

29 August 2013

Dear Mr Schlyter,

Free Market Solutions in Health: The case of nicotine

I have the pleasure of enclosing a copy of the IEA's latest publication, *Free Market Solutions in Health: The case of nicotine*, by Christopher Snowdon. The research reveals that safer nicotine products are not a gateway to smoking, but a gateway from smoking. Banning e-cigarettes will mean more people continue smoking cigarettes, a vastly unhealthier product.

- **The legalisation of alternative nicotine products is good for public health.** In Sweden, the proliferation of alternative products has led to the lowest smoking rate in Europe.
- **Government regulation is regressive.** Heavy government regulation of e-cigarettes hampers the creation of healthier options by incentivising the sale of normal cigarettes.
- **Smoking regulation harms competition.** The banning and regulation of e-cigarettes is a boon for both the tobacco and pharmaceutical industries as it eliminates competition from alternative products.
- **Consumers would benefit from new products.** Supporting the current cigarette market and eliminating the opportunity for alternative nicotine products artificially inflates prices, hurting consumers the most.

Rather than heavily regulating or banning alternative nicotine products, which only sustains the cigarette industry, perpetuating the economic and health pitfalls of the current market, the government should:


- Treat e-cigarettes as an ordinary consumer product. This would allow consumer interests to be advanced through accurate information and free choice.
- Remove harmful barriers to the alternative nicotine product market such as high taxes, bans and excessive warning labels to allow the industry to become competitive, help foster safer products and lower prices for the consumer.

We hope you find this report of interest.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'S Lis', with a horizontal line underneath.

Stephanie Lis
Communications Officer



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FREE MARKET SOLUTIONS IN HEALTH

The case of nicotine

By Christopher Snowden
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