



'Representing Leading News & Convenience Retailers'

Press Release

2nd June 2009

TOBACCO DISPLAY BAN WILL FAVOUR MULTIPLES

The NFRN, which represents some 18,000 independent news and convenience retailers, has attacked the proposed ban on tobacco display as being unlikely to achieve its objectives in terms of reducing sales whilst delivering a major advantage to the already overwhelmingly powerful major multiples.

NFRN National President Naresh Purohit said: "All the available evidence makes clear that the most likely effect of this ban is that overall sales will be unaffected but that purchasers will migrate from local shops to the major multiples as they will assume they will be more likely to be in stock of their brand of choice. This will be a devastating blow to local shops throughout the country and will accelerate the already worrying rate of business closures.

"Local shops play an absolutely vital role in the social fabric of the country and thousands of communities will suffer from the loss of their local shop as a result of this proposed ban. I am sure it is not the intention of this Bill to threaten the livelihoods of independent local shops nor to deliver an advantage to the multiples but this is undoubtedly the effect it will have.

"The major multiples have had little to say on the proposed ban and I think it is now clear why this is, for them it represents little threat but rather an opportunity to increase their market share. I urge the Government to take this implication of the proposed legislation very seriously and ensure that they do not inadvertently act to the detriment of thousands of communities".

Even the pro-ban group, Smokefree Action, which is an alliance of over 80 organisations committed to promoting public health, state in their recent briefing to the report stage of the Health Bill 2009 that "Ending point of sale displays has NOT been responsible for decreases in legal tobacco sales in Canada". The evidence from those markets that have already banned tobacco display – Thailand, Canada and Iceland - strongly indicates that there would be a reduction in the total number of retail outlets. Market data also suggests that whilst overall volume of tobacco is likely to be unaffected, a greater proportion of this volume will shift from small shops to larger outlets.

The NFRN's Annual Conference takes place next week and will be used as the occasion to launch a campaign designed to highlight this threat to local communities.

Ends

For further information please contact Anne Bingham, NFRN Communications Manager on 07879 646842