The logo for the UK Vaping Industry Association (UKVIA) is rendered in a red, thin-line font. It consists of the letters 'U', 'K', 'V', 'I', and 'A' in a stylized, geometric arrangement. The 'U' is a simple U-shape. The 'K' is formed by two lines meeting at a point. The 'V' is a simple V-shape. The 'I' is a vertical line. The 'A' is formed by two lines meeting at a point. The entire logo is centered horizontally.

UKVIA

UK Vaping Industry Association

Who are the UKVIA?



- The UK Vaping Industry Association is the **#1** trade association for the UK vaping industry and has seen our membership grow by over 75% in the last 12 months.
- Founded in 2016 it represents the whole breadth of the vaping industry; including manufacturers, retailers, wholesalers, distributors, suppliers, and compliance specialists.
- Our 92-strong membership includes representatives from independent stores and brands to more established corporate brands including those owned by tobacco companies. We currently represent roughly 78% of the UK market volume.
- We provide an important interface between the industry and government, regulators, the media, and the public at large.
- We are an open, democratic organization working to represent the interests of the whole vaping industry. We aim to convince the remaining 7m smokers in the UK to consider switching to vaping.

UK Vape Market Overview 2022

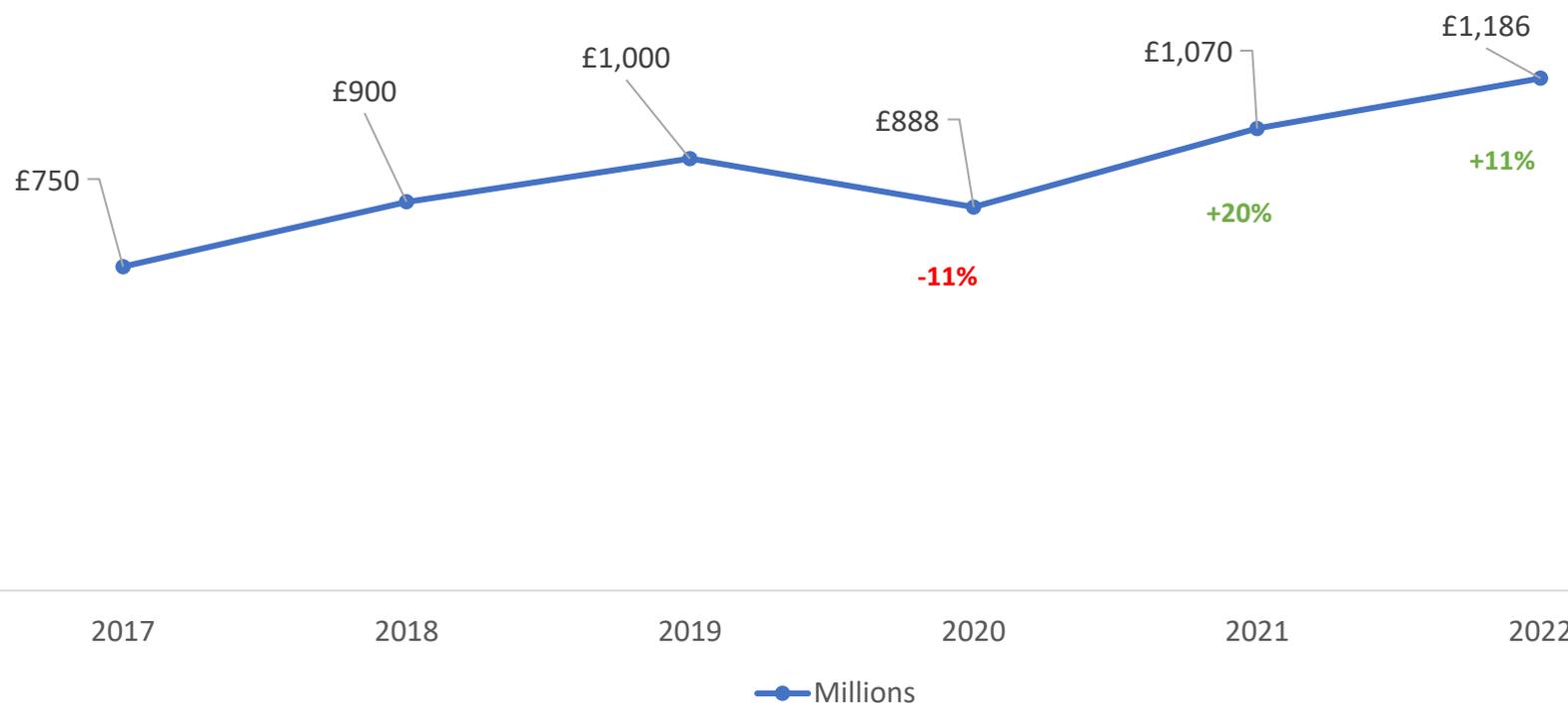


- The UK continues to be the 2nd largest vaping market with light-touch regulation developed by the UK government which has encouraged growth.
- No extra tax is applied to vaping products & Local Government Association calls for VAT to be reduced to 5% in line with other Nicotine Replacement Therapy products. This is a similar call from UKVIA.
- Vape shops have started to reopen new locations showing an optimistic outlook for 2022. Most chains have added new locations in the last 6 months. However, the convenience sector is showing the most growth.
- Disposable brands are entering the market with over **6500** disposable products currently registered with the MHRA. An extensive illegal market exists for oversized devices.
- Conventional routes to market are being challenged. The availability of vaping products via rapid delivery firms means late-night delivery is driving a substantial increase in sales in the evenings. However, poor age-gating could be an issue here raising issues about underage access.

Market Snapshot 2022



Market Size



Adult vaping population
4,200,000
(+8 vs 2021)

User Population Overview 2022



- Vaping has rebounded from the EVALI and lockdown downturn and vaping is at an all-time high of 4.2 million at the latest estimate.
- UK Smoking rates drop below 13.8% for the first time since 2015 according to the latest Office for National Statistics (ONS) data down from a peak of 16.3% during the pandemic.
- The proportion of vapers who have never smoked remains very low, at just 1.2% although I think this will increase due to youth uptake of disposables.
- The percentage of ex-smokers who now vape had risen to 12.3% in 2020 up from 11.7% in 2019, indicating that more smokers are successfully quitting for good with the help of vaping.
- These figures indicate that the powerful anti-vaping lobby's best attempts to smear e-cigarettes' effectiveness at helping people to quit smoking are simply not working.

Vaping Among Young People – The Data



- In 2022 for the first time the most frequently used device by young people was disposable (**52% vs 7.7%** in 2021.)
- A large majority of 11-17-year-olds have never tried vaping (**83.8%**)
- Regular use of e-cigarettes remains low in 11-17-year-olds overall. In 2022 regular use were **3.1%** and **3.9%** occasional use.
- Most young people who had never smoked had also never vaped (**92.2%**)
- Most current youth vapers were either former or current smokers (**85.1%**).**

Why is this data important?



If youth vaping numbers continue to increase regulators will act. The industry must take steps to self-regulate.

- The sale of tobacco and e-cigarettes to people under the age of 18 is an offence in the UK, however the most common way to access both cigarettes and e-cigarettes among 11-17-year-olds was purchase from shops with 51.9% buying cigarettes and 46.5% buying e-cigarettes. The next most common source was being given them, at 39.3% for cigarettes, 43.0% for e-cigarettes.

How you market your products is important too.

- Data in the UK shows that over half of 11-17-year-olds were aware of e-cigarette promotion (**55.8%**). Of those who reported seeing e-cigarettes online the most common were Tik Tok (**45.4%**), and Instagram (**31.1%**)

Perception of the industry in 2022



Vaping still has an ongoing perception problem – aggravated by flavour bans in a number of key markets, scare stories around Covid and illegal THC/Vit E Acetate usage in the US.

- Perceptions of the harm caused by vaping compared with smoking are increasingly out of line with the evidence and rising. The STS survey found that:
 - 29% of current smokers believed vaping was **less harmful than smoking**
 - 38% believed vaping was **as harmful as smoking**
 - 18% **did not know** whether vaping or smoking was more harmful
 - 15% of smokers believed vaping was **more harmful** than smoking
- There is **continuing alarm** in the media and public mind that young people may take up vaping despite very low youth uptake of vaping in the UK. Some new non-compliant disposable brands using inappropriate marketing may be adding to this issue.



Enforcement & Compliance in the UK



- MHRA is taking a much harder stance on non-compliant products and companies falsifying submissions. This is resulting in many products being refused approval of taking longer to approve. The new systems allow MHRA to look closely at every submission. They are also seeking new powers to potentially see them cancelling registered ECID numbers if they suspect fraud or potentially ban repeat offenders from registering a product at all.

- Further updates are underway that will see it becoming easier to check if a product is registered.

- Scotland has also been very active in acting against illegal disposable devices with joint action from 21 local authorities across Scotland visiting 721 premises in 10 weeks. They removed over 88,000 non-compliant disposables during this period. The report makes recommendations to increase scrutiny by MHRA of packaging during the submission process.



Medicines & Healthcare
products
Regulatory Agency



A word of Caution



UKVIA

- A UKVIA investigation found many disposable brands on the UK market at the current time are non-compliant for a variety of reasons. The most common issues include **Tank size above 2ml**, **Nicotine strength above the 20mg max**, CLP packaging issues or not being MHRA registered.
- The UKVIA is taking action to cooperate directly with MHRA, Trading Standards, and law enforcement to identify illegal sellers and raiding shops and wholesalers where they confiscate illegal products and fine shops.
- UKVIA has been working with its many partners in China to close down counterfeit factories.
- Enforcement of age of sale regulations for vaping (and smoking) needs to be improved.- Current lack of funding and enforcement of current laws/fines by TS.
- UKVIA has called for a minimum **£10,000** fine per instance for selling illegal vape products or to minors and licensing of outlets selling vaping products. .
- Misperceptions of the relative harms of smoking and vaping should be addressed. This is difficult to do with current legislation.





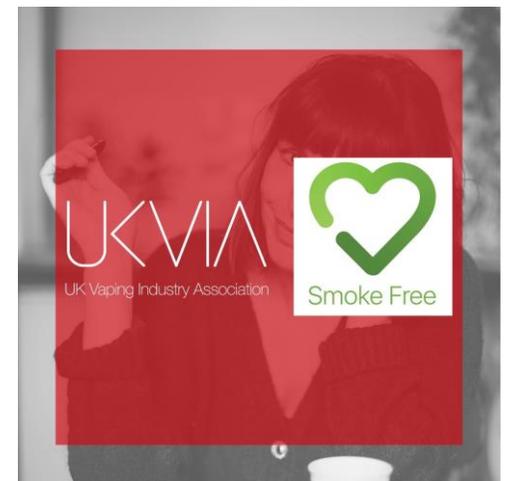
Launched in 2018; **VApril** is the vaping sector's only dedicated education and awareness campaign to encourage smokers to make the transition from conventional to vaping

Despite lockdowns, **VApril** 2019, 2020 & 2021 were all great successes; reaching out to millions of people globally in over 10 countries via mainstream and social media and support from our international partners around the globe.

2022 was the biggest **VApril** ever with over 6 million people engaged worldwide.

We partnered with the world's largest smoking cessation app **Smoke-Free** which has had over 6 million downloads worldwide. We plan to have several joint programs in 2022.

This partnership forms part of our wider **NHS** engagement program which has seen us produce a suite of tools for NHS clinics and doctors which has been sent to over 300 NHS trusts around the country.



Thank you



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