

MEDIA STATEMENT

The Vapour Products Association of South Africa's (VPASA) Reaction to Minister of Finance, Enoch Godongwana's 2022 Budget Speech

The Vapour Products Association of South Africa (VPASA) notes the announcement made by Finance Minister Enoch Godongwana, during his 2022 Budget Speech, of the government's plan to introduce a new tax on vaping products of at least R2.90 per millilitre from 1 January 2023. The announcement comes shortly after the publication of a Discussion Paper, on 15 December 2021, outlining a proposal to introduce an excise duty on Electronic Nicotine and Non-Nicotine Delivery Systems (ENDS/ENNDS).

VPASA looks forward to participating in stakeholder consultations and engagements to be hosted by National Treasury as outlined in the media statement accompanying the publication of the Discussion Paper. VPASA views the stakeholder consultations as a critical part of the process as this gives the opportunity to all participants in the vaping supply chain to raise their perspectives on the introduction of the proposed vaping excise. This should not be a tick box exercise, and we implore the consultations to be used as a tool to gather insights into the emerging vaping sector and its potential to play a role in tobacco harm reduction. As we have stated in our submission to National Treasury and elsewhere, the conversation on vaping should happen within the context of vaping's harm reduced profile as compared to combustible cigarettes and tobacco heated products.

It should be stated that any excise on vaping products will be a major blow to South Africa's smokers who will be deprived of access to potentially less harmful products. Excise on vaping products may also have the unintended consequences of keeping poor smokers trapped in their habit of smoking cheap illicit tobacco products to mitigate the increased cost of vaping products post excise.

VPASA believes that switching to harm reduced products could be a watershed moment for South Africans. ENDS have been proven to be an effective tool to reduce smoking incidence and represents an opportunity for the country to greatly reduce its smoking rates. Scientific evidence by reputable institutions such as Public Health England, has proven that ENDS/ENNDS could be up to 95% less harmful than smoking. The Cochrane Library has recently concluded that based on thousands of studies and data analysed, ENDS are a more effective smoking cessation aid than Nicotine Replacement Therapy (NRT).

We note with concern that the excise conversation is potentially overtaking the finalisation of the draft Control of Tobacco Products and Electronic Nicotine Delivery Systems (COTPENDS) Bill, which seeks to bring vaping products under a regulatory framework.

We wish to categorically state that VPASA is, and has always been, ready and willing to work with National Treasury and Department of Health on developing a suitably regulatory regime for vaping that is based on scientific evidence.

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