

Consultation stage impact assessment

Title: Standardised packaging and pack inserts for tobacco products (excluding cigarettes and hand rolling tobacco), heated tobacco devices, herbal smoking products and cigarette papers

Type of measure: Secondary Legislation

Stage: Consultation

Source of intervention: Domestic

Department or agency: Department of Health and Social Care

Other departments or agencies: N/A

IA number: N/A

RPC reference number: N/A

Contact for enquiries: tobaccoandvapesconsultations@dhsc.gov.uk

Date: July 2026

Summary: Intervention and Options

Summary of impact assessment

This impact assessment (IA) considers standardising the packaging of tobacco products (other than cigarettes and hand-rolling tobacco), heated tobacco devices, herbal smoking products and cigarette papers.

It should be noted that due to evidence limitations, a significant proportion of the benefits of the proposed policy are not quantified or monetised in this analysis. As a result, we have not presented a Net Present Social Value (NPSV) as we do not think it would provide a fair reflection of the overall net impact on society from this policy.

This IA was completed in October 2025. Therefore, the data and evidence used in the IA reflects the best available at the time of completion. Following this consultation, we will update the IA as appropriate, including consideration of information we gather through responses and any new data and evidence made available since the IA was published.

What is the problem under consideration? Why is government action or intervention necessary?

Tobacco is a uniquely harmful product, and all tobacco products are harmful when used. Whilst cigarettes and hand rolling tobacco are already subject to stringent packaging regulations in the UK, other products such as cigars, pipes, smokeless tobacco, herbal smoking products, cigarette papers, and heated tobacco devices are sold in appealing packaging that is often colourful or luxurious with distinctive branding.

Evidence suggests that standardised packaging decreases the appeal of tobacco products and their use, while quit-themed pack inserts can increase the likelihood of quit attempts. In this IA, we are considering regulation of different aspects of packaging under a single assessment. This includes colour, finish, branding, markings, shape, pack opening, material, text warnings, graphic warnings and the inclusion of quit-themed pack inserts.

In the absence of intervention, harmful products will continue to be sold in appealing packaging. Action is required to reduce the appeal of harmful products and associated public health harms, with Government being best placed to address information failures, ensure regulatory consistency across products, and require clear health and cessation information to support informed consumer decisions.

What are the policy objectives of the action or intervention and the intended effects?

The UK Government, as well as the devolved governments in Scotland, Wales and Northern Ireland, have a duty to protect and improve the health of their citizens. Specifically, all nations are committed to the ambition to create a smoke-free UK.

The specific policy objectives for introducing standardised packaging and pack inserts for the products in scope are to improve public health by reducing the use of the products and the associated harms. This includes:

Objective one: To reduce the appeal or attractiveness of these products to discourage people from starting to use these products, and/or encourage people to use less or give up these products.

Objective two: To increase awareness and understanding of the health harms of these products.

Objective three: To increase awareness of the benefits of quitting these products and how to quit.

A key indicator of success will be whether use and appeal of these products decreases, and awareness of health harms, how to quit, and benefits of quitting these products, increases.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence)

- **Option 1 ('Business as Usual'):** No change to the regulations on packaging for products in scope.
- **Option 2:** Align with upcoming restrictions on vapes and nicotine products and no pack inserts. This option would mirror the proposal that is being consulted on for vapes and nicotine product packaging to be white in colour, prohibit logos, promotional text and images, and only permit minimal branding differentiation. The proposal is to make packaging child-resistant and tamper-evident in uniform shapes, with all packaging containing the appropriate warning labels and information. Flavour descriptions on packaging would be limited to a single flavour name. It would not require pack inserts to be included in any of the products in scope of the policy.
- **Option 3:** Standardise broadly in line with the Standardised Packaging of Tobacco Products Regulations (SPoT) and no pack inserts. This option would require that all packaging must be Pantone 448 C (a drab dark brown) colour with a matt finish. We propose that all branding will be restricted so that only certain colours, sizes, fonts and positions on packaging are permitted with no promotional images, logos, or other colours or other markings not required by law. The packaging must consist of a permitted shape (cuboid, cylinder, pouch, soft material), pack opening, and material with no embossing or texture. This option would require that text health warnings are extended to cigarette papers and heated tobacco devices, so they are included on all products. It would not require pack inserts to be included in any of the products in scope of the policy.
- **Option 4 (preferred option):** Standardise broadly in line with SPoT and include pack inserts. This is the same as Option 3 but would require all products except cigarette papers to include pack inserts.
- **Option 5:** Standardise broadly in line with SPoT and increase health warnings to at least 75% and include pack inserts. This would be the same as Option 4 but require the proportion of the packaging to include health warnings to increase from 65% to 75%.

These options are assessed against the objectives and the critical success factors to determine which option would be the preferred choice. The preferred option, option 4, balances achieving all policy objectives while reducing burden as much as possible. The options are assessed against the three objectives and the critical success factors in order to determine which option would be the preferred choice.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: TBC				
Is this measure likely to impact on international trade and investment?		Yes		
Are any of these organisations in scope?	Micro Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)		Traded: N/A	Non-traded: N/A	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister

Sharon Hodgson

Date: 18/06/26

Summary: Analysis & Evidence

Policy Option 1

Full economic assessment'

Description of key costs by 'main affected groups' The costs of this option are zero, as this is the option that costs of all other options are compared against.		
Key benefits by 'main affected groups' The benefits of this option are zero, as this is the option that all other options are compared against.		
Distributional impacts N/A		
Key assumptions/sensitivities/risks		Discount rate 3.5%
The baseline assumes trends of historical prevalence remains constant. However, prevalence could deviate from these trends.		

Description key costs by 'main affected groups'

The monetised costs are:

- Familiarisation (£1.9m)
- Costs associated with increased transaction times (£0.5m)
- Retailer training (£2.4m)
- Retailer reconfiguration (£47.8m)
- Repackaging cigars (£4.5m)
- Profit loss to retailers and wholesalers (£36.9m). This does not include profit loss to manufacturers as it is assumed that manufacturers of tobacco products are predominantly transnational and not based in the UK.

The non-monetised costs identified are:

- Disposal of non-compliant stock
- Increased costs or pressure to Local Stop Smoking Services
- Reduction in VAT and Duty to HMRC
- Costs associated with downtrading
- Litter costs

Key benefits by 'main affected groups'

The non-monetised benefits identified are:

- Health gains to individuals
- Wider societal benefits associated with tobacco use, including a reduction in healthcare costs, reduction in productivity loss, and reduction in environmental costs.
- Reduction in branding costs to tobacco manufacturers
- Impacts on consumer surplus

Distributional impacts

The measures apply to the UK population, rather than specifically targeting certain populations. However, smoking prevalence of products in scope varies by several characteristics, including ethnicity and geography. The policy may have larger impacts on groups with higher prevalence of use of products in scope.

It is expected that the policy will have costs on retailers (specialist tobacconists, vape shops, convenience stores, supermarkets), wholesalers and manufacturers of tobacco products in scope. Areas with higher density of these businesses may be disproportionately impacted by this policy.

Key assumptions/sensitivities/risks	Discount rate	3.5%
• For many of the impacts, it has not been possible to differentiate across options. • Where it is not possible to use evidence specifically for the products in scope, evidence for cigarettes and hand-rolling tobacco has been used as a proxy. • The appraisal period will be from 2027 to 2036; however, this may not occur in practice. • Based on expert elicitation, we have measured the impact of standardised packaging over 2 years, however, we do not expect the mechanisms by which packaging impacts use of products to end after 2 years. • International evidence of standardised packaging for products in scope is a reasonable proxy for the UK.		

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- Familiarisation (£1.9m)
- Costs associated with increased transaction times (£0.5m)
- Retailer training (£2.4m)
- Retailer reconfiguration (£47.8m)
- Repackaging cigars (£4.5m)
- Profit loss to retailers and wholesalers (£42.3m). This does not include profit loss to manufacturers as it is assumed that manufacturers of tobacco products are predominantly transnational and not based in the UK.
- Research messaging for pack inserts (£0.1m)

The non-monetised costs identified are:

- Disposal of non-compliant stock
- Increased costs or pressure to Local Stop Smoking Services
- Reduction in VAT and Duty to HMRC
- Costs associated with downtrading
- Litter costs

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Evidence Base

Problem under consideration and rationale for intervention

Context

1. In 2023, around 6 million people aged 18 years and over smoked in the UK¹. This includes 11.6% of adults in England, 12.6% in Wales, 13.3% in Northern Ireland and 13.5% in Scotland. Three quarters of smokers wish they had never started smoking² and most smokers also want to quit, with 56% of smokers in 2023 intending to quit, and 24% of smokers intended to quit within the next three months³.
2. Tobacco is a uniquely harmful product. Smoking is the single leading cause of preventable illness and death in England⁴ and has a significant impact on a person's health throughout their life. It causes 1-in-4 of all cancer deaths in the England⁵. In the UK, around 80,000 deaths per year are attributable to smoking, including about:
 - 64,000 deaths per year in England⁶
 - 8,900 deaths per year in Scotland⁷
 - 3,800 deaths per year in Wales⁸
 - 2,100 deaths per year in Northern Ireland⁹
3. Smoking also has costs to wider society. In England, someone is admitted to hospital due to smoking almost every minute and up to 75,000 GP appointments each month are linked to smoking – equivalent to over 100 appointments every hour¹⁰. Action on Smoking and Health (ASH¹¹ estimates that smoking costs the NHS and social care in England £3 billion per year¹² England¹³.
4. Smoking drives socioeconomic and geographic inequality in health outcomes. It is the most disadvantaged who suffer the most from the financial and health burden of smoking – 230,000 households live in smoking induced poverty¹⁴. The children of smokers are 3 times as likely to start to smoke, perpetuating the cycle of disadvantage¹⁵.
5. All products in scope of the legislation are harmful to health. Cigars and pipe smoking have increased risk of all-cause mortality, increased rates of smoking-

¹ ONS. 2024. [Adult smoking habits in the UK - Office for National Statistics](#)

² Public Health England. 2021. [Smokers encouraged to take part in Stoptober, as they report smoking more during pandemic - GOV.UK](#)

³ ONS. 2024. [Adult smoking habits in the UK - Office for National Statistics](#)

⁴ OHID. 2021. [Health Profile for England 2021](#)

⁵ NHS England. 2023. [Statistics on Public Health, England 2021](#)

⁶ OHID. [Smoking Profiles: Smoking attributable mortality](#)

⁷ Scottish Public Health Observatory. 2024. [Tobacco use: smoking attributable deaths](#)

⁸ Public Health Wales. 2024. [Over 10 percent of deaths in Wales due to smoking](#)

⁹ Northern Ireland Department of Health. 2025.

¹⁰ Cancer Research UK. 2023. [Ending smoking could free up 75,000 GP appointments each month.](#)

¹¹ ASH. 2025. [ASH Ready Reckoner.](#)

¹³ ASH. 2025. [ASH Ready Reckoner.](#)

¹⁴ Nyakutsikwa and others. 2017. [The effect of tobacco and alcohol consumption on poverty in the UK.](#)

¹⁵ Action on Smoking and Health. 2024. [Young people and smoking](#)

related cancers¹⁶, heart disease, and respiratory conditions compared to never-smokers¹⁷. Even without inhalation, taking tobacco smoke into the mouth exposes the mouth, pharynx and oesophagus to toxic compounds¹⁸.

6. For waterpipe smoking (such as shisha), there is evidence that the short-term impacts include increased heart rate, blood pressure and arterial stiffness¹⁹. There is an increased risk between use of waterpipe and lung cancer and oesophageal cancer²⁰.
7. The International Agency for Research on Cancer concluded that there is sufficient evidence to conclude that smokeless tobacco causes cancers of the oral cavity and pancreas and classifies smokeless tobacco as a group 1 carcinogen²¹. Smokeless tobacco is also associated with oral health problems with evidence of increased risk of periodontal disease and tooth loss compared to those that do not use smokeless tobacco²².
8. Laboratory studies show evidence of toxicity from heated tobacco, and, like other forms of tobacco, the aerosol generated by heated tobacco devices contains carcinogenic (cancer causing) compounds²³.
9. A review comparing herbal cigarettes to tobacco shows they expose the consumer to carcinogenic (cancer-causing) and mutagenic (gene-changing) compounds and gases including carbon monoxide²⁴.
10. Burning cigarette papers with bleaches and dyes adds to the volume of smoke and the range of toxicants in the smoke. Research on cigarette smoking and the type of tobacco and rolling paper used, found that papers can contribute additional risks to smokers²⁵.
11. In response to these challenges, on 4 October 2023 the Department of Health and Social Care (DHSC) published a Command Paper followed by a UK-wide consultation on 12 October 2023 entitled 'Creating a smokefree generation and tackling youth vaping'²⁶. This was a four-nation consultation and the Government's response was published on 29 January 2024²⁷. This led to the introduction of the first Tobacco and Vapes Bill to Parliament in March 2024²⁸. After the last General Election, the Government updated and introduced the Bill to Parliament in November 2024²⁹. The Bill completed parliamentary passage and received Royal Assent on 29 April 2026, becoming the Tobacco and Vapes Act 2026. The Act includes powers to regulate tobacco and vapes and aims to address both the issue of adult smoking and that of youth vaping.
12. The Government's aim to improve public health by reducing the use of the products

¹⁶ Shaper and others. 2003. [Pipe and cigar smoking and major cardiovascular events, cancer incidence and all-cause mortality in middle-aged British men](#)

¹⁷ Sharma and others. 2024. [Respiratory symptoms and outcomes among cigar smokers: findings from the Population Assessment of Tobacco and Health \(PATH\) study waves 2–5 \(2014–2019\)](#)

¹⁸ Mead and others. 2022. [Health Effects of Premium Cigars](#)

¹⁹ Darawshy and others. 2021. [Waterpipe smoking: a review of pulmonary and health effects](#)

²⁰ Darawshy and others. 2021. [Waterpipe smoking: a review of pulmonary and health effects](#)

²¹ Hecht and others. 2022. [Smokeless Tobacco and Cigarette Smoking: Chemical Mechanisms and Cancer Prevention - PMC](#)

²² Action on Smoking and Health. 2016. [Tobacco and Oral Health](#)

²³ Committee on Toxicity. 2017. [Statement on the toxicological evaluation of novel heat-not-burn tobacco products](#)

²⁴ Rahman and others. 2022. [How Do Herbal Cigarettes Compare To Tobacco? A Comprehensive Review of Their Sensory Characters, Phytochemicals, and Functional Properties](#)

²⁵ Zumbado and others. 2019. [Differential exposure to 33 toxic elements through cigarette smoking, based on the type of tobacco and rolling paper used](#)

²⁶ Department of Health and Social Care. 2023. [Stopping the start: our new plan to create a smokefree generation](#)

²⁷ Department of Health and Social Care. 2024. [Creating a smokefree generation and tackling youth vaping](#)

²⁸ UK Government. 2024. [Tobacco and Vapes Bill Stages](#)

²⁹ Department of Health and Social Care. 2024. [The Tobacco and Vapes Bill: What you need to know](#)

and the associated harms sits alongside several other policies using powers given in the Tobacco and Vapes Act 2026. The upcoming consultation will address these areas collectively and, therefore, there are other impact assessments covering:

- introducing new restrictions on the display of tobacco devices, vaping and nicotine products;
- introducing new restrictions on the design of vapes and heated tobacco devices; and
- introducing new restrictions on the packaging of vaping products and nicotine products

Current legislative requirements

13. The following regulations contain provisions relating to the packaging of tobacco, herbal smoking and nicotine products:
 - [The Standardised Packaging of Tobacco Products Regulations 2015](#) (SPoT)
 - [The Tobacco and Related Products Regulations 2016](#) (TRPR)
14. SPoT, which came into effect in 2015, sets out requirements relating to the plain packaging of cigarettes and hand rolling tobacco. Packs must be Pantone 448 C (a drab dark brown) with a matt finish. Brand names are allowed but must be in a set position, font and size. Required health warnings and other permitted features, such as requirements on lining, must be presented in a standardised way. All other trademarks, logos, colour, schemes and promotional images are prohibited. Packs must be smooth with no texture or embossing.
15. Cigarette packs must be a cuboid shape, made of carton or soft material. There are also internal packaging requirements, such as the lining which wraps around the cigarettes, and there must be a minimum of 20 cigarettes in each pack. Cigarette packs may contain an opening that can be re-closed or re-sealed after it is first opened but only if that opening is a flip top lid or a shoulder box hinged lid. Hand rolling tobacco packs must be either a pouch, cylindrical or cuboid shape. ³⁰_{OBJ}.
16. Inserts of any form are currently prohibited in cigarette and hand rolling tobacco within the UK under SPoT and therefore this legislation will need to change.
17. Other tobacco products, heated tobacco devices and cigarette papers are not regulated under SPoT.
18. TRPR, which came into effect on 20 May 2017, is the UK's implementation of the EU's Tobacco Product Directive (TPD). The TRPR outlines the requirements relating to the health warnings, general labelling and presentation of tobacco and herbal smoking products. All tobacco products and herbal smoking products, for example, must include a text health warning on the packaging.
19. Tobacco products for smoking that are sold in unit packs such as cigarettes, hand rolling tobacco, certain cigars and cigarillos, pipe tobacco and waterpipe products must have a combined picture and health text warning on the packaging. Individually wrapped cigars and cigarillos and packs which contain two or more cigars each with a unit weight of more than 3 grams are not subject to this requirement and only require text warnings.
20. Tobacco and herbal smoking product packaging must also adhere to certain general labelling and presentation restrictions, e.g. they must not mislead consumers or

³⁰ Office for Health Improvement & Disparities. 2024. [Mandating quit information messages inside tobacco packs: government response](#)

suggest that the product has lifestyle benefits or natural/organic properties.

21. Heated tobacco devices and cigarette papers are not covered under TRPR.
22. Under the Windsor Framework Directive 2014/40/EU, the TPD continues to apply in relation to Northern Ireland. This means that we need to ensure that any new requirements imposed on products are compatible with what is required under the TPD. This consideration has been reflected in this Impact Assessment.

Problem under consideration

23. There is well-established evidence that packaging increases the appeal of tobacco products and the likelihood of people using them. In 2014, for example, Sir Cyril Chantler undertook an independent review of standardised tobacco packaging and found that “branded packaging plays an important role in encouraging young people to smoke and in consolidating the habit irrespective of the intentions of the industry”³¹. When Japan International Tobacco legally challenged the Australian standardised packaging legislation, they argued that the tobacco packaging was their “billboard”³². Branded tobacco packaging also acts as a form of promotion. In November 2004, Lambert & Butler saw a £60 million increase in sales in the UK following the introduction of the ‘Celebration’ pack³³.
24. The products within the scope of this policy, such as cigars, heated tobacco and chewing tobacco are not subject to stringent packaging regulations that cigarettes and hand rolling tobacco are. This means that they can be packaged in colourful or appealing packaging, or in a way to convey a premium feel, increasing their appeal. The products in scope are harmful to health, and it is important that the government takes the right steps to ensure the health harms of these products are properly communicated, and that packaging regulations are consistent across the range of tobacco products, herbal smoking products and cigarette papers.
25. The exclusive use of non-cigarette tobacco use has fluctuated in recent years with an increase in prevalence among adults in England from 1.3% in April 2020 to 2% in August 2022, before declining to 1.2% by February 2025³⁴. Between October 2024 and February 2025, 3.7% of adults in England reported any non-cigarette tobacco use (approximately 1.7 million people).
26. Heated tobacco products first appeared on the UK market in 2016, and the use of these products is currently 0.4%³⁵. In 2023, smokers’ knowledge of “heat not burn” products was 36%, with 8.6% having tried them³⁶. There are also concerns about the appeal of heated tobacco to young people. For example, 18-24-year-olds are four times more likely to have tried heated tobacco (4%) than those aged over 50 (0.9%)³⁷.
27. Harm perceptions of tobacco products can vary widely between different age groups

³¹ Chantler. 2014. Standardised packaging of tobacco: Report of the independent review undertaken by Sir Cyril Chantler

³² High Court of Australia Transcripts. 2011. Japan Tobacco International SA v Commonwealth of Australia; British American Tobacco Australasia Ltd & Ors v The Commonwealth of Australia.

³³ Good, G. 2006. Global brand director, Imperial tobacco group plc. Presentation at UBS Tobacco Conference, 1 Dec 2006.

³⁴ Jackson and others. 2025 Prevalence and patterns of different types of non-cigarette tobacco use in England: a population study | medRxiv PRE_PUBLISHED

³⁵ Smoking in England. 2025. E Cigarettes Latest Trends - Graphs - Smoking in England

³⁶ Action on Smoking and Health. 2023. Use-of-e-cigarettes-among-adults-in-Great-Britain-2023.pdf

³⁷ Action of Smoking and Health. 2025. Heated tobacco ads are everywhere – how are tobacco companies getting away with it? - ASH

and tobacco type³⁸. Evidence has shown that some groups underestimate the harms and addictive properties of products in scope, including shisha^{39 40}.

Powers in the Tobacco and Vapes Act 2026

28. The Tobacco and Vapes Act 2026 includes several regulation-making powers to enable legislation to reduce the harms from tobacco and to tackle young people vaping. Specifically, the Act provides the Secretary of State with the powers to make regulations on the retail packaging of all tobacco products, herbal smoking products, cigarette papers and tobacco related devices.
29. Other policies implemented through secondary legislation as part of the Tobacco and Vapes Act are likely to interact with each other. This includes regulations on tobacco display and vaping products packaging. These policies will also likely interact with other external factors and any future tobacco interventions such as changes to smoking cessation services, evolving long term health evidence or potential changes in population behaviours or trends. There is limited evidence on how different policies will interact with each other and external factors. How policies interact will also depend on the options taken forward to final impact assessment stage following consultation. Therefore, this impact assessment considers the costs and benefits of the policy on standardised packaging and pack inserts in isolation. This policy does not include cigarettes and hand rolling tobacco as they are already subject to standardised packaging requirements.

Rationale for intervention

Stakeholder support

30. There is support from public health stakeholders for strengthening packaging requirements and also introducing pack inserts for tobacco products beyond cigarettes and hand-rolling tobacco.
31. The government ran a consultation on mandating pack inserts in tobacco packaging between August and October 2023. Responses to this consultation indicated public support for pack inserts to be applied to the products in scope with 65% of respondents selecting that pack inserts should be included in 'All tobacco products (smoked and smokeless)'⁴¹.
32. The Government subsequently ran a Call for Evidence⁴² on the proposals in this IA from November 2024 to January 2025. Evidence was received on the prevalence and use of products, health harms of products, how products are sold and the impact of packaging regulation.
33. As part of responding to the Call for Evidence, notable public health stakeholders including the Royal College of General Practitioners (RCGP) were supportive, with

³⁸ Wackowski and others. 2016. Young adults' risk perceptions of various tobacco products relative to cigarettes: results from the national young adult health survey.

³⁹ Arshad and others. 2019. Knowledge, attitudes, and perceptions towards waterpipe tobacco smoking amongst college or university students: a systematic review.

⁴⁰ Cornacchione and others. 2017. Adolescent and Young Adult Perceptions of Hookah and Little Cigars/Cigarillos: Implications for Risk Messages.

⁴¹ Department of Health and Social Care. 2024. <https://www.gov.uk/government/consultations/mandating-quit-information-messages-inside-tobacco-packs/outcome/mandating-quit-information-messages-inside-tobacco-packs-government-response>

⁴² Department of Health and Social Care. 2024. <https://www.gov.uk/government/calls-for-evidence/standardised-packaging-for-all-tobacco-products/standardised-packaging-for-all-tobacco-products>

the RCGP opining that introducing standardised packaging across the products in scope could enhance awareness of risks associated with their use and reduce their appeal⁴³. The Association of Directors of Public Health (ADPH) view was that “applying standardised packaging to tobacco and tobacco related products is an important way to convey the health risks of using all tobacco related products for both smokers and non-smokers”⁴⁴.

International context

34. The development and implementation of standardised packaging legislation is a central component of global efforts to reduce the health burden caused by tobacco use.
35. Article 11 of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC) requires that measures are adopted to ensure health warnings and messages are large, clear and visible on tobacco products. Article 13 of the FCTC recommends that packaging and tobacco products carry no advertising or promotion, including design features that makes products attractive.
36. Internationally, many countries have taken action to strengthen their regulatory measures to standardise the packaging of tobacco products beyond the current requirements in the UK. Additionally, some countries have taken action to standardise packaging of herbal smoking products, cigarette papers and heated tobacco devices.
37. Nine countries require all tobacco products to be sold in plain packaging including Australia⁴⁵, New Zealand⁴⁶, Ireland⁴⁷, Uruguay⁴⁸, Saudi Arabia⁴⁹, Turkey⁵⁰, Canada⁵¹, Singapore⁵² and Belgium⁵³. All of these countries utilise the Pantone 448 C (a drab dark brown) with a matt finish in their packaging.
38. Israel⁵³ and Belgium require cigarette papers to be sold in plain packaging with Pantone 448 C (a drab dark brown) with a matt finish. Israel and Canada also require heated tobacco devices to be sold in plain packaging.
39. Denmark and Belgium require that herbal smoking product packaging is standardised⁵⁴. Both countries requires herbal smoking products to be sold in plain packaging with Pantone 448 C (a drab dark brown).
40. Israel⁵⁵ and Canada require heated tobacco devices packaging to be covered with a

⁴³ Royal College of General Practitioners. 2024. [Standardised packaging for all tobacco products](#)

⁴⁴ The Association of Directors of Public Health. 2024. [Standardised-packaging-for-all-tobacco-products-ADPH-response.pdf](#)

⁴⁵ Australian Government. 2024. [Public Health \(Tobacco and Other Products\) Regulations 2024 - Federal Register of Legislation](#)

⁴⁶ Ministry of Health New Zealand. 2023. [Tobacco standardised packaging | Ministry of Health NZ](#)

⁴⁷ Irish Statute Book. 2017. [S.I. No. 422/2017 - Public Health \(Standardised Packaging of Tobacco\) Regulations 2017.](#)

⁴⁸ Tobacco Control Laws. 2019. [Uruguay-Decree-No.-120019.pdf](#)

⁴⁹ Saudi Food and Drug Authority. 2020. [AGuidetoPackingandPackagingofTobaccoProduct.pdf](#)

⁵⁰ World Health Organisation. 2019. [Turkey-2019-Regs.pdf](#)

⁵¹ Government of Canada. 2019. [Tobacco Products Appearance, Packaging and Labelling Regulations](#), Tobacco Control Laws. 2025. [Main Policies - Heated Tobacco Products \[...\] Tobacco Control Laws](#)

⁵² Ministry of Health Singapore. 2020. [standardised-packaging-guidance-booklet-\(english-chinese\).pdf](#)

⁵³ Ministry of Health Israel. 2020. [Tobacco and Smoking Laws and Regulations](#) Ministry of Health, Ministry of Health Israel. 2022. [The Prohibition of Advertising and Restriction of Marketing of Tobacco and Smoking Products Law, 5743-1983](#)

⁵⁴ Executive Order on Standardization of Tobacco Packages and Herb-Based Smoking Products. 2021. [Bekendtgørelse om standardisering af tobakspakker og urtebaserede rygeprodukter](#)

⁵⁵ Israel Journal of Health Policy Research. 2023. [Health warning labels on heated tobacco products and their impact on use intentions and risk perceptions: a cross-sectional study of adult tobacco users in the US and Israel](#)

warning message. In Israel and France⁵⁶ cigarette papers must also display a text warning.

41. Positive quit-themed pack inserts were first required in Canada in 2001⁵⁷. Australia has implemented pack inserts from 1 July 2025⁵⁸. Belgium laid regulations to implement pack inserts in 2024 determining the content and form of the pack insert, although these are not yet in force⁵⁹.

Why is Government intervention required?

42. Within the tobacco industry, there are various market failures, such as negative externalities and information failure.
- Information failure about the health risks of smoking - While most smokers understand that smoking poses health risks, many are unaware of the breadth and likelihood of disease, including for the products in scope of this legislation^{60 61}. Even when informed about the risks of smoking at a population level, smokers often underestimate the personal impact of risks, believing that they are less at risk than others⁶².
 - Information failure about the addictiveness of smoking - Smokers may not fully understand the addictiveness of nicotine when they start smoking. Three-quarters of current smokers in 2021 would never have started if they had the choice again⁶³ and on average it takes around 30 quit attempts to stop smoking⁶⁴.
 - Negative externalities associated with smoking – Individuals smoking results in costs to those around them and wider society. This includes health harms to others through second-hand smoke, healthcare costs of smoking to the NHS, fire costs, environmental damage and productivity loss. However, individuals do not consider the wider societal costs when making decisions about smoking.
43. Voluntary action by businesses is not sufficient to address the market failures and the attractiveness of the packaging for these products. As set out in Article 5.3 of the FCTC, there is a fundamental and irreconcilable conflict between the tobacco industry's interests and public health policy interests, and voluntary action would conflict with the clear guidance of WHO on how governments should approach tobacco policy. Voluntary standardising packaging would also likely confuse consumers. For example, if packaging is standardised on a voluntary basis and one brand of tobacco products standardised their packages, but another did not then it may convey to the consumers that the non-standardised product is less harmful or

⁵⁶ Tobacco Control Laws. 2025. [Legislation by Country/Jurisdiction: France – Other packaging and labelling requirements](#)

⁵⁷ Cunningham, R. 2022. [Tobacco package health warnings: a global success story | Tobacco Control](#)

⁵⁸ Australian Government. 2024. [Transition Periods for Manufacturers, Importers and Retailers of Tobacco Products](#)

⁵⁹ Belgian Government. 2024. [FPS Public Health Belgium FAQs](#)

⁶⁰ Akl et al. 2013. [Motives, beliefs and attitudes towards waterpipe tobacco smoking: a systematic review - PubMed](#)

⁶¹ Cornacchione and others. 2017. [Adolescent and Young Adult Perceptions of Hookah and Little Cigars/Cigarillos: Implications for Risk Messages - PMC](#)

⁶² Scollo. 2020. [17.3 The economic rationale for intervention in the tobacco market - Tobacco in Australia](#)

⁶³ Public Health England. 2021. [Smokers encouraged to take part in Stoptober, as they report smoking more during pandemic - GOV.UK](#)

⁶⁴ Chaiton and others. 2016. [Estimating the number of quit attempts it takes to quit smoking successfully in a longitudinal cohort of smokers - PubMed](#)

make that product more appealing. It is therefore appropriate for the Government to take action and legislate to reduce the appeal of these harmful products.

44. The UK's Public Health Responsibility Deal (2011–2015) demonstrates the limitations of relying on voluntary action to protect public health. While companies signed pledges to reformulate products, provide calorie information, and reduce harmful ingredients, many commitments were superficial, inconsistently applied, or designed to avoid meaningful change⁶⁵. There was no enforcement mechanism to hold businesses accountable. This failure illustrates that commercial interests often conflict with public health goals, as profit-driven industries have little incentive to make changes that might reduce sales.
45. Communications campaigns can have some impact. However, whilst public health campaigns can raise awareness of the health harms of these products and inform consumers, non-standardised packaging will continue to appeal to consumers. Public health campaigns may also not reach intended audiences. Pack inserts and health warnings will ensure that public health messaging is targeted directly at the people who need it most – those using the products in scope. Communication campaigns should be used in tandem with other forms of action to help ensure successful implementation.
46. Further government action is required to deliver the Government's ambition for a smoke free UK as set out in its manifesto, 10 Year Health Plan and health mission. This will help reduce pressures on the NHS and economy.
47. Regulatory action is, therefore, considered necessary to reduce the appeal and attractiveness of the products in scope to reduce public health harms.
48. If the government does not take action, then harmful products will continue to be sold in appealing packaging, enticing people to start and continue using these products. Due to proposed regulations to standardise the packaging of vapes and other nicotine products, there is also a risk that the products in scope of this impact assessment are perceived as less harmful if tobacco packaging is not standardised and vaping and nicotine packaging is. This might result in adult smokers not being encouraged to switch to vaping as a smoking cessation tool.

Evidence to support the need for intervention

49. While there is a strong evidence base for the public health benefits of plain packaging, health warnings and pack inserts for cigarettes and hand rolling tobacco, the evidence is more limited for non-cigarette tobacco.

Plain Packaging

50. The Standardised Packaging of Tobacco Products Regulations 2015: post-implementation review found that following the introduction of the regulations, there were reductions in adult and youth smoking prevalence and a sustained trend in the proportion of those attempting to quit that succeeded. The review also found evidence that suggested prohibiting tobacco branding reduced the appeal of tobacco products to children⁶⁶.
51. Evidence of compliance was also found to be high with standardised packs

⁶⁵ Durand and others. 2015. An evaluation of the Public Health Responsibility Deal: Informants' experiences and views of the development, implementation and achievements of a pledge-based, public-private partnership to improve population health in England - ScienceDirect

⁶⁶ Department of Health and Social Care. 2022. Post-Implementation Review of Tobacco Legislation

accounting for 96% of total volume sales in June 2017⁶⁷. The post implementation review sets out that this legislation met its original objectives and could not have been better met through alternative means. In the post implementation review for SPoT, some organisations suggested the regulations that applied to cigarettes and hand rolling tobacco should be strengthened so all tobacco products are covered under this legislation.

52. After Canada implemented standardised packaging regulations, a survey by the International Tobacco Control Policy Evaluation Project (ITC) found that there was a significant increase in the percentage of smokers who found their cigarette pack 'not at all appealing'⁶⁸. Research in Australia also found that plain packaging led to an increase in Quitline calls⁶⁹.

Health Warnings

53. Evidence shows that standardised packaging improves the effectiveness and salience of health warnings⁷⁰. This evidence includes a survey of 4,000 smokers in England, finding they were twice as likely to notice health warnings before noticing the branding following standardised packaging being implemented⁷¹. Standardised packaging was also associated with a significant reduction in the odds of being a smoker, which has been demonstrated through segmented regression analysis⁷².
54. Studies show that warning labels play a role in building a smoker's knowledge of the risks of smoking and discourage relapse. A study found that smokers living in countries with mandated warnings reported greater knowledge of tobacco risks compared with smokers from countries without mandated health warnings⁷³.
55. A longitudinal study across Australia, Canada, the UK and the USA found evidence that health warnings can help ex-smokers sustain their quit status⁷⁴.
56. There is also a large body of domestic and international evidence on the effectiveness of picture warnings^{75 76 77}. An evidence review by Fong and others found that graphic picture health warnings are more likely to be noticed than text warnings and are more effective in making smokers aware of the health risks⁷⁸.
57. Larger sized health warnings (>50% of visible packaging) are more impactful than smaller health warnings (<30% of visible packaging)⁷⁹. The largest picture and text

⁶⁷ Breton and others. 2018. Cigarette brand diversity and price changes during the implementation of plain packaging in the United Kingdom - Breton - 2018 - Addiction - Wiley Online Library

⁶⁸ International Tobacco Control (ITC) Policy Evaluation Project. 2021. Mar 30, 2021 | Plain Packaging for Tobacco Products in Canada | English - ITC Project

⁶⁹ Young and others. 2014. Association between tobacco plain packaging and Quitline calls: a population-based, interrupted time-series analysis - PubMed

⁷⁰ Moodie and others. 2019. A systematic review of research exploring the response of consumers, retailers and tobacco companies to standardised packaging in the United Kingdom

⁷¹ International Tobacco Control. 2020. Standardised Packaging for Tobacco Products in England: Evidence of Policy Impact from The International Tobacco Control Policy Evaluation Project.

⁷² Opazo Breton and others. (2021). Was the implementation of standardised tobacco packaging legislation in England associated with changes in smoking prevalence? A segmented regression analysis between 2006 and 2019 | Tobacco Control

⁷³ Hammond et al. 2006. Effectiveness of cigarette warning labels in informing smokers about the risks of smoking: findings from the International Tobacco Control (ITC) Four Country Survey.

⁷⁴ Partos et al. 2013. Cigarette packet warning labels can prevent relapse: findings from the International Tobacco Control 4-Country policy evaluation cohort study - PubMed

⁷⁵ Brewer and others. 2016. Effect of Pictorial Cigarette Pack Warnings on Changes in Smoking Behavior

⁷⁶ Wardle and others. 2010. Evaluating the impact of Picture Health Warnings on Cigarette Packets

⁷⁷ WHO. 2014. Evidence brief: how large pictorial health warnings on the packaging of tobacco products affect knowledge and behaviour

⁷⁸ Fong and others. 2009. The impact of pictures on the effectiveness of tobacco warnings

⁷⁹ Tobacco Free Kids. No date. Health Warning Labels

health warning in the UK currently is 65%. There is currently limited data on the impacts of increasing the size of health warnings above 65%. The ITC 2020 evaluation of standardised packaging found a comparable amount of people noticed England's 65% front and back graphic picture health warnings (52%) as Australia's 75% front and 90% back warnings (50%), although it did find that more smokers said they did not like the look of their pack in Australia (70%) compared to England (53%)⁸⁰.

Pack Inserts

58. The evaluation of the Canadian pack inserts policy suggests that tobacco pack inserts can increase the likelihood of smokers making a quit attempt by providing motivational cessation messages and information on the benefits of quitting⁸¹. For example, one Canadian pack insert reads "Help your heart! Quitting cigarettes reduces your risk of heart disease and heart attack. Within minutes, your heart rate drops to normal. Within days, your blood pressures begin to drop and circulation improves". A phone number and website address for Health Canada quit advice is also provided. These complement the graphic picture health warnings already present on tobacco packaging.
59. A study on the Canadian inserts found that smokers who read the inserts a few times or more in the past month of the study taking place were more likely to make a quit attempt compared to smokers who did not read the inserts⁸². Another study in Canada found that cigarette pack inserts can promote confidence in the ability to quit and sustained quit attempts⁸³.
60. The Department of Health and Social Care led a UK-wide consultation on introducing pack inserts, which ran from August to October 2023⁸⁴. When respondents were asked about the public health impact of pack inserts, the most popular response was that smokers would be encouraged to quit, with 52% of those who answered this question selecting this option.
61. This builds on existing evidence and practice, as well as new evidence provided through the consultation, which shows that pack inserts can help more smokers to quit smoking. We estimate in our draft impact assessment for pack inserts that there would be around 30,000 additional successful quits over the first 2 years if pack inserts were introduced for cigarettes and hand rolling tobacco⁸⁵.
62. There is public support for government action on tobacco in Great Britain. Polling in Great Britain in 2023 found that 67% of adults in Great Britain support requiring cigarette packs to include inserts with government mandated information about quitting⁸⁶.

⁸⁰ International Tobacco Control. 2020. [Feb 19, 2020 | Standardised Packaging for Tobacco Products in England: Evidence of Policy Impact from the International Tobacco Control Policy Evaluation Project | English - ITC Project](#)

⁸¹ Thrasher and others. 2015. [Use of Cigarette Package Inserts to Supplement Pictorial Health Warnings: An Evaluation of the Canadian Policy | Nicotine & Tobacco Research | Oxford Academic](#)

⁸² Thrasher and others. 2025. [Changes in smokers' responses to novel efficacy messages inside cigarette packages following Canada's 2024 labeling policy update: A pre-post longitudinal study - ScienceDirect](#)

⁸³ Thrasher and others. 2016. [Cigarette package inserts can promote efficacy beliefs and sustained smoking cessation attempts: A longitudinal assessment of an innovative policy in Canada - ScienceDirect](#)

⁸⁴ Department of Health and Social Care. 2024. [Mandating quit information messages inside tobacco packs: government response - GOV.UK](#)

⁸⁵ Department of Health and Social Care. 2023. [Impact assessment: tobacco pack inserts](#)

⁸⁶ Action on Smoking and Health. 2023. [Public support for Government action on tobacco in Great Britain - ASH](#)

Rationale and evidence to justify the level of analysis used in the IA (proportionality approach)

63. The evidence base for the impact of standardised packaging on products in scope is limited compared to evidence for packaging of cigarettes and hand rolling tobacco. Where it is not possible to use evidence specifically for products in scope, evidence for cigarettes and hand-rolling tobacco has been used as a proxy. Any potential differences have been noted.
64. Due to this limited evidence base, assumptions have been made in the analysis to provide monetised cost estimates. Where assumptions have been made, it is clearly outlined in the impact assessment, with key assumptions tested in sensitivity analysis.
65. Given the limited evidence base in some areas, it has not been possible to identify all differences in impacts between different short-listed options. It has been clearly outlined where impacts differ across options.
66. Several of the assumptions have not been tested with industry at this stage. The UK Government is committed to upholding Article 5(3) of the FCTC which requires FCTC members to protect public health policy from the vested interests of the tobacco industry. To test the assumptions, we have provided thorough quality assurance and sensitivity analysis to provide a robustness check and show their influence on the quantified costs and benefits.
67. We aim to collect additional data for Final Stage impact assessment through consultation and further research.
68. The appraisal period used in this impact assessment is 10 years. We have used the default time horizon as suggested by HMT Green Book⁸⁷ as we do not think there is rationale for extending the appraisal period due to uncertainty of long-term impacts. Some estimates are based on projected consumption and forecasting consumption beyond a 10-year appraisal period would likely decrease the robustness of estimates. We expect the majority of the non-monetised benefits to arise within the appraisal period; however, we are uncertain on when the health gains to individuals may arise and therefore, they could also arise outside of the appraisal period.
69. We have assumed the appraisal period for this policy will be from 2027 to 2036. This assumes the policy will be implemented in 2027, however, this may not occur in practice. In addition, there is likely to be an implementation period, this has not been included in the modelling as it will be consulted on.
70. For this impact assessment we are using a 2024 price base year and a 2027 present value base year. The interpretation of these figures throughout the impact assessment is *'if this measure was introduced in 2027, the costs and figures in 2024 prices would be this much'*.
71. As outlined in the HMT Green Book, a discount rate of 3.5% per year has been used for monetised impacts. Due to data limitations, we have only monetised the costs associated with these measures. In the breakeven analysis for health benefits, we have used the number of life years saved for adult smokers that quits discounted at 1.5%.
72. Due to evidence limitations, a significant proportion of the benefits of the policy are not quantified or monetised in this analysis. As a result, we do not think the presentation of a Net Present Social Value (NPSV) would provide a fair reflection of the overall net impact on society from this policy.

⁸⁷HMT. 2022. The Green Book (2022) - GOV.UK

Interactions

73. The Government's aims to reduce use of tobacco products sits alongside several other measures we propose to introduce through powers within the Tobacco and Vapes Act 2026 and there are other IAs covering these other measures.
74. This IA considers the costs and benefits of the policy in isolation. However, we recognise that other policies implemented through secondary legislation as part of the Tobacco and Vapes Act 2026 are likely to interact with each other.
75. The policies will also likely interact with other external factors and any future tobacco interventions such as changes to smoking cessation services, evolving long term health evidence on products in scope or potential changes in population behaviours or trends.
76. There is limited evidence on how different policies will interact with each other and external factors. How policies interact will also depend on the options taken forward to final impact assessment stage following consultation.
77. Further impact assessments will be developed that will consider if there is any new evidence available to quantify how the policies interact with each other. At this stage we have provided a qualitative assessment of how policies might interact.

Potential interactions

78. Policies aiming to make products in scope less appealing or reduce exposure should be seen as mutually reinforcing. Therefore, implementing these policies together could be expected to have a larger impact on tobacco use rates compared to implementing them in isolation.
79. Vapes are often used as a cessation aid, and therefore, policies which reduce the appeal of vaping products may have unintended consequences. If changes to vape packaging results in vapes being perceived as unappealing or harmful, it could discourage individuals switching from smoking products in scope to vaping, potentially reducing the impact of this policy. This interaction has been considered when deciding the preferred policy position for tobacco and nicotine products. Our aim is to ensure that tobacco and nicotine products are not equated by not imposing the same restrictions on both categories of products (e.g. the preferred position is that tobacco products are packaged in a dissuasive drab brown colour, and nicotine products are packaged in a white colour). Subject to consultation, we are seeking to ensure that while vape packaging will have a reduced appeal, it will not be as dissuasive as tobacco products.
80. Evidence and modelling looking at previous packages of interventions on tobacco found positive and significant impacts across a range of measures^{88 89 90}. However, it is possible that the total impact on use of products in scope is less than the sum of individual policies as the policies will be targeting the same groups of people. For any future impact assessments developed for this policy, we will consider if there is any new evidence available to quantify how this policy interacts with other policies and other external factors.

⁸⁸ Levy and others. 2013. [Tobacco control policy in the UK: blueprint for the rest of Europe?](#)

⁸⁹ Anyanwu and others. 2020. [Impact of UK Tobacco Control Policies on Inequalities in Youth Smoking Uptake: A Natural Experiment Study - PubMed](#)

⁹⁰ Allen and others. 2016. [The effects of maximising the UK's tobacco control score on inequalities in smoking prevalence and premature coronary heart disease mortality: a modelling study - PubMed](#)

Unintended consequences

81. Potential unintended consequences include users of products in scope switch tobacco products.
82. There could also be an increase in illicit activity as a result of the regulations. However, when implemented alongside strong enforcement, evidence shows that previous tobacco control measures have been followed by a decline in illicit tobacco. Overall, consumption of illegal cigarettes has reduced from 17 billion cigarettes in 2000 to 2001 to 3 billion cigarettes in 2022 to 2023⁹¹. And when the age of sale was increased from 16 to 18, the number of illicit cigarettes consumed decreased by 25% from 10 billion in 2005 to 2006 to 7.5 billion in 2007 to 2008⁹². In the long run, we expect less demand for tobacco products will mean less use of illicit tobacco.

Description of options considered

Policy objectives

83. The UK Government, as well as the devolved governments in Scotland, Wales and Northern Ireland, have a duty to protect and improve the health of their citizens. Specifically, all nations are committed to our ambition for a smoke-free UK.
84. The specific policy objectives for introducing standardised packaging and pack inserts for the products in scope is to improve public health by reducing the use of the products and the associated harms. This includes:
 - **Objective 1:** To reduce the appeal or attractiveness of these products to discourage people from starting to use these products, and/or encourage people to use less or give up these products.
 - **Objective 2:** To increase awareness and understanding of the health harms of these products.
 - **Objective 3:** To increase awareness of the benefits of quitting these products and how to quit.
85. These objectives align with wider Government objectives:
 - The Government's manifesto commitment to 'create a smoke-free generation' and 'stop the next generation from being hooked on nicotine'. We also expect these objectives to contribute to the wider government commitments to 'build a National Health Service fit for the future', 'support economic growth' and 'reduce waste'.
 - These objectives also align with the ambitions outlined in the Government's 10 Year Health Plan for England, to "halve the gap in healthy life expectancy between the richest and the poorest regions, while increasing it for everyone, and to raise the healthiest generation of children ever". Many of the described health harms associated with the products in scope contribute to the gap in healthy life expectancy, and reducing use of these products will contribute to achieving this goal.
 - The public health objectives within the Government's Health Mission to

⁹¹ UK Government. 2025. [Measuring tax gaps tables](#) - GOV.UK

⁹² UK Government. 2025. [3. Tax gaps: Excise \(including alcohol, tobacco and oils\)](#) - GOV.UK

‘support people to stay healthier for longer’, ‘shorten the time people spend in ill health’ and ‘shift the health system away from a focus on treatment to one focused on prevention’. By reducing the use of tobacco, we are aiming to prevent long-term health conditions which will improve overall population health in the UK.

- The objective within the Growth Mission to make ‘improvements to economic activity as a result of ill health’. Many of the described health harms associated with the products in scope carry substantial economic harms driven by potential reductions in economic activity as a result of long-term health conditions. Preventing the starting and continued use of these products aims to improve associated economic inactivity.
- The Government has a manifesto commitment to meet our Environment Act targets and work in partnership with civil society, communities and business to restore and protect our natural world. Tobacco has a negative impact on the environment across its lifecycle including the growth of the tobacco plant, tobacco curing, the manufacturing of tobacco products, the distribution, the use and disposal⁹³.

86. Other indicators for success include:

- Strategic fit – the timing and content are complementary to other regulations subsequent to the Tobacco and Vapes Act, as well as other strategic government aims such as the 10-Year Health Plan for England, which Scotland and Northern Ireland are also aligning to, as well as the ‘A Healthier Wales’ strategy for Wales.
- Potential value for money – providing value for money when considering indicators such as; taxpayers money and costs/benefits to society, individual and population level health gains, environmental gains, productivity gains, cost savings to government and individuals, and risks such as costs to businesses, deliverability risks and benefit realisation risks.
- The policy should be achievable and implementable. Capacity, capability and achievability should be considered in both:
 - i. businesses who need to implement necessary measures and deliver this policy in the required time and
 - ii. enforcement agencies who will be required to enforce this change.

Policy options

87. The policy options were selected by assessing a long-list of options against a range of factors, such as, products in scope, size of businesses, how to deliver change, and implementation.

88. The policy options considered in this IA are:

- **Option 1: Business as usual.**
- **Option 2: Align with upcoming restrictions on vapes and nicotine products and no pack inserts.** This option would mirror the proposal that is being consulted on for vape and nicotine product packaging to be white in colour, prohibit logos, promotional text and images, and only permit minimal branding differentiation. The proposal is to make packaging child-resistant and tamper-evident in uniform shapes, with all packaging containing the appropriate warning labels and

⁹³ Novotny and others. 2015. The environmental and health impacts of tobacco agriculture, cigarette manufacture and consumption - PMC

information. Flavour descriptions on packaging would be limited to a single flavour name. It would not require pack inserts to be included in any of the products in scope of the policy.

- **Option 3: Standardise broadly in line with the Standardised Packaging of Tobacco Products Regulations (SPoT) and no pack inserts.** This option would require that all packaging must be Pantone 448 C (a drab dark brown) colour with a matt finish. We propose that all branding will be restricted, so that only certain colours, sizes, fonts and positions on packaging are permitted with no promotional images, logos, or other colours or other markings not required by law. The packaging must consist of a permitted shape (cuboid, cylinder, pouch, soft material), pack opening, and material with no embossing or texture. This option would require that text health warnings are extended to cigarette papers and heated tobacco devices, so they are included on all products. It would not require pack inserts to be included in any of the products in scope of the policy.
- **Option 4: Standardise broadly in line with SPoT and include pack inserts (Preferred option).** This is the same as Option 3 but would require all products except cigarette papers to include pack inserts.
- **Option 5: Standardise broadly in line with SPoT and increase health warnings to at least 75% and include pack inserts.** This would be the same as Option 4 but require the proportion of the packaging to include health warnings to increase from 65% to 75%.

89. Other options considered but discounted included voluntary schemes or guidance and communication campaigns. All options considered but not taken through to the short-list options did not meet the policy objectives and other indicators of success outlined above.

Option 1: 'Business as usual'

90. The business as usual constitutes the baseline against which changes to packaging for products in scope are assessed.
91. In this option, current legislation would still apply for the packaging of all tobacco products, as per The Tobacco and Related Products Regulations 2016 (TRPR)⁹⁴. Products in scope would not be subject to the packaging requirements that cigarettes and hand-rolling tobacco are.
92. There would continue to be no requirement to provide pack inserts in tobacco products in the UK, aside from cigarettes and hand rolling tobacco.

Baseline

93. For this IA, we have estimated the current and future population of people using tobacco products in the BAU option. Baselines only consider those aged 18 and over as sales to those under 18 is currently illegal.

Methodology

94. A baseline for prevalence has been estimated using the following steps:
- A. Estimate the total number of adults in the UK who can legally be sold tobacco between 2027 and 2036
 - B. Estimate the prevalence of adults using each type of tobacco

⁹⁴ UK Government. 2016. The Tobacco and Related Products Regulations 2016

C. Multiply the prevalences by the UK population that can legally be sold tobacco to calculate the population using each type of tobacco

A. Estimate the total number of adults in the UK who can legally be sold tobacco between 2027 and 2036

95. Population projections for the UK during the appraisal period of 2027 to 2036 are based on data from the ONS⁹⁵. The implementation of the smoke free generation in 2027 will increase the minimum age to buy tobacco products by one year every year. Therefore, at implementation in 2027, the legal age to be sold tobacco products is expected to be 19 years and increase to 28 years by 2036. The populations are calculated by summing the male and female populations for a given year, considering the minimum age of sale. The population projections for adults that can legally be sold tobacco products and the minimum age for each year can be seen in Table 1.

Table 1: Population projections for adults that can legally purchase tobacco products and the minimum age for each year

Year	Minimum Age Required to Purchase Tobacco	Population Projection
2027	19	55,598,971
2028	20	55,132,672
2029	21	54,669,468
2030	22	54,194,175
2031	23	53,697,134
2032	24	53,175,585
2033	25	52,634,356
2034	26	52,078,173
2035	27	51,503,485
2036	28	50,908,236

B. Estimate the prevalence of adults using each type of tobacco

96. Estimates of use of cigars, cigarillos, pipe, waterpipe tobacco, bidis, heated tobacco and other smokeless tobacco are based on a study by UCL which estimates the prevalence in England between October 2024 and February 2025⁹⁶. The study has a sample size of 8,129 and is nationally representative, though the data is self-reported, and interviews were only conducted in English. The study is currently pre-published and yet to be peer reviewed. Therefore, these prevalence figures may change in the future.
97. The prevalence figures for adults in England broken down by tobacco type are 1.2% for cigars, 0.6% for cigarillos, 0.4% for pipes, 0.9% for waterpipe, 0.1% for bidis, 0.3% for heated tobacco and 0.4% for other smokeless tobacco. Other smokeless

⁹⁵ ONS. 2025 [Zipped population projections data files, UK](#) - Office for National Statistics

⁹⁶ Jackson and others. 2025. [Prevalence and patterns of different types of non-cigarette tobacco use in England: a population study](#) | medRxiv

tobacco includes chewing tobacco, paan, gutka, snuff and dip. In the absence of UK specific data, it is assumed that prevalence in England is a reasonable proxy for the UK.

98. Prevalence for these products is assumed to remain constant throughout the appraisal period in the “no intervention” scenario. This assumption has been tested by looking at various data sources. Timeseries data from Euromonitor International⁹⁷, a market research company, showed that the number of cigar and pipe tobacco sold had stabilised in recent years. While there was increase in sales of cigarillos, smoking tobacco and fine-cut tobacco at the start of the pandemic, the volumes are returning to pre-pandemic levels. The use of heated tobacco products has been increasing, with data from the Smoking Toolkit Study indicating that prevalence of heated tobacco use in England among those aged 16 and over increased from 0.2% in April 2023 to 0.4% in April 2024⁹⁸. By prevalence, heated tobacco represents approximately 7.9% of use of products in scope, therefore we assume that it is reasonable to assume that prevalence across all products in scope will remain constant over the appraisal period in the “no intervention” scenario. However, this baseline is based on historical trends of prevalence, and external factors, such as social media, could lead to deviations from these historical trends.
99. We omitted snus from analysis as it is illegal to sell within the UK and thus, is not in scope of the standardised packaging policy. Bidis were also omitted from further analysis due to having low prevalence and limited data on their use.
100. To estimate the use of cigarette papers, ONS data on cigarette use has been used⁹⁹. In 2023, cigarette smoking prevalence in England was 11.6%. This includes smokers of hand-rolled cigarettes who will use cigarette papers, and users of factory-made cigarettes.
101. We expect that prevalence of cigarette and hand rolling tobacco smoking will decrease due to the introduction of measures from the Tobacco and Vapes Act 2026, particularly due to a reduction in instigation among those aged 14 to 30¹⁰⁰. To capture this in the baseline for use of cigarette papers, we have applied modelled estimates of smoking prevalence in England considering the impact of the smokefree generation policy across the appraisal period. This prevalence is based on England, and we have assumed it to be a reasonable proxy for the UK and have applied to UK population estimates. However, this may result in an underestimate of cigarette smokers as prevalence of smoking in the UK is slightly higher than England in 2023, with prevalence of 11.9% in the UK and 11.6% in England¹⁰¹.
102. There is limited evidence on the use of herbal tobacco products in the UK. Due to this, we have not included estimates of herbal tobacco in the baseline or in any of the policy options, potentially underestimating the impact and costs of the proposed measures. We will seek to gain further evidence on the use of herbal smoking products in the consultation.

C. Multiply the prevalences by the UK population that can legally be sold tobacco to calculate the population using each type of tobacco

103. The population using each type of tobacco product across the appraisal period was calculated by multiplying the respective year’s population projection figure by the

⁹⁷ Euromonitor. 2024. [Euromonitor International; leads the world in data analytics - Euromonitor.com](https://www.euromonitor.com/leads-the-world-in-data-analytics)

⁹⁸ Smoking Toolkit Study. 2025. [E Cigarettes Latest Trends - Graphs - Smoking in England](#)

⁹⁹ ONS. 2024. [Adult smoking habits in the UK - Office for National Statistics](#)

¹⁰⁰ DHSC. 2024. [Tobacco and Vapes Bill: impact assessment](#)

¹⁰¹ ONS. 2024. [Adult smoking habits in the UK - Office for National Statistics](#)

respective tobacco product prevalence. Table 2 shows the estimated number of people using each tobacco product in each year of the appraisal period. Prevalence of each product does not sum to the prevalence of those who use any of these products as individuals can use more than one type of product in scope.

Table 2: Estimated population using each tobacco type over the appraisal period

Year	Cigar	Cigarillo	Pipe	Waterpipe	Heated Tobacco	Other Smokeless Tobacco	Cigarettes
2027	667,188	333,594	222,396	500,391	166,797	222,396	5,320,822
2028	661,592	330,796	220,531	496,194	165,398	220,531	5,033,613
2029	656,034	328,017	218,678	492,025	164,008	218,678	4,756,244
2030	650,330	325,165	216,777	487,748	162,583	216,777	4,487,278
2031	644,366	322,183	214,789	483,274	161,091	214,789	4,225,964
2032	638,107	319,054	212,702	478,580	159,527	212,702	3,977,534
2033	631,612	315,806	210,537	473,709	157,903	210,537	3,737,039
2034	624,938	312,469	208,313	468,704	156,235	208,313	3,504,861
2035	618,042	309,021	206,014	463,531	154,510	206,014	3,280,772
2036	610,899	305,449	203,633	458,174	152,725	203,633	3,059,585

Limitations and Risks

104. As outlined above, there are several assumptions made when calculating the baseline population that may limit the robustness of the estimates. These include:
 - Due to the absence of suitable alternative data with tobacco type breakdowns, prevalence estimates are taken from a single cross-section in the five months between October 2024 and February 2025.
 - The prevalence estimates from the data are from England which we are assuming is a reasonable estimate for the UK.
 - As the data used for products in scope is cross-sectional, prevalence estimates are kept constant throughout the appraisal period.
105. As mentioned, timeseries data from Euromonitor¹⁰² outlined that while the number of sticks of heated tobacco sold was rising, other observed tobacco types, such as cigars and pipe tobacco, saw little change in volume sold in recent years or leading up to the start of the pandemic. This provides evidence to justify the assumption to keep prevalence constant.

¹⁰² Euromonitor. 2024. [Euromonitor International; leads the world in data analytics - Euromonitor.com](https://www.euromonitor.com/)

Option 2, Option 3, Option 4 and Option 5

Description of options

106. **Option 2: Align with upcoming restrictions on vapes and nicotine products and no pack inserts.** This option would mirror the proposal in the impact assessment for vape and nicotine product packaging to be white in colour, prohibit logos, promotional text and images, and only permit minimal branding differentiation. It would not require pack inserts to be included in any of the products in scope of the policy.
107. **Option 3: Standardise broadly in line with SPoT and no pack inserts.** This option would require that all packaging must be Pantone 448 C (a drab dark brown) colour with a matt finish. We propose that all branding will be restricted, so that only certain colours, sizes, fonts and positions on packaging are permitted with no promotional images, logos, or other colours or other markings not required by law. The packaging must consist of a permitted shape (cuboid, cylinder, pouch, soft material), pack opening, and material with no embossing or texture. This option would require that text health warnings are extended to cigarette papers and heated tobacco devices, so they are included on all products. It would not require pack inserts to be included in any of the products in scope of the policy.
108. **Option 4: Standardise broadly in line with SPoT and include pack inserts (Preferred option).** This is the same as Option 3 but would require all products except cigarette papers to include pack inserts. This is our preferred option.
109. **Option 5: Standardise broadly in line with SPoT and increase health warnings to at least 75% and include pack inserts.** This would be the same as Option 4 but require the proportion of the packaging to include health warnings to increase from 65% to 75%.

Potential impact size

110. Across the short-listed options outlined above, there are likely to be different impact sizes, with the most stringent policy options expected to have greater impact on prevalence. However, there is limited evidence on the impact size of standardised packaging. Therefore, the effect size has not been varied across options. The sensitivity analysis provides a range which may cover the effect size of standardised packaging across the shortlisted options.

Potential impact of standardised packaging

Adult smoking prevalence

111. The impact assessment on standardised packaging of tobacco products¹⁰³ estimated that standardised packaging would reduce adult smoking prevalence by 4.8% after 2 years (2.4% per year). After accounting for other policies introduced around the same time which affected warnings on tobacco packaging, it was assumed that standardised packaging would reduce adult smoking prevalence by 3.8% after two years (1.9% per year). These estimates are based on expert elicitation through a survey which asked expert respondents to state their expectations of change in prevalence two years after the introduction of standardised packaging¹⁰⁴.
112. The post implementation review of standardised tobacco packaging for cigarettes and hand-rolling tobacco showed reductions in adult prevalence and a sustained increase in quit success rates. In the first year, smoking prevalence fell by around

¹⁰³ DHSC. 2015. [Standardised Packaging of Tobacco Products Regulations 2015](#).

¹⁰⁴ Pechey and others. (2013) [Impact of plain packaging of tobacco products on smoking in adults and children: an elicitation of international experts' estimates](#) | BMC Public Health | Full Text

1.4 percentage points, and the average annual decline post-implementation was slightly higher than previous years (-4.8% vs -4% pre-implementation)¹⁰⁵. In addition, a 2021 study reported a significant step reduction in the odds of being a smoker after May 2017 (odds ratio: 0.93)¹⁰⁶. However, these trends reflect the combined impact of SPoT, TRPR and other tobacco control measures, making it challenging to isolate the effect of packaging alone.

113. There is limited evidence on the impact of standardised packaging specific to the products in scope of this legislation. For heated tobacco products, a pre-published study investigated the impact of standardised packaging and flavour names on consumer interest and perceptions of harm relative to cigarettes. The findings indicated that standardised packaging with a plain white background and without altering flavour names, had little effect on adults' interest in trying heated tobacco products¹⁰⁷. This contrasts with evidence on cigarettes and may be due to the study being based on a white background rather than the pantone colour used for standardised packaging of cigarettes. The study did not measure how perceptions and interest in products translated into behaviours such as use of heated tobacco products.
114. Given the limited evidence of standardised packaging on prevalence across products in scope, we have used estimates of the impact of standardised packaging on cigarettes and hand-rolling tobacco as a proxy to estimate the effect size of the proposed measures. We recognise that implementing standardised packaging for products in scope may not have the same impact as the policy had on cigarettes and hand rolling tobacco, and there may be variation across products in scope and across policy options.
115. The impact size of 1.9% per year for 2 years is being used instead of the 2.4% as there may be other policies on tobacco introduced around the same time. We have assumed that half of the reduction in prevalence occurs in the first year of standardised packaging and the other half in the second year as it would be unrealistic to assume no change in prevalence for two years followed by a step change in prevalence. While we do not expect the mechanisms by which standardised packaging results in changes to prevalence to end after 2 years, we have not estimated the reduction in prevalence beyond the second year. We do not have evidence of the impact beyond 2 years and to prevent overestimating the impact of this policy on reduction in prevalence, we have limited the impact to 2 years only.
116. Table 3 shows the estimated reduction in the number people using each type of tobacco product in year 1 of the policy compared to the baseline and Table 4 outlines the estimated reduction in the number of smokers using each type of tobacco in year 2 of the policy compared to the baseline where standardised packaging is not introduced.

¹⁰⁵ DHSC. 2022. [The Standardised Packaging of Tobacco Products Regulations 2015: post-implementation review - GOV.UK](#)

¹⁰⁶ Opazo Breton and others. (2021). [Was the implementation of standardised tobacco packaging legislation in England associated with changes in smoking prevalence? A segmented regression analysis between 2006 and 2019 | Tobacco Control](#)

¹⁰⁷ Ebdon and others. 2025. [PsyArXiv Preprints | Examining the effect of standardised packaging and limited flavour descriptors on appeal and harm perceptions of heated tobacco products](#)

Table 3: Estimated impact of standardised packaging policy in year 1 (2027) compared to the baseline

Tobacco Product	Baseline (2027)		With Standardised Packaging in year 1 (2027)		
	Prevalence	Number of smokers	Prevalence	Number of smokers	Reduction in smokers from policy
Cigar	1.2%	667,188	1.18%	654,638	12,549
Cigarillo	0.6%	333,594	0.59%	327,319	6,275
Pipe	0.4%	222,396	0.39%	218,213	4,183
Waterpipe	0.9%	500,391	0.88%	490,979	9,412
Heated Tobacco	0.3%	166,797	0.29%	163,660	3,137
Other Tobacco	0.4%	222,396	0.39%	218,213	4,183

Table 4: Estimated impact of standardised packaging policy in year 2 (2028) compared to the baseline

Tobacco Product	Baseline (2028)		With Standardised Packaging in year 2 (2028)		
	Prevalence	Number of smokers	Prevalence	Number of smokers	Reduction in smokers from policy
Cigar	1.20%	661,592	1.16%	636,938	12,210
Cigarillo	0.60%	330,796	0.58%	318,469	6,105
Pipe	0.4%	220,531	0.39%	212,313	4,070
Waterpipe	0.9%	496,194	0.87%	477,703	9,158
Heated Tobacco	0.3%	165,398	0.29%	159,234	3,053
Other Tobacco	0.40%	220,531	0.39%	212,313	4,070

117. As previously outlined, the prevalence of smoking in the baseline with 'no intervention' remains constant, however, the population of smokers decline over the appraisal period to capture the impact of the increase in age of sale of tobacco products. In Table 4 above, the reduction in smokers from policy in year 2 does not equal the difference between the number of smokers in the baseline and the number of smokers after the second year of the standardised packaging policy. This is because in the policy scenario, there has already been a reduction in prevalence from the year 1 of implementing standardised packaging legislation. Table 5 outlines the total reduction in number of smokers from standardised packaging across 2-years of implementation.

Table 5: Estimated impact of standardised packaging policy across 2 years of implementation

Tobacco Product	Reduction in smokers from standardised packaging
Cigar	24,760
Cigarillo	12,380
Pipe	8,253
Waterpipe	18,570
Heated Tobacco	6,190
Other Tobacco	8,253

118. We have not quantified the impact of standardised packaging on the reduction in smoking for cigarette papers. Hand rolling tobacco - which cigarette papers are typically used for – was included in previous legislation¹⁰⁸ and so is already subject to standardised packaging. Therefore, users of cigarette papers are already exposed to standardised packaging and the associated benefits through hand-rolling tobacco. While we expect standardised packaging of cigarette papers to reduce the appeal and reduce misconceptions about the harms of cigarette papers, we have limited evidence to quantify the impact of this on reduction in use.
119. For heated tobacco, packaging of heated tobacco devices and heated tobacco sticks are in scope of this regulation. However, to prevent double counting of impact of standardised packaging, we have not assessed the impact of packaging on both heated tobacco sticks and devices separately. We have assumed that standardised packaging will have the same impact on heated tobacco prevalence as other products with a reduction in use of 1.9% per year over 2 years.
120. Implementing standardised packaging for products in scope may not have the same impact as the policy had on cigarettes and hand rolling tobacco, therefore, we recognise there could be a risk that it will not reflect what could happen in practice. Given the uncertainty in this figure, we have tested the impact size in sensitivity analysis to reflect a scenario with both higher and lower prevalence reductions.

Youth smoking prevalence

121. In the impact assessment on SPoT¹⁰⁹, it was estimated that standardised packaging would result in an 11% reduction in the proportion of 11–15-year-olds who have ever smoked cigarettes or hand rolling tobacco. However, these estimates have not been applied to this analysis due to limited evidence on the prevalence of those aged 11–15 using products in scope.
122. The evidence from SPoT suggests that standardised packaging may help reduce the number of young people that use products in scope, and therefore, the impact of this policy and the subsequent benefits may be larger than described in this OA.

Potential impact of pack inserts

Proportion reading inserts

¹⁰⁸ DHSC. 2015. Standardised Packaging of Tobacco Products Regulations 2015.

¹⁰⁹ DHSC. 2015. Standardised Packaging of Tobacco Products Regulations 2015.

123. In Canada, packets of cigarettes have been required to enclose pack inserts with positive health information since 2012¹¹⁰. The estimated effect size of pack inserts in products in scope is based on an evaluation of the implementation of Canada's policy on pack inserts.
124. Evaluation of the Canadian policy analysed data from an online consumer panel of over 2,000 adult smokers, surveyed between September 2012 and January 2014¹¹¹. Reading inserts a few times or more was significantly associated with increased likelihood of making a quit attempt.
125. Evidence from Thrasher and others found that between 16% and 19% of smokers were reading pack inserts a few times or more in the past month of the study. To prevent overestimating the impact of the pack inserts, the lower estimate of 16% has been used in this analysis. Throughout this analysis, we have termed those that are expected to read inserts a few times or more if introduced as the 'readership cohort'.
126. We have assumed that those who do not read pack inserts a few times or more will be no more likely to quit than in the baseline scenario. Therefore, in the analysis of the impact of pack inserts, we have only considered the cohort of users that would read inserts a few times or more and the quit behaviour of this cohort if inserts are not implemented. This assumption may result in an underestimate of the impact as there is some evidence that pack inserts increase quit attempts among those reading inserts just once in the last month. However, the impact of pack inserts among this group was not statistically significant in the study by Thrasher and others, so has not been included in this analysis.
127. As the study by Thrasher and others was conducted over 2 years, we have estimated the impact over a 2-year period. Pack inserts may have an impact on adults quitting beyond 2-years, however, it is likely that the impact over time would be reduced due to familiarity with inserts. With limited evidence on the impact beyond 2 years and to prevent overestimating the impact of this policy on quits, we have only analysed the impact of pack inserts for 2 years. Therefore, to estimate the number of people reading inserts, we apply an estimate that 16% of users of products in scope will read inserts a few times or more to the projected populations smoking each tobacco product in 2027 and 2028.

Additional quit attempts due to inserts

128. Based on evidence from Thrasher and others¹¹², those reading inserts a few times or more in the last month had an odds ratio of making a quit attempt of 1.57 [95% CI: 1.16 – 2.11] compared to those who did not read inserts.
129. In a separate study¹¹³, data was analysed from surveys from a prospective online consumer panel of Canadian smokers and there were similar findings. Those who read pack inserts two or more times were more likely to make a quit attempt, with adjusted odds ratio of 1.68 [95% CI: 1.28 – 2.19]. To prevent overestimating the impact of pack inserts, the lower odds of 1.57 has been used.
130. Evidence also suggests that smokers already intending to quit had higher odds of reading inserts compared to those not intending to quit, with an odds ratio of 1.23

¹¹⁰ Thrasher and others. 2014. [The use of cigarette package inserts to supplement pictorial health warnings: an evaluation of the Canadian policy.](#)

¹¹¹ Thrasher and others. 2014. [The use of cigarette package inserts to supplement pictorial health warnings: an evaluation of the Canadian policy.](#)

¹¹² Thrasher and others. 2014. [The use of cigarette package inserts to supplement pictorial health warnings: an evaluation of the Canadian policy.](#)

¹¹³ Thrasher and others. 2016. [Cigarette package inserts can promote efficacy beliefs and sustained smoking cessation attempts: A longitudinal assessment of an innovative policy in Canada - PMC](#)

[95% CI: 1.04 – 1.43]¹¹⁴. To avoid overestimating the number of additional quits expected from pack inserts, the odds ratio of 1.57 has been reduced by 20% to account for optimism bias and other factors that may have contributed to a quit attempt. Therefore, this analysis uses an odds ratio of making a quit attempt of 1.46 for those reading inserts a few times or more¹¹⁵.

131. Among those in the readership cohort, many will make a quit attempt regardless of inserts. Attributing these quits to pack inserts would overestimate the effect size of the policy. Therefore, we have estimated the proportion of the readership cohort that would quit without inserts. Based on estimates from the Smoking Toolkit Study¹¹⁶, 37.8% of smokers attempted to make a quit attempt in 2024. We have multiplied this value by the projected number of users in the readership cohort for each product to estimate quit attempts in the absence of inserts.
132. Table 6 outlines the expected additional quits in 2027 attributable to inserts and Table 7 outlines this for 2028.

Table 6: Additional quit attempts attributable to pack insert by product, 2027

Inputs	Cigar	Cigarillo	Pipe	Waterpipe	Heated Tobacco	Other smokeless
Adults that use each product (2027)	667,188	333,594	222,396	500,391	166,797	222,396
Readership cohort that would read inserts a few times or more	106,750	53,375	35,583	80,063	26,688	35,583
Quit attempts in the readership cohort without inserts	40,352	20,176	13,451	30,264	10,088	13,451
Quit attempts in the readership cohort with inserts	50,114	25,057	16,705	37,585	12,528	16,705
Additional quits attempts from pack inserts	9,762	4,881	3,254	7,322	2,441	3,254

¹¹⁴ Thrasher and others. 2014. [The use of cigarette package inserts to supplement pictorial health warnings: an evaluation of the Canadian policy.](#)

¹¹⁵ $1 + ((1.57 - 1) \times (1 - 0.2)) = 1.46$

¹¹⁶ Smoking Toolkit Study. 2025. [Top Line Findings - Graphs - Smoking in England](#)

Table 7: Additional quit attempts attributable to pack insert by product, 2028

Inputs	Cigar	Cigarillo	Pipe	Waterpipe	Heated Tobacco	Other smokeless
Adults that use each product (2028)	661,592	330,796	220,531	496,194	165,398	220,531
Readership cohort that would read inserts a few times or more	105,855	52,927	35,285	79,391	26,464	35,285
Quit attempts in the readership cohort without inserts	40,013	20,007	13,338	30,010	10,003	13,338
Quit attempts in the readership cohort with inserts	49,693	24,847	16,565	37,270	12,423	16,565
Additional quits attempts from pack inserts	9,680	4,840	3,227	7,260	2,420	3,227

133. To estimate the number of quit attempts that are successful, we have used data from the Smoking Toolkit Study which outlines that in England in 2024, the success rate for quitting among those who tried was 27.1%¹¹⁷. This is multiplied by the additional quit attempts from pack inserts to estimate the successful quits from inserts. It is assumed that inserts do not change the success rate of quit attempts, however, if inserts direct smokers to Local Stop Smoking Services (LSSS), this could increase the proportion of those making a quit attempt that are successful.
134. However, a proportion of those that successfully quit may relapse and return to smoking. Evidence shows that the proportion of smokers that relapse after quitting varies depending on how long smokers stay abstinent. For example, a longitudinal survey of ex-smokers recruited as part of the International Tobacco Control (ITC) Four Country Survey (Australia, Canada, UK, and USA)¹¹⁸ showed that 78% of smokers that stayed abstinent for 1-7 days relapsed, compared to 5% of smokers that had stayed abstinent for more than 2 years.
135. The Smoking Toolkit Study does not tell us how long those that successfully quit have quit remained abstinent with a successful quit defined as a smoker who attempted to quit in the past year and is still quit at the time of the survey. We have assumed that the quit attempts are randomly distributed throughout the year, with the average quitter being abstinent for 6 months. The ITC study finds that:
- Among those abstinent for 1–6 months, around 42% are estimated to relapse in the following year.
 - Among those abstinent for 6–12 months, around 22% are estimated to relapse in the following year.
136. Based on these estimates, we have taken the midpoint, 32%, to calculate the proportion of smokers that will relapse after 6 months. This is applied to the estimated number of successful quits associated with pack inserts.
137. Table 8 shows the estimated number of additional quit attempts for each type of tobacco product and the number of additional successful quits over 2 years.

¹¹⁷ Smoking Toolkit Study. 2025. [Top Line Findings - Graphs - Smoking in England](#)

¹¹⁸ [Herd and others. 2015. Predictors of smoking relapse by duration of abstinence: findings from the International Tobacco Control \(ITC\) Four Country Survey - PMC](#)

Table 8: Estimated number of successful quits over 2 years of each type of tobacco product due to pack inserts

Effect size of pack inserts	Cigar	Cigarillo	Pipe	Waterpipe	Heated Tobacco	Other smokeless
Additional quits attempts from pack inserts	19,443	9,721	6,481	14,852	4,861	6,481
Additional successful quits due to inserts	3,583	1,791	1,194	2,687	896	1,194

138. The evaluation from Thrasher and others¹¹⁹ is based on the impact of pack inserts on cigarette smoking and we recognise that pack inserts may not have the same effect on all tobacco products. Without specific evidence of the impact of pack inserts across product types, the evidence of impact on cigarettes is assumed to be a reasonable proxy.
139. The evidence on effects of pack inserts is also based on evidence from Canada. It is assumed that this is a reasonable proxy for the UK due to similar prevalence of use of products in scope¹²⁰.
140. The success rate of those making a quit attempt is also based on cigarette smokers. There is limited UK evidence of the success rate of cessation attempts for products in scope. However, a study in the US on cigar cessation found that successful cessation of cigars at 6-months was 30% in 2018/19¹²¹. Based on this, the data from the smoking toolkit study is assumed to be a reasonable proxy for the successful quit rate of those making an attempt for products in scope.
141. Pack inserts are included in shortlisted options 4 and 5 outlined in paragraph 88. While the external packaging differs in these options, the pack inserts are not expected to be more stringent in one option than the other. Therefore, the impact of pack inserts has not been varied across these options.
142. Due to the size of packs of cigarette papers, we are currently looking at feasible ways of including inserts in these products, however, at this stage, pack inserts have not been included in this analysis.
143. As with the impacts of standardised packaging, we have estimated the impact of pack inserts across heated tobacco users rather than on both heated tobacco sticks and heated tobacco devices to prevent overestimating the impact of inserts on quits.
144. Herbal smoking products have not been included in this analysis due to limited evidence on prevalence of use in the UK.

Interaction of standardised packaging and pack inserts

145. Pack inserts and standardised packaging achieve objectives through different mechanisms. Standardised packaging aims to reduce the appeal of products and bring in line with other cigarettes and hand-rolling tobacco to reduce the misconception of harm. Pack inserts aim to increase awareness of benefits of quitting and the support available to successfully quit.
146. Based on this, we have assumed that each intervention will deliver a unique reduction in smoking prevalence. Therefore, for shortlisted Option 4 and Option 5,

¹¹⁹ Thrasher and others 2014. [The use of cigarette package inserts to supplement pictorial health warnings: an evaluation of the Canadian policy.](#)

¹²⁰ Reid and others. 2022. [Tobacco Use in Canada: Patterns and Trends](#)

¹²¹ Blakney and others. 2024. [Cigar Cessation Prevalence and Trends by Demographic Characteristics Among US Adults, TUS-CPS, 2010–2019 - PMC](#)

where both standardised packaging and pack inserts would be introduced, we have used the sum of the reduction of smoking from standardised packaging and pack inserts. The estimated reduction in use across options over 2 years is outlined in Table 9.

Table 9: Estimated reduction of use of products across options across 2 years

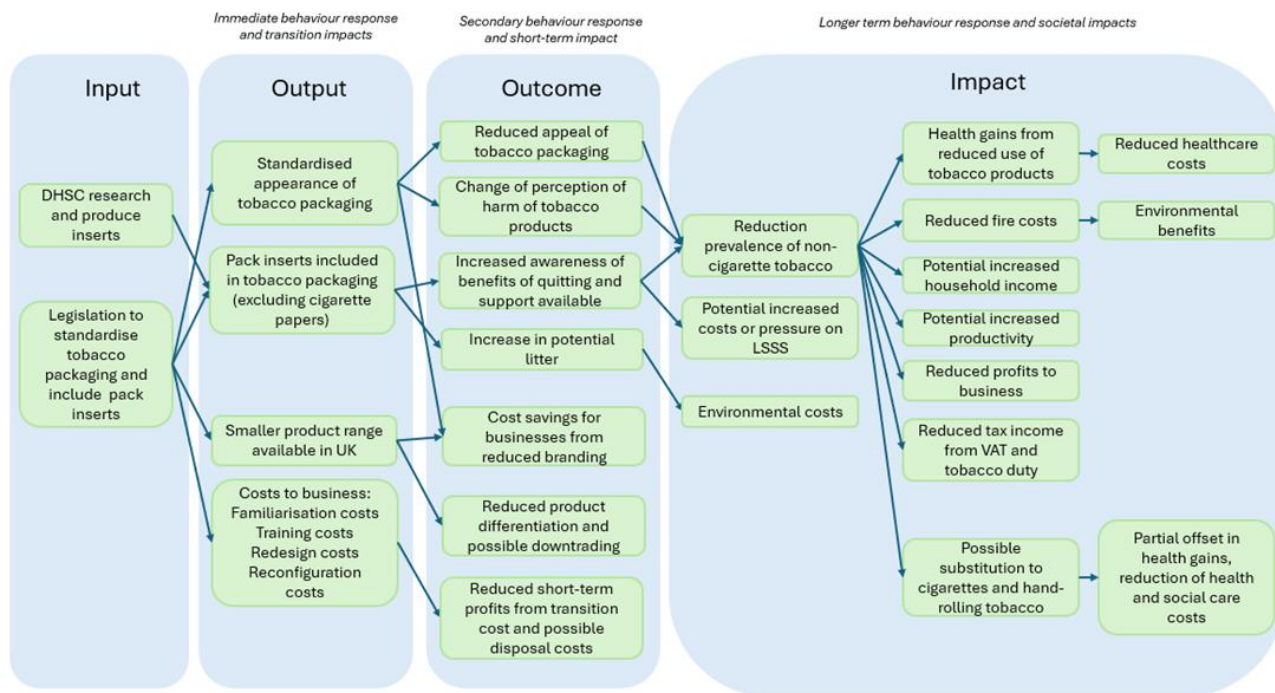
Tobacco Product	Option 2	Option 3	Option 4	Option 5
Cigar	24,760	24,760	28,343	28,343
Cigarillo	12,380	12,380	14,171	14,171
Pipe	8,253	8,253	9,448	9,448
Waterpipe	18,570	18,570	21,257	21,257
Heated Tobacco	6,190	6,190	7,086	7,086
Smokeless	8,253	8,253	9,448	9,448

147. However, pack inserts and standardised packaging measures target the same population of smokers and may work together as a package of interventions to reduce quits. This means that our assumption that impacts of standardised packaging and pack inserts are fully additive and may be an overestimate in this regard. We have estimated the scenario where the impact of these interventions is not fully additive in sensitivity analysis.

Costs and benefits

148. The costs and benefits of these options were identified through the production of the logic model in Figure 1.
149. The logic model refers to tobacco packaging and products, this is referring to tobacco products, herbal smoking products, cigarette papers and heated tobacco devices. This excludes cigarettes and hand rolling tobacco, which are already subject to standardised packaging requirements.

Figure 1: Logic model



150. If the policy is successful, the main benefits are anticipated to accrue through:

- Health-related quality of life benefits to individuals from reduced use of tobacco products
- Reduction in wider societal costs associated with smoking such as healthcare costs, loss of productivity, fire costs and second-hand smoke
- Cost savings for businesses associated with loss of scope for branding
- Consumer surplus

151. The main categories of costs considered are:

- Familiarisation costs
- Cost of redesign and producing packaging
- Costs of producing and researching inserts
- Costs associated with an increase in transaction time
- Costs associated with training and reconfiguration
- Costs to manufacturers, wholesalers and retailers from reduced profits
- Reduction in tobacco duty
- Costs associated with enforcing packaging

152. Due to a lack of data and evidence, it has not always been possible to estimate the specific impacts that each option will have. For example, more stringent packaging requirements could deter more people from using the products in scope of the policy, however, we are unable to estimate a specific impact size. Where that is the case, the estimated cost or benefit are estimated and presented for all options together. Where it has been possible to provide different estimates for each option, the estimate for each option is clearly set out.

Non-monetised benefits

153. Due to limited evidence available for products in scope, there are no monetised benefits. Non-monetised benefits have been provided and where possible relevant evidence has been drawn upon to provide a sense of scale. This includes breakeven analysis where we have estimated the number of quits required for the health benefits to individuals to offset the estimated costs of the options.

Health benefits for individuals

Smoking tobacco

154. Studies focused on the health impacts of smoking have found cigar and pipe smokers have increased risk of all-cause mortality, increased rates of smoking-related cancers¹²², cardiovascular disease, and respiratory conditions compared to never-smokers¹²³. Even without inhalation, taking tobacco smoke into the mouth exposes the mouth, pharynx and oesophagus to toxic compounds¹²⁴. There is also an increased risk between use of waterpipe and lung cancer and oesophageal cancer¹²⁵.
155. Cigar, pipe and waterpipe use are associated with increased risk of cardiovascular disease. There is evidence of higher incidence of heart attacks, stroke, and vascular disease among cigar and pipe smokers compared to never smokers¹²⁶. There is also association between chronic obstructive pulmonary disease (COPD) and long-term pipe and cigar smoking¹²⁷. For waterpipe smoking, there is evidence that the short-term impacts include increased heart rate, blood pressure and arterial stiffness¹²⁸. While there is evidence that long-term waterpipe use increases cardiovascular disease risk, the evidence is mostly based on studies from the Middle East and South East Asia and have low sample sizes^{129 130}. Therefore, the relevance of these findings to the UK may be limited.
156. While much of the evidence of the health harms of cigars is on the comparison between cigar users and never smokers, there is also evidence that some of the health risks are reduced for former cigar smokers¹³¹. Therefore, there are expected to be health benefits for those that stop smoking cigars and pipe tobacco due to standardised packaging and pack inserts.

Smokeless tobacco

157. Evidence outlines that smokeless tobacco products, such as chewing tobacco and snuff, are associated with increased health risks. A review by the International Agency for Research on Cancer found that there is sufficient evidence to conclude that smokeless tobacco causes cancers of the oral cavity and pancreas and classifies smokeless tobacco as a group 1 carcinogen¹³². In addition to cancer risks,

¹²² Shaper and others. 2003. [Pipe and cigar smoking and major cardiovascular events, cancer incidence and all-cause mortality in middle-aged British men](#) | International Journal of Epidemiology | Oxford Academic

¹²³ Sharma and others. 2024. [Respiratory symptoms and outcomes among cigar smokers: findings from the Population Assessment of Tobacco and Health \(PATH\) study waves 2–5 \(2014–2019\)](#) - PMC

¹²⁴ Mead and others. 2022. [Health Effects of Premium Cigars - Premium Cigars](#) - NCBI Bookshelf

¹²⁵ Darawshy and others. 2021. [Waterpipe smoking: a review of pulmonary and health effects](#) - PMC

¹²⁶ Shaper and others. 2003. [Pipe and cigar smoking and major cardiovascular events, cancer incidence and all-cause mortality in middle-aged British men](#) | International Journal of Epidemiology | Oxford Academic

¹²⁷ Columbia University Irving Medical Center. 2010. [Pipe & Cigar Smokers Show Early Signs Of Lung Disease](#) | Columbia University Irving Medical Center

¹²⁸ Darawshy and others. 2021. [Waterpipe smoking: a review of pulmonary and health effects](#) - PMC

¹²⁹ Bhatnagar and others. 2019. [Water Pipe \(Hookah\) Smoking and Cardiovascular Disease Risk: A Scientific Statement From the American Heart Association](#) - PMC

¹³⁰ Darawshy and others. 2021. [Waterpipe smoking: a review of pulmonary and health effects](#) - PMC

¹³¹ Mead and others. 2022. [Health Effects of Premium Cigars - Premium Cigars](#) - NCBI Bookshelf

¹³² International Agency for Research on Cancer. 2008. [IARC Monographs on the Evaluation of Carcinogen Risks to Humans, vol 89](#).

smokeless tobacco is also associated with oral health problems with evidence of increased risk of tooth decay and tooth loss compared to those that do not use smokeless tobacco^{133 134}.

158. Evidence also indicates that nicotine in smokeless tobacco increases heart rate and blood pressure and may impact risk of cardiovascular diseases and mortality. A meta-analysis found increased risk of fatal myocardial infarction and fatal stroke compared to never smokers in Sweden and the US¹³⁵. However, the evidence on impact may vary internationally with other studies finding increased risks of heart disease and stroke compared to non-users in some countries while other countries do not present an increased risk among smokeless tobacco users¹³⁶.
159. There is also evidence that smokeless tobacco affects reproductive health. Infants born to women who use smokeless tobacco in pregnancy have higher risk of stillbirth, pre-term birth and low birth weight^{137 138}.

Heated tobacco

160. Heated tobacco products are relatively new products, resulting in limited evidence on their long-term effects. An independent meta-analysis reviewed biomarkers of potential harm and found mixed results, with no clear indication of the relative risks or benefits of heated tobacco compared to cigarettes¹³⁹. However, data suggests that heated tobacco products have the potential to be harmful and that potential benefits to smokers switching to heated tobacco products may be restricted to a small number of biomarkers. This study raised concerns about bias, with 32 of the 40 studies included had high risk of bias, and unclear bias on the remaining 8. Most studies in the meta-analysis were short with the longest being 12 months but most lasting 5 days or less. Also, only 1 study assessed the impact of heated tobacco products to non-smokers.
161. Therefore, while it is possible that heated tobacco products expose users to fewer toxins than cigarettes, heated tobacco products contain many of the same harmful chemicals as combustible tobacco and are harmful to health.

Herbal smoking products and cigarette papers

162. Herbal smoking products do not contain nicotine, but a review comparing herbal cigarettes to tobacco outlines they do expose the consumer to carcinogenic (cancer-causing) and mutagenic (gene-changing) compounds and gases including carbon monoxide¹⁴⁰.
163. Cigarette papers include anything intended to be used for encasing tobacco products or herbal smoking products for the purpose of enabling them to be smoked. Burning cigarette papers with bleaches and dyes adds to the volume of smoke and

¹³³ Muthukrishnan and others. 2018. [Oral health consequences of smokeless tobacco use - PMC](#)

¹³⁴ ASH. 2016. [Tobacco and Oral Health](#).

¹³⁵ Boffetta and others. 2009. [Use of smokeless tobacco and risk of myocardial infarction and stroke: systematic review with meta-analysis | The BMJ](#)

¹³⁶ Rostron and others. 2018. [Smokeless tobacco use and circulatory disease risk: a systematic review and meta-analysis - PMC](#)

¹³⁷ Tsiapakidou and others. 2023. [The potential impact of tobacco use on female fertility and pregnancy outcomes: An invited scientific review by EBCOG](#)

¹³⁸ World Health Organisation. 2013. [Executive Summary - WHO Recommendations for the Prevention and Management of Tobacco Use and Second-Hand Smoke Exposure in Pregnancy - NCBI Bookshelf](#)

¹³⁹ Braznell and others. 2024. [Impact of heated tobacco products on biomarkers of potential harm and adverse events: a systematic review and meta-analysis | Tobacco Control](#)

¹⁴⁰ Rahman and others. 2022 [How Do Herbal Cigarettes Compare To Tobacco? A Comprehensive Review of Their Sensory Characters, Phytochemicals, and Functional Properties](#)

the range of toxicants in the smoke. Research on cigarette smoking found that cigarette papers can contribute additional risks to smokers¹⁴¹.

Wider societal benefits of fewer people using products in scope

164. There are many wider benefits associated with a reduction in smoking, including products in scope. Previous tobacco control legislation has found that a reduction in smoking has had significant impacts on healthcare usage and productivity.

Reduction in productivity costs

165. While there is evidence of the impact of smoking generally on productivity, there is limited evidence specific to the products in scope. A systematic review and meta-analysis which included smoking of cigarette, pipes, and cigars, found that smokers are more likely to take time off work due to sickness. Smokers had an absenteeism rate 33% higher than non-smokers and take an extra 2.7 sick days per year¹⁴². There is also evidence that smoking is associated with lower probability of being employed¹⁴³ and is related to presenteeism, where people go to work despite poor health which results in lower performance¹⁴⁴.
166. ASH estimates the costs of smoking on productivity in England at £18 billion per year¹⁴⁵. This is based on lost productivity from smoking-related early deaths, reduced employment levels for smokers compared to non-smokers, and reduced earnings for smokers compared to non-smokers. However, with limited evidence across tobacco types, we have not estimated the proportion of this cost that is attributed to the products in scope, or the potential impact from fewer smokers of these products on productivity costs.

Reduction in health and social care costs

167. If prevalence of tobacco use falls, there are expected to be health gains for individuals. If so, it is expected that demand on health and social care services will be reduced.
168. While there is some evidence on the costs of smoking on healthcare services and social care in the UK, there is limited evidence across different types of tobacco. There is some international evidence of the costs of cigars and smokeless tobacco use on healthcare services¹⁴⁶ ¹⁴⁷. However, due to differences in healthcare structure and costs, we have not used international costing estimates to quantify the healthcare costs associated with different types of tobacco use in the UK.
169. ASH estimates the cost of all smoking to healthcare in England at £1.82 billion per year and social care costs of £1.14 billion¹⁴⁸. However, we have not estimated the proportion of these costs associated with tobacco products in scope or the reduction in healthcare costs that may occur from proposed measures.

Reduction in fire costs

¹⁴¹ Zumbado and others. 2019 [Differential exposure to 33 toxic elements through cigarette smoking, based on the type of tobacco and rolling paper used](#)

¹⁴² Weng and others. 2012. [Smoking and absence from work: systematic review and meta-analysis of occupational studies](#) - Weng - 2013 - [Addiction](#) - Wiley Online Library

¹⁴³ ASH, 2020. [SmokingEmployability_2022-03-22-165618_kcir.pdf](#)

¹⁴⁴ Lee and others. 2021. [Impacts of heavy smoking and alcohol consumption on workplace presenteeism: A cross-sectional study](#) - PMC

¹⁴⁵ ASH. 2025. [ASH Ready Reckoner](#) - ASH

¹⁴⁶ Wang and others. 2018. [Health Care Utilization and Expenditures Attributable to Cigar Smoking Among US Adults, 2000-2015](#) - PMC

¹⁴⁷ Wang and others. 2017. [Health Care Utilization and Expenditures Attributable to Smokeless Tobacco Use Among US Adults](#) - PMC

¹⁴⁸ ASH. 2025. [ASH Ready Reckoner](#) - ASH

170. ASH estimates the costs of fires associated with smoking at £332 million per year in England¹⁴⁹. This is comprised of the costs of fatalities, injuries, property damage, and response costs or fires caused by smoking.
171. We have not quantified the costs of fires associated with products in scope or the reduction in fire costs associated with standardised packaging legislation due to limited evidence across types of tobacco. Also, many of the products in scope are smokeless and therefore are not directly associated with fires.

Reduction in second-hand smoking

172. Second-hand smoke (SHS) comes from burning tobacco products, including cigars, pipes and waterpipes. SHS exposure occurs when people breathe in smoke breathed out by those who smoke or from the burning tobacco products. SHS is harmful to anyone, with children being particularly vulnerable to health conditions caused by SHS exposure¹⁵⁰. A reduction in the rates of smoking tobacco (cigar, pipe, waterpipe) is expected to reduce SHS exposure.
173. Previous impact assessments of tobacco control policies¹⁵¹ have reviewed the evidence available to quantify the economic impact of SHS exposure and estimate the benefits any reduction in exposure would bring. This includes estimates from the Royal College of Physicians (RCP) of the cost of admitted patient care in children attributable to smoking in England in 2015/16¹⁵². The cost range was based on two estimates of the percentage of children exposed to SHS. The RCP estimate that exposure of children to passive smoking costs the NHS in England between £5 million and £12 million in hospital costs per year.
174. We have not been able to estimate the proportion of the costs of SHS exposure that is attributable to products in scope of this legislation, or the reduction in costs associated with standardised packaging and pack inserts. Therefore, we have not included the benefits associated with a reduction of SHS exposure in the NPSV or EANDCB.

Cost savings to businesses through reduced branding of products

175. The impact assessment for SPoT identifies that there could be cost savings for businesses as costs of branding would not be incurred.
176. The study by RAND Europe assessing the impacts of Revising the Tobacco Products Directive found that the additional ongoing costs of ¹⁵³~~to be~~. Analysis of Canada's regulations of standardised packaging also expected that there would be long-term savings for manufacturers from reduced printing costs¹⁵⁴.
177. The impact assessment on SPoT¹⁵⁵ found a possible saving of between 1 and 3 pence per cigarette packaging from lower input costs associated with standardised packaging. Based on the estimated number of transactions outlined in Table 21, if the cost saving of printing across tobacco products was similar to cigarettes, the reduction in branding costs is estimated at between £3.5 million and £10 million per year, approximately £30.2 million to £90.7 million across the appraisal period after discounting.

¹⁴⁹ ASH. 2025. [ASH Ready Reckoner - ASH](#)

¹⁵⁰ NHS. [Passive smoking - NHS](#). Reviewed 2025.

¹⁵¹ DHSC. 2015. [Standardised Packaging of Tobacco Products Impact Assessment](#)

¹⁵² Royal College of Physicians. 2018. [Hiding in Plain Sight](#)

¹⁵³ Tiessen, J and others. 2010. [Assessing the impacts of revising the Tobacco Products Directive: study to support a DG SANCO Impact Assessment](#). Cambridge: RAND Europe.

¹⁵⁴ Government of Canada. 2019. [Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations \(Plain and Standardized Appearance\)](#)

¹⁵⁵ DHSC. 2015. [Standardised Packaging of Tobacco Products Regulations 2015](#).

178. This cost reduction is expected to be incurred by manufacturers of tobacco products. Data from the ONS Annual Business Counts outlines that there were ¹⁵⁶106,000 tobacco businesses in the UK. Therefore, some of the businesses that will face cost savings are based in the UK, however, we have identified data to enable estimates of the proportion of cost savings to UK based manufacturers.
179. We also do not have estimates of the cost savings from a reduction in branding specific to the products in scope; therefore, this has not been monetised in the impact assessment. At final stage, we will review any additional data that becomes available through consultation.

Consumer surplus

180. The branding of tobacco packaging is expected to contribute to the pleasure associated with smoking with many smokers willing to pay a premium for tobacco branding¹⁵⁷. Removal of desired features can be considered as a loss to the consumer, termed as a loss of 'consumer surplus'. However, due to the addictive nature of tobacco products, applying the concept of consumer surplus is more complex.
181. It is expected that rational consumers would consider a trade-off between the utility gained from use of products in scope and the health harms of smoking. Activities that make products less appealing or reduce the pleasure of use, such as removal of branding, would alter the trade-off and a lower level of smoking would become optimal. However, with addictive products such as those in scope of this legislation, from the first use, individuals can lose autonomy through addiction to nicotine¹⁵⁸. Many of those that smoke tobacco would like to stop smoking with 55.9% of current smokers in the UK in 2023 intending to quit¹⁵⁹. However, it can take many attempts to stop smoking, a study based in Canada suggests that on average smokers of cigarettes attempt to quit 29.6 times before successfully quitting¹⁶⁰. Therefore, the trade-off between the utility and harms of smoking may not be based on rational decisions but influenced by addiction that many would like to be free from.
182. Furthermore, for addictive goods, branding can act as a cue that can stimulate cravings¹⁶¹. Removing this cue can help those that use tobacco products identify their true preferences of consumption of tobacco products.
183. Therefore, measuring the impact of standardised packaging on consumer surplus is highly uncertain. We acknowledge that under 'rational choice' assumptions, the removal of branding may result in a loss of consumers surplus. However, it can also be argued that becoming free of addiction improves consumer surplus and that branding may have negative impacts on welfare as well as positive. Given the level of uncertainty of the direction and scale of impact of standardised packaging on consumer surplus, it has not been quantified in this analysis.

Monetised costs

184. Options 2, 3, 4 and 5 are expected to have an impact on business, and through the IA process, including developing the logic model in Figure 1, a number of costs and stakeholders have been identified.

¹⁵⁶ ONS Nomis. 2024. [UK Business Counts - enterprises by industry and employment size band - Nomis - Official Census and Labour Market Statistics](#)

¹⁵⁷ Gendall and others. 2015. [Estimating the 'consumer surplus' for branded versus standardised tobacco packaging | Tobacco Control](#)

¹⁵⁸ Chantler and others. 2014. [Standardised packaging of tobacco: Report of the independent review undertaken by Sir Cyril Chantler](#)

¹⁵⁹ ONS. 2024. [Adult smoking habits in the UK - Office for National Statistics](#)

¹⁶⁰ Chaiton and others. 2016. [Estimating the number of quit attempts it takes to quit smoking successfully in a longitudinal cohort of smokers | BMJ Open](#)

¹⁶¹ Chantler and others. 2014. [Standardised packaging of tobacco: Report of the independent review undertaken by Sir Cyril Chantler](#)

185. There are also some methodological points that are replicated throughout and apply to multiple cost areas such as a non-wage labour cost uplift, and the calculation for this is described here.

Identified stakeholders

186. The following stakeholders were identified that may incur costs, and the number of these are described here:
- Tobacco manufacturers - Based on the UK Business Counts database¹⁶², it is estimated there are 5 tobacco manufacturers based in the UK in 2024. It is assumed to be an applicable estimate for tobacco products in scope.
 - Tobacco retailers - Data we have identified suggests that in the UK there are:
 - 51,931 convenience stores¹⁶³,
 - 5,831 supermarkets¹⁶⁴,
 - 3,573 vape shops¹⁶⁵,
 - 1,700 specialist tobacconist stores¹⁶⁶.
 - We do not have data on the proportion of convenience stores and supermarkets that sell the products in scope of the regulations, so to reduce the risk of underestimating the impact, we assume that all do.
 - Vape shops have been included in this analysis as many vape shops sell some of the products in scope, particularly heated tobacco products. This assumption is based on the products available at online vape shops¹⁶⁷ and on identifying many vape shops as heated tobacco stockists¹⁶⁸.
 - The estimate for the number of specialist tobacconists is based on ONS Nomis data in the category 'Retail sale of tobacco in specialist stores'. It is assumed that this category does not include vape shops, however, as SIC codes are self-selected by the business, and there is not a SIC code specifically for selling vapes, some vape shops may be included in this figure, resulting in an overestimate of businesses and associated costs.
 - Based on this, we estimate that there are 63,035 retailers in the UK that sell products in scope of the regulations.
 - Tobacco wholesalers - The UK Business Counts database provides the number of tobacco wholesalers in the UK as 200 in 2024^{169 170}, it is assumed importers are included in this estimate.

¹⁶² ONS Nomis. 2024. [Nomis - Query Tool - UK Business Counts - enterprises by industry and employment size band](#)

¹⁶³ ACS. 2025. [The Local Shop Report | ACS](#). Uplifted to an estimate for the UK using a population scaler from: ONS. 2024.

¹⁶⁴ Institute of Grocery Distribution. 2025. [UK grocery store numbers 2024 | IGD \(Institute of Grocery Distribution\)](#)

¹⁶⁵ Local Data Company, accessed through the Independent. 2024. [Number of independent vape shops across UK jumps again | The Independent](#)

¹⁶⁶ ONS Nomis. 2024. [UK Business Counts - Data Sources - home - Nomis - Official Census and Labour Market Statistics](#)

¹⁶⁷ Vape Shop. 2025. [Heated Tobacco Devices & Sticks | IQOS ILUMA | Vape Shop](#)

¹⁶⁸ IQOS. [Find an IQOS Heated Tobacco Store Near to You | IQOS UK](#)

¹⁶⁹ ONS Nomis. 2024. [UK Business Counts - Data Sources - home - Nomis - Official Census and Labour Market Statistics](#)

¹⁷⁰ ONS. [UK Standard Industrial Classification of Economic Activities - Office for National Statistics](#)

Non-wage labour costs

187. Many of the costs identified are a time cost associated with complying with this option. In order to estimate the costs, the hourly wage of relevant persons for each cost are sourced from the Annual Survey of Hours and Earnings¹⁷¹.
188. These only represent the wage costs of the employees, and there are additional hourly costs associated with employment (such as national insurance contributions).
189. To account for this additional cost, the proportion of labour costs that are non-wage costs are estimated using the Index of Labour Costs per hour, seasonally adjusted¹⁷².
190. The labour costs per hour across the whole economy in 2020 Q3 was reported to be £22.80. The wage costs per hour across the whole economy in 2020 Q3 was reported to be £19.20. Based on this, the non-wage labour costs are calculated as 1 minus the wage costs per hour divided by the labour costs per hour, or 16%.

$$\text{Non – wage labour cost} = 1 - \frac{19.2}{22.8} = 16\%$$

191. To uplift hourly wage to account for this non-wage labour cost, wages are divided by 1 minus the non-wage labour cost of 16%, or multiplied by 1.19.

$$\text{Wage uplift} = \frac{1}{1 - 16\%} = 1.19$$

Familiarisation costs

192. To comply with regulations, manufacturers, retailers and wholesalers of products in scope of the regulations would need to review guidance to become familiar with the new regulations. Time spent reviewing takes time away from other business activities and therefore, presents a cost to businesses.
193. The total cost of businesses to review the guidance is estimated by multiplying the number of businesses that would need to review guidance, the time to review the guidance, the number of employees that would need to review guidance and the median hourly wage per employee.
194. We estimate that the time taken for a person to familiarise with the legislation is similar to the typical technical text reading speed (75 words per minute)¹⁷³. Based on existing guidance on tobacco packaging¹⁷⁴ we would expect the new guidance that manufacturers have to review to be around, 7,000 words long. Therefore, we estimate it will take each person that needs to read the guidance around 1.5 hours.

Manufacturers of products in scope

195. For manufacturers of products in scope, we have assumed that a Director would need to review the guidance as well as a production manager who would implement the changes.
196. ONS Annual Survey of Hours and Earnings (ASHE) provide a median hourly wage for production managers and directors in manufacturing of £26.05 in 2024¹⁷⁵. Multiplying this hourly wage by 1.19 to account for non-wage labour costs, the estimated hourly wage for a manager for a tobacco manufacturer is £30.93.

¹⁷¹ ONS. 2024. Earnings and hours worked, occupation by four-digit SOC: ASHE Table 14.

¹⁷² ONS. 2020. Index of Labour Costs per Hour, seasonally adjusted.

¹⁷³ EFTEC. 2013. Evaluating the cost savings to business from revised EA guidance – method paper

¹⁷⁴ DHSC. 2021. Tobacco packaging guidance: Guidance for retailers, manufacturers and distributors of tobacco products, enforcement agencies and the public on tobacco packaging in Great Britain

¹⁷⁵ ONS. 2024. Earnings and hours worked, occupation by four-digit SOC: ASHE Table 14 - Office for National Statistics

197. Based on this, Table 10 shows the estimate of the one-off cost to UK manufacturers of products in scope to familiarise themselves with the new regulations on standardised packaging.

Table 10: Total familiarisation costs across manufacturers of products in scope

Option	Cost
Option 2, 3, 4 and 5	£481

Retailers of products in scope

198. We have assumed that only shopkeepers and owners would read the guidance. We do not expect that they would need to pass this information on to other retail staff as we assume the shopkeepers and owners are responsible for ensuring stock is compliant with legislation.
199. ONS ASHE provides a median hourly wage for shopkeepers and owners (retail and wholesale) of £15.36 in 2024. We have multiplied this by 1.19 to account for non-wage labour costs, resulting in an estimated hourly cost of £18.24.
200. Based on this data, Table 11 shows the estimate of the one-off cost to retailers of products in scope in the UK to familiarise themselves with the new regulations on standardised packaging.

Table 11: Total familiarisation costs across retailers of products in scope

Option	Cost
Option 2, 3, 4 and 5	£1,800,000

Wholesalers of products in scope

201. As with tobacco retailers, we have assumed only one person within each wholesaler would be required to read the guidance.
202. As mentioned in paragraph 198, ASHE provided a median hourly wage for shopkeepers and owners (retail and wholesale) of £15.36. We have multiplied this by 1.19 to account for non-wage labour costs, resulting in an estimated hourly wage for a wholesaler owner of £18.24.
203. Based on this data Table 12 shows the estimated one-off cost to wholesalers to familiarise with the new regulations on standardised packaging.

Table 112: Total familiarisation costs across wholesalers of products in scope

Option	Cost
Option 2, 3, 4 and 5	£5,700

Trading Standards

204. Any new regulations on products in scope could require enforcement activity to ensure that non-compliant products do not remain on the market. Trading Standards enforce the policy in Great Britain, and in Northern Ireland enforcement is through District Councils.

205. To enforce standardised packaging regulations and ensure that non-compliant products do not remain on the market, it is expected Trading Standards will familiarise themselves with guidance.
206. We have assumed that all Trading Standards officers will need to review guidance on standardised packaging. Based on the Chartered Trading Standards Institute Workforce Survey there were 197 Trading Standards services in the UK, and each service is estimated to have 9.4 FTE qualified Trading Standards officers in 2018/19¹⁷⁶. It is assumed that all FTE Trading Standards officers will familiarise themselves with the guidance. Therefore, it is estimated that there are 1,852 Trading Standards officers that are required to familiarise themselves with the guidance.
207. ONS ASHE provides a median hourly wage for community and civil enforcement of £16.27 in 2024. We have multiplied this by 1.19 to account for non-wage labour costs, resulting in an estimated hourly cost of £19.32.
208. Based on this, Table 13 shows the costs for all Trading Standards officers in the UK to review standardised packaging guidance. We assume there are no ongoing enforcement costs as any change in activity would be included in the existing workload of Trading Standards (or equivalent).

Table 23: Total familiarisation costs for trading standards

Option	Cost
Option 2, 3, 4 and 5	£55,700

Total familiarisation costs

209. Table 14 shows the estimated total cost of familiarisation for options 2, 3, 4 and 5 alongside a breakdown by stakeholder. These costs may be an overestimate as it is expected that stakeholders will have familiarised themselves with previous tobacco legislation, therefore, time for familiarisation may be reduced.

Table 34: Familiarisation costs across stakeholders

Stakeholder	Cost
Manufacturers	£481
Retailers	£1,800,000
Wholesalers	£5,700
Trading Standards	£55,700
Total	£1,850,000

Redesign and manufacturing costs

210. To comply with standardised packaging, it is expected that there will be costs to the tobacco industry to make changes to the packaging and design of products.

¹⁷⁶ Chartered Trading Standards Institute. 2019. Workforce Survey 2018-2019.

211. Based on analysis from Canada who have already implemented standardised packaging across all tobacco products, it is assumed that manufacturers of products in scope will face the costs of redesigning packaging for all products apart from cigars and cigarillos. It is assumed that importers of cigars to the UK will repackage cigars to comply with the UK legislation.

Redesign costs

212. To redesign packaging, there are expected to be administrative costs to manufacturers. This includes labour costs to redesign the label, receive pre-print and work with packaging suppliers to approve the new label design.
213. The costs to manufacturers will depend on the extent to which they need to change their packaging, and the number of products they have on the market. To analyse this, we have used data on stock keeping units (SKUs), with every SKU representing a unique product. To estimate the number of SKUs, we have used a range of sources and methods based on the availability of data for each product in scope.
214. Analysis in the Tobacco Products Directive impact assessment¹⁷⁷ 2024¹⁷⁸. It is assumed that this figure is applicable to the UK, we have not identified any evidence to suggest otherwise.
215. For other tobacco products, cigarette papers and heated tobacco devices, there is limited published evidence of the number of SKUs in the UK. To estimate of the number of these products available to the UK market, the number of unique products available across a few online retailers has been used. We estimate there are 128 SKUs for waterpipe tobacco, 37 SKUs for chewing tobacco, 232 SKUs for cigarette papers and 38 SKUs for heated tobacco devices. While various online retailers have been reviewed and unique products identified, we recognise that this is unlikely to have captured all SKUs produced by manufacturers.
216. In response to the call for evidence on standardised packaging published in November 2024¹⁷⁹, we received some estimates of the number of SKUs for some of the products in this analysis (pipes, cigars, nasal tobacco). However, these estimates did not have a source that could be verified, therefore, publicly available information has been used. The estimates received through the call for evidence have been assessed in sensitivity analysis.
217. It is expected that implementing standardised packaging could reduce the variety of brands available with some SKUs not having sufficient sales or profits for manufacturers to invest in new packaging for the UK market. Based on analysis of tobacco packaging legislation in Canada¹⁸⁰, the consolidation is expected to be 80% for pipe tobacco, 45-50% for smokeless tobacco, 10% for cigarettes and 0% for all other products. Table 15 shows the number of SKUs for each type of tobacco product.

Table 15: Number of SKUs for each tobacco product

Type of product	Number of SKUs (baseline)	Consolidation	Number of SKUs (with policy)
Pipe	509	80%	102

¹⁷⁸ Tobacco Intelligence. 2024. [A global overview and analysis of the evolution of heated tobacco industry - TobaccoIntelligence report.docx](#)

¹⁷⁹ DHSC. 2024. [Standardised packaging for all tobacco products - GOV.UK](#)

¹⁸⁰ Government of Canada. 2019. [Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations \(Plain and Standardized Appearance\)](#)

Waterpipe	128	0%	128
Heated Tobacco Sticks	107	0%	107
Heated Tobacco Devices	38	0%	38
Smokeless Tobacco	257	47.5%	135
Cigarette Papers	232	10%	209

218. Estimates for the cost of redesign are based on a European impact assessment on food labelling¹⁸¹, which is also used by RAND Europe in their assessment of the impact of revising the Tobacco Products Directive¹⁸². In this study, a minor redesign costs approximately €2000-4000 and a major redesign costs between €7,000 - €9,000 per SKU.
219. For more stringent policy options, it is expected that there will be higher redesign costs. To capture the differences across policy options, the range outlined for major redesign has been used across the options. Costs for minor redesigns have not been used, to prevent underestimating the costs associated with implementing standardised packaging. Table 16 shows the cost per SKU used for each policy option.

Table 46: Cost of redesign per SKU for each policy option

Short-listed policy option	Costs per SKU (€,2008)	Costs per SKU (£,2024) ¹⁸³
Option 2	€7000	£8,279
Option 3	€8000	£9,462
Option 4	€8000	£9,462
Option 5	€9000	£10,645

220. This may be an overestimate of costs. We have assumed that every SKU requires an extensive redesign, however, many of the labels have the same basic layout. Therefore, it may be that each brand faces one extensive redesign cost, and each SKU has the lower modification cost of €3,000. However, we have limited evidence on the number of brands that supply the UK market to conduct this analysis.
221. Table 17 shows the estimated redesign cost for each policy option.

¹⁸¹ Commission of the European Communities. 2008. Impact Assessment Report on Nutritional Labelling Issues.

¹⁸² RAND Europe. 2011. Assessing the impacts of Revising the Tobacco Products Directive: Study to support a DG SANCO Impact Assessment | RAND

¹⁸³ Exchange rate based on 2008 exchange rate from € to GBP. ONS. 2025.

<https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/timeseries/thap/mret>

Table 17: Redesign costs to manufacturers

Shortlisted policy option	Cost of redesign to manufacturers
Option 2	£5,900,000
Option 3	£6,800,000
Option 4	£6,800,000
Option 5	£7,600,000

222. We have assumed that these costs are mostly borne by transnational tobacco companies, not based in the UK. Data from the ONS Annual Business Counts outlines that there are 5 tobacco manufacturers in the UK in 2024¹⁸⁴. While some of the costs to tobacco manufacturers will be incurred by UK businesses, we have not identified data that would allow us to estimate the proportion of costs to UK tobacco manufacturers.
223. The standardised packaging redesign costs to manufacturers are not considered in the total costs of this policy due to the assumption that costs are predominantly borne by business not based in the UK and because we have not been able to estimate the impacts to the very small number that are UK based.

Repackaging costs for cigars and cigarillos

224. Based on assumptions used in the analysis of Canada's Plain and Standardised Appearance regulations¹⁸⁵, it is assumed that most of the cigars purchased in the UK are imported rather than manufactured in the UK. The UK market is a small proportion of the global cigar market, and therefore, many international cigar manufacturers may not have sufficient UK sales to invest in redesigning packaging. It is assumed that there will be a high reduction in the number of SKUs available and that costs would fall on importers of cigars to repackage remaining cigar SKUs for the UK market.
225. Cigars and cigarillos are considered together throughout this impact assessment, including for the repackaging by importers. Therefore, it is assumed that wholesalers will also repackage cigarillos. This assumption prevents underestimating the costs to UK businesses, however, we have considered the costs associated with manufacturer redesign of these products in sensitivity analysis.
226. Evidence from Canada estimated that standardised packaging would result in a 10% reduction of cigarillo SKUs and a 50% reduction of cigar SKUs¹⁸⁶. Therefore, for the central estimate, we have assumed an average of 30% reduction in cigar and cigarillo SKUs from standardised packaging. To estimate the number of cigar SKUs currently on the market, we have used the estimate from the UK Tobacco Products Directive which estimates 893 cigar SKUs and 69 cigarillo SKUs¹⁸⁷. Resulting in a total of 962 SKUs for the cigar and cigarillo market. With a 30% reduction in SKUs, it is estimated there will be 673 cigar and cigarillo SKUs with standardised packaging implementation.

¹⁸⁴ ONS Nomis. 2024. UK Business Counts - enterprises by industry and employment size band - Nomis - Official Census and Labour Market Statistics

¹⁸⁵ Government of Canada. 2019. Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations (Plain and Standardized Appearance)

¹⁸⁶ Government of Canada. 2023. Canada Gazette, Part 2, Volume 157, Number 12: Regulations Amending the Tobacco Products Regulations (Plain and Standardized Appearance)

¹⁸⁷ DHSC. 2016. The Tobacco and Related Products Regulations 2016 - Impact Assessment

227. There is limited UK evidence on the repackaging costs to importers, therefore, we have used evidence from Canada's impact assessment on Plain and Standardised Appearance legislation as a proxy¹⁸⁸. Analysis from Canada was based on consultations with tobacco manufacturers and estimates that implementing a repackaging system would incur a one-time cost between \$3,300 and \$15,000 per SKU. The mid-point of this estimate at \$9,150 has been used. When converted to GBP and 2024 prices, the estimated cost of repackaging for importers is £6,652 per SKU.
228. Table 18 shows the estimated repackaging cost for cigar and cigarillo importers.

Table 18: Repackaging costs for cigar and cigarillo importers

Option	Cost
Option 2, 3, 4 and 5	£4,500,000

229. We expect this cost to be an underestimate of total costs of repackaging to importers as they will incur ongoing costs when repackaging cigars. However, we do not have evidence on the ongoing costs, so they have not been included in the analysis. We aim to gather further information on this during the consultation.

Additional transition costs for manufacturers

230. There may also be additional costs to manufacturers in their production process of standardised tobacco packaging. For example, retooling of printing machines with new cylinders. In the impact assessment for Canada's Plain and Standardised Appearance legislation, it was estimated that measures on tobacco packaging would require rotogravure cylinders, used to print brand labels, to be replaced.
231. In subsequent analysis to amend the Tobacco Products Regulations in Canada, it was estimated that each cylinder cost \$2,000 - \$4,000 per cylinder and that 5 cylinders are needed per SKU.
232. At consultation impact assessment stage, we have not quantified the cost of replacing cylinders due to uncertainty about the replacement rate of cylinders in the policy and baseline scenarios. RAND Europe notes that labels are changed every two years for cigarette SKUs and every 5-7 years for cigar SKUs for non-regulatory reasons¹⁸⁹. If manufacturers voluntarily update labels every 2-7 years in the baseline, they will incur the costs of cylinder replacement with each label change. Therefore, cylinder replacements costs would be endured in both the policy and the counterfactual scenarios. It is unknown if manufacturers would continue to update labelling with standardised packaging and the frequency of this replacement. Therefore, there is high uncertainty of the costs associated with cylinder replacement in both scenarios.
233. Using the estimates from Canada would also rely on other assumptions, including that manufacturers of products in scope use rotogravure printing techniques and would continue to use this technique after implementation of standardised packaging.
234. Based on the limitations and evidence gaps at this stage, we have not monetised the costs of retooling.

¹⁸⁸ Government of Canada. 2019. Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations (Plain and Standardized Appearance)

¹⁸⁹ RAND Europe. 2011. Assessing the impacts of Revising the Tobacco Products Directive: Study to support a DG SANCO Impact Assessment | RAND

Total redesign and manufacturing costs

235. Table 19 shows the estimated total cost for redesign and manufacturing packaging costs for each option, alongside a breakdown by stakeholder.

Table 19: Total redesign and manufacturing costs

Stakeholder	Option 2	Option 3	Option 4	Option 5
Manufacturers of products in scope	£5,900,000	£6,800,000	£6,800,000	£7,600,000
Importers of cigars and cigarillos	£4,500,000	£4,500,000	£4,500,000	£4,500,000
Total	£10,400,000	£11,300,000	£11,300,000	£12,100,000

Transaction costs

236. Standardised packaging for products in scope could result in a temporary increase in retail transaction times for shop assistants to select and serve customers compared to branded packaging. This would result in additional time costs to both retailers and customer leisure time.
237. To estimate the additional time taken for transactions, the additional serving time per product has been multiplied by the estimated number of transactions.

Additional transaction time

238. In the SPoT impact assessment¹⁹⁰, it was expected that there would be a 2.59 second increase in transaction times for one month after implementation. This was based on a study from Australia¹⁹¹, where standardised packaging was introduced before it was in the UK. This estimate is also consistent with Canada's impact assessment of plain and standardised appearance of tobacco products¹⁹².

Number of transactions for products in scope

239. There is limited evidence on the number of transactions of products in scope in the UK with high variation across products. To use the best evidence, different methods have been used across types of products to estimate the number of transactions.
240. For cigars, Nielsen ScanTrack data from 2014 purchased by DHSC has been used. There are difficulties distinguishing between cigars, particularly mini cigars, and cigarillos. Some definitions are based on the diameter of the cigar, while others are based on the type of filter and wrap. Given the difficulty in distinguishing between product types, and that Nielsen data captures products branded as mini cigars and cigarillos, we have assumed that Nielsen data on cigars also captures the cigarillo market.

¹⁹⁰ DHSC. 2015. Standardised Packaging of Tobacco Products Impact Assessment.

¹⁹¹ Wakefield and others. 2013. Product retrieval time in small tobacco retail outlets before and after the Australian plain packaging policy: real-world study.

¹⁹² Government of Canada. 2019. Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations (Plain and Standardized Appearance)

241. Based on this data, there were an average of 4.76-million-unit sales (packs) of cigars and cigarillos each month between January and June 2014 in Great Britain (GB). It is assumed that each unit sale is a single transaction.
242. As Nielsen data is based on GB and the legislation covers the UK, we have used population to scale the estimate to the UK¹⁹³, resulting in an average of 4.89 million transactions per month in the UK in 2014.
243. To account for growth of markets since 2014, we have applied the growth of HMRC clearances for cigars and cigarillos¹⁹⁴. Between 2014 and 2024, weight of UK clearances had growth of 12.4%. Applying this growth to the estimate of 4.89-million-unit sales per month in 2014, it is estimated there are approximately 5.5-million-unit sales per month in the UK in 2024. It is assumed that growth of clearances is a good proxy for the growth of unit sales.
244. To estimate the number of transactions of other tobacco products, including heated tobacco, pipe, waterpipe and smokeless tobacco, HMRC clearance data has been divided by the weight of products in this category, with the exception of heated tobacco which has been based on the weight of tobacco within a standard pack¹⁹⁵. This is a similar approach to that used by the Canadian Government in the economic evaluation of plain packaging.
245. DHSC has received data from HMRC which is split to show the clearances at product level for some products in scope. However, to protect market sensitivities and the low number of traders in some markets, we cannot disclose the breakdown at a product-level. Therefore, our estimates of the number of transactions for other tobacco products are aggregated together.
246. To determine the weights of each product in this category, available retail information has been used. For most products, there is a range of weights that can be purchased, however, to prevent underestimating the number of transactions and the costs to business, the lowest commonly available weight to purchase has been used. While lower weights of products are available to purchase than those outlined in Table 20, it is assumed that these are a low proportion of the market.

¹⁹³ ONS. 2024. Estimates of the population for the UK, England, Wales, Scotland, and Northern Ireland - Office for National Statistics

¹⁹⁴ HM Revenue & Customs. 2025. Tobacco Bulletin - GOV.UK

¹⁹⁵ HM Treasury. 2018. heated_tobacco_consultation_response_web.pdf

Table 20: Assumed weight per unit of each tobacco product

Product	Weight
Heated Tobacco sticks (pack of 20)	6g of tobacco ^{196, 197}
Pipe tobacco	25g ¹⁹⁸
Waterpipe tobacco	50g ¹⁹⁹
Smokeless tobacco ²⁰⁰	5.25g ^{201, 202}

247. To prevent underestimating the number of transactions, it is assumed that only 1 unit is sold per transaction and for heated tobacco, it is assumed that 1 unit is a packet containing 20 sticks. However, many units may be purchased in a single transaction which may result in our analysis overestimating the number of transactions.
248. Based on these assumptions, it is estimated that there are 36.6 million transactions per year for other tobacco products. Assuming equal sales across the year, there are expected to be 3.1 million transactions per month of other tobacco products.
249. For heated tobacco devices, due to data limitations, it has not been possible to estimate the number of devices consumed per year per person. In the absence of data or evidence on this, we assume this is one device per person per year. To be consistent with other estimates of number of transactions across products, we have applied 2024 population estimates and heated tobacco prevalence of 0.3%. This results in an estimated 165,724 heated tobacco device transactions per year, and assuming these are spread equally over the year, 13,810 transactions per month.
250. Cigarette papers are typically used by smokers of hand-rolling tobacco. To estimate the number of transactions per year, we have calculated the prevalence of smokers of cigarettes, capturing users of both hand-rolling tobacco and cigarettes. Based on population estimates and modelled prevalence, there were 6,074,457 smokers of factory made and hand-rolled cigarettes in the UK 2024. A paper by Jackson and others estimates that in 2023, adult smokers in England consumed 5.6 hand-rolled cigarettes per day²⁰³. With one cigarette paper used per hand-rolled cigarette, it is estimated that there are 34 million cigarette papers used per day across all smokers in the UK.
251. While booklets of papers come in various sizes and can be purchased in multipacks, to prevent underestimating the number of transactions for cigarette papers, we have assumed that a unit sale of cigarette papers is a single booklet containing 50 cigarette papers. Based on this, it is estimated that across all cigarette smokers, there are 248.5 million transactions per year for cigarette papers, equivalent to 20.7 million transactions per month.
252. A summary of the estimated number of transactions for each product is provided in Table 21.

¹⁹⁶ NEAFS. 2023. [Heated Tobacco Product Regulations - NEAFS | The Tobacco Free Alternative](#)

¹⁹⁷ HMRC. 2021. [HMEEXSH5040 - Guide to calculating excise duty: Tobacco - HMRC internal manual - GOV.UK](#)

¹⁹⁸ Smoke King. 2025. [Pipe Tobaccos](#) [Accessed July 2025]

¹⁹⁹ Shisha Shop. [Number 1 Shisha Shop UK & Europe | Hookah Store | Shisha Flavours](#) [Accessed July 2025]

²⁰⁰ Based on average of lowest weights of snuff and chewing tobacco.

²⁰¹ Smoke King. 2025. [Buy Snuff - Snuff - Snuff Tobaccos](#)

²⁰² Smoke King. 2025. [Chewing Tobaccos](#)

²⁰³ Jackson and others. (2024) [Trends in Daily Cigarette Consumption Among Smokers: A Population Study in England, 2008–2023 - PMC](#)

Table 21: Number of Transactions across products

Product	Monthly	Annual
Cigar and Cigarillos	5,500,000	66,000,000
Other Tobacco Products (Heated tobacco sticks, pipe tobacco, waterpipe tobacco, smokeless tobacco)	3,100,000	36,600,000
Heated Tobacco Devices	13,800	165,100
Cigarette Papers	20,700,000	248,500,000
Total	29,300,000	351,300,000

253. Based on 29.3 million transactions in the month following the implementation and each transaction taking an additional 2.59 seconds, the total increase in serving time is estimated to be 21,061 hours.

Retailers of products in scope

254. The cost to retailers of the additional transaction time is estimated by multiplying the additional time by the costs of labour for retailers.
255. ONS ASHE data provides an estimate for the median hourly wage of sales assistants and retail cashiers of £11.96 per hour in 2024 prices²⁰⁴. We have multiplied this by 1.19 to account for non-wage labour costs, resulting in an estimated hourly wage for a sales assistant and retail cashier at £14.20.
256. Based on this data, Table 22 shows the estimate of the cost to retailers of products in scope in the UK from increased transaction times.

Table 22: Transaction costs for retailers

Option	Cost
Option 2, 3, 4 and 5	£299,100

Consumers of products in scope

257. The cost to consumers of the increase in transaction time is estimated by multiplying the increase in transaction time and the value of leisure time.
258. The Department for Transport estimate leisure time at £7.32 per hour for a person using their time reasons other than commuting²⁰⁵. Using this value makes no wider assumptions on what a consumer's time is worth based on their wage and represents a consistent and fair approach to monetising additional transaction time to consumers.
259. Based on this, Table 23 shows the estimated costs of increased transaction times for consumers of products in scope.

²⁰⁴ ONS. 2024. Earnings and hours worked, occupation by four-digit SOC: ASHE Table 14 - Office for National Statistics

²⁰⁵ Department for Transport. 2025. TAG data book - GOV.UK

Table 23: Transaction costs for consumers

Option	Cost
Option 2, 3, 4 and 5	£154,200

Total transaction costs

260. Table 24 shows the estimated cost for options 2, 3, 4 and 5 of additional transaction time, alongside a breakdown by stakeholder.

Table 24: Total transaction costs

Stakeholder	Cost
Retailers of products in scope	£299,100
Consumers of products in scope	£154,200
Total	£453,300

Training and reconfiguration costs

261. Retailers may also incur costs to train staff on new stockroom and product retrieval processes, and to reconfigure their inventory and reorganise their stockrooms.

Training costs

262. To estimate the costs of training staff, the total number of staff required to be trained is multiplied by the time taken to train each person and the hourly salary of staff.
263. Evidence is based on Canada's Tobacco Product Regulations²⁰⁶ and Australia's post implementation review for plain packaging legislation²⁰⁷, which both include some of the products in scope of this regulation. It is assumed that evidence from these sources is a reasonable proxy for the UK market for products in scope.
264. From surveys conducted among retailers in Canada and Australia, it is assumed that 30% of convenience stores would incur training costs. It is assumed that this estimate for convenience stores also applies to supermarkets due to the more general nature of these stores and the diversity of products sold.
265. Given that specialist tobacconists only stock tobacco and tobacco related products, it is assumed that 100% of stores will incur training costs. Many vape shops also sell products in scope, such as heated tobacco, therefore, it is also assumed that all these stores will incur training costs.
266. As outlined, there are estimated to be 63,035 retailers of products in scope. Analysis from Canada and Australia assumed that an average of 8 employees in convenience stores and supermarkets will need to be trained per store. Without any further evidence, we assume that this estimate is the best available and is applicable to the UK market for products in scope.
267. For specialist tobacconists and vape shops, it is assumed that all employees will need training given the specialised nature of products sold. Based on Nomis data on

²⁰⁶ Government of Canada. 2019. Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations (Plain and Standardized Appearance)

²⁰⁷ Australia Department of the Prime Minister and Cabinet, Siggins Miller. 2016. Tobacco Plain Packaging PIR – Appendix C

Business Counts²⁰⁸ and those employed in the ‘retail sale of tobacco products in specialised stores’²⁰⁹ category, there are estimated to be approximately 4 staff per store.

268. Analysis from Canada estimates that training lasts 2 hours per staff member while analysis in Australia uses a lower estimate at 0.97 hours per training for each employee²¹⁰. We have applied the lower estimate of 0.97 hours for training for general stores which are expected to have a higher diversity of products, and we have used the higher estimate of 2 hours for specialist tobacconists and vape shops.
269. As outlined in paragraph 254 in the analysis on transaction costs, the median hourly wage for sales and retail staff is estimated at £14.20, including non-wage costs.
270. Based on this, Table 25 shows the total estimated costs of training for retailers of products in scope, broken down by retail setting.

Table 25: Training costs for retailers

Retailer	Training Costs
Convenience stores	£1,700,000
Supermarkets	£192,800
Specialist Tobacconists	£170,400
Vape Shops	£358,200
Total	£2,400,000

Reconfiguration costs

271. To estimate the reconfiguration cost of stores, the number of stores that require reconfiguration has been multiplied by the number of hours per day to reconfigure and the hourly wage of a sales assistant.
272. As part of Canada’s Tobacco Products Regulation²¹¹ a survey was conducted by the Canadian Convenience Stores Association (CCSA) to estimate the reconfiguration costs. The survey suggested that 88% of convenience stores will incur costs to reconfigure inventory and facilitate the identification of products. It was also estimated that staff require 2 hours per day to order, receive and stock products. Canada assume that the costs will continue for 30 days following the implementation of the policy.
273. Based on this, we have assume that 88% of convenience stores and supermarkets would need to reconfigure their stockrooms. We have assumed that 100% of vape shops and specialist tobacconists would undertake reconfiguration of stockrooms and processes, due to the specific products these shops sell. We assume that reconfiguration will last 30 days and last 2 hours per day.

²⁰⁸ ONS Nomis. 2024. [UK Business Counts - enterprises by industry and employment size band - Nomis - Official Census and Labour Market Statistics](#)

²⁰⁹ ONS. 2025. [Business Register and Employment Survey/Annual Business Inquiry - Data Sources - home - Nomis - Official Census and Labour Market Statistics](#)

²¹⁰ Australia Department of the Prime Minister and Cabinet, Siggins Miller. 2016. [Tobacco Plain Packaging PIR – Appendix C](#)

²¹¹ Government of Canada. 2019. [Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations \(Plain and Standardized Appearance\)](#)

274. **Error! Reference source not found.**The hourly wage of sales assistants, including uplifts for non-wage costs, is estimated to be £14.20.
275. Based on this, Table 26 shows the total estimated costs of stockroom reconfiguration for retailers of products in scope, broken down by retail setting.

Table 26: Reconfiguration costs for retailers

Retailer	Reconfiguration Costs
Convenience stores	£38,900,000
Supermarkets	£4,400,000
Specialist Tobacconists	£1,400,000
Vape Shops	£3,000,000
Total	£47,800,000

Total training and reconfiguration costs

276. Table 27 outlines the estimated total training and reconfiguration costs for retailers for options 2, 3, 4 and 5, alongside a breakdown by retailer type.

Table 27: Total training and reconfiguration costs

Retailer	Training and reconfiguration Costs
Convenience stores	£40,700,000
Supermarkets	£4,600,000
Specialist Tobacconists	£1,600,000
Vape Shops	£3,400,000
Total	£50,200,000

Costs of pack inserts

277. Including pack inserts in products in scope is expected to result in costs to manufacturers to produce inserts and DHSC would incur a cost to design them.

Production of pack inserts

278. Producing pack inserts would incur a cost to tobacco manufacturers, both in terms of materials and printing.
279. To estimate the costs of producing pack inserts, the unit cost of producing a pack insert is multiplied by the number of pack inserts that are produced. This is the same methodology outlined in the consultation stage impact assessment for pack inserts for cigarettes and hand-rolling tobacco²¹².

²¹² DHSC. 2023. Impact assessment: tobacco pack inserts

280. In the consultation stage impact assessment for pack inserts for cigarettes and hand-rolling tobacco, a unit cost per insert is estimated at 1p per insert. This is based on a range of methods and sources.
281. Firstly, the responses to the SPoT consultation were reviewed. In consultation responses, the cost for a 'blank carton' of factory-made cigarette packs was estimated between 1 to 5 pence per blank carton. Given that the maximum size of an insert would be the same size as the largest side of the carton, this would make up less than 50% of the surface of the carton. Therefore, the costs per insert were assumed to be approximately half of the carton costs, so 0.5p to 2.5p per insert.
282. The Tobacco and Related Products Regulations (TRPR) 2016 impact assessment was also reviewed²¹³. In this policy, information leaflets were to be introduced for vapes and vape liquids. Responses to the consultation suggested a cost between 1p and 10p per leaflet, with an average of 4p used in the impact assessment. When uplifted to 2024 prices, the cost is approximately 5p per insert.
283. Pack inserts were also expected to be similar to business cards; therefore, online quotes were retrieved for the costs of business cards as a guideline for the material and printing costs. For standard 85 mm X 55 mm business cards, the costs were estimated between 13p per card for volumes less than 100 to 3p-4p per card for volumes of 1,000 cards or more.
284. In the pack inserts consultation stage impact assessment, it was assumed that inserts would cost 1p per pack given that very high volumes of packets of cigarettes are sold, and therefore, very high volumes of inserts would be produced. However, since products in scope of this regulation have lower prevalence of use, and a high variety of SKUs sold, we estimate that the cost per insert will be greater than for cigarettes. There is also more diversity in size of packaging for products in scope, and therefore, the inserts may be larger and cost more than for cigarettes.
285. Therefore, based on the costs estimated in TRPR and the costs for business cards sold at volumes of 1,000 units, we have estimated that each insert would cost approximately 4p to produce.
286. We have assumed that the number of transactions estimated for 2024 outlined in Table 21 is approximately the same as the number of pack inserts that will be produced each year of the appraisal period. Transactions for cigarette papers have not been included as the pack sizes are too small to feasibly include pack inserts. We aim to gather more information regarding the inclusion of pack inserts in cigarette papers through the consultation.
287. Based on this, Table 28 shows the estimated cost to manufacturers of products in scope to produce pack inserts over the appraisal period, prior to discounting.

²¹³ UK Government. 2016. The Tobacco and Related Products Regulations 2016

Table 28: Pack insert production costs for manufacturers over 10-year appraisal period

Option	Cost
Option 2	£0
Option 3	£0
Option 4	£42,800,000
Option 5	£42,800,000

288. These costs represent the costs of production of inserts per unit, but do not capture any initial capital investment in machinery that is required by manufacturers to produce the inserts. While there is some evidence of costs of cylinders for printing technology in Canada's impact assessment of amendments to the Plain and Standardised Appearance legislation²¹⁴, we have not monetised the capital investment of inserts in the UK due to limited evidence of printing techniques used. Therefore, the estimated costs in Table 28 may be an underestimate.
289. We have assumed that these costs are mostly borne by transnational tobacco companies, not based in the UK. Data from the ONS Annual Business Counts²¹⁵ outlines that there are 5 tobacco manufacturers in the UK in 2024. While some of the costs to tobacco manufacturers will be incurred by UK businesses, we have not been able to identify data that would allow us to estimate the proportion of costs of pack inserts for UK based tobacco manufacturers. Therefore, pack insert production costs to manufacturers are not included in the total costs of this policy.

Design and research costs

290. Regulations on pack inserts would require tobacco manufacturers to include a range of information cards inside packaging of products in scope. Tobacco manufacturers would pay for the printing and inserting of pack inserts, but DHSC would provide the designs for industry to access.
291. The pack inserts consultation stage impact assessment²¹⁶ estimates the cost of research to DHSC to be between £100,000 and £300,000. To prevent underestimating costs, the upper bound of £300,000 was used for the central estimate. In 2023, DHSC worked with the University of Stirling who have undertaken research on UK smokers and their opinions on cards to test their impact and appeal. Since this work has already been undertaken and we expect much of the information gained is transferable to products in scope, we have used the lower estimate and uplifted to 2024 prices.
292. Table 29 shows the estimated design and research costs to DHSC for pack inserts for products in scope.

²¹⁴ Government of Canada. 2023. Regulations Amending the Tobacco Products Regulations (Plain and Standardized Appearance): SOR/2023-97

²¹⁵ ONS Nomis. 2024. UK Business Counts - enterprises by industry and employment size band - Nomis - Official Census and Labour Market Statistics

²¹⁶ DHSC. 2023. Impact assessment: tobacco pack inserts

Table 29: Pack insert design and research costs for DHSC

Option	Cost
Option 2	£0
Option 3	£0
Option 4	£104,000
Option 5	£104,000

293. There are expected to be additional costs to DHSC in designing inserts and making them available for manufacturers to use. We do not currently have an estimate for these costs but expect them to be small.

Total pack inserts costs

294. Table 30 shows the estimated total pack insert costs for options 2, 3, 4 and 5, alongside a breakdown by stakeholder.

Table 30: Total pack insert costs

Stakeholder	Option 2	Option 3	Option 4	Option 5
Manufacturers of products in scope	£0	£0	£42,800,000	£42,800,000
DHSC	£0	£0	£104,000	£104,000
Total	£0	£0	£42,900,000	£42,900,000

Lost Profits

295. Standardised packaging and pack inserts are expected to reduce the number of people smoking each type of product in scope. As a result, standardised packaging and pack inserts are expected to reduce the profits for retailers, wholesalers and manufacturers of products in scope.
296. To estimate the reduction in profits, we have multiplied the number of purchases per year per user by the estimated reduction in users to calculate the reduction of transactions from the policy. We have then multiplied this by the price of products and the profit margin for retailers, wholesalers and manufacturers of products in scope.
297. While we have only quantified a reduction in prevalence of smokers of products in scope for 2-years, it is assumed that those who quit within these 2 years, will not purchase tobacco products for the duration of the appraisal period. A 6-month relapse rate for quits associated with pack inserts has been ²¹⁷Therefore, we have estimated a reduction in profits from reduced sales of tobacco each year of the

appraisal period. Future years profit loss is discounted at a rate of 3.5% in line with guidance from the Green Book²¹⁸.

298. For manufacturers, we have assumed that loss in profits are mostly borne by transnational tobacco companies, not based in the UK. Data from the ONS Annual Business Counts²¹⁹ outlines that there are 5 tobacco manufacturers in the UK in 2024. While some of the lost profits to tobacco manufacturers will be incurred by UK businesses, we have not been able to identify data that would allow us to estimate the proportion of lost profits for UK based tobacco manufacturers. Therefore, profit losses to manufacturers are not considered in the total costs of this policy.

Transactions

299. As outlined in Table 21 in analysis of transaction costs, we have estimated that there are approximately 5.5-million-unit sales for cigars and cigarillos per month in 2024, resulting in an estimated 66 million transactions per year. We also estimate that there are 36.6 million transactions for other tobacco products per year.
300. These transactions have been divided by the estimated number of users to calculate the number of transactions per user per year. To protect sensitive market information, we have not provided details of this calculation.

Average price

301. To calculate the lost profits to retailers, manufacturers and wholesalers, we have estimated the average price per product.
302. For cigars and cigarillos, there are a wide range of products and prices, resulting in difficulty estimating the average price. The market has both high-priced luxury items that are sold at low volumes, and lower-priced packs sold at much higher volumes.
303. A study commissioned by ASH and completed by the University of Edinburgh used Electronic Point of Sale (EPOS) data to assess the number of sales, value of sales, and gross profits of tobacco products in 2019 and 2022 in the UK²²⁰. This report estimates that stores included in the study sell an average of 0.5 units of cigars each week and the average sales value per week is £4.83. Therefore, for each unit, the average cost is £9.22 in 2022 prices. When uplifted to 2024 prices, it is estimated that each pack of cigars costs approximately £10.74.
304. Similarly, for cigarillos, the average store sells approximately 12.6 units of cigarillos with a mean sales value of £76.96. Therefore, we have estimated that each unit costs approximately £6.11 in 2022 prices and £6.79 in 2024 prices. An average of the costs of cigarillos and cigars has been used to estimate the average price of cigars and cigarillos, resulting in a cost of £8.77 per unit. We have used the average price to prevent underestimating the cost; however, this may overestimate the price of cigars and cigarillos as the EPOS data reports more sales of cigarillos which are sold at a lower price than cigars.
305. For the average price of other products, the study commissioned by ASH has also been reviewed. Following the method above, it is estimated that the average price of heated tobacco sticks in 2022 was £5.25, £10.45 for pipe tobacco, and was £2.30 for snuff. When uplifted to 2024 prices, this results in prices of £5.82 for heated tobacco sticks, £11.60 for pipe tobacco, and £2.55 for snuff. However, for some products the EPOS data shows the weekly units sold per store is zero, and

²¹⁸ HMT. 2022. [The Green Book: appraisal and evaluation in central government](#).

²¹⁹ ONS Nomis. 2024. [UK Business Counts - enterprises by industry and employment size band - Nomis - Official Census and Labour Market Statistics](#)

²²⁰ Tunstall and others. 2024. [Written evidence on the retail licensing and product registration powers in the Bill submitted by Action on Smoking and Health](#).

therefore, this method cannot be used to estimate the average retail price of these products.

306. We have also considered prices available at online retailers such as supermarkets and specialist tobacconists. For each type of tobacco, the price of products has been reviewed by brand and the median price across products from each brand calculated. While this method captures the range of prices, it does not consider the frequency of purchase of each product available. Retail prices currently available are in 2025 prices so these have been deflated to 2024 prices to be consistent with the analysis in this OA.
307. Table 31 shows the median price of tobacco products based on our search of online retailers.

Table 31: Average price of tobacco products from online retailers

Tobacco Product	Median price from online retailers (£,2024)
Heated tobacco sticks	£5.80
Smokeless Tobacco	£5.56
Waterpipe	£14.43
Pipe	£20.64

308. When comparing the prices from online retailers and the data from EPOS data from the study commissioned by ASH, the estimates are similar for heated tobacco sticks but are different for pipe tobacco. As data from ASH captures the total value and sales volume, the lower value may indicate that a greater frequency of lower priced pipe tobacco is purchased.
309. To prevent underestimating the lost profits to businesses, the upper estimate of £20.64 is used for pipe tobacco. As using retailer data is also more complete across all smokeless tobacco, data gathered from online retailers has been used.

Manufacturers of products in scope

310. There is limited evidence on the profit margins associated with products in scope. Therefore, an estimate for cigarette tobacco has been used and is assumed to be a reasonable proxy for profit margins of other tobacco products. Based on the adjusted profit from operations in tobacco manufacturer company reports, we have estimated the average profit margin per packet of cigarettes at £0.22 in 2013²²¹. The average RPI of a packet of cigarettes in 2013 is estimated at £7.76²²². Therefore, the average profit margin is estimated to be 2.84% of the retail value. As this is based on data from 2013, and there has since been changes to prices and tax rate of tobacco products, there is a risk this does not reflect current profit margins.
311. Based on these assumptions and the estimated reduction of users of products in scope from standardised packaging and pack inserts, Table 32 shows the estimated lost profits for manufacturers over the appraisal period prior to discounting.

²²¹ British American Tobacco. 2013. British American Tobacco Annual Report 2013.

²²² ONS. 2025. RPI: Ave price - Cigarettes 20 king size filter - Office for National Statistics

Table 32: Loss in profit for manufacturers

Option	Cost
Option 2	£8,400,000
Option 3	£8,400,000
Option 4	£9,600,000
Option 5	£9,600,000

312. It is assumed that the majority of manufacturers of tobacco products that supply the UK are transnational companies rather than UK based.

Retailers of products in scope

313. For retailers, we have used EPOS evidence provided by ASH to estimate the profit margin for small retailers in 2022, broken down by product²²³.
314. Table 33 shows the estimated profit margins for each tobacco product.

Table 33: Retailer profit margins

Product	Gross retailer profit margins
Cigar	16.4%
Cigarillo	10.6%
Pipe	12.3%
Heated tobacco	9.2%
Snuff	20.6%
Chewing tobacco	11.3%
Tobacco unclassified	26.0%

315. For cigars and cigarillos, an average profit margin of 13.5% has been applied, as these products are considered together in this analysis. For the remaining products, we are unable to outline the calculations used to protect sensitive market information.
316. Based on these assumptions and the estimated reduction in sales from standardised packaging and pack inserts, Table 34 shows the estimated lost profits for retailers over the appraisal period prior to discounting.

²²³ Tunstall and others. 2024. Written evidence on the retail licensing and product registration powers in the Bill submitted by Action on Smoking and Health.

Table 34: Loss in profit for retailers

Option	Cost
Option 2	£37,600,000
Option 3	£37,600,000
Option 4	£43,100,000
Option 5	£43,100,000

317. As outlined in Table 33, we have used gross profit margins for retailers, however, this is expected to be an overestimate of total profit loss from reduced sales of products in scope. Gross profit considers the direct costs of goods sold but not other operating expenses. Operating expenses such as rent or salaries are typically fixed and not expected to change in the medium-term with the reduction in sales of products. As the operating profit considers these costs, the operating profit margin is lower than gross profit margins and a more appropriate measure of overall profit. Therefore, using the gross profit margins is expected to overestimate the profit loss from a reduction in sales of products in scope.
318. As manufacturer profit margins are based on adjusted operating profits, using the gross profit margins for retailers may infer that the burden of profit losses from reduced sales disproportionately falls to retailers.
319. We have considered using adjusted operating profit margins for some retailers that report operating profits, but these reflect all products sold rather than just those relevant to this policy. Reporting on profit margins is also mainly from supermarkets with limited data from convenience stores, specialist tobacconists and vape shops. Therefore, although the gross profit margins used in analysis may overestimate the profit loss to retailers, we consider this to be the most relevant data for products in scope across retail settings. We aim to gather more information on retailer operating profit margins for final stage impact assessment.

Wholesalers of products in scope

320. Similarly to manufacturers, the wholesaler profit loss is based on profit margins as a percentage of pack price for cigarettes and applying this to products in scope. Based on estimates from the SPoT final stage IA²²⁴ and the Tobacco and Vapes Bill²²⁵, it is estimated that wholesaler profit margin was £0.16 per packet of cigarettes in 2014²²⁶. The average price of a pack of cigarettes in 2014 is estimated at £8.40²²⁷. Therefore, the wholesaler profit margin is estimated at 1.90% of the retail value. This estimated profit margin is applied to retail prices of products in scope.
321. Based on these assumptions and the estimated reduction of users of products in scope from this policy, Table 35 shows the estimated lost profits for wholesalers over the appraisal period prior to discounting.

²²⁴ DHSC. 2015. [Standardised Packaging of Tobacco Products Regulations 2015](#).

²²⁵ DHSC. 2024. [Tobacco and Vapes Bill: impact assessment](#)

²²⁶ Department of Health. 2015. [Impact Assessment](#)

²²⁷ ONS. 2025. [RPI: Ave price - Cigarettes 20 king size filter - Office for National Statistics](#)

Table 35: Loss in profits for wholesalers

Option	Cost
Option 2	£5,600,000
Option 3	£5,600,000
Option 4	£6,400,000
Option 5	£6,400,000

Total lost profits

322. Table 36 shows the estimated total reduction in profits for each option prior to discounting. The loss in profits for retailers and wholesalers are included in the total costs of the policy, however, the loss in profits to manufacturers is not included in these metrics.

Table 36: Loss in profits for across options and stakeholders

Stakeholder	Option 2	Option 3	Option 4	Option 5
Manufacturers of products in scope	£8,400,000	£8,400,000	£9,600,000	£9,600,000
Retailers of products in scope	£37,600,000	£37,600,000	£43,100,000	£43,100,000
Wholesalers of products in scope	£5,600,000	£5,600,000	£6,400,000	£6,400,000
Total (prior to discounting)	£51,700,000	£51,700,000	£59,100,000	£59,100,000
Total (after discounting)	£44,100,000	£44,100,000	£50,500,000	£50,500,000

Non-monetised costs

Disposal Cost

323. It is possible that retailers may need to dispose of non-compliant products. The extent of this cost to retailers depends on the length of the transition period that retailers can sell non-compliant products. For products in scope that have high variation and low sales volume per SKU, such as luxury cigars, the costs of disposal may be greater.
324. Based on a review of plain packaging in the UK, Australia, France, New Zealand and Norway, transition periods range from 2 months to 12 months²²⁸. For the impact assessment on standardised packaging on tobacco, there was a 12-month appraisal period to sell any non-compliant stock and it was assumed there would not be any

²²⁸ Moodie et al. 2018. [Plain packaging: legislative differences in Australia, France, the UK, New Zealand and Norway, and options for strengthening regulations](#) | Tobacco Control

significant disposal costs for retailers. This was due to retailers not carrying large stocks of tobacco in reserve due to the high costs of tobacco products.

325. The duration of implementation period, and any variation across products, will be tested during the consultation. We will consider appropriate implementation timelines so businesses have sufficient time to familiarise themselves with the requirements of this policy and implement the changes to comply with the regulations ahead of them coming into force.

Reduction in tobacco duty

326. Those who import or manufacture tobacco products, including products in scope, must pay a Tobacco Products Duty to HMRC²²⁹. Table 37 shows the duty rates for products in scope.

Table 37: Tobacco duty rates for products in scope

Tobacco Product	Duty rate from 30 October 2024, per kg²³⁰
Cigar	£417.33
Other smoking and chewing tobacco	£183.49
Tobacco for Heating	£343.91

327. We expect that standardised packaging and pack inserts will reduce the number of people smoking products in scope and reduce sales of these products. Therefore, it is expected that total revenue collected through the tobacco products duty would also decline.
328. However, the reduction in the tobacco duty represents a transfer from the government receiving the tax to individuals in society that would pay this tax. The consumers of products that no longer purchase these products because of this policy benefit from an increase in the amount they can spend on other goods and services²³¹.
329. The reduction in tobacco duty has not been included in the total costs of this policy.

Reduction in VAT

330. Tobacco products in scope are also subject to Value Added Tax (VAT). As we would expect there to be a reduction in sales of products in scope as a result of the regulations, we would also expect there to be a reduction in tax revenue from VAT.
331. However, this reduction in tax revenue represents a transfer - from government collecting the revenue to consumers paying the VAT. Individuals that no longer consume products in scope benefit from an increase in the amount they can spend on other goods or services. This reduction in tax revenue does not make society as a whole better or worse off.
332. On this basis, the reduction in tax revenue is not included in the total costs of this policy.

²²⁹ HMRC. 2025. [Tobacco Products Duty](#) - GOV.UK

²³⁰ HMRC. 2024. [Tobacco Products Duty rates](#) - GOV.UK

²³¹ HMT. 2024. [The Green Book \(2022\)](#) - GOV.UK

Downtrading

333. Downtrading occurs when tobacco consumers switch from premium brands to lower cost alternative brands. If eliminating branding and colours from standardised packaging reduces brand awareness, the impact of price may be more influential in selection of brands or products. Profits tend to be lower for value-brands, and therefore, if regulation on standardised packaging increases downtrading, there may be a further reduction in profits to manufacturers.
334. There is limited evidence on the impact of standardising packaging on downwards trading for products in scope. In Canada's analysis of standardised packaging legislation, down-trading was expected to have a relatively small impact on manufacturer profits, however, this was not quantified²³². There is also limited evidence regarding trends of consumers moving from higher cost to lower cost products and if this occurs in the counterfactual. Therefore, the impacts of downtrading on profits has not been quantified in this impact assessment. We may be able to assess this further at final stage assessment if we receive more information on this during the consultation.

Increase in cost to Local Stop Smoking Services (LSSS)

335. Smokers that attempt to quit due to standardised packaging legislation may use various methods and support to quit. For example, some smokers may purchase alternatives that are available to buy, such as over-the-counter nicotine replacement therapies. However, it is expected that pack inserts would guide smokers towards Local Stop Smoking Services (LSSS) as supported quits attempts are much more likely to be successful.
336. Evidence shows that people using a Local Stop Smoking Service to try and quit smoking are more likely to be successful. For example, a study by Kotz and others²³³ estimated that smokers that used specialist behavioural support alongside prescribed medication were 2.58 times more likely to be abstinent 6-months after trying to quit. Therefore, if all those making a quit attempt because of pack inserts do so through Local Stop Smoking Services, we would expect the number of additional people that quit to be higher than we have estimated. This would increase the total benefits and costs associated with this policy.
337. If pack inserts increase smokers engaging with Local Stop Smoking Services, this could increase costs or pressures on services. LSSSs are provided with agreed funding via the Public Health Grant. The government has invested an additional £70 million in 2024/25 and 2025/26 to support local authority-led stop smoking services in England to help people quit smoking. This additional funding has ensured there is a comprehensive offer across local authorities in England, while providing additional weighted funding to local authorities with the highest smoking rates. Future funding will consider the need for LSSS to provide support to smokers to quit. Analysis used in this IA assumes that the current proportion of smokers that use LSSS would remain, however, if LSSS demand exceeds capacity, this may reduce the impact of tobacco measures.
338. As it is not clear how many of those that make a quit attempt from the regulations on standardised packaging will use LSSS or the response of each LSSS to increased demand, we have not quantified this cost.

²³² Government of Canada. 2019. Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations (Plain and Standardized Appearance)

²³³ Kotz and others. 2014. Prospective Cohort Study of the Effectiveness of Smoking Cessation Treatments Used in the "Real World" - Mayo Clinic Proceedings

Impact of Tobacco Litter

- 339. Introducing inserts would increase the overall amount of packaging included with each purchase, and in turn increase the amount of potential litter associated with tobacco.
- 340. Pack inserts are also expected to reduce the number of smokers in the UK, which could reduce the overall litter associated with smoking with fewer packs of tobacco sold. However, more inserts will be produced than fewer pack sold as a result of the inserts, therefore, there may be an overall increase in items of tobacco litter (albeit an individual insert is expected to have a smaller impact than an item of packaging).
- 341. As part of the policy development, we will consider how to ensure that the insert is environmentally friendly, including considering how it is attached to the packaging or the materials of the inserts.
- 342. It has not been possible to quantify the specific impact of pack inserts on litter costs and therefore it has not been monetised.

Break-even analysis

- 343. For standardised packaging and pack inserts, it has been possible to estimate the costs to implement measures. However, quantifying benefits such as improved health outcomes and reduced demand on healthcare settings has not been possible. We have conducted breakeven analysis to provide an indication of the level of health benefits to individuals required to offset the estimated costs.
- 344. To calculate the break-even point, the overall quantified costs to the UK are divided by the potential health benefits associated with adults stopping use of products in scope. To measure health benefits, we have used quality-adjusted life years (QALYs).
- 345. For cigarettes and hand-rolled tobacco, the pack inserts consultation stage IA²³⁴ estimated that for adults quitting smoking, there was a QALY gain of 0.74. This is based on the number of life years saved for a randomly chosen adult smokers that quits, discounted at 1.5%. This has been used in place of a QALY. We have applied this estimate for this breakeven analysis due to lack of relevant evidence specific to all products in scope.
- 346. The Green Book places a value of £70,000 on a QALY in 20/21 prices²³⁵. Therefore, the estimate of 0.74 QALY gains per adult that stops using these products results in individual health benefits of quitting being valued at £51,800.
- 347. Following the method outlined, Table 38 outlines the estimated quits required for individual benefits to offset the quantified costs to the UK. Some costs to manufacturers such as profit losses from reduced sales, costs of redesign of packaging and costs of producing inserts, have not been considered as it is assumed that most manufacturers of products in scope are transnational and not based in the UK.

²³⁴ DHSC. 2023. [Impact assessment: tobacco pack inserts](#)

²³⁵ HM Treasury. 2024. [The Green Book \(2022\)](#) - GOV.UK

Table 38: Number of quits for individual health benefits to offset costs of regulations

Option	Quantified costs	Value of QALY gains per adult that stops using product in scope	Number of users required to quit for breakeven
Option 2	-£94,000,000	£51,800	1,815
Option 3	-£94,000,000	£51,800	1,815
Option 4	-£99,400,000	£51,800	1,920
Option 5	-£99,400,000	£51,800	1,920

348. In the preferred option, the estimated fewer users of tobacco products in scope is 89,800 in the central scenario. The break-even analysis demonstrates that the breakeven point at which benefits justify costs is around 2% of the estimated effect size. Despite there being uncertainties in this analysis and the estimate of costs, this break-even analysis outlines that it is likely that the quits required for the health benefits to offset the costs will be delivered.
349. There is evidence that the health impacts of the products in scope of this legislation may be lower relative to cigarettes. If this is the case, our analysis in Table 38 would overestimate the health benefits associated with quitting, and therefore, underestimate the number of quits required for the benefits to offset the costs of proposed measures.
350. However, there is a large margin between estimated breakeven quits required and quits expected from the policy. Therefore, even if we are underestimating the quits required to breakeven, we expect that the point at which costs would still fall below the estimated effect size.
351. Based on a study by Xu and others²³⁶ that estimates the QALY loss of exclusive cigarette smoking and smokeless tobacco use among U.S adults, we have estimated that QALY loss associated with smokeless tobacco could be approximately 52.5% of the QALY loss associated with exclusive cigarette use. The pack inserts consultation stage impact assessment estimates that the QALY gain associated with stopping smoking of cigarettes is 0.74. Applying our estimate that QALY loss of smokeless tobacco is 52.5% of cigarettes, this results in an estimated QALY gain of 0.389 for users of smokeless tobacco that stop using these products.
352. To illustrate the breakeven point with this lower estimate of QALY gain associated with quitting, we have applied these QALY estimates to all products in scope. However, it is likely that the QALY gain associated with quitting use of products would vary across products. Table 39 outlines the number of quits that would be required for the lower estimate of 0.389 QALY gain per adult that stops smoking products in scope.

²³⁶ Xu and others. 2021. [Assessing quality-adjusted years of life lost associated with exclusive cigarette smoking and smokeless tobacco use - ScienceDirect](#)

Table 39: Number of breakeven quits for QALY gains of 0.328 for adult that stops using products in scope of regulations

Option	Quantified Costs	Value of QALY gains per adult that stope using product in scope	Number of users required to quit for breakeven
Option 2	£94,000,000	£27,207	3,454
Option 3	£94,000,000	£27,207	3,454
Option 4	£99,400,000	£27,207	3,654
Option 5	£99,400,000	£27,207	3,654

353. Table 39 demonstrates that even with a lower estimate of QALY gains, compared to the estimated effect size of approximately 89,800 quits in the preferred option, the breakeven point at which benefits justify costs in this scenario is around 4% of the estimated effect size.
354. This analysis based on smokeless tobacco is illustrative and should not be used to estimate the individual health benefits associated with quitting use of smokeless tobacco or other products in scope due to many limitations. Limitations of this illustrative analysis includes that we have used data on exclusive use and non-exclusive use of tobacco products interchangeably and assumed that the evidence is applicable across both types of users. We have also used many data sources to calculate the QALY gain relative to cigarettes with each of these data sources using different assumptions and methods that may not be compatible to be used together.

Sensitivity analysis

355. Given there are uncertainties throughout this IA, we have tested some of the key assumptions in sensitivity analysis for the preferred option. This includes:
- Heated tobacco prevalence
 - Use of waterpipe in hospitality settings
 - Impact size
 - Interaction between standardised packaging and pack inserts
 - Number of transactions for each type of product in scope
 - Reconfiguration costs
 - Redesign costs for cigars
 - Consolidation of SKUs for cigars and cigarillos
 - Number of SKUs

Heated tobacco prevalence

356. In the central scenario, we have estimated that heated tobacco prevalence in England is 0.3% based on evidence from Smoking Toolkit Study between October 2024 and February 2025 and have assumed this is a reasonable proxy for the rest of the UK²³⁷.

²³⁷ Jackson and others. 2025. Prevalence and patterns of different types of non-cigarette tobacco use in England: a population study [Pre-print]

357. However, the 2024 ASH Smokefree GB survey²³⁸ found that 0.9% of adults aged 18 years and over currently use heated tobacco products. To test how this would change impacts in the analysis, we have also modelled heated tobacco prevalence of 0.9%. For all other impacts, we have used the same data and methodologies as outlined for the central estimate of impacts of standardised packaging and pack inserts legislation.
358. Table 40 presents the estimated lost profits over the 10-year appraisal period, based on the central estimate of heated tobacco prevalence (0.3%), alongside the impact of applying the upper estimate (0.9%).

Table 40: Sensitivity analysis for heated tobacco prevalence on lost profit

Heated Tobacco Prevalence	Retailer Profit loss	Manufacturer profit loss	Wholesaler profit loss	Total profit loss
0.3% (Central scenario)	£43,100,000	£9,600,000	£6,400,000	£59,100,000
0.9%	£57,800,000	£14,100,000	£9,500,000	£81,400,000

Use of waterpipe shisha in hospitality settings

359. Many people that smoke waterpipe do so in shisha bars or cafés. In these settings, customers will not see the packaging of tobacco as staff add the tobacco to the waterpipe prior to serving the customers. Furthermore, only tobacco sold by retail will be subject to the packaging restrictions, so tobacco sold by wholesale to businesses (such as shisha cafes) will not be in scope of the legislation. Therefore, some users of waterpipe may not be exposed to standardised packaging and pack inserts.
360. To estimate the potential reduced exposure of the interventions on waterpipe smokers, we have reviewed literature on the proportion of waterpipe smokers that typically smoke in shisha bars or cafés.
361. A 2018 study focusing on waterpipe use in young adults in Northwest England found that of 33 individuals that smoked waterpipe, 15 smoked at home while 29 smoked at shisha bars²³⁹. Based on this, we assume that those smoking at home (approximately 45%) would be exposed to standardised packaging and pack inserts. However, there are some limitations to this study that may limit its applicability to use for the UK. This study has a low sample size and is based on 210 individuals self-completing a questionnaire. The questionnaire was distributed to six schools and colleges to young adults aged 16-25 and is based in a semi-rural community. Therefore, the study may not capture the trends of use among older users, those not at school or college, or those from urban areas.
362. A cross-population survey of shisha use in South East London collected data on where people smoke shisha most often²⁴⁰. Table 41 shows the results of this question in the survey.

²³⁸ ASH. 2024. [Use of vapes \(e-cigarettes\) among adults in Great Britain.](#)

²³⁹ Whittaker and others. (2018). [Shisha waterpipe use and awareness of health risks among young adults in a semi-rural underprivileged community in North West England](#)

²⁴⁰ Power. 2014. [Shisha Smoking in South East London](#)

Table 41: Results of where people smoke shisha most often from study by Power

Location	% Reports
Shisha Café	50.0%
At someone's home	35.5%
Restaurant	5.3%
Party or event	5.7%
Pub or club	3.4%

363. Based on Table 41, we assume that those who consume most often at someone's home are most likely to be exposed to packaging. All other settings outlined in Table 41 are likely to be hospitality settings and therefore, the staff at these settings may add the tobacco prior to serving customers. Therefore, approximately 35.5% of users from this study would be affected by packaging legislation. However, this study examines where people most often smoke waterpipe, but this does not reflect exclusive use in these settings. For example, some users may most often smoke in a café but less frequently consume at home. These individuals would also be exposed to packaging changes when not using in hospitality settings. Therefore, an estimate that 35.5% of waterpipe users are exposed to packaging is likely an underestimate.
364. Based on these studies, it is estimated that approximately 35.5% to 45% of users are exposed to packaging, however, there is high uncertainty surrounding these estimates and their applicability across all waterpipe users in the UK.
365. Table 42 outlines the lost profits associated with reduced exposure to packaging of waterpipe tobacco.

Table 42: Sensitivity analysis of reduced exposure to packaging among waterpipe tobacco users on lost profits

Scenario	Retailer profit loss	Manufacturer profit loss	Wholesaler profit loss	Total profit loss
All waterpipe tobacco users are exposed to packaging (central estimate)	£43,100,000	£9,600,000	£6,400,000	£59,100,000
35.5% of users are exposed to packaging	£41,800,000	£9,400,000	£6,300,000	£57,500,000
45% of users are exposed to packaging	£42,000,000	£9,400,000	£6,300,000	£57,700,000

Impact size of standardised packaging and pack inserts

Standardised packaging

366. In the central scenario, we have used 1.9% reduction in prevalence per year for 2 years as our impact size for standardised packaging. This is based on the effect size used in the standardised packaging of tobacco products IA. To reflect uncertainty in this estimate, we have also applied an impact size of 2.4%. This is the impact size from the standardised packaging impact assessment, not adjusting for other policies implemented at the time.
367. Alternatively, the impact size may be lower than the 1.9%. We have used the impact of standardised packaging on cigarettes and hand rolling tobacco as a proxy for the products in scope, however, there are differences in the market that may influence the impact size. In the absence of data on a low scenario, a reduction in prevalence of 1.4% has been modelled to indicate the impact plus or minus 0.5% percentage points of the central scenario.
368. Table 43 shows the results of each scenario on lost profits prior to discounting.

Table 43: Sensitivity analysis of impact size of standardised packaging on lost profits

Impact size	Retailer profit loss	Manufacturer profit loss	Wholesaler profit loss	Total profit loss
1.4%	£33,100,000	£7,400,000	£5,000,000	£45,500,000
1.9% (Central Scenario)	£43,100,000	£9,600,000	£6,400,000	£59,100,000
2.4%	£53,000,000	£11,800,000	£7,900,000	£72,700,000

Pack inserts

369. For the central estimate, the lower values from the relevant studies are used to account for optimism bias. We have considered two other scenarios in the sensitivity analysis. For the low estimate, we have modelled that pack inserts have no effect on adult smokers, generating no additional quit attempts. For the high scenario, we have used the upper estimates and a 'UK uplift' to account for the novelty of pack inserts in the UK.
370. In the low scenario pack inserts have no impact therefore there would only be the impacts from standardised packaging.
371. In the high impact scenario, we have assumed that 19% of smokers would read inserts a few times or more a month. This has then been uplifted based on findings by Moodie and others²⁴¹ on the proportion of smokers that would read inserts if they were implemented in the UK. The paper by Thrasher and others²⁴² have estimates for the proportion reading inserts at least once in the last month at approximately

²⁴¹ Moodie and others. 2018. Perceptions of cigarette pack inserts promoting cessation and dissuasive cigarettes among young adult smokers in the UK : a cross-sectional online survey

²⁴² Thrasher and others. 2014. The use of cigarette package inserts to supplement pictorial health warnings: an evaluation of the Canadian policy.

30%. Moodie found that 50% of smokers would read inserts in the UK. Therefore, we have uplifted the proportion reading inserts a few times or more to reflect potential readership in the UK²⁴³.

372. Table 44 shows the estimated impact of each scenario on profit loss prior to discounting.

Table 44: Sensitivity analysis of impact size of pack inserts on lost profits

Impact Size	Retailer profit loss	Manufacturer profit loss	Wholesaler profit loss	Total Profit loss
Low – pack inserts have no impact	£37,600,000	£8,400,000	£5,600,000	£51,700,000
Central	£43,100,000	£9,600,000	£6,400,000	£59,100,000
High – 19% read insert and UK uplift of two thirds	£48,400,000	£10,800,000	£7,200,000	£66,400,000

Interaction between standardised packaging and pack inserts

373. In the central scenario, we have assumed that standardised packaging and pack inserts would result in unique quits from each intervention. However, these interventions target the same population, therefore, the package of interventions together may result in the quits. This could result in only the estimated quits from standardised packaging rather than cumulative quits across both interventions. To review the impact of this scenario, we have modelled where pack inserts have no impact. This scenario is the same as what was modelled for the low scenario of pack inserts in paragraphs 368-371.

374. Table 45 shows the estimated impact of each scenario on profit loss.

Table 45: Sensitivity analysis of interaction of pack inserts and standardised packaging on lost profits

Impact scenario	Retailer profit loss	Manufacturer profit loss	Wholesaler profit loss	Total profit loss
Low – No additional quits from inserts	£37,600,000	£8,400,00	£5,600,000	£51,700,000
Central – Pack inserts result in unique quits	£43,100,000	£9,600,000	£6,400,000	£59,100,000

²⁴³ Uplift for UK is calculated as $0.5/0.3 = 1.67$

Number of transactions for each type of product in scope

375. For smokeless tobacco, heated tobacco, and other tobacco, we have used estimates of the weights of products and the weight of tobacco clearances to estimate the number of transactions. To protect sensitive market information, we cannot be specific about the details of this calculation. However, for most tobacco products, there are a range of product weights that can be purchased.
376. In the central estimate, we have used the lowest commonly available size for many products to prevent underestimating the number of transactions associated with other tobacco products. For sensitivity analysis, we have used the highest weights commonly available for purchase. While higher weights can be purchased, for instance in bulk, we have not used these in our estimates as we assume this does not represent the typical weight of the average sale. The weights used in the central and sensitivity scenarios are outlined in Table 46. Not all products are included in this sensitivity analysis as for some products, there was a general consensus across sources of the typical weights of products.

Table 46: Sensitivity analysis assumptions on product weights

Product Type	Central Estimate Weight, g	Sensitivity Estimate Weight, g
Pipe	25	50
Waterpipe	50	200
Smokeless	5.25	25

377. With higher product weights, there is estimated to be a lower total number of transactions, which is expected to affect the estimate of transaction costs. Higher products weights also reduce the estimated number of purchases per user per year, and therefore, impacts profit losses.
378. Table 47 shows the impact of the higher product weights on transaction costs.

Table 47: Sensitivity analysis of product weights on transaction costs

Scenario	Transaction costs to retailers	Transaction costs to consumers
Central scenario	£299,100	£154,200
Sensitivity scenario	£296,700	£152,900

379. Table 48 shows the impact of these product weights on lost profits.

Table 48: Sensitivity analysis of transaction weights on lost profits

Scenario	Retailer profit loss	Manufacturer profit loss	Wholesaler profit loss	Total profit loss
Central scenario	£43,100,000	£9,600,000	£6,400,000	£59,100,000
Sensitivity scenario	£40,400,000	£9,100,000	£6,100,000	£55,700,000

Reconfiguration costs

380. In the central scenario, we have estimated reconfiguration costs based on the assumption that 88% of stores are likely to reconfigure their stores based on responses to surveys conducted for Canada's implementation of plain packaging²⁴⁴.
381. We also identified evidence from Australia's post-implementation review of plain packaging legislation²⁴⁵. From this costing survey, 33% of respondents incurred increased costs associated with actions to avoid increased time with stock handling, transaction times and error.
382. Based on an estimate from a retail representative body in Australia, the reconfiguration could take approximately four hours per week and that it reconfiguration would last 4 weeks.
383. Table 49 shows the reconfiguration costs based on the scenario where 33% of convenience stores and supermarkets undertake reconfiguration and this takes four hours per week for four weeks.

Table 49: Sensitivity analysis of reconfiguration costs

Scenario	Reconfiguration costs to convenience stores	Reconfiguration costs to supermarkets	Reconfiguration costs to specialist tobacconists	Reconfiguration costs to vape shops
Central estimate	£38,900,000	£4,400,000	£1,400,000	£3,000,000
Sensitivity estimate	£3,900,000	£437,300	£386,300	£811,900

Redesign costs

384. In the central scenario, we have assumed that cigar and cigarillo manufacturers will not redesign their packaging to comply with UK regulations, and instead importers will face costs of repackaging cigars to sell on the UK market. However, if cigar and cigarillo manufacturers do redesign their packaging for the UK market, then the costs will be faced by manufacturers rather than importers.

²⁴⁴ Government of Canada. 2019. Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations (Plain and Standardized Appearance)

²⁴⁵ Department of the Prime Minister and Cabinet, Siggins Miller. 2016. Tobacco Plain Packaging PIR – Appendix C

385. Following the methodology used for the redesign of packaging for all other products in the central scenario, we have modelled the costs of redesigning packaging for cigar and cigarillo manufacturers.
386. Based on estimates from the Tobacco Products Directive Impact Assessment²⁴⁶, it is assumed there are 962 SKUs for cigars and cigarillos. We have applied this estimate, assuming there has not been significant change since 2015. Based on evidence from Canada's impact assessment on Tobacco Products Regulations (Plain and Standardised Appearance), we have assumed that standardised packaging would result in consolidation of cigar SKUs by 50% and cigarillo SKUs by 10%²⁴⁷. We do not have clear separation of cigars and cigarillo SKUs; therefore, we have used the midpoint of consolidation of 30%.
387. Based on food packaging redesign costs, we have estimated that the cost of redesign in the preferred option is £9,462 in 2024 prices.
388. Table 50 shows the costs of importer repackaging used in the central scenario and the costs of manufacturer redesign assessed in sensitivity analysis.

Table 50: Sensitivity analysis of packaging costs for cigars and cigarillos

Impact	Importer repackage of cigars and cigarillos (central scenario)	Manufacture redesign of packaging for cigars and cigarillos (sensitivity scenario)
Costs of packaging cigars and cigarillos	£4,500,000	£6,400,000

389. As outlined in the redesign costs analysis in the central scenario, it is assumed that majority of manufacturers of products in scope are not based in the UK. However, for importers, it is assumed all importers that will repackage cigars and cigarillos are based in the UK. Therefore, if we used the sensitivity scenario as our central scenario this cost would not be included in the total costs of this policy to the UK.

Consolidation of SKUs for cigars and cigarillo

390. In analysis of Canada's Plain and Standardised Packaging legislation²⁴⁸, it was estimated that standardising packaging could result in a consolidation of cigar and cigarillo SKUs between 10% and 50%. In the central scenario, we have used the midpoint of this range for the consolidation of SKUs at 30%. However, we have modelled the upper and lower bounds of the range used in Canada's assessment to capture the full range and understand the impact of this on costs.
391. In the central scenario, we have assumed that importers will repackage cigars that remain on the UK market to comply with regulations. Therefore, the main cost affected by altering the consolidation factor for cigars and cigarillos is the costs to

²⁴⁶ DHSC. 2016. The Tobacco and Related Products Regulations 2016 - Impact Assessment

²⁴⁷ Government of Canada. 2019. Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations (Plain and Standardized Appearance)

²⁴⁸ Government of Canada. 2019. Canada Gazette, Part 2, Volume 153, Number 9: Tobacco Products Regulations (Plain and Standardized Appearance)

importers of repackaging cigars. As in the central scenario, we have assumed that prior to legislation, there were 962 SKUs for cigars and cigarillos based on estimates from the Tobacco Products Directive Impact Assessment²⁴⁹.

392. Following the methodology outlined for the central scenario, it is estimated that importers face a cost of £6,652 per SKU for the setup costs for repackaging cigars in 2024 prices.
393. Table 51 shows the costs for repackaging cigars for importers in the central and sensitivity scenarios.

Table 51: Sensitivity analysis of consolidation of SKUs on costs of repackaging cigars

Consolidation of SKUs	10% consolidation (sensitivity scenario)	30% consolidation (central scenario)	50% consolidation (sensitivity scenario)
Number of cigar and cigarillo SKUs after implementation	866	673	481
Cost to importers for repackaging	£5,800,000	£4,500,000	£3,200,000

Number of SKUs

394. In response to the call for evidence on standardised packaging for all tobacco products launched in November 2024²⁵⁰, we received data on the number of SKUs for cigars and cigarillos, pipe and nasal tobacco available on the UK market.
395. From the responses in the call for evidence, some of these estimates are based on a UK survey conducted in 2024 by The Imported Tobacco Products Advisory Council (ITPAC). However, we have limited access to the survey or the methods used to collect evidence, therefore, we have not used these estimates in the central scenario.
396. Another response to the call for evidence provided data on the number of cigar lines in the UK based on data from distributors, however, this did not have a source. We have assumed this estimate also includes cigarillos. To assess the impact of these estimates on redesign and repackaging costs, we have included these in sensitivity analysis.
397. Table 52 outlines the cost estimates in the central scenario and using estimates from the call for evidence.

²⁴⁹ DHSC. 2016. The Tobacco and Related Products Regulations 2016 - Impact Assessment

²⁵⁰ DHSC. 2024. Standardised packaging for all tobacco products - GOV.UK

Table 52: Sensitivity analysis of the number of SKUs on redesign and repackaging costs

SKUs and costs of packaging		Central estimate	ITPAC survey	Other Estimate from CfE
Cigars and cigarillos	Number of SKUs prior to implementation	962	1,939	2,398
	Costs of repackaging (importers)	£4,500,000	£9,000,000	£11,200,000
Pipe tobacco	Number of SKUs prior to implementation	509	326	-
	Costs of redesigning packaging (manufacturers)	£963,200	£616,900	-
Nasal tobacco	Number of SKUs prior to implementation	220	133	-
	Costs of redesigning packaging (manufacturers)	£988,800	£660,700	-

Small and Micro Business Assessment (SaMBA)

398. For the SaMBA, we have presented the costs to small and micro businesses for the preferred option only. However, as explained, not all the costs are expected to differ between options, therefore, for some costs the costs presented in this section could apply to different options.
399. This policy will apply to all sized businesses, including small and micro sized businesses as it would not be possible to exempt small businesses while still achieving its objectives.
400. Allowing small businesses to produce or sell products in scope that do not have standardised packaging or pack inserts, would mean that people would be exposed to these products. Therefore, it would not be possible to exempt these businesses from the legislation and still achieve the policy objective to improve public health through reducing use of tobacco products, devices and accessories through:
- Reducing appeal and attractiveness of products
 - Increasing awareness of health harms
 - Increasing awareness of benefits of quitting
401. While we expect the impact of regulations to be felt most acutely by manufacturers who will need to make the design changes to packaging, we have considered possibilities to exempt small and micro businesses across the supply chain. The business in scope of the Small and Micro Business Assessment (SaMBA) are:
- Manufacturers of products in scope
 - Retailers of products in scope
 - Wholesalers of products in scope

402. The impacts considered for these businesses in the SaMBA are:

- Familiarisation costs
- Training costs
- Costs for reconfiguration
- Increased time for transactions
- Costs for repackaging of cigars
- Profit lost

Manufacturers of products in scope

Number of small and micro manufacturers of products in scope

403. The main types of businesses that are required to make changes from standardised packaging legislation are tobacco manufacturers as they would be required to change packaging. We assume that many of the tobacco manufacturers that would be affected by this legislation are transnational companies, not based in the UK. These businesses have not been considered in the SaMBA.
404. Using ONS Nomis data, in 2024 there were 5 businesses in the UK that are involved in the manufacturing of tobacco products²⁵¹, and all of these are micro businesses with 0 to 9 employees.
405. It is expected that these objectives would be achieved to some extent without including UK tobacco manufacturers as products produced by transnational manufacturers would be subject to packaging restrictions. However, an exemption for small and micro businesses would result in some products on the market being standardised while other would not. Therefore, those consuming products produced by UK manufacturers would still be exposed to branding and would not receive the information on benefits of quitting that is contained in pack inserts. Without consistency across products, this could create a misconception that products not subject to standardised packaging are less harmful than products with standardised packaging. It could also result in products produced in the UK being more attractive than other products, potentially resulting in users moving to UK brands rather than stopping use of the products. Therefore, exempting all UK tobacco manufacturers due to their size is expected to significantly impact the ability of the regulations to achieve the objectives.

Costs for small and micro manufacturers of products in scope

406. The main costs expected to be faced by manufacturers are:
- Familiarisation costs
 - Redesign of packaging
 - Production of pack inserts

²⁵¹ ONS Nomis. 2024. UK Business Counts - enterprises by industry and employment size band - Nomis - Official Census and Labour Market Statistics

- Profit loss

407. The only cost to manufacturers that we have considered as part of the SaMBA is familiarisation costs. For costs of redesign of packaging, production of pack inserts, and profit loss, costs have been estimated across all manufacturers. To estimate the costs to UK manufacturers only, this would require data on the number of SKUs for each UK manufacturer and the proportion of sales that are attributed to UK manufacturers. However, with limited evidence, we have not been able to estimate the costs of redesign of packaging, production of pack inserts, and profit loss for UK manufacturers.

Familiarisation costs

408. For familiarisation costs, we have estimated costs to UK tobacco manufacturers at £481. As all manufacturers in the UK are expected to be micro sized, the full cost of familiarisation is faced by these businesses. Familiarising with the legislation will be important for each business to ensure they are compliant. However, to mitigate these costs, DHSC should ensure that the guidance is proportionate.

409. Table 53 shows the familiarisation costs to UK manufacturers.

Table 53: Familiarisation costs for micro manufacturers

Option	Familiarisation costs for micro manufacturers
Option 4	£481

Retailers of products in scope

Number of small and micro retailers of products in scope

410. While the burden of changing packaging is on manufacturers, there is also expected to be impact on retailers from reduction in sales of products in scope and to adjust processes to support standardised packaging. To capture the impact of legislation on these small and micro sized retailers, we have considered these businesses in the SaMBA.

411. In the UK we expect there to be:

- 51,931 convenience stores
- 5,831 supermarkets
- 1,700 specialist tobacconists, and
- 3,573 vape shops

412. We have assumed that there are no small or micro supermarkets.

413. To estimate the number of convenience stores in the UK that are small or micro sized, we have used information from the ACS Local Shop Report 2025²⁵². The report estimates that 71% of convenience stores are independently operated. Independent retailers include unaffiliated and symbol groups, e.g. retailers operating

²⁵² Association of Convenience Stores. 2025. [ACS Local Shop Report 2025.pdf](#)

under their own name or trading under franchises. We have assumed that all independent convenience stores are small or micro businesses. Therefore, we estimate that there are 36,883 convenience store retailers in the UK that are small and micro businesses.

414. For specialist tobacconists, we have used ONS Nomis data for the category of 'retail sale of tobacco products in specialised stores'²⁵³. In the UK in 2024, there were 1,620 micro specialist tobacco stores, 75 small stores, and 5 medium-sized stores. Therefore, 1,695 small and micro-sized businesses.
415. There is limited data on the number and size of vape shops, therefore, we assume that all 3,573 stores in the UK are small and micro sized businesses. In practice, this could be an overestimate as some of the stores could be larger chains.
416. Based on these estimates, we estimate that 42,139 UK retailers that sell products in scope are small and micro sized businesses. This corresponds to 67% of the total number of retailers that we estimate products in scope and are affected by this legislation.
417. There is limited data on the proportion of sales of products in scope that are associated with small and micro-sized businesses, therefore, for this SaMBA, we have assumed proportion of sales are uniform across all businesses.
418. The regulations on standardised packaging require changes on manufacturers rather than retailers, therefore, it is more difficult to make exemptions to limit the costs for small and micro sized retailers. An exemption could be made that existing packaging could be sold in small and micro sized businesses, however, this is not expected to achieve objectives. We estimate that 67% of retailers that sell products in scope are small and micro retailers. Therefore, exempting these businesses would likely result in most products remaining in branded packaging, limiting the opportunity to achieve objectives.

Costs for small and micro retailers of products in scope

419. The main costs expected to be faced by retailers are:
 - Familiarisation costs
 - Training costs
 - Costs for reconfiguration
 - Increased time for transactions
 - Profit loss

Familiarisation costs

420. To estimate familiarisation costs for small and micro retailers, we have multiplied the total familiarisation costs for all retailers by the percentage of those that are small and micro businesses. As outlined above, we estimate that 67% of all retailers included in analysis are small and micro sized.
421. Table 54 shows the estimated familiarisation costs for small and micro retailers.

²⁵³ ONS Nomis. 2024. [Nomis - Query Tool - UK Business Counts - enterprises by industry and employment size band](#)

Table 54: Familiarisation costs for small and micro retailers

Option	Familiarisation costs for small and micro retailers
Option 4	£1,200,000

Training costs

422. To estimate training costs for small and micro retailers, we have multiplied the training costs for all retailers by the percentage of those that are small and micro businesses.
423. We have assumed that 30% of convenience stores and supermarkets will undertake training and all specialist tobacconist and vape shops will undertake training.
424. Table 55 shows the number of retailers that are expected to undertake training and how many of these are small and micro sized businesses.

Table 55: Number of retailers undertaking training

Retailer Type	Number of stores conducting training	Number of small and micro businesses conducting training
Convenience Stores	15,579	11,061
Supermarkets	1,749	0
Specialist Tobacconists	1,700	1,695
Vape Shops	3,573	3,573

425. Table 56 shows the estimated training costs for small and micro retailers.

Table 56: Training costs for small and micro retailers

Option	Training costs for small and micro retailers
Option 4	£1,700,000

Reconfiguration costs

426. To estimate the costs for reconfiguration of stores for small and micro retailers, we have multiplied the reconfiguration costs for all retailers by the percentage of those that are small and micro businesses.
427. In estimating reconfiguration, we assume that 88% of convenience stores and supermarkets and 100% of specialist tobacconists and vape shops will reconfigure stores/stock rooms.
428. Table 57 shows the number of retailers that are expected to undertake reconfiguration and the number of these that are small and micro sized businesses.

Table 57: Number of retailers undertaking reconfiguration

Retailer Type	Number of stores conducting reconfiguration	Number of small and micro businesses conducting reconfiguration
Convenience Stores	45,699	32,447
Supermarkets	5,131	0
Specialist Tobacconists	1,700	1,695
Vape Shops	3,573	3,573

429. Table 58 shows the estimates the total reconfiguration costs for small and micro retailers.

Table 58: Reconfiguration costs for small and micro retailers

Option	Reconfiguration costs for small and micro retailers
Option 4	£32,100,000

Increased transaction times

430. To calculate the total transaction costs to small and micro retailers we have multiplied the total transaction cost to all businesses by the proportion of businesses that are small and micro businesses. In practice this may be an overestimate as small and micro businesses are likely to have fewer transactions than large stores.
431. Table 59 shows the estimated transaction time costs for small and micro retailers.

Table 59: Transaction time costs for small and micro retailers

Option	Transaction time costs for small and micro retailers
Option 4	£200,000

Lost profits

432. Due to limited evidence, we have not been able to distinguish between whether profit margins vary across retailer sizes. Therefore, we have assumed that all retailers have the same profit margins, outlined in Table 60.

Table 60: Retailer profit margins

Product	Gross retailer profit margins
Cigar	16.4%
Cigarillo	10.6%
Pipe	12.3%
Heated tobacco	9.2%
Snuff	20.6%
Chewing tobacco	11.3%
Tobacco unclassified	26.0%

433. To calculate the estimated profit loss to small and micro retailers, we have multiplied the estimated profit loss to retailers in the preferred option by the percentage of retailers that are estimated to be small and micro sized businesses.
434. Table 61 shows the estimated lost profits for small and micro retailers.

Table 61: Lost profits for small and micro retailers

Option	Loss of profits for small and micro retailers
Option 4	£24,600,000

Wholesalers of products in scope

435. There is also expected to be an impact on wholesalers that are small and micro businesses.

Number of small and micro wholesalers of products in scope

436. As with manufacturers, we have used ONS Nomis data for the estimate of the number of and size of wholesalers for tobacco products. In the UK in 2024, there were 200 wholesalers for tobacco products and 175 were micro sized business and another 20 were small. Therefore, there were a total of 195 small and micro sized tobacco manufacturers, 97.5% of all tobacco wholesalers.
437. Based on SIC codes definitions, it is assumed that the estimated 195 small and micro sized tobacco wholesalers also include tobacco importers. While some of these wholesalers and importers may focus specifically on cigarettes and hand-rolling tobacco which are not in scope of this policy, with limited data and to prevent underestimating the impact to businesses, we have included all 195 small and micro sized wholesalers in the SaMBA.

Costs for small and micro wholesalers of products in scope

438. The main costs expected to be faced by wholesalers are:

- Familiarisation costs
- Repackaging of cigars
- Profit loss

Familiarisation costs

439. To estimate familiarisation costs for small and micro sized businesses, we have multiplied the total familiarisation costs for wholesalers by the percentage of those that are small and micro businesses. As outlined above, we estimate that 97.5% of tobacco wholesalers in the UK are small and micro sized businesses.

440. Table 62 shows the estimated familiarisation costs for small and micro wholesalers.

Table 62: Familiarisation costs for small and micro wholesalers

Option	Familiarisation costs for small and micro wholesalers
Option 4	£5,500

Repackaging of cigars

441. As outlined in the monetised costs section of this impact assessment, it is estimated that importers will invest in machinery to support repackaging of cigars and cigarillos so they are compliant with the regulations for the UK market.

442. To estimate the proportion of these costs that are incurred by small and micro sized businesses, we have multiplied the total estimated costs across all importers by the proportion that are estimated to be small and micro sized.

443. Table 63 shows the estimated repackaging costs of cigars for small and micro importers.

Table 63: Repackaging of cigar costs for small and micro importers

Option	Repackaging of cigar costs for small and micro importers
Option 4	£4,400,000

Lost profits

444. Due to limited evidence, we have not been able to distinguish between whether profit margins vary across wholesaler sizes. Therefore, we have assumed that all retailers have the same profit margins of 1.9%.

445. To calculate the estimated profit loss to small and micro sized wholesalers, we have multiplied the estimated profit loss to wholesalers by the percentage that are estimated to be small and micro sized businesses.

446. Table 64 shows the estimated lost profits for small and micro wholesalers.

Table 64: Lost profits for small and micro wholesalers

Option	Loss in profits for small and micro wholesalers
Option 4	£5,400,000

Total costs for small and micro businesses

447. Table 65 shows the estimated impact on small and micro businesses for option 4, discounted across the appraisal period.

Table 65: Total costs for small and micro businesses over appraisal period of 10 years

Stakeholder	Impact	Total cost for small and micro businesses	Cost per small and micro business
Manufacturers	Familiarisation Costs	£481	£96
Retailers	Familiarisation Costs	£1,200,000	£28
Retailers	Training Costs	£1,700,000	£41
Retailers	Reconfiguration Costs	£32,100,000	£763
Retailers	Transaction Costs	£200,000	£5
Retailers	Lost profits	£24,600,000	£584
Wholesalers	Familiarisation Costs	£5,500	£28
Wholesalers	Repackaging of cigars	£4,400,000	£22,400
Wholesalers	Lost profits	£5,400,000	£27,500
Manufacturers	Total	£481	£96
Retailers	Total	£59,900,000	£1,517
Wholesalers	Total	£9,700,000	£49,900

Potential disproportionate impacts

448. In addition to the costs, it could be possible that some of the costs to businesses of this policy will have a disproportionate impact on small and micro businesses.

449. One example of this is time and opportunity cost when familiarising with the policy. As small and micro businesses have less employees, the opportunity cost on their time could be greater as they have fewer employees to cover the shifts of those familiarising themselves with the policy. However, whilst medium and large businesses may have more employees to assist with this, due to the size of their business it is logical to assume they will spend more time disseminating guidance to more employees which could be an additional burden to medium and large businesses. This means familiarisation costs could potentially vary in proportion with the size of the business and not result in disproportionate impact on small and micro businesses.
450. Another example where there could be disproportionate impacts on small and micro businesses is on their profit margins. Due to limited data, we cannot distinguish profit margins between different sized businesses. If we assume small and micro businesses hold a smaller number of products and less diversified stock than medium and larger businesses, it could be possible that these products account for a larger share of the business profit compared to medium and large businesses.
451. Furthermore, we have estimated the lost profit across all retailers, but there may be disproportionate impacts across different types of small retailers. For example, it is expected that specialist tobacconists hold very specific products with many being in scope of this legislation. This could result in a high proportion of users of products in scope purchasing products from these retailers due to the range of products available, therefore, these businesses could face higher profit losses from a reduction in use of these products. With specific products sold in these stores, there may also be more limited opportunities for these businesses to offset the loss of profits from reduced sales of products in scope of these regulations with sales of other goods. Therefore, specialist small retailers may face a disproportionate impact compared to other businesses.
452. Whilst we are aware small and micro businesses could be disproportionately impacted, we have considered mitigations for these below.

Potential mitigations for small and micro businesses

Lead-in times

453. Potential impacts on SMBs can be mitigated by lead-in times. The restrictions on products in scope will come into place on a date specified by the Secretary of State. An appropriate lead-in time can be given to allow businesses enough time to produce compliant packaging and sell through existing stock. Appropriate lead-in times and implementation periods will be tested during the consultation.

Stakeholder engagement

454. More specific engagement with industry stakeholders is difficult. The UK is a member of the World Health Organisation Framework Convention on tobacco control. Article 5.3 of the convention states “In setting and implementing their public health policies with respect to tobacco control, Parties shall act to protect these policies from commercial and other vested interests of the tobacco industry in accordance with national law”. In practice, this means that we do not engage with

the tobacco industry unless necessary and then ensure the highest level of transparency within those interactions.

455. However, we are able to receive the views of the tobacco industry through official call for evidence and consultations. Although, to remain transparent and protect public health policy from the influence of the tobacco industry, we do separate out responses to calls for evidence and consultations from the tobacco industry.

Proportionate guidance

456. To mitigate the impact of familiarisation on small and micro sized businesses, DHSC should ensure that guidance published on packaging is proportionate with clear language and information on the packaging requirements.

Distributional and wider impacts

Distributional impacts

Consumers

457. We have considered potential distributional impacts based on prevalence of use of products in scope among different populations. Populations that have higher prevalence of products may experience more of the health benefits of the policy. However, the benefits are at the individual level and there is not expected to be significant differences in the benefits across individuals.
458. It is not expected that there will be significant distributional impacts of regulation across socioeconomic demographics. Evidence on prevalence from Jackson and others²⁵⁴ outlines that smoking prevalence of any non-cigarette tobacco products among adults in England in 2024/25 was 3.6% among the occupational social grade ABC1 and 3.7% among C2DE. Therefore, there is not a significant difference of use of products in scope across socioeconomic demographics.
459. There are some differences in prevalence of products in scope across ethnicities. Black and 'Other' ethnicities have prevalence of use among adults in England in 2024/25 of 6.4% and 6.5%, respectively. Prevalence is lowest among the White ethnicity at 3.3%. This could suggest that the policy may impact a larger proportion of individuals from some ethnicities.
460. There may also be some variation in the geographic impacts. Prevalence of use of any non-cigarette tobacco product among adults in 24/25 was 3.9% in the North of England and in the South of England, with lower prevalence of 3.1% in the Midlands. Therefore, the policy may impact a larger proportion of individuals in the North and South of England compared to the Midlands.
461. There is limited evidence of the use of these products in Scotland, Northern Ireland and Wales so we have not been able to assess the distributional impacts in these countries.

Businesses

²⁵⁴ Jackson and others. 2025. Prevalence and patterns of different types of non-cigarette tobacco use in England: a population study | medRxiv

462. UK Business Counts²⁵⁵ provides data on the number of wholesalers of tobacco products and retail sale of tobacco products in specialised stores in each region. For wholesalers, 23% are based in the North West of England and another 23% are based in London, which is more than double the proportion in any other region. Wholesaler industries in these areas may face a higher proportion of costs, such as lost profit and costs to repackage cigars.
463. There are a total of 1,700 specialist retailers of tobacco products across the UK. Areas which have the most stores include London (295), South East England (225), and North West England (230). Northern Ireland has the fewest with 55 specialist tobacco retailers. Areas with more specialist tobacconists may bear more of the retailer costs of this policy such as profit losses, increased transaction times, training and reconfiguration costs.
464. For vape shops, a report by Health Equity North²⁵⁶, identified some of the regional differences in vape shops. The report found that there are over three times more vape shops in the most deprived areas of England compared to the least deprived areas. The report found that there are double the concentration of vape shops in the north (0.6 per 10,000 people) when compared to the south (0.3 per 10,000 people). This could indicate that the policies may have a disproportionate effect on areas such as in the north where there are more vape stores, and hence a larger proportion of the costs to businesses could apply in those areas.
465. In analysis of costs to convenience stores in this IA, we have used data from the Associates of Convenience Stores (²⁵⁷[OBJ]). However, this does not provide a breakdown on the regional distribution of stores, therefore for distributional analysis we have used data from ONS Nomis in the industry 'retail sale in non-specialised stores with food, beverages or tobacco predominating'²⁵⁸. The area with the highest proportion of these stores is London with 20.5% of all stores in this category, followed by the South East with 11.1% of stores and the North West with 10.9% of stores. Northern Ireland had the lowest proportion with 2.5% of stores in this category. This could indicate that the policies may have a disproportionate effect on areas such as in London, South East and North West where there are more stores, and hence a larger proportion of the costs to businesses could apply in those areas.
466. There is limited data on manufacturers of tobacco, therefore, the distributional impacts on these businesses have not been considered.
467. We aim to mitigate these potential impacts by ensuring that the same changes are made nationally. We will also make sure that guidance and engagement with businesses takes into account as far as possible any specific regional considerations and contexts.

²⁵⁵ ONS Nomis. 2024. [Nomis - Query Tool - UK Business Counts - enterprises by industry and employment size band](#)

²⁵⁶ Health Equity North. 2025. [Ghost Towns: The Decline of the High Street and Health Inequalities](#)

²⁵⁷ Association of Convenience Stores. 2025. [The Local Shop Report | ACS](#)

²⁵⁸ ONS Nomis. 2024. [UK Business Counts - enterprises by industry and employment size band - Nomis - Official Census and Labour Market Statistics](#)

Wider impacts

Business environment

Attractiveness of business environment

- 468. Ongoing costs such as profit loss are likely to impact the longer-term attractiveness of the business environment products in scope. Lower use of and demand for products, and the associated profit loss, reduces the attractiveness of the business environment for manufacturers, retailers and wholesalers of these tobacco products.
- 469. Compliance costs to manufacturers for redesigning packaging and producing pack inserts, and to importers for repackaging cigars, are likely to reduce the attractiveness of the business environment.
- 470. Costs on business may lead to some businesses who are unable to compete, exiting the market.

Market concentration and competition

- 471. Standardised packaging is likely to reduce the ability for businesses to compete through branding and attractiveness of packaging. In the competition assessment in the impact assessment for standardised packaging of tobacco products (SPoT), it highlighted that there was a chance it may increase price competition, which may result in process innovation as companies improve the efficiency of the production process. However, some products in scope are considered luxury items (such as handmade cigars), price competition may be less applicable to these products.

Impacts on barriers to entry

- 472. There may be additional costs associated with understanding and complying with packaging for retailers, wholesalers and manufacturers of the products in scope. For manufacturers to produce pack inserts, there is likely additional costs to find a supplier to print inserts or additional capital investment for machinery if inserts are printed by the manufacturer.

Foreign investment

- 473. The legislation is not expected to have significant impact on foreign investment.

Scope for business to bring innovative products and services to market

- 474. The regulation does not directly impact business's ability to bring innovative products and services to market, it does however restrict the packaging on any innovative products.

International trade considerations

- 475. The regulation does not directly impact international trade but may indirectly affect international trade by creating a barrier to importing. Products in scope imported into the UK will need to comply with the UK packaging regulations. As such, costs may be incurred by international manufacturers and UK importers of some products in scope.
- 476. The extent to which this impacts trade depends on the global regulatory landscape. Other countries have also regulated tobacco packaging across products in scope, which may influence the attractiveness of exporting to the UK.

477. The UK Government will need to notify the WTO of proposed regulatory changes. During this notification period, other WTO members can engage with the UK to raise objections or to discuss the details of the new legislation in relation to their businesses in their jurisdictions that export to the UK.

Natural capital and decarbonisation

478. A reduction in users of tobacco products may also reduce fire costs associated with smoking. As one of the major impacts of fires on the environment is from their carbon emissions, reducing fires from smoking may improve the environment and reduce carbon emissions.
479. Pack inserts increase the overall amount of packaging for tobacco and the amount of potential litter associated with tobacco. However, pack inserts are also expected to reduce the number of smokers in the UK which could reduce litter. There would be more inserts produced than fewer packs sold due the pack inserts, therefore there may be an overall increase in tobacco litter.

Monitoring and Evaluation of preferred option

Background

480. This section sets out our provisional plans for monitoring and evaluation; informed by HM Treasury's Green Book, Magenta Book and the Department for Business and Trade Better Regulations guidance on post implementation reviews.
481. As set out in the Small Business Enterprise and Employment Act ²⁵⁹, we must carry out a post implementation review within 5 years of commencement of secondary legislation that has a significant impact on businesses. If we assume that the policy is implemented in 2027, a post implementation review would be required by 2032. This allows sufficient time for implementation and for the Department to have time for any additional research needed, for example to better understand any emerging issues or policy changes needed to inform the post implementation review.
482. Based on previous experience we expect that the research is likely to take one year to commission and an additional 2-3 years to be conducted. Taking the maximum time available to evaluate will ensure that the full implementation can be evaluated and impacts and unintended consequences that may develop over time can also be captured.
483. The aim of the post implementation review would be to establish whether the regulation:
- Has achieved its objectives
 - Has objectives that remain appropriate
 - Is still required and remains the best option for achieving objectives
 - Could objectives be achieved in another way which involves less onerous regulatory provision to reduce the burden on business and/ or increase overall societal welfare

²⁵⁹ UK Government. 2015. Small Business, Enterprise and Employment Act 2015

484. An example post implementation review (PIR) is the Standardised Packaging of Tobacco Regulations 2015 Post Implementation Review²⁶⁰ which can be drawn on to inform the evaluation of this policy. The PIR included the following key questions:
- To what extent have the policy objectives been achieved? The extent to which expected / additional benefits were achieved. The extent to which expected / additional costs were incurred.
 - Were there any unintended consequences?
 - Could these objectives be achieved in another way which involves less onerous regulatory provision to reduce the burden on business.
485. The PIR included:
- Peer-reviewed evidence on findings of studies undertaken across the UK in relation to standardised packaging;
 - Reviewing publicly available health metrics that were relevant to the regulations;
 - Running a public consultation to gather views from a range of stakeholders
 - Assessing the economic impacts in terms of cost to businesses and anticipated health benefits.

Monitoring and evaluation

486. The Tobacco and Vapes Act 2026 provides a number of powers to bring in secondary legislation, which we will be required to evaluate. As appropriate we will form more detailed evaluation plans, including regulations that will benefit from being evaluated together.
487. For example, where regulations have common research approaches, we could gather data from key respondent groups (e.g. smokers, people that vape, public, small business owners) to collect data for multiple regulations at the same time. In practice some of the regulation timelines and implementation periods may differ so it may not always be possible to evaluate them together.
488. Any independent evaluations commissioned for this policy will likely include all aspects of the magenta book methodologies, including process evaluation, outcome/impact evaluation, and economic evaluation. **Error! Reference source not found.** This will aim to assess:
- How well did the intervention meet its objectives?
 - Were there unexpected outputs, outcomes or unintended effects?
 - Were costs, benefits and delivery times as predicted?
 - Was delivery achieved as expected and were any changes needed?
 - What can be learnt for future interventions?
489. Given the proposed structure of the regulations, it may not be possible for experimental (randomised) design to be used. For example, if policies are implemented uniformly across nations and all businesses are in scope of the policies, therefore not allowing a control to be established. Therefore, it would be

²⁶⁰ Department of Health and Social Care. 2022. The Standardised Packaging of Tobacco Products Regulations 2015: post-implementation review - GOV.UK

expected that non-experimental observational and cost-effectiveness designs will be used.

490. The evaluation is likely to use a mixed approach influenced by factors such as timelines and data availability. It is also likely that the evaluation will be a multi-phased study or studies given that it is likely to look at multiple regulations implemented across different time periods. In addition, it may be challenging to isolate the policy impacts from other related policies, some impacts could be considered across a range of policies.

Policy objectives

491. As part of the monitoring and evaluation for tobacco packaging, we will need to assess whether the policy has met the objectives that were set out in the *Policy objectives* section of this IA.
492. The expected impacts, including unintended impacts, outlined in logic model in Figure 1, where possible, should be monitored and evaluated.
493. We consider the main external factors that may affect the success of the policy to include compliance by retailers and enforcement of the policy.
494. Some of the impacts of this policy are expected to occur over longer time frames. For example, due to the longer-term nature of smoking and smoking related mortality, those that quit using products in scope may not experience health benefits in the short-term. Therefore, there is likely to be a time-lag between when the policy is implemented and when some of the impacts occur. The evaluation is likely to focus on short- and medium-term impacts and so it will also be important to use a range of research methods and approaches to ensure long-term outcomes are being captured alongside short-term.

Monitoring

495. We have identified data needs and areas to monitor if the policy objectives have been achieved. These can be split into consumer, businesses and enforcement.

Consumers

496. For consumers, we intend to use several metrics to monitor changes in the use of products in scope, the number of people switching to alternative products, number of people quitting smoking, and public attitudes to products. We aim to do this by measuring:
- Prevalence of products in scope
 - Cigarette smoking prevalence
 - Smoking cessation rates and quit attempts
 - Volume of tobacco cleared for sale in the UK
 - Attitudes and perception to products in scope

Businesses

- The costs incurred by retailers, wholesalers and manufacturers: We will look to understand whether the costs to business have been significant.
- Number of businesses: We will look to understand whether the number of businesses has changed, for example specialist tobacconists.

Enforcement

497. Enforcement cases on non-compliant products: We will monitor this to understand if there is an increase in the illicit market and to understand if businesses are complying with regulations.
498. We have identified some existing data that can be used to monitor these areas. More robust surveys, such as those with a larger sample size and that are conducted more frequently, are likely to support more robust monitoring and evaluation over time. Monitoring can be done internally using publicly available sources, or alternatively can be commissioned, where additional data could be collected to fill in any gaps.

Prevalence of use of products in scope

- The International Tobacco Control (ITC) Policy Evaluation Project²⁶¹ is an international cohort study of tobacco. This survey produces data on prevalence on the use of some products in scope among current or former smokers in England. The survey is conducted every 2-years so could be used to monitor use of products in scope among current and former smokers.

Cigarette Smoking Prevalence

- ONS Adult Smoking Habits in the UK provides smoking prevalence data for adults aged 18 and over, split by age, gender, location socio-economic status and other demographics²⁶². This could be used to monitor the impact of increased regulations on smoking.

Smoking cessation rates and quit attempts

- The Smoking Toolkit Study (STS) is a survey that collects data on smoking behaviour and smoking cessation²⁶³. This could monitor whether regulations have had any impact on the number of people making a quit attempt.
- NHS Digital²⁶⁴ provides data for England on the number of people that make a quit attempt and are successful through Local Stop Smoking Services (LSSS). This could monitor if there is an increase in demand for these services, especially as pack inserts are expected to guide smokers to this support.

Volume of tobacco products cleared for sale

- HMRC publish data on clearances of tobacco products which relates to the amount of tobacco products cleared onto the UK market for sale²⁶⁵. This could be used to monitor whether the regulations have had an impact on the volume of products cleared for sale in the UK. This data is published every month.

Number of businesses

- ONS Nomis, the official census and labour market statistics, provides data on UK business counts broken down by detailed industry using 5-digit SIC2007 codes²⁶⁶. This can be used to monitor whether the regulations have an impact

²⁶¹ ITC Project. [Objectives - ITC Project](#)

²⁶² ONS. 2023. [Adult smoking habits in the UK: 2023](#).

²⁶³ Smoking Toolkit Study. 2025. [Smoking in England](#).

²⁶⁴ NHS Digital. 2025. [Statistics on Local Stop Smoking Services in England - NHS England Digital](#)

²⁶⁵ HMRC. 2022. [Quality Report: Tobacco Bulletin - GOV.UK](#)

²⁶⁶ ONS Nomis. 2024. [UK Business Counts - Data Sources - home - Nomis - Official Census and Labour Market Statistics](#)

on the number of registered businesses, such as specialist tobacconists or tobacco manufacturers.

- It should be noted that some datasets and surveys identified may evolve over time, with the potential for questions to change. Sources of data will be kept under review as plans for monitoring and evaluation are developed.

Additional data to consider

499. Some gaps in data remain and there may be additional data sources that we can use in the future to monitor the impact of the policy. We therefore consider additional sources to fill these gaps. For example:

- **Consumption of products in scope:** There is currently limited data on consumption of products in scope and associated devices and accessories per user. Whilst this can be inferred from other data sources, there is not specific data available on this.
- **Prevalence of use of tobacco products:** This IA has used the data from the Smoking Toolkit Study (STS) which was extended between October 2024 and February 2025 to include additional questions on the use of different smoked and smokeless tobacco products²⁶⁷. These questions are no longer being asked which may limit the opportunity to monitor prevalence and make comparisons with prevalence prior to legislation.
- **Cessation of products in scope:** There is limited evidence on the cessation rates specifically for products in scope. We should seek to fill this gap or identify other sources.
- **Attitudes and perceptions of harms of tobacco products in scope:** While there is evidence from journal articles of the perception of harm of products in scope compared to other products, there is limited regularly collected data that would allow us to monitor changes in perception of harm over time.
- **Impact on businesses:** To monitor the impact on business we could conduct similar research to that conducted by the Kings Fund ²⁶⁸ for tobacco standardised packaging to understand the impact of the regulations on businesses. This research produced collected qualitative evidence of the impact of standardised packaging of tobacco and related product regulations on small businesses.
- **Enforcement:** To monitor the enforcement of the policy we would work with trading standards (or equivalent) to identify the level of compliance with the regulations. This could be either quantitative or qualitative data.

500. We could also undertake periodic evidence reviews to assess any additional data being published elsewhere, covering any of the identified areas or other emerging areas.

²⁶⁷ Smoking Toolkit Study. 2025. [Smoking in England](#).

²⁶⁸ The Kings Fund. 2021. [Qualitative assessment of the impact of the Standardised Packaging of Tobacco and Tobacco and Related Products Regulations on small businesses](#).

Evaluation

501. Following on from the monitoring, we would seek to answer research questions on the regulations. These have been designed to cover objectives, understanding the impacts and understanding any unintended consequences of the policy:
- Has the policy achieved its objectives? Do the objectives remain appropriate?
 - Does the policy remain the best way to achieve the objectives?
502. To further breakdown whether the objectives have been achieved we would want to explore the following questions:
- Has use of products in scope declined as a result of the regulations?
 - Has there been any substitution effect between products in scope and cigarettes or hand rolling tobacco as a result of the regulations?
 - Has the regulation affected the perceptions of harm or attractiveness of tobacco products in scope?

Unintended consequences and external factors

503. Unintended consequences that could arise as a result of the regulations refer to outcomes that are not foreseen or intended by a particular action or policy. The evaluation will seek to explore whether any unintended consequences have occurred.
504. Potential unintended consequences include users of products switching to consuming cigarettes and hand rolling tobacco rather than decreasing use of tobacco products. There could also be an increase in illicit activity as a result of the regulations. Tobacco control measures have been followed by a decline in illicit tobacco. Overall, consumption of illegal tobacco has reduced from 17 billion cigarettes in 2000 to 2001 to 3 billion cigarettes in 2022 to 2023²⁶⁹. And when the age of sale was increased from 16 to 18, the number of illicit cigarettes consumed decreased by 25% from 10 billion in 2005 to 2006 to 7.5 billion in 2007 to 2008²⁷⁰. In the long run, less demand for tobacco products means less use of illicit tobacco.
505. There are also external factors that could influence the impact of the regulations, for example, compliance. The success of the policy is reliant on compliance from businesses. If non-compliant products are still sold, it is likely that consumers will still be exposed to branded products and will not be exposed to pack inserts, reducing the impact of the policy.
506. Other external factors could include market trends, consumer trends and behaviours and interactions with future government policies. For instance, there could be other regulations that directly or indirectly impact this regulation and the products in scope. These regulations could accelerate or delay the realisation of the benefits of packaging regulations. This could make it challenging to distinguish the effects of the regulations from those of additional future regulations.

Economic and other impacts

507. The evaluation of this regulation will require resources. This is likely to involve a mix of internal / DHSC resources, commissioned teams via the NIHR, and locally commissioned work. These different sources allow for work to be undertaken flexibly at different times and at appropriate scales.

²⁶⁹ UK Government. 2025. [Measuring tax gaps tables - GOV.UK](#)

²⁷⁰ UK Government. 2025. [3. Tax gaps: Excise \(including alcohol, tobacco and oils\) - GOV.UK](#)

508. With work commissioned through NIHR, the tendering process will require a proposal that will set out the methods and data required to answer the research questions. If all questions are not addressed in proposals, we could explore putting out additional calls for research or conduct smaller targeted projects through the NIHR policy research units.

How DHSC will respond to adverse effects and unintended consequences

509. DHSC will engage with industry association bodies, trading standards and public health stakeholders to ensure we mitigate unintended consequences with effective communication and respond to any issues efficiently. DHSC will work closely with local authorities and the regional network to ensure effects are closely monitored in regions.