



IRISH TOBACCO RETAILERS



Vincent Jennings

Vincent was the owner of a number of service stations and convenience stores in Limerick, Ireland for over twenty years before becoming Chief Executive of the Association in 2004. During that time while in business, he was also a member of the Society of the Irish Motor Industry. Vincent was the secretary and President of the local Newsagents branch and was elected to the National Executive in 1995. He served as National President in 2002. During his term as President, and subsequent to his appointment as CEO, he led discussions with the Department of Health on aspects of the far-reaching Public Health (tobacco) Act 2002 and 2004 which made very substantial changes to the retailing of tobacco in shops and the introduction of controlled Test Purchasing, using under 18yr old minors to check on compliance. He was appointed by the Government to be one of the 3 Employers representatives on the Low Pay Commission charged with recommending the National Minimum Wage each year and served his full 6-year Term from 2016 to 2022.

CONVENIENCE STORES AND NEWSAGENTS ASSOCIATION

ORGANISATION, MISSION AND OBJECTIVES

CSNA is a retailer-driven organisation, it is funded entirely from subscriptions paid by its 1500 members and income generated from sales of Stockbooks and insurance commissions.

The Board of Directors (the National Executive) is elected every two years, the President holds a two-year term, after which he must step down. To be a member of CSNA, you must own the business, membership is not available to suppliers or employees.

CSNA members are very diverse, there are members that own more than one store, there are petrol station operators, newsagents, mini-market and convenience store owners, there are supermarkets with over 15.000 different products and there are single-owner kiosks in rail stations; the criteria for membership (which is entirely voluntary) is that they either have a newspaper-retailing part of their business, or they are registered to sell tobacco products, or both.

the core principals are that CSNA provides Independent advice, engage in Trade negotiations, is actively committed to represent the trade at Government and Local Authority

level, offering a powerful collective voice, always on the side of the retailer.

There is a website which has some areas that is members-only content. CSNA publishes a weekly newsletter and also engages in social media (Twitter, Facebook, LinkedIn). It also contributes a number of articles every month to four separate Trade publications and also ensures that retailers in allied trades are informed of areas of mutual common interest.

CSNA holds a seat on the Governments Retail Forum where all matters relating to the future of retail in its many forms are discussed with every Government Department present and available to question on aspects of policies. The Forum will also make suggestions on forthcoming legislation

as it may affect the sector. CSNA is also represented on the Retail Banking Forum in the Irish Central Bank and are consulted on matters as they affect members in areas such as cash handling, credit and debit card interaction fees, and ATM's.

As its members employ almost 50.000 staff, CSNA is frequently called upon to provide bespoke HR assistance as well as being in constant contact with the Department of Employment Affairs regarding legislative changes in Sick Leave, Maternity Rights and Organisation of Working Time matters.

It is also member of the Alliance for Insurance Reform, the Local Jobs Alliance and the Irish Small and Medium Enterprise lobby group.



THE TOBACCO DISTRIBUTION SYSTEM

Tobacco distribution has a number of different styles of delivery. The majority of retailers have a direct supply from each of the 4 tobacco distributors. Some smaller retailers acquire product through Cash and Carry or tobacco wholesalers. There are a very large number of registered outlets that have token-operated self-service vending machines, servicing the Hotel, Bar, Restaurant and Nightclub sectors. It is generally accepted that these machines provide around 8-10% of national sales and are most likely in line for outlawing presently, as part of

the further tightening of access contemplated by the Irish Health Department.

Retailers are obliged by law to sell cigarettes at the price determined by the tobacco company, the price is the same throughout the entire country, regardless of the wholesale price that the retailer purchased the product for.

There is no single designated retail tobacconist outlet, cigarettes can be purchased in Supermarkets, garage forecourts, convenience stores, grocery stores, newsagents and discount stores, in addition to those HO-

RECO previously noted. There are plans to licence the entire sector.

CSNA has generally used the following (unscientific) sales statistics as % of sales value that is tobacco.

- Large Supermarkets - 1-2%;
- Mid-sized Supermarkets 3-5%;
- Large Convenience 5-8% (+ € 5m turnover);
- Mid-sized convenience 7-12% (€ 2.5m - € 5m);
- Small convenience 12-15% € 1m - € 2.5m);
- Garage forecourt 20-30% of shop turnover;
- Newsagents 18-25%.



WHO ARE THE TOBACCO RETAILERS?

- Tobacco POS organisation
- The POS' Tobacco revenue

TOBACCO TAX SYSTEM

Ireland has a very high level of excise and ad valorem taxes upon all tobacco products. For example, the tax on a pack of 20 cigarettes is 83.1%, including 23% VAT.

THE VARIETY OF PRODUCTS AND SERVICES

Few, if any, retailers rely exclusively on tobacco sales in their respective businesses. In addition to traditional Fast Moving Consumer Goods, the members are Agents for the sales of Lottery products, both National and Euromillions, sales of which exceed €1 billion last year. Physical newspapers, national and provincial had an important part of the businesses for many years, particularly when agencies were restricted, but Competition Directives and changes in national laws allowed for a much larger number of retailing outlets.

Food to go, including coffee are very important to CSNA's members, the majority of whom have hot food offerings and many have large delicatessen areas in their stores, with bread ovens and rotisseries.

Confectionery, beverages and ice cream products are also standard in the stores, the State permits the sale of alcohol for consumption off the premises once a licence has been obtained from the Courts, and an Annual fee is paid to the Irish Tax Authorities.



About 40% of our members sell Wine-only, 40% hold a Beer, Spirit and Wine licence and the other 20% have not sought a licence to sell alcohol.

There are other services made available as Commission- based Agencies such as Parcel Depots, Bill Payment, collection of Council Taxes, motorway tolls and transportation services.

Retailers also provide top-up for pay-as-you-go mobile phone suppliers.

Most retail members open 7 days a week, from 07:00 to 22:00 and see labour costs as being by far the highest expense item these businesses incur.

NATIONAL LEGISLATION REGULATING THE INDUSTRY

Ireland has over 50 separate pieces of legislation relating to the obligations of the CSNA members as employers and a similar number relating to their duties and obligations to the public, including their customers. They are also regulated at local level through planning, waste collection and fats oil greases rules. There are upwards of 40 different Compliance or Inspection ordinances that Irish retailers are obliged to allow into their premises during business hours and make available to them relevant documentation.

Specific to Tobacco

Sales to minors (under 18) is strictly prohibited. This is checked by Environmental Health Officers by using 15,16- and 17-year-old volunteers in Test Purchases.

Plain packaging, no display of product. Advertising materials strictly forbidden. No signage anywhere (inside or outside) notifying the public that tobacco is available, other than one proscribed sign, using a Department of Health approved size and colour scheme.

At the moment, the State permits the sale of tobacco by any undertaking once it submits a completed application Form and pays a once-off registration fee of €50. This is due to be amended by way of a new Licencing Act.

Vaping products are subject to some of the same restrictions but can be displayed.



CSNA

W4D1, Ladytown Business Park,
Naas, Co Kildare, W91 V8X2
Tel. +353 (0)45535050
E-mail: info@csna.ie
Web: www.csna.ie

KEY INFORMATION

The most popular price category is €15.80, the excise duty is €9,43 and total tax is €12,38, or 78% of the pack of 20.

In 2021, the last year for which receipts are published, €1.132,4 bn of cigarettes were removed from bond. This is recorded as 2.662. billion cigarettes.

Revenue statistics note that 21% of all cigarettes consumed emanated from outside Ireland, 13% smuggled and 8% from another Member State.

18% of adults smoke