

Old Tactic, New Disguise: PMI-Funded Foundation for a Smoke-Free World

Introduction

Transnational tobacco companies are marketing 'new generation products' called heated tobacco products (HTP), which are sticks of compressed processed tobacco intended for heating to a high temperature without causing combustion. When used by a consumer, they generate an inhalable aerosol that contains nicotine and other chemicals. Although these products are not harmless, they are promoted as a less harmful choice compared to traditional cigarettes.



In 2014, Philip Morris International (PMI) launched a new range of HTP called iQOS. In 2017, PMI claimed it was going smoke-free and committed US\$ 960 million (\$80 million annually for 12 years) towards a new organization, the Foundation for a Smoke-free World (FSW), which claims its goal is to end smoking.

PMI and FSW: independent or interdependent?

Launched in September 2017, FSW has fiercely defended its supposed independence from PMI; however for all its rhetoric about going smoke-free and saving lives, it hasn't challenged its funder to take responsibility and stop making and selling the harmful cigarettes FSW condemns, which would be the surest and quickest way to end smoking. That could be because, like PMI, FSW promotes the use of electronic nicotine delivery systems (ENDS) - including e-cigarettes and HTP - through research and opinions on harm reduction.

PMI's message to investors and what FSW has been telling the public through blog articles, press statements and tweets, are clearly congruous: ENDS are effective, should be made easily available to consumers, and should not be banned or strictly regulated. These are two sides of the same coin - FSW promotes the research and shapes public opinion, while PMI offers the products and makes the profits. FSW received US\$4.5 million in 2017 and \$80 million in 2018 to promote research on harm reduction and projects on alternate livelihood for tobacco farmers.³

Smoke-free claims by both organizations ring hollow, because PMI still markets cigarettes aggressively, fights

effective tobacco control measures such as tax increases, pack display bans and plain packaging of tobacco, and launches expensive lawsuits against countries that enact strong legislation, while FSW, has remained silent about PMI's cigarette business and its opposition to effective tobacco control.

FSW has tactically chosen to release its annual report on 31 May (World No Tobacco Day) to align itself with the global tobacco control community and claim it's part of the solution.

How is PMI explaining its USD80 million a year expenses in its financial report? PMI has listed expenses on the FSW under "Other Developments".³ The FSW, based on its financial records, is essentially a marketing arm for ENDS. If the expenses are charged to Marketing or Administration, the USD80 million for FSW is meant to market ENDS. In PMI's 2018 financial report, under Asia, it states its operating income of \$4.1 billion increased by 29.8% was offset "partly by higher costs, principally related to increased investment behind reduced-risk products."⁴ Additionally in its 2018 first quarter report, PMI states: "Results will reflect unfavorable comparisons vs. Q1, 2017, primarily related to... Higher RRP investments, primarily in the EU Region; Our 2018 contribution of \$80 million to the Foundation for a Smoke-Free World (fully expensed in Q1, 2018)."⁵



Take Action



1 Governments can take action similar to that of the Ministry of Health Poland and reject any partnership or collaboration with the Foundation, nor accept any evidence from the FSW.



2 Universities must reject any funding from or pursuing work with the FSW.

Implications for developing countries



Brunei, Cambodia, Singapore and Thailand have banned the sale of ENDS. These countries are also seeing declining smoking prevalence through their efforts in implementing the WHO FCTC. They should not be pressured to undo their legislation simply because the tobacco industry wants to increase its profits by introducing so-called less harmful products while continuing to market its regular cigarettes.

PMI continues to promote cigarettes in developing countries across the world, while simultaneously opposing their tobacco control efforts. In a New York conference, PMI showcased its launch of Marlboro Filter Black in Indonesia: “Clearly, our combustible tobacco portfolio still contributes the lion’s share of our earnings and cash flow, so we continue to invest behind it judiciously.”¹

International action against FSW

International organisations and national governments have taken a definitive position against FSW.

A. Convention Secretariat for the WHO FCTC (CSF)



The CSF issued a Note Verbale advising FCTC Parties not to apply or accept grants from FSW because this could damage tobacco control and jeopardise implementation of FCTC Article 5.3. In a separate statement, the CSF described this PMI-funded initiative as “a clear attempt to breach the WHO FCTC by interfering in public policy. It is a deeply alarming development aimed at damaging the treaty’s implementation, particularly through the Foundation’s contentious research programmes.”⁷ On alternative livelihoods, the statement points out, “Initiatives endorsed by the industry and those it funds are not designed to solve the problems it creates, but to give a false impression of sympathy for its victims.”

B. World Health Organization (WHO)



The WHO officially stated it will not engage with FSW on the basis that “the UN General Assembly has recognized a “fundamental conflict of interest between the tobacco industry and public health.” and WHO

Member States have stated that “WHO does not engage with the tobacco industry or non-State actors that work to further the interests of the tobacco industry.”⁸

WHO points to the Guidelines for implementation of Article 5.3, which state clearly that governments should limit interactions and avoid partnership with the tobacco industry and should not accept financial or other contributions from the tobacco industry or those working to further its interests, such as FSW.

According to the WHO, there is no evidence to demonstrate that HTP are less harmful than regular cigarettes. Tobacco is inherently toxic and contains carcinogens even in its natural form. All forms of tobacco are harmful, including HTP. Therefore, HTP should be subject to policy and regulatory measures applied to all other tobacco products, in line with the WHO FCTC.⁹

C. Governmental action against FSW

Poland



In Europe, Poland’s Ministry of Health considers the PMI-funded FSW as part of the tobacco industry. In January 2018, the MOH alerted all Polish medical schools about the PMI-funded FSW,¹¹ informing them that Poland is a party to WHO FCTC and urging them not to request or accept any funds from FSW. The letter warned that in future legislative work, the MOH will not accept any research conducted in cooperation with or funded from the tobacco industry.

Vietnam



Vietnam is the first country in Asia to announce its position on FSW. In November 2017, the Ministry of Health alerted all government ministries, highlighting the WHO recommendation to not cooperate with PMI-funded FSW. The MOH letter states that there is a fundamental conflict of interest between the tobacco industry and public health with the PMI-funded FSW, because, while declaring their efforts for a smoke-free world, they continue to promote tobacco and do not support tobacco control measures that have proven to be effective globally.¹⁰

D. US Schools of Public Health stand against FSW

”

Our schools of public health consider funding from the Foundation for a Smoke-Free World to be equivalent to funding from the tobacco industry and, as a result, we are not collaborating with the Foundation.

Seventeen deans of top American schools of public health announced that their schools are not accepting funding from or pursuing work with FSW. In a letter¹² dated 25 January 2018, the deans said,

Our schools of public health consider funding from the Foundation for a Smoke-Free World to be equivalent to funding from the tobacco industry and, as a result, we are not collaborating with the Foundation.

The deans have questioned how Philip Morris will demonstrate a true commitment to meaningful change as a company, including (1) a specific timeline and milestones for phasing out advertising of cigarettes and cigarettes themselves; and, (2) the immediate cessation of activities hostile to the policies advanced by the Framework Convention on Tobacco Control?

E. Civil Society Organizations' Position on the Foundation

Southeast Asia Tobacco Control Alliance (SEATCA)



SEATCA joins the international public health community in denouncing¹³ the Philip Morris International (PMI)-funded Foundation for a Smoke-free World that is positioned to sabotage global tobacco control. Governments, universities, and health advocates must reject any partnerships with this foundation.¹⁴

PMI's contribution to the foundation of around US\$ 80 million annually for the next 12 years is for purportedly "independent" research to support a "smoke-free" world, not a "tobacco-free" world. In other words, it's a platform to legitimize and accelerate sales of IQOS, its heat-not-burn tobacco product. In essence, this Foundation is really a foundation to promote its new product while simultaneously continuing to sell its cigarettes.

”

In essence, this Foundation is really a foundation to promote its new product while simultaneously continuing to sell its cigarettes.

SEATCA endorses the statement¹⁵ of the Convention Secretariat for the WHO Framework Convention on Tobacco Control (FCTC) that the foundation is an industry-funded attempt to interfere in public policy and undermine implementation of the WHO FCTC. By using the term "smoke-free", PMI is attempting to blur the fundamental and irreconcilable conflict between the interests of the tobacco industry and those of public health. It is clearly looking for opportunities to

participate in policy development, although it opposes stringent tobacco control measures. Hence SEATCA concurs that, "any collaboration with this Foundation, due to its current funding arrangements that comes from a tobacco multinational, would constitute a clear breach of Article 5.3 of the Convention concerning tobacco industry interference."¹⁴

Echoing the Convention Secretariat and the World Health Organization,¹⁶ SEATCA strongly recommends that governments, non-governmental organizations, and individuals everywhere do not endorse, support, form partnerships with or participate in any activities of this foundation.

Campaign for Tobacco-Free Kids (CTFK)



According to CTFK, PMI is not part of the solution; it is a large part of the problem, as PMI continues to oppose and undermine policies proven to reduce cigarette use around the world.¹⁷

CTFK points out that this is not the first time a Philip Morris company has claimed to be interested in finding a solution to the tobacco problem. The tobacco industry, including Philip Morris, has a long history of funding allegedly "independent research" and manipulating research findings to advance its agenda. The tobacco industry established several national and international organizations and committees and recruited a large cadre of scientific experts to counter the growing scientific evidence of an association between smoking and secondhand smoke (which tobacco companies called "environmental tobacco smoke") and disease. While these organizations and committees were ostensibly created to support independent scientific research, analysis of tobacco industry documents demonstrates the real purpose of these organizations was to support industry-favorable research, create scientific controversy where there was none, and discredit scientific research viewed as threatening to the industry.

Framework Convention Alliance (FCA)



FRAMEWORK CONVENTION
ALLIANCE

The FCA will not collaborate with FSW. In its statement the FCA notes that there is a long and tragic history of tobacco companies funding questionable research to delay effective measures to reduce deaths from smoking. Aware of their lack of credibility on health, Philip Morris and other tobacco companies also have a lengthy track record of paying third parties to advance their arguments and providing funds for what they describe as independent research efforts.¹⁸

World Conference on Tobacco or Health (WCTOH) rejects the Foundation

The 17th WCTOH barred the Foundation and its representatives from attending the conference. At the conclusion of the conference, it adopted a 11-point Declaration which included one on the FSW:

“We urge governments, scientists, research entities, foundations, and civil-society organizations to reject or cease engagement with the Philip Morris International-funded Foundation for a Smoke-free World and other initiatives of the tobacco industry.”¹⁹



Asia Pacific Conference on Tobacco or Health (APACT) rejects the Foundation



In keeping with the Conference’s policy, anyone affiliated with or who receives funding from the tobacco industry, such as the Philip Morris International funded Foundation for a Smoke-free World, is ineligible to attend and will not be admitted.



For information on tobacco industry tactics:
<https://tobaccowatch.seatca.org/>

For enquiries contact: info@seatca.org

References

- ¹Philip Morris International Inc. Presents at the Consumer Analyst Group of New York (CAGNY) Conference. 21 Feb 2018 (slides 19-20) <https://www.pmi.com/investor-relations/overview/event-details?EventId=5267394>
- ²Foundation for Smoke-free World <https://www.smokefreeworld.org/>
- ³PMI 2017 Annual Report; http://media.corporate-ir.net/media_files/IROL/14/146476/2018%20AR/PMIAR2017-Final/index.html
- ⁴Philip Morris International Inc. Form 8-K https://www.rns-pdf.londonstockexchange.com/rns/3858E_-2018-2-8.pdf
- ⁵Philip Morris International. Earnings Release: FY/Q4 2017; 2018-02-08 https://www.rns-pdf.londonstockexchange.com/rns/3858E_-2018-2-8.pdf
- ⁶Convention Secretariat for the WHO FCTC. Relevant Information to the Parties to the WHO FCTC in support of the implementation of Article 5.3 of the treaty. CSF/NV/17/19; Geneva. 30 Oct 2017 http://www.who.int/fctc/mediacentre/news/2017/CSF_NV_17_19_EN.pdf?ua=1
- ⁷WHO FCTC Statement on the launch of the statement on the Foundation for a Smoke-free World. 19 Sep 2017 <http://www.who.int/fctc/mediacentre/statement/secretariat-statement-launch-foundation-for-a-smoke-free-world/en/>
- ⁸Who Statement on Philip Morris funded Foundation for Smoke-free World. 28 Sep 2017 <http://www.who.int/en/news-room/detail/28-09-2017-who-statement-on-philip-morris-funded-foundation-for-a-smoke-free-world>
- ⁹WHO Heated Tobacco Products Information Sheet http://www.who.int/tobacco/publications/prod_regulation/heated-tobacco-products/en/
- ¹⁰Ministry of Health Vietnam. 6814/BYT-KCB: WHO Recommendation on non-cooperation with Smoke-Free World Foundation funded by PMI; The Socialist Republic of Vietnam; Hanoi; 28 Nov 2017 <https://seatca.org/dmdocuments/Vietnam%20MOH%20letter%20on%20non-cooperation%20with%20Smoke-Free%20World%20Foundation%20Unofficial%20translation.pdf>
- ¹¹Ministry of Health letter to Medical Schools; 18 Jan 2018. https://seatca.org/dmdocuments/Letter_MOH%20Poland_FSFWorld.pdf
- ¹²Johns Hopkins Bloomberg School of Public health. Statement on the Foundation for a Smoke-free World; 25 Jan 2018 <https://www.jhsph.edu/about/dean-mackenzie/news/smoke-free-world.html>
- ¹³Public health groups and leaders worldwide urge rejection of Philip Morris International’s new foundation; <https://www.tobaccofreekids.org/media/2017/pmi-rejection-quotes>
- ¹⁴SEATCA. Statement on PMI’s Foundation for a Smoke-free World; Oct 2017 <https://seatca.org/?p=11729>
- ¹⁵WHO FCTC Statement. WHO Framework Convention on Tobacco Control Secretariat’s statement on the launch of the Foundation for a Smoke-Free World; 19 Sep 2017 <http://www.who.int/fctc/mediacentre/statement/secretariat-statement-launch-foundation-for-a-smoke-free-world/en/>
- ¹⁶World Health Organization. WHO statement on Philip Morris funded Foundation for a Smoke-free World; 28 Sep 2017 <http://www.who.int/en/news-room/detail/28-09-2017-who-statement-on-philip-morris-funded-foundation-for-a-smoke-free-world>
- ¹⁷PMI’s “Foundation for Smoke-free World”: The more things change, the more they stay the same; https://www.tobaccofreekids.org/assets/content/what_we_do/industry_watch/pmi-foundation/TheMoreThingsChange.pdf
- ¹⁸Statement by the Framework Convention Alliance; 17 Oct 2017 <http://www.fctc.org/media-and-publications/media-releases-blog-list-view-of-all-313/industry-interference/1522-statement-by->
- ¹⁹17th World Conference on Tobacco or Health Declarations, 7-9 March 2018, Cape Town <http://www.wctoh.org/news/17th-wctoh-declarations-announced-at-conference-close/>