



INB-4 Friday

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TODAY'S
DELEGATE BRIEFING

Economics of Tobacco Control
22 March 2002
12:30 - 14:00

Check the announcement board for the room number

**DEATH
CLOCK**

Since the opening of the first working group for the Framework Convention on Tobacco Control on 25 October 1999,

9,683,064
people have died from tobacco-related diseases.

(At 9 am 22 March 2002)

ALLIANCE BULLETIN

Framework Convention on Tobacco Control

Geneva, Switzerland

Issue 22

22 March 2002

Why are we talking about brackets, when 11,000 die each day?

Frustration is building. "Are we getting anywhere?" "Will we have a Convention by May 2003?" "Indeed, will we ever have a Convention?"

Unfortunately, this frustration plays into the hands of the tobacco industry, and of the delegations that have been representing their interests. When the delegations that are committed to a Convention that would save millions of lives give up hope, the remaining delegations get to dictate the terms.

What can be done?

Most important, remember why you are here. Four million people are sacrificed each year to the interests of the tobacco industry. By 2030, the annual death toll will be 10 million. A strong treaty, consis-

tently putting the health of your citizens ahead of the prosperity of the tobacco companies, could save millions of lives each year. That's a

goal worth fighting for!

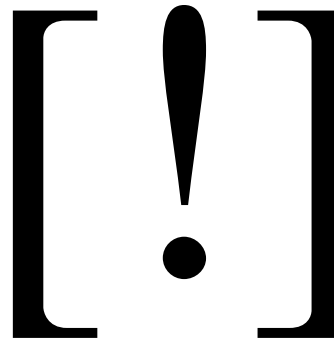
Achieving that goal requires strong treaty language on trade, smuggling, advertising, labeling, and second-hand smoke. It requires language holding tobacco companies legally accountable for the harm they do in your country. It requires an insistence on

"shalls", not "mays", on clear enforceable language that leaves the least possible room for tobacco industry-inspired back-sliding.

But how can we get there?

As we move closer to the definitive INB5, delegations committed to putting health ahead of profits will

need to find ways of streamlining the negotiating process so that real bargaining can take place without sacrificing basic principles and goals. That may mean, for example, delegating informal negotiations on particular issues to trusted members of regional groupings.



At WHO's table, should we negotiate an end to subsidies to tobacco farmers? (*hint: not WTO!*)

Hopes for early consensus on the need to quickly end subsidies for tobacco farming dimmed somewhat on Wednesday morning when several delegations expressed desire to either keep subsidies alive, or to allow the whole issue to be referred to the World Trade Organisation.

The whiff of national economic interests was in the air during debates on I-15: countries with high-cost tobacco agriculture objected to ending subsidies, and countries looking to increase exports wanted them gone. Only a few interventions returned to the real subject at hand: public health.

Subsidies for tobacco farming are nefarious in a number of ways. They shift public resources away from activities which could create public benefit to an activity that is clearly harmful. They are a drag on public action to reduce smoking: inconsistent with public efforts to reduce tobacco use, they make legitimate tobacco control measures vulnerable to accusations of hypocrisy. If tobacco is so very harmful, why are governments in the business of cultivating it?

Tobacco subsidies are not only bad health policy, they are also bad economic policy. The World

Bank estimates that each 1,000 tonnes of tobacco smoked drains the global economy \$39 million as a result of early mortality and disability. As an agricultural policy, it would make a great deal more sense to spend the money investing in supporting agriculture which improves health and the economy, or supporting farmers who are in genuine need.

The many forms of subsidising tobacco farming must be brought to an end. Referring this health issue to World Trade Organisation discussions on an agricultural agreement misses the point: the WTO talks are aimed at increasing market access for the most efficient farmers, thus reducing agricultural costs and increasing global production.

The WTO talks are driven by pressures to redress inequities in the balance of trade in agricultural products. Yet, tobacco products are not like grains, dairy products or fresh vegetables. The task of making global agricultural policies on tobacco coherent with health concerns cannot be entrusted to the WTO process, where public health concerns are not part of its overt mandate. The apparent convenience to FCTC negotiators of shifting their responsibility to end



While European tobacco farmers get millions in subsidies, agricultural workers in developing countries struggle to make ends meet.

these subsidies to the WTO negotiating table is unlikely to result in a timely, effective, or health-promoting solution to this important problem.

—Cynthia Callard
Physicians for a Smoke-free
Canada

World Bank Intervention on Tobacco Subsidies

Tobacco Control Not a Threat to Jobs

Subsidies, in their various forms, promote the use of tobacco through two methods: directly and indirectly, the latter by virtue of the political constituencies they create that impede the development of effective tobacco control policy.

With regard to the concern about the need to promote other economically viable alternatives for tobacco workers, growers and sellers, the Bank would like to emphasise that precisely because tobacco control success reduces tobacco consumption so gradually — about two per cent per year in those countries that have been most suc-

cessful with tobacco control — normal attrition, through deaths and retirements, easily handles the decrease in employment associated with declining consumption.

Note, however, that this is not relevant to *global* tobacco consumption. With smoking projected to *rise* substantially over the next few decades, tobacco control *success* will mean decreasing the *rate of growth* in smoking. Success, therefore, would mean reducing the *growth* in employment in tobacco growing and manufacturing, *not* causing disastrous reductions in jobs.

Will the FCTC protect the environment?

The fourth round of negotiations is nearly over, but the FCTC still lacks text for the protection of the environment. Our land, water, trees and air are yet more silent victims of the tobacco industry, requiring protection through the international treaty.

The environment is harmed by tobacco in every stage of tobacco cultivation, production, and consumption, from the multiple applications of pesticides and fertilisers, to the deforestation due to fuel demands for tobacco curing, to the consequent soil erosion and loss of biodiversity, to the chemical wastes dumped during processing, to the air pollution when tobacco is smoked.

A recent report, *Golden leaf barren harvest: the costs of tobacco farming*, published by the Campaign for Tobacco-Free Kids, reveals that in some countries as many as 140,000 hectares of woodlands are cleared annually to cure tobacco.

Some of the pesticides used in tobacco farming are extremely toxic, affecting not only the unprotected tobacco farm workers but



Disappearing forests

Tobacco curing barns, such as this one in Tanzania, have contributed to massive deforestation in Southern Africa.
(R. Hammond)

also insect and bird life. Careless smokers cause fire hazards through improper disposal of cigarette butts.

What does the industry do to address all these environmental problems? They spend vast sums

of money advertising their reforestation programmes. The money appears to have achieved its goal, given the silence of most on the issue.

But how successful are the programmes? The eucalyptus tree, commonly used as replacement, often does not replace the indigenous species used in the curing processes. It rapidly depletes water and nutrients, and its rapid growth rate exacerbates loss of soil fertility. In Uganda, the tree seedlings are sold, not given, to the farmers, and the scale of industry-supported reforestation programmes may be vastly inadequate compared to the extent of the deforestation they are causing.

Environmental degradation affects us whether or not we live in tobacco-growing countries and whether we smoke or not. The earth belongs to us all and it is our collective obligation and duty to protect it and preserve it for ourselves and for generations yet to come. A convention on tobacco must provide for protection of the environment.

—Phillip Karugaba
The Environmental Action Network (TEAN), Uganda

US Supports Bold Package Warning Labels (but not in Geneva)

In a sharp departure from its positions in prior rounds of FCTC negotiation, the government of the United States has now endorsed the requirement that cigarette packages bear large, effective health warnings of the type long recommended by the FCA.

In court documents reported publicly for the first time last week, the US revealed that it will propose that graphic health warnings be required on all tobacco packages. Consistent with the FCTC language proposed by Australia, the existing laws of Canada and Brazil, and

the recommendations of the FCA, the US would require that these warnings cover at least 50% of the principal display panel of the package.

In the US proposal, the health warnings would be reinforced by more detailed health information messages, developed by the US Surgeon General's Office, to be placed on package side panels or leaflet inserts.

Unfortunately, this dramatic change of position comes not in negotiations in Geneva, but rather in the US District Court in Washington, as part of the

United States' litigation against major tobacco manufacturers. In the court documents, the US revealed that it will ask the courts to compel the adoption of the new warnings — at least on products sold in the US.

Whether the US will now take a position on warning labels in Geneva consistent with those it takes in Washington — and whether the US will support the same health protections for the citizens of the world that it now favours for its own citizens — remains to be seen.

El aumento de los impuestos al tabaco, ¿deteriora el bienestar de los países y poblaciones?

La información científica acumulada durante más de 50 años demuestra que el abandono del consumo de tabaco mejora la calidad y cantidad de vida de las personas.

El informe del Banco Mundial sobre el Tabaco concluye que el comercio del tabaco dificulta un desarrollo justo y sostenido en la mayoría de los países y que el incremento de los impuestos a dichos productos ha demostrado ser una medida efectiva para reducir el consumo, teniendo su mayor impacto en los jóvenes y en los pobres.

Los jóvenes constituyen un grupo muy vulnerable, fácilmente seducido por el mercadeo, y muy difícil de rescatar una vez que ha caído en la trampa de la adicción. El aumento de los impuestos al tabaco desestimuló el inicio y disminuye el consumo en este grupo.

La epidemia de tabaco suele evolucionar hacia un consumo predominante en las clases económicamente deficitarias, las que a su vez presentan un mayor riesgo de daño a su salud (entre otras cosas, porque muchas personas pobres priorizan dicho consumo antes que su alimentación) y tienen menor capacidad para abandonar el consumo (menor acceso a la información).

En muchos países se observa que el incremento de los productos del tabaco ha

sido inferior al costo de la vida, lo cual conduce a que los productos del tabaco mantengan precios "accesibles", lo cual favorece la iniciación de los jóvenes y mantiene el consumo entre los pobres. El informe del Banco Mundial demuestra, que en la mayoría de los países que lo han practicado, el incremento de los precios no disminuye los ingresos de los gobiernos, **los aumenta**.

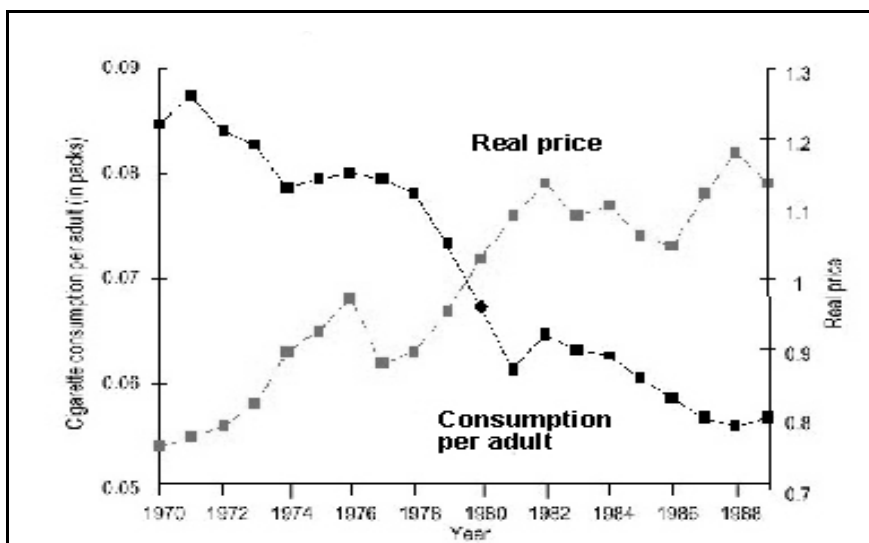
Si ganan los jóvenes, ganan los pobres y ganan los gobiernos, ¿porqué no incrementar los precios? ¿Cuales son los aspectos negativos? Para la mayoría de los pueblos, **ninguno**.

Los verdaderos beneficiarios de mantener impuestos bajos

son las compañías tabacaleras, mientras que favorece el subdesarrollo de los pueblos. Hasta cuando los gobiernos seguirán haciendo caso al 'ultimo argumento de las tabacaleras: "la fijación de la política de incrementos de impuestos al tabaco por la FCTC es una intromisión a la libre determinación de los estados".

Desde hace más de 50 años, la industria tabacalera se ha estado entrometiendo en la política de las naciones, ha engañado a los gobiernos y a sus poblaciones, ha hecho enfermar y matado a millones de seres humanos.

¡Hasta cuando seguirán los gobiernos, siendo cómplices de esta situación!



Real price of cigarettes and annual cigarette consumption per adult (15 years of age and above), South Africa, 1970-1989

Germans to keep cigarette vending machines on street corners

The German tobacco industry and its allies in the vending machine trade appear to have succeeded in fending off efforts to ban the machines, which account for 2/3 of cigarettes sold to minors in Germany.

Under a pilot project in three cities in Bavaria, machines have been equipped with a chip card reader, designed to weed out potential customers who are under the age of 16. The readers work with bankcards, the theory being that very few children

will be able to get their hands on an adult person's card.

The cost of switching over all 830,000 vending machines in Germany to the new system is estimated by the vending machine operators' association at €500 million.

According to media reports, the German government is planning to make such so-called "smart" machines mandatory. However, the vending machine industry is lobbying for a five-year transition period.

Even if the new system is as foolproof as the vending machine industry claims, the ubiquitous vending machines will remain powerful advertising vehicles throughout Germany's cities, towns and villages.

Contrebande : quelles solutions la CCLAT offre-t-elle?

La contrebande de cigarettes coûte des milliards de dollars aux trésors publics, sape les efforts de lutte au tabagisme, et sert souvent à blanchir les profits des cartels de drogues illicites. Quelles mesures efficaces la CCLAT devrait-elle contenir ? Quelles mesures sont à déconseiller?

Mesures efficaces

Un système de distribution sûr et bien encadré : Les cigarettes sous douane, sur lesquelles aucune taxe n'a été payée, sont détournées du système de distribution légale en direction du marché illicite. Afin de protéger et de sécuriser le système de distribution il est essentiel de pouvoir suivre le mouvement des produits, en dévelop-



© Communautés européennes

La mafia qui contrôle le trafic de cigarettes entre l'ex-Yougoslavie et l'Italie possède même de l'équipement radar pour échapper aux patrouilles de la Guardia di Finanza

pant une chaîne d'approvisionnement protégée afin de permettre de localiser le point du détournement vers le marché illicite.

Un système de licences: Mesure essentielle mais uniquement pour les grossistes et autres négociants importants de produits du tabac sous douane. Cela concerne essentiellement les fabricants, les importateurs, les exportateurs et les grossistes (les ONG ne préconisent pas un système de licences pour les petits détaillants de tabac ou pour les agriculteurs pour les raisons pratiques déjà exprimées par de nombreux délégués ainsi que par la Banque mondiale).

La surveillance du commerce: les parties devront surveiller de façon rapprochée le commerce dans leur juridiction afin de minimiser un détour-

nement vers le marché noir.

L'abolition des ventes hors taxes: Le commerce des produits hors taxes est un privilège fiscal tout à fait injustifiable et qui ne profite qu'aux voyageurs, aux diplomates et au personnel des armées. La vente hors taxes facilite également l'approvisionnement du marché illicite.

Le marquage de destination finale : Le marché final doit être identifié. Les parties devront s'assurer que l'étiquetage des produits importés et fabriqués dans leur juridiction spécifie la destination finale.

La coopération: L'Organisation mondiale des douanes (une ONG internationale) a proposé un protocole sur cet aspect. En vue des limites de ce protocole, il pourrait constituer un « chapitre » supplémentaire à un protocole de la CCLAT, mais ne pourrait remplacer celui-ci.

Le marquage des produits taxés et non-taxés: Ces marquages doivent être sécurisés afin d'éviter qu'ils soient enlevés ou vulnérables à la contrefaçon. Par exemple, le Canada utilise le marquage depuis quelques années, ce qui n'a pas empêché l'augmentation de la contrebande au début des années 1990.

La responsabilité: Les compagnies de tabac doivent être tenues responsables quant à la vente finale légale des produits du tabac qu'elles ont fabriqués et des pertes fiscales découlant du dé-

tournement de marchandises vers le marché de contrebande. Ceci pourrait être développé sous la rubrique « régime de compensation et de responsabilité ».

Mesures inefficaces

Identifier le lieu de fabrication: De nombreux délégués se sont prononcés en faveur de cette option; toutefois cette mesure ne permet pas d'identifier le lieu précis où s'opère le détournement des produits du tabac vers le marché illicite. Mesure peu efficace.

Numérotation du lot: Les lots peuvent contenir des millions de paquets de cigarettes envoyés à de nombreux grossistes, rendant la traçabilité impossible. Le numéro du lot ne fournit pas une information très utile.

Creating Smoke-Free Places: Meeting Public Demand

Making public places smoke-free not only is good for public health, but good for business, too. Many people prefer to avoid tobacco smoke when on a bus or when going out to eat, even if they themselves are smokers. And since most people are non-smokers, the best way to please everyone is to ban smoking.

For those who wonder if this formula holds true in developing countries, a recent survey by Work for a Better Bangladesh (WBB) indicates it does. WBB recently surveyed 1,073 passengers of an inter-city bus service. Less than half (41%) of the passengers surveyed say they ever smoke on buses, but even among those who do, 67% said it would be good to have buses be smoke-free, and 23% said it would not be a problem for them. Only 9% of the smokers objected. The reaction from non-smokers was stronger, with 99% saying buses should be smoke-free.

Meanwhile, while only a small minority of smokers would have a problem with buses being smoke-free, most non-smokers had a problem with smoking on buses. Of the non-smokers, only 13% said they keep quiet when someone smoke. What could be better than a policy that only displeases a very few, while making the vast majority much happier? And protecting public health in addition!

After seeing the results of the survey, the bus company agreed to try out a smoke-free bus service, and expand it depending on public demand. The reaction so far has been very positive, with a flood of phone calls congratulating them on the move. Most people interviewed, including smokers, said that not only the one bus service, but *every* bus in the country, should be non-smoking.

—*Sayed Mahbubul Alam,*
Work for a Better Bangladesh

In a separate, nationwide survey by WBB, public demand for tobacco control was also strong. Surprisingly, 80% of smokers as well as 93% of non-smokers supported an increase in tobacco taxes. It is hard to imagine any other product on the market that would receive such strong support for a tax increase among both users and non-users alike!

Support was even stronger for the other two policies mentioned in the survey. Almost all non-smokers (97%) supported a ban on tobacco advertising and more places being made non-smoking; the figures for smokers were 91% for an ad ban and 93% for smoke-free places.

The surveys show that tobacco control can be an extremely popular measure, even among tobacco users!

Proposed NGO Statement – World Heart Federation Guiding Principle D 5 – Health/Trade

The World Heart Federation, with the endorsement of the International Union Against Cancer and the Commonwealth Medical Association, appreciates the opportunity to speak to the importance of prioritising public health, as could be embodied by the FCTC, over the commercial objectives embodied in other international agreements.

In light of the lethal nature of tobacco use, we must accept that the normal trade rules developed for the advancement of trade should not apply to tobacco products. Mr. Chair, this is hardly a precedent-making statement – there are other products with serious public health ramifications for which trade is restricted.

Moreover, given that the current evidence base regarding the health impacts of tobacco use is sound, we must ensure that any uncertainty regarding the efficacy of a tobacco control measure should not be used as a justification to challenge said measure.

Mr. Chair, options 2 and 3 currently listed under D5, which suggest that public health should be subordinated to commercial interests, should be deleted. This is crucial given that these options would open the door for the tobacco industry to utilize the intellectual property rules contained in some international agreements to challenge national efforts to, for example:

- restrict the use of misleading terms such as “light” and “mild”,

- require disclosure of tobacco product ingredients, and,
- implement large warning labels.

In sum, it would truly be tragic should public health be accorded inferior treatment vis-à-vis commercial objectives. Clearly, in order to accomplish this, guiding principle D5 must stipulate that the FCTC should be prioritised over the general principles from other international treaties that might apply to tobacco. This notion has been brilliantly articulated in the text introduced at INB2 by Thailand and Oman, which we fully endorse, and which reads as follows:

“The Parties agree to take all necessary measures to ensure that no person acting on their behalf shall attempt to (a) remove, weaken, undermine or otherwise interfere with tobacco control measures in force or under consideration in another State or (b) promote tobacco exports or tobacco use in another State.

In the event of a conflict between this Convention or any of its Protocols and any other international agreement, this Convention and its Protocols shall prevail.

It is scientifically certain that tobacco causes many diseases that result in needless disability and early death. Lack of full scientific certainty regarding the efficacy of specific tobacco control measures shall not be used as a reason for postponing measures to control tobacco or for challenging such measures taken by other States”.

Thank you, Mr. Chair.

Santé publique contre publicité du tabac

À Montréal, l'industrie du tabac conteste actuellement la loi canadienne sur le tabac, notamment les limites imposées à la publicité. Pour se défendre, le gouvernement a recruté plusieurs témoins-experts, dont le professeur Richard Pollay, expert canadien en marketing.

parrainage d'événements culturels et sportifs, qu'on appelle au Canada « *commandite* ». Il affirme que la commandite a deux principaux objectifs.

Le premier : associer les marques de cigarettes à des images séduisantes pour les jeunes. Des images axées sur la

tentés d'écraser pour des raisons de santé.

« *Les associations avec des événements sportifs et les images reliées à des activités physiques (tennis, deltaplane, ski, vélo, planche à voile) véhiculent un message de santé, note l'expert. D'autres images (par exemple, celles des Arts DuMauroier) donnent l'impression que les personnes intelligentes et cultivées sont de fumeurs. Ces images de marques sont intrinsèquement fausses, car il est plus sain et plus intelligent d'arrêter de fumer que de fumer.* »

« *D'autres images tendent à montrer les fumeurs comme des personnes qui aiment l'aventure, des personnes indépendantes et autonomes (comme les coureurs automobiles)... Ces images sont aussi fausses, car la cigarette n'apporte pas l'indépendance mais bel et bien la dépendance.* »

Les compagnies ne s'y trompent pas.

« **COMMANDITE**
= **PUBLICITÉ** »,

note RJR-Macdonald dans un document daté de 1997.

*Adapté de : André Noël,
« Santé publique contre publicité
du tabac », paru dans le journal
La Presse, Montréal,
le 16 mars 2002*



Annnonce déguisée pour la marque Player's

Le Pr. Pollay a témoigné du 11 au 20 mars, dévoilant pour la première fois de dizaines de documents confidentiels du marketing des compagnies canadiennes du tabac.

Parmi d'autres sujets, le Pr. Pollay a abordé la question du

liberté, le goût du risqué, le défi à l'autorité et ... la santé.

Deuxième objectif : établir un environnement « familial » axé sur l'omniprésence des marques de cigarettes, afin de rassurer ces fumeurs qui pourraient être

Montréal, du 15 au 18 septembre 2002

Conférence internationale francophone

En septembre prochain, le Québec sera l'hôte de la toute première conférence mondiale francophone sur le contrôle du tabac.

La conférence, qui se tiendra à Montréal du 15 au 18 septembre 2002, s'adresse à l'ensemble des professionnels et intervenants des pays d'expression française engagés dans la lutte contre le tabac et sera un moment unique pour mettre en commun nos visions et nos actions et permettre de réels échanges.

Cette rencontre internationale s'inscrit dans le mouvement mondial de plus en plus reconnu de réduction

du tabagisme et de contrôle du tabac.

Pour obtenir de l'information supplémentaire, adressez-vous à: info@cifcot.com

ou

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Ground-breaking partnership between government and private sector in Germany



**Bundesministerium
für Gesundheit**

**PHILIP MORRIS
INTERNATIONAL**



Following the announcement this week that the German tobacco industry has given the Health Ministry €12 million for youth anti-smoking programmes, the Alliance Bulletin received the following press release:



Berlin, 22.03.02 — Philip Morris International and BAT Germany announced today that they have completed a buy-out of the German Federal Ministry of Health. An innovative new partnership with the German government will see the two companies pour €20 million per year into cancer treatment programmes and take over management of the day-to-day affairs of the Ministry.

“Clearly responsible private companies like Philip Morris and BAT know considerably more about protecting public health than we do,” commented Uschi Schmiegsam-Naivling, who as former Health Minister has been given a seat on the supervisory board of RauchenMachtGesund AG, the new holding responsible for health affairs in Germany. “Moreover, by implementing this ground-breaking approach to private-public partnerships, we are paving the road to a prosperous, slowly depopulating Europe.”

“We’ve been acquiring various chunks of the German government over the last several years, and it made sense to consolidate our holdings in Western Europe’s largest market,” said Horst Oberübeltäter, president and CEO of Philip Morris Deutschland. “As a gesture of goodwill, we were willing to pay a considerable sum to get official title to the Federal Ministry, which has already been under our control for some time.”

Likely first steps will include obligatory tobacco therapy in retirement homes and shelters for asylum seekers. “People who don’t work and contribute actively to the dynamism of the German economy should smoke as much as possible,” said Herr Oberübeltäter. “Lung cancer kills most people in short order, avoiding pension costs and long-term care.”

RauchenMachtGesund AG will also be

introducing extensive smoking education classes in schools across Germany, pending negotiations with Education Ministries at the Länder level. “Every cigarette you smoke without enjoyment is one cigarette too many,” commented Uwe Schönblubber, chairman of the board of BAT Germany. “Children need to learn how to properly appreciate the finer things in life, and savour coffee, chocolate and cigarettes rather than simply stuffing their faces.”

The new acquisition has an added advantage for Philip Morris and BAT, commented Herr Schönblubber. “Now we get a direct seat at FCTC negotiations, instead of having to watch our proxies from the public gallery.”

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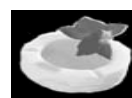
[Notice to European Commission: This is a joke in conformity with EU directive 74/37/EEC on transboundary satire originating from non-EU sources.]

Dirty Ashtray Award

Japan, for participating in the negotiations with no regard for the health of the world’s citizens.



Orchid Award



Thailand, for putting health over trade and not allowing itself to be bullied.