

## **ETRC response to the public consultation on the proposed Ministerial Regulation amending the Tobacco and Smoking Products Regulation in connection with the introduction of standard packaging for cigars and electronic vapor products in Netherlands**

On behalf of the **European Travel Retail Confederation (ETRC)**, the industry association representing the duty-free and travel retail industry in Europe, we would like to respond to the public consultation on the proposed Ministerial Regulation concerning the standardised packaging of cigars and electronic vapour products in the Netherlands.

We would like to raise serious concerns regarding the potential impact of the proposed packaging requirements on the international duty-free retail channel. While we fully respect the public health objectives of the Dutch government, we believe the measures as currently drafted risk causing considerable disruption to the legitimate, secure, and highly regulated duty-free supply chain, without offering any material benefit to public health outcomes in the Netherlands.

### **Duty-free: a unique retail channel**

The duty-free sector is fundamentally different from the domestic retail environment. It operates exclusively under a Customs suspension procedure, where products are sold only for export and do not enter the Dutch market for domestic consumption. As such, these products remain outside the scope of national consumption policies and cannot influence consumption trends or behaviours within the Netherlands. The duty-free sales environment is highly restricted, with access only granted to international travellers departing the country, and all purchases are strictly controlled.

In this context, the imposition of strict new packaging standards, such as the requirement for Pantone 448C colour schemes, matte and smooth finishes, specific font and colour rules, and prohibitions on packaging transparency and design elements, would disproportionately and unnecessarily impact the duty-free retail channel. The proposed regulation further specifies internal and external packaging materials and colours, including restrictions on inner foil, allowable fonts, and mandatory display formats for brand names and technical specifications. These requirements are incompatible with the operational and commercial realities of duty-free retail.

### **A global supply chain**

Tobacco and vapour products sold in the duty-free channel are packaged and distributed according to global travel retail specifications. These products are frequently manufactured in regional production hubs and distributed across multiple jurisdictions under harmonised packaging systems designed to comply with international transit regulations and cater to international consumer needs. Requiring bespoke packaging for products sold exclusively in the Netherlands' duty-free shops would impose a significant logistical and financial burden on manufacturers and retailers. For many international product lines, especially lower-volume cigar and vapour SKUs, compliance with country-specific plain

packaging laws in the duty-free context would be commercially unviable. The likely result is that such products would be withdrawn from the Dutch duty-free offer entirely, thereby reducing consumer choice, diminishing the attractiveness of Dutch travel retail outlets relative to competing international locations, and ultimately depriving Dutch businesses of revenue.

### A threat to competitiveness and revenue generation

We also wish to emphasise that duty-free shops do not compete with the Dutch domestic market. Rather, they compete with other international airports, airlines, and maritime retailers offering similar products under internationally harmonised conditions. By imposing more restrictive packaging rules than those applied in other major travel hubs, the Netherlands would place its own duty-free retailers at a significant competitive disadvantage. The inevitable consequence is a shift in purchasing behaviour towards other jurisdictions, with a direct loss of commercial revenue to Dutch airports and retailers, but without any change in overall consumption or public health benefit.

It is also important to note that product packaging serves an essential functional role in the duty-free context. Travellers represent a highly diverse international consumer base. Many do not speak the local language and rely on distinctive packaging design and branding to identify their preferred products. Localised packaging requirements remove these critical identifiers, leaving international consumers unable to distinguish between brands or formats. This confusion undermines the efficiency of duty-free retail operations and reduces consumer confidence, leading to deferred purchases and displacement of sales to other jurisdictions where branding remains permitted.

### Request for exemption

For these reasons, we respectfully urge the Ministry of Health to consider exempting duty-free sales from the scope of the proposed Ministerial Regulation. Such an exemption would be consistent with international best practice, maintain the viability of the duty-free channel in the Netherlands, and ensure that public health objectives are pursued without introducing unnecessary and counterproductive disruption to the secure, export-only duty-free sector.

#### **About the European Travel Retail Confederation**

*The European Travel Retail Confederation (ETRC) is an industry association for the duty free and travel retail industry in Europe, serving the industry and its members to help create the right environment to allow the industry to achieve its potential and protect it when challenges arise.*

*ETRC is composed of national and regional affiliated trade associations representing over 200 European companies, Tax Free World Association (TFWA) representing 500 brand companies, and direct corporate membership from individual companies working in the duty free and travel retail trade across Europe and beyond. The European Travel Retail Confederation's operations are directed by its Supervisory and*

*Managing Boards and carried out by a full-time secretariat. For more information about the organisation, please see our website – [www.etrc.org](http://www.etrc.org)*