



## Southeast Asia Tobacco Control Alliance

### **Regional tobacco control network urges for support to stop Imperial Tobacco's unfair tax deal with Lao PDR**

**16 January 2015/Bangkok, Thailand:** The Southeast Asia Tobacco Control Alliance (SEATCA) called on health advocates worldwide to support a petition to stop Imperial Tobacco's unfair tax deal which undermines public health in Lao PDR.

The petition, initiated by Action on Smoking or Health in London (ASH), is posted on [change.org](http://change.org) and can be viewed and signed here: <http://chn.ge/1y4KMO4>.

"This coming 28 January 2015, in Bristol, United Kingdom, Imperial Tobacco will have its annual stockholders meeting," said Bungon Rithiphakdee, Director of SEATCA. "We need to send the message to the stockholders that we want to end Imperial Tobacco's unfair tax deal with Lao PDR."

Imperial Tobacco's contract with Lao PDR was signed before the country became a Party to the global WHO Framework Convention on Tobacco Control (WHO FCTC). Now that Lao PDR is a party to the global health treaty, SEATCA said, the country needs to comply with the WHO FCTC's Article 6, which mandates governments to adopt tax and price policies aimed at not only raising government revenues, but also reducing cigarette consumption.

Having effective tax increases to push prices up will deter children from initiating tobacco use and reduce consumption among existing smokers. Imperial's unfair tax contract with Lao PDR is preventing this and the country from rising above the perils and dangers of tobacco.

Rithiphakdee added: "Imperial Tobacco has also been cheating the Lao government of tax revenues for many years by declaring a low production cost unchanged since 2001 to present, thereby benefiting from low tax rates."

Between 2002 and 2013, the Lao government had revenue losses of \$79.42m - money that could have been used to benefit the health and welfare of the nation - due to the unfair tax deal. Meanwhile, in 2007, Lao PDR spent 3.34 million US dollars for tobacco-related health care costs.

Tobacco industries such as Imperial Tobacco see the ASEAN region as a huge growth market to compensate for lost markets in other regions. Cigarettes in Lao PDR continue to be among the cheapest in the region and the world, costing less than one US dollar per pack.

SEATCA and its Lao tobacco control country partners urge supporters of public health to sign the petition directed at Imperial Tobacco stakeholders here: <http://chn.ge/1y4KMO4> (ENDS)

#### **About SEATCA**

The Southeast Asia Tobacco Control Alliance (SEATCA) is a multi-sectoral alliance established to support ASEAN countries in developing and putting in place effective tobacco control policies. It works to identify tobacco control priorities in the region and to coordinate efforts on these priorities. SEATCA promotes knowledge-sharing among countries for effective, evidence-based tobacco control measures and regional cooperation among its advocacy partners.

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