



## Media Information

For immediate release

# HSE licence fee hike will jeopardise vending industry in Ireland

145 jobs threatened in €175 Million Irish-owned industry

**Dublin, 9 June 2014:** The ICMOA (Irish Cigarette Machine Operators Association) today called on its members to take stand and fight a proposed licence fee hike, which if implemented will lead to 100% job losses in family run businesses across Ireland.

Launching their new website [www.icmoa.ie](http://www.icmoa.ie), Chairman John O'Brien said, *"Our members sell a legal product within the confines of strict regulations set out by the Department of Health – if this goes ahead it will devastate our industry."* The vending industry employs 145 people and is worth over €175 Million to the Irish economy.

The Health Services Executive (HSE) have indicated that the tobacco retail licence fee will be increased from a once-off €50 to €500 per outlet, per year. ICMOA members service over 6,000 outlets across Ireland including bars, pubs and hotels. Many members are one-man or small family operations, which will not be economically viable should such a fee increase occur.

*"The majority of our members can't afford this ill-conceived proposal, and we will fight this attack on our industry. This Government is only interested in short-term gain, and they clearly haven't given much thought to the long term livelihoods of our members."*

Vending machines service customers in pubs and clubs across Ireland, and provide a service, which is unavailable during unsociable hours. The only people to gain if the vending machines disappear are the criminal gangs who will profit from sales of illegal tobacco products. *"Our members already compete with criminals who sell illegal tobacco in pubs and clubs across the country. These people don't pay taxes and now the Government wants to hand them a bonus."* - states Mr O'Brien.

The proposal to increase these licence fee comes amid controversy over a Government proposal to introduce plain packaging in Ireland. Should this occur, it is expected that vendors will lose out as a result of the commodotisation of the tobacco market where people will downtrade to value products and fuel the growth of the illicit trade. *"The evidence from Australia is clear, the illicit trade has grown hugely since the plain packs were introduced and criminals are benefitting – this will happen here in Ireland and will bring our industry to its knees."* - argued Mr O'Brien.

Enda Kenny stated recently – *"We are building economic recovery, brick by brick. It is vital we get the foundations right. Putting SMEs right at the centre of our thinking is an absolutely critical part of this work."*



*“This Government claims to support indigenous SMEs, yet they appear to be doing their best to hurt industries like ours without thinking through the consequences of their policies, which look good politically, but provide no benefit in the long-run.” - concludes Mr O’Brien.*

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**For further information, please contact:**

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**The ICMOA:**

The ICMOA is the trade association representing operators of cigarette vending machines in Ireland. The association was founded in 1982 and currently has over 60 member businesses employing 145 people nationwide. The ICMOA was instrumental in the introduction of the token system in 2004 to ensure that minors cannot access tobacco through vending machines. ICMOA members contribute approximately €143 million to the exchequer from excise and VAT per annum.