobacco price will reduce overall tobacco consumption by 4 per cent in high-income countries. Raising the overall retail price of tobacco and increasing the incentives for smokers, particularly low-income smokers, to quit smoking is the most important tool in narrowing the wealth gap between the rich and the poor caused by tobacco use.

The Government proposes in the Budget this year to increase the duty on cigarettes by 80 cents per stick. Later today, we will introduce the Dutiable Commodities (Amendment) Bill 2024 into the Legislative Council for First and Second Readings. I would like to take this opportunity to encourage smokers to quit smoking as soon as possible by calling the Integrated Smoking Cessation Hotline of the Department of Health (DH) at 1833 183.

There are suggestions that the illicit cigarettes market would become more active following the increase in tobacco duty. I would like to emphasise that studies conducted by the WHO and the World Bank have already pointed out that tobacco duty and the prices of tobacco products have limited impact on illicit cigarette market share at country level.

The Government spares no effort in combating illicit cigarettes. The C&ED is the primary enforcement agency responsible for the suppression of smuggling activities, including collecting and protecting revenue from dutiable commodities stipulated in the Dutiable Commodities Ordinance (Cap. 109). The Tobacco and Alcohol Control Office (TACO) of the DH is the primary enforcement agency under the Smoking (Public Health) Ordinance (Cap. 371), and at the same time charged with the responsibility of promoting a smoke-free culture, and co-ordinating the smoking cessation services, etc.

At present, the C&ED is mainly responsible for combating illicit cigarettes. The C&ED is closely monitoring the activities of illicit cigarette, and has strengthened the intelligence exchange and collection with the Mainland and overseas law enforcement agencies, and conducted investigations into the sale of cigarettes at abnormal prices. The C&ED will take resolute enforcement action against selling duty-not-paid cigarettes, whether or not they are regarded as "Cheap Whites". The quantity and market values of illicit cigarettes seized by the C&ED from 2023 to February 2024 are set out at Annex. The quantity of illicit cigarettes seized mainly reflects the effectiveness of the C&ED's enhanced enforcement strategy and efforts, and does not represent an increase in the quantity of illicit cigarettes entering the market. The number of duty-paid cigarettes in Hong Kong (before and after the COVID-19 epidemic) is also broadly in line with the trend of the overall number of smokers, reflecting that there is no rampant illicit cigarette trading activities as alleged by individual comments.

We are actively exploring with the C&ED on the feasibility of implementing a duty-paid labeling system, that is, adding a duty-paid label specified by the C&ED on each pack or piece of duty-paid tobacco products to clearly distinguish between duty-paid and duty-not-paid cigarettes. The C&ED will also continue to flexibly deploy its internal resources, strengthen its risk assessment and intelligence analysis, and combat illicit cigarette activities under a holistic enforcement strategy, i.e. intercepting smuggling in the upper stream, smashing storehouses in the middle, and tackling selling activities in the lower end.

On the other hand, the regulation of smoking products is mainly enforced by TACO. The Smoking (Public Health) Ordinance (Cap. 371) stipulates that no person shall display or cause to be displayed, or publish or distribute for the purpose of display, any kind of smoking products advertisements. To combat the distribution of smoking product advertisements also referred to as "tobacco flyer", TACO has established a co-operation mechanism with the Hong Kong Police Force, the C&ED and the Housing Department since January this year, and has been conducting joint operations in public housing estates in various districts. Since 2021, TACO has successfully prosecuted 12 offenders for distributing smoking product leaflets. The DH will continue to take enforcement actions against activities in contravention of the Smoking (Public Health) Ordinance.

Thank you, President.