Southeast Asia Tobacco Control Alliance

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The tobacco industry is the problem, but pretends to be part of the solution

According to the Southeast Tobacco Control Alliance (SEATCA), "Philip Morris should stop misleading governments and the public about its role in tackling the tobacco smuggling problem. Available evidence clearly shows that tobacco companies, including Philip Morris, have directly and indirectly contributed to illicit trade[1]. Therefore the tobacco industry is part of the problem and cannot be part of the solution. Consequently, it should not interfere or influence regulators in their job to address illicit tobacco trade." SEATCA was responding to Philip Morris Fortune Tobacco Corporation's recent statement that "there exists a meaningful and transparent cooperation between government and tobacco manufacturers to address the illegal cigarette trade."

It is important to point out the nature of some of the cooperation that PMFTC refers to. For example, Philip Morris's collaboration with the European Union (EU) is the result of a 2004 legally binding out-of-court settlement by Philip Morris International (PMI) after it was sued by the EU for its involvement in tobacco smuggling. As part of this settlement, PMI agreed to pay US$ 1.25 billion over 12 years to the EU to fight illicit tobacco trade. It is unlikely that a corporation would resolve a lawsuit for over US$ 1 billion unless they felt the case against them was strong.

Prior to this EU court case, despite long-standing voluntary memorandums of understanding (MOU) that PMI had with some EU countries, cigarette smuggling in those countries remained high, proving the ineffectiveness of such MOUs.

To help countries tackle illicit tobacco trade, Parties to the WHO Framework Convention for Tobacco Control (FCTC)--currently 179 governments--negotiated and adopted a Protocol to Eliminate Illicit Trade in Tobacco Products. PMFTC is well aware that tobacco companies including Philip Morris were excluded from observing the Protocol's negotiations, indicating how seriously governments consider the tobacco industry as a part of the illicit trade problem. Prohibiting partnerships with and excluding the tobacco industry is based on FCTC Article 5.3 Guidelines, which governments adopted in 2008 to protect tobacco control policies from the commercial and vested interests of the tobacco industry. It is therefore malicious and misleading of PMFTC to say that "SEATCA's stated goal to exclude legal [tobacco] manufacturers…is both irrational and self-defeating."

Furthermore, Philippine government officials are prohibited from any partnership with the tobacco industry as stipulated in Joint Memorandum Circular (JMC) no. 2010-01 issued by the

[1] Joossens L and Raw M. Progress in combating cigarette smuggling: controlling the supply chain. *Tob Control* 2008;17:399-404. Online at: http://tobaccocontrol.bmj.com/content/17/6/399.full

Civil Service Commission and Department of Health in 2010. This JMC is based on the FCTC Article 5.3 Guidelines.

Finally, while PMFTC claims that “the legitimate tobacco industry in the Philippines is responsible for the livelihoods of millions and in 2013 contributed 70 billion in taxes,” this is a typical example of over-exaggeration and inflating its importance. There are 55,000 tobacco growers and the thousands of retailers, who sell cigarettes also sell hundreds of other products. The 70 billion pesos in taxes contributed by the industry are actually paid by smokers, who are victims of the industry, and this amount pales in comparison to the 178 billion pesos lost through healthcare and productivity losses because of tobacco-caused diseases. (ENDS)

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