

The European Shisha Community Alliance (ESCA) is a trade body set up to represent the thousands of small and medium sized businesses (lounges, manufacturers, wholesalers, distributors and retailers) established and/or operating in the EU who are directly or indirectly reliant on the waterpipe sector.

Shisha tobacco (also known as waterpipe/hookah) is, by definition, a flavoured product and all shisha consumed in the European Union is flavoured. Any change to this protection of flavours would act as a *de facto* ban on the shisha category. We strongly believe that the **continued exemption of flavours in shisha is paramount** to the category's preservation thus preventing it from being driven completely underground and eliminating any remaining prospect for legitimate manufacturers to compete on a level playing field. Removal of the exemption would criminalise thousands of small businesses, most of them minority owned and deprive a significant portion of the European migrant community of a cultural social staple that, for many, is an alternative social outlet to alcohol-oriented occasions.

About Shisha

Shisha is a unique product and is fundamentally different to all other tobacco products. It is a centuries old social tradition, and contains the lowest amount of tobacco of any tobacco product. On average, shisha products in the EU contain between 15% and 20% tobacco leaf with the remainder consisting of glycerine, sugars, flavourings and technical ingredients.

The vast majority of shisha users enjoy shisha monthly or weekly¹. In Germany, for example, where shisha consumption is arguably more prevalent than in any other country in the EU, shisha is enjoyed on average twice a week.² In general, consumption is evenly split between use in private spaces and being served and shared in shisha lounges and cafés (although COVID lockdowns distorted that pattern significantly in 2020-2021).

It requires cumbersome equipment and expertise to prepare. One shisha session takes up to 20 minutes to prepare and between 45 minutes to an hour to consume. In contrast to cigarettes where tobacco is burned to produce smoke, shisha is heated at a lower temperature, producing an aerosol that contains fewer and lower concentrations of constituents normally found in cigarette smoke.³

The Shisha sector is comprised of thousands of SMEs across the EU

Unlike the rest of the tobacco value chain, the shisha sector is comprised of small and medium sized businesses, many of which are owned and run by young entrepreneurs and members of migrant communities in the EU.

Whilst reliable studies on the exact size of the shisha economy in Europe do not exist, we believe it is important to consider the following:

¹ In the United States a CDC study shows that on average 89% of users do so less than once per month, in Germany the Federal Institute of Risk estimates that on average shisha is used 2 to 3 times per week.

² German Federal Institute for Risk Assessment (BfR) Frequently Asked Questions about Water Pipes. https://www.bfr.bund.de/en/frequently_asked_questions_about_water_pipes-60838.html Last accessed 15th June 2022.

³ Shihadeh, A (21 July 2002). "Investigation of mainstream smoke aerosol of the argileh water pipe". Food and Chemical Toxicology, Wakeham, H (1972). "Recent Trends in Tobacco and Tobacco Smoke Research". The Chemistry of Tobacco and Tobacco Smoke. Boston, MA: Springer, Cooperation Centre for Scientific Research Relative to Tobacco. A Preliminary Comparison of flavoured waterpipe tobacco aerosol with cigarette smoke. P Wilkinson, Oct 2019

1. It generates 200 million⁴ euro for European governments (and as stated above, we believe this represents only 1/3⁵ of what European governments should be collecting from the sector)
2. We estimate that there are 11,000⁶ shisha serving hospitality venues (all small and microbusinesses) in the Union, concentrated largely in countries with large Turkish, Arabic and North African populations like Germany, France and Spain. Notably, for the majority of these venues, shisha sales account for the majority of revenue.
3. We estimate that 13,550 businesses are engaged in the wholesale and retail sale of shisha products and accessories.
4. Shisha and shisha related businesses employ over 60,000⁷ people across Member States of the European Union.
5. We estimate that the majority of tobacco and flavour additives used in legal shisha products sold in the EU are sourced in Europe, principally Germany and France.
6. Legal shisha finished goods are also produced in Germany, Spain and Poland.

Shisha is occasional

The consumption of shisha is an infrequent pastime, and there are a number of independent studies demonstrating this. The vast majority of shisha users enjoy it monthly or weekly⁸ and recent independent research indicates that **94% of shisha consumers consume it less than once a week**⁹. In **Germany, the Federal Risk Institute** has stated that ***shisha is used on average 2 to 3 times per week***¹⁰ and in the **United States**, the Centres for Disease Control claims that on average **89% of users do so less than once per month**¹¹.

The occasional nature of shisha consumption demonstrates that it cannot be considered a gateway to cigarette smoking or use of other tobacco or nicotine containing products, not least because as a product it is wholly unique. Studies also show that the vast majority of smokers do not start out consuming shisha - **in the Eurobarometer Survey of 2020, the results clearly demonstrate that only 4% of respondents had tried shisha as their first tobacco product**¹². Furthermore, shisha consumers tend not to use other products in parallel (two thirds of shisha users are able to abstain completely from all tobacco products for 2 to 3 months or more after using shisha¹³).

The EU's Eurobarometer study from 2020 found that whilst 12% of all respondents had tried shisha once or twice, *"very few make use of it more frequently"*¹⁴.

⁴ Study on Council Directive 2011/64/EU on the structure and rates of excise duty applied to manufactured tobacco, Final Report Volume 1, May 2017. Page 105, Table 15.

⁵ Report from the commission to the council on Directive 2011/64/EU on the structure and rates of excise duty applied to manufactured tobacco, 12/1/2018, COM (2018) 17 final

⁶ ESCA Internal estimates = Lounges 10,250, Restaurant, Bar, Nightclub 750, General Retailers 12,900, Dedicated Retailers 650.

⁷ Employed in over 25,000 legally operating shisha related businesses including factories, lounges, bars, nightclubs, restaurants, retailers, delivery, warehousing and accessories. ESCA Internal estimates.

⁸ Attitudes of Europeans towards tobacco and electronic cigarettes Special Eurobarometer 506

⁹ 2020 Kantar study on shisha consumption in Spain

<https://static1.squarespace.com/static/5e7d19ef664af1615ab2ba0e/t/60d0b2b3bf06a733dda09796/1624289974388/KANTAR+June+2021+Spain+ENG.pdf>

¹⁰ German Federal Institute for Risk Assessment (BfR) Frequently Asked Questions about Water Pipes.

https://www.bfr.bund.de/en/frequently_asked_questions_about_water_pipes-60838.html Last accessed 15th June 2022.

¹¹ Characteristics of Hookah Tobacco Smoking Sessions and Correlates of Use Frequency Among US Adults: Findings From Wave 1 of the Population Assessment of Tobacco and Health (PATH) Study

Robinson, Wang et al, Nicotine & Tobacco Research, Volume 20, Issue 6, June 2018, Pages 731–740,

¹² Eurobarometer Survey 2020

¹³ 2020 Kantar study on shisha consumption in Spain

<https://static1.squarespace.com/static/5e7d19ef664af1615ab2ba0e/t/60d0b2b3bf06a733dda09796/1624289974388/KANTAR+June+2021+Spain+ENG.pdf>

¹⁴ Eurobarometer 2020 QC6.1 p44

Shisha is cultural

Shisha's unique culture and history span many centuries and continents and are uniting features of diverse communities around the world. With the increase in migration into the European Union, the same rings true for the many migrant communities establishing roots across the bloc.

Enjoying shisha has been a fixture of social and cultural activity since the 16th Century. Today, enjoying shisha together remains a symbol of respect, hospitality, and social engagement for many communities throughout the EU. It has also been an enabler for integration as many native Europeans enjoy the ritual thus bringing diverse sections of the community together.

Shisha is social

Shisha consumption creates connections across cultures, and it brings people together over a shared social experience.

Given the demographic of the vast majority of shisha consumers in the EU hail from Turkey, the Middle East and North Africa, it must be accepted that this ritual is used as a social outlet for many who, for religious or cultural reasons, do not consume alcohol. To restrict flavours for shisha would be akin to restricting flavours in alcohol for Westerners.

Shisha is not easily accessible to minors

Shisha preparation and consumption requires skill, expertise, and patience. These features limit its appeal and practicality for minors as it cannot be concealed (from parents or in schools for example) or carried around easily.

Scientific Evidence

Shisha is not without risk because it contains tobacco but an evidence-based assessment of shisha in its own right is important. Assumptions based on experiences with other tobacco and nicotine products – all of which are very different from shisha in their composition and use – lead to very wrong conclusions.

The World Health Organisation published an advisory note in 2014 which led to a number of claims in media outlets that *"a one-hour waterpipe session is the same as smoking up to 50/ 100/ 200 cigarettes"* (such claims vary between publications). **These statements are extremely inaccurate and misleading.** Firstly, the studies supporting such claims examine only the volume of aerosol produced by a 1-hour shisha session and do not consider the composition of the aerosol. Cigarette smoke is comprised of thousands of chemical substances produced by the combustion of tobacco at temperatures between 400 and 900 degrees Celsius. In contrast flavoured shisha aerosol is produced by heating a mixture (typically comprising 15-20% tobacco) **at below 200 degrees Celsius**, and unlike traditional tobacco which is burned, it does not produce tobacco smoke but rather an aerosol that contains fewer and far lower concentrations of constituents normally found in cigarette smoke, including nicotine¹⁵.

¹⁵ Shihadeh, A (21 July 2002). "Investigation of mainstream smoke aerosol of the argileh water pipe". Food and Chemical Toxicology, Wakeham, H (1972). "Recent Trends in Tobacco and Tobacco Smoke Research". The Chemistry of Tobacco and Tobacco Smoke. Boston, MA: Springer; https://www.coresta.org/sites/default/files/abstracts/2019_STPOST25_Wilkinson.pdf

Taking consumption patterns into account (*based on Germany's BfR – the German Federal Institute for Risk Assessment - estimate for consumption frequency for Germany*), there is a greater than 85% reduction in tested chemicals produced from tested shisha aerosol compared to cigarette smoke. Removal of charcoal emissions from the shisha pipe by, for example, using a good heat management device can further reduce total exposure to harmful and potentially harmful constituents by removing most of the Carbon Monoxide from the aerosol.¹⁶

It's also important to distinguish flavoured shisha molasses, popular in the Middle East, Europe and the US, from traditional "black molasses", which is not available in Europe but is sold in a very limited number of countries such as Egypt and Yemen. Black molasses is a relatively dry mixture, higher in tobacco, lower in glycerine and sugars. Black molasses can only be consumed by placing charcoal directly on top of the tobacco mixture, thus causing the mixture to burn and produce smoke. Flavoured molasses which is consumed around the world, manufactured and sold by all ESCA members and which is the only form of shisha available in Europe, the US, most of the Middle East, Africa and Asia is by contrast a wet mixture which cannot come into contact with the charcoal. The charcoal must be separated from the tobacco mixture by either a piece of foil or (ideally) a high-quality heat management device.

Illicit Trade

One of the biggest problems facing the shisha sector is the extent to which illicit product has enveloped the market. Currently, the level of contraband or counterfeit shisha tobacco has reached over 50% in the EU resulting in a significant loss of government revenue and a heightened risk to public health.

In many Member States, the level of contraband or counterfeit shisha products has reached over 90%¹⁷ resulting in a significant loss of government revenue. Furthermore, sales of shisha have been driven 'under-the-table' and away from licenced or reputable retailers that abide by existing laws that prevent minors from purchasing tobacco products.

This feature of the market threatens the sustainability of the legal shisha sector and public health (i.e., legally operated manufacturers, distributors, retailers, and lounges) of which the EU has a duty to protect.

In summary, the key points that we believe should be taken account when revising the Tobacco Control Framework:

1. **As concluded in the Commission Report of 2021, a substantial change of circumstances was deemed not to have occurred in the case of waterpipe tobacco** thus allowing for the maintenance of the flavour exemption afforded under Article 7(12) TPD 2014/40/EU. The estimated sales volumes of shisha across the EU fall below 0.7% of total tobacco consumption. Further to that, the Eurobarometer Survey 2020 did not find that there was an increase in the level of prevalence of use of the under 25 years of age consumer group by at least five percentage points in at least five Member States. And finally, there was no increase in sales volumes reported by at least five Member States in accordance with Article 5(6) TPD 2014/40/EU. Shisha is a very niche product in the EU and the latest reports conducted by the EU confirm this.

¹⁶ <https://www.alfakher.com/en-us/about-shisha#shisha-science>

¹⁷ ESCA estimates that in France and Italy, illicit trade in shisha tobacco is over 90%.

2. Whilst the Commission Report on the application of TPD claims that the shisha category is significant¹⁸ the reference used is the overall pipe tobacco category in the EU – this is not an accurate reflection of the shisha sector given the pipe tobacco category covers shisha, pipe and tobacco heating products. Further, when compared with the overall tobacco sector, shisha represents a minute part of this – less than 1% as stated above.
3. Shisha is very different from other tobacco and vaping products. Its use is characteristically (and uniquely) social, occasional (infrequent), cumbersome and time consuming. It is not a quick fix nicotine hit but a cultural and social experience suitable for adults only.
4. It is by definition a flavoured product with a comparatively low level of tobacco in a mixture which is heated rather than burned to produce a vapour that is 60% water.
5. It supports a diverse value chain of small businesses across the EU of manufacturers, flavour suppliers, wholesalers, retailers and many shisha serving hospitality venues.
6. Increased enforcement for the shisha category will help to reduce the majority illegal share making way for legally compliant operators to compete and contribute further to the EU's economy and most importantly, ensure consumers have access to a properly regulated product.

¹⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2021:249:FIN>