

ICMOA calls emergency meeting to discuss jobs threat

145 jobs threatened in €175 Million Irish-owned industry

Dublin, 25 April 2014: The ICMOA (Irish Cigarette Machine Operators Association) today called its members to an Extraordinary General Meeting (EGM) to discuss proposed legislation that will severely impact upon the vending industry, which employs 145 people and is worth over €175 Million to the Irish economy. *“We’re very concerned about several proposed Department of Health measures that have the potential to decimate our industry in a very short space of time”*, says Cormac Dunne, spokesperson for the organisation.

The EGM was called in light of recent reports that the tobacco retail licence fee will be increased from a once-off €50 to a potential €1,000 Euro per outlet, per year.

There are over 6,000 outlets across Ireland, serviced by ICMOA members, many of whom are one-man or small family operations. ICMOA members mainly service bars, pubs and hotels all across Ireland. These are mostly small operations in each outlet, which will not be economically viable should such a fee increase occur. The only people to gain if the industry suffers are the criminal gangs who will profit from sales of illegal tobacco products. *“Our members already face stiff competition from criminals selling illegal tobacco from bags in pubs and clubs across the country, and now the Government wants to hand them a bonus, and our legitimate trade a kick in the teeth”*, states Mr Dunne.

Additionally, the Government proposes to introduce plain packaging in Ireland, even though retailers cannot display tobacco brands. Should this occur, it is expected that vendors will lose out as a result of the commodotisation of the tobacco market where people will down-trade to value products and fuel the growth of the illicit trade. The evidence from Australia is clear, the illicit trade is growing and criminals are benefitting. According to a recent KPMG report, the illicit trade has grown by 20% in Australia in the year (2013) following the introduction of plain packaging. *“Plain packs are an unproven concept with absolutely no evidence to support the Ministers’ intentions, and will only hurt our business – this legislation will only serve the gangsters who sell illegal cigarettes, as it has in Australia”*, argued Mr Dunne.

Finally, at the recent Fine Gael Ard Fheis, a motion was passed asking Minister for Health James Reilly to investigate the possibility of separating the sale of tobacco and alcohol. This also follows calls to ban the sale of tobacco during certain hours of the day. *“Aside from issues of enforcement, which I’m sure the relevant authorities have a strong view on; how will you separate the sale of alcohol and tobacco, when most outlets sell both? This is once again an unrealistic and ill-conceived proposal with no evidence to support it”*, concluded Mr Dunne.

*** ENDS ***



Media Information

For immediate release

For further information, please contact:

Cormac Dunne

086 8949704

icmoa2@gmail.com

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 with over 150 people employed. 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 approx. €200m to the exchequer from excise and VAT per annum.