



# 'Rise in tobacco licence fee will benefit criminals'

by Stephen Rogers

Plans for a 200-fold rise in the cost of the licence fee to sell tobacco could see many outlets choose not to offer the products and drive more people to the black market, it has been claimed.

The Irish Cigarette Machine Operators Association yesterday called its members to an EGM to discuss the proposed legislation which, it claimed, will severely impact the vending industry, which employs 145 people and is worth over €175m to the 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," said ICMOA spokesman Cormac Dunn.

He said the EGM was called in light of reports that the retail licence fee will be increased from a once-off €50 to €500 per outlet per year, in order to reach the Government's target of €5m per year. He said the fee could rise to up to €1,000 if people withdrew from the industry, as the target will have to be achieved.

He said many venues, including large pubs, only make €400 to €500 a year

from the vending machines in their premises and, if forced to pay such a large fee, many would simply stop selling tobacco.

"There are over 6,000 outlets across Ireland, serviced by ICMOA members, many of whom are one-man or small family operations," he said. "ICMOA members mainly service bars, pubs, and hotels. 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."

The Vintners Federation of Ireland said the rise would be "yet another burden on publicans who have faced mounting costs over the last decade", and vowed to strongly oppose any attempt to implement it.

Mr Dunne also criticised Government plans to introduce plain packaging for tobacco brands.

"The evidence from Australia is clear, the illicit trade is growing and criminals are benefiting," said Mr Dunne. "According to a recent KPMG report, the illicit trade has grown by 20% in Australia in the year [2013] fol-

lowing the introduction of plain packaging."