



The Tobacco Industry

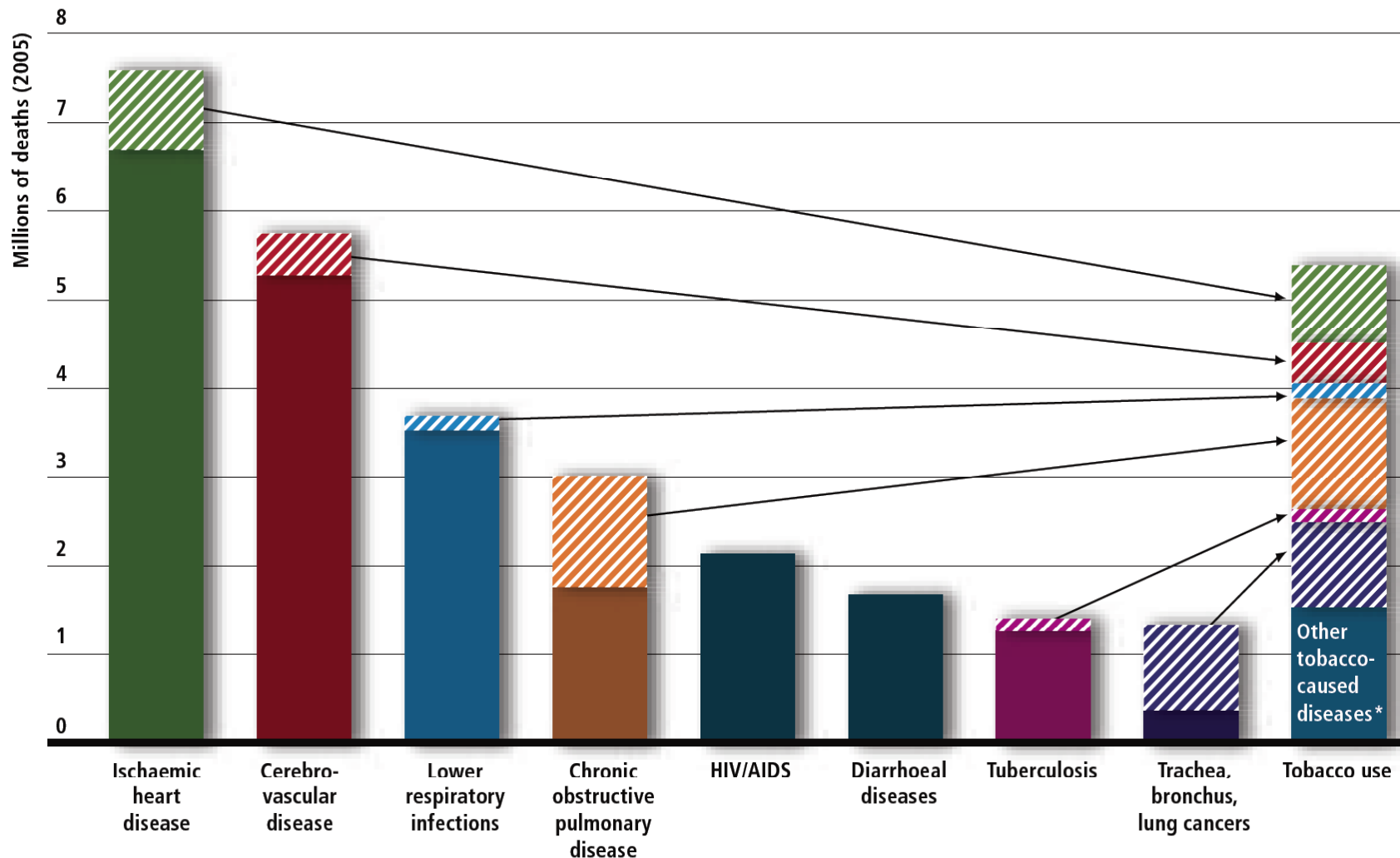
Adv Patricia Lambert

Director: International Legal Consortium

The Campaign for Tobacco-Free Kids

23rd June 2008

Tobacco: A Risk Factor for 6 out of the 8 Leading Causes of Death



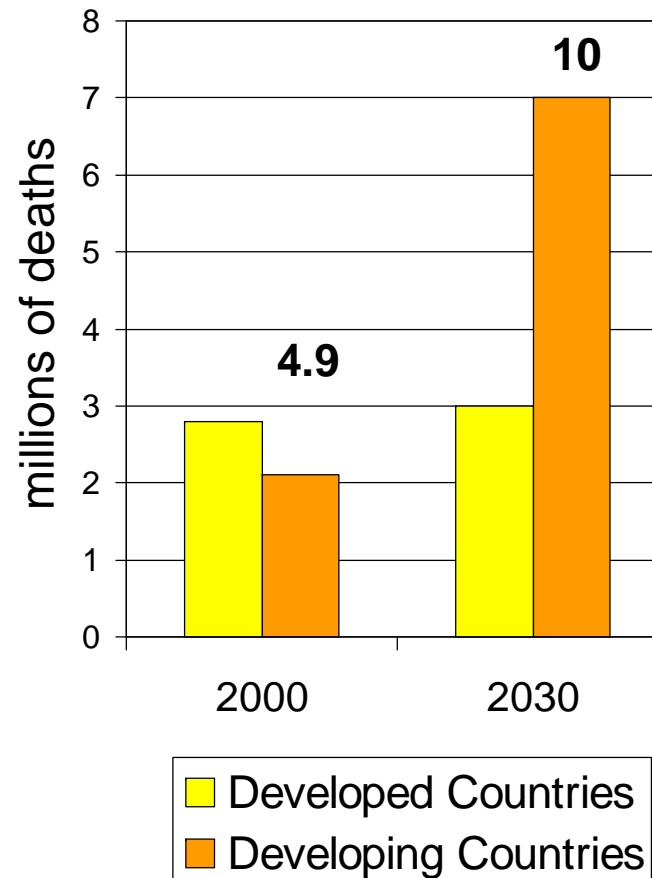
The Epidemic is Escalating

In 2000:

- 1 in 10 deaths linked to tobacco
- 4.9 million people die each year from tobacco use
- 13,400 people die each day
- 560 people die each hour

By 2030:

- Expected to be leading cause of death
- 10 million people a year will die from tobacco use
- 70% of those deaths will occur in developing countries



British American Tobacco

“We should not be depressed simply because the total free world market appears to be declining.

Within the total market, there are areas of strong growth: particularly in Asia and Africa ...

*It is an **exciting prospect...**”*

The Solution



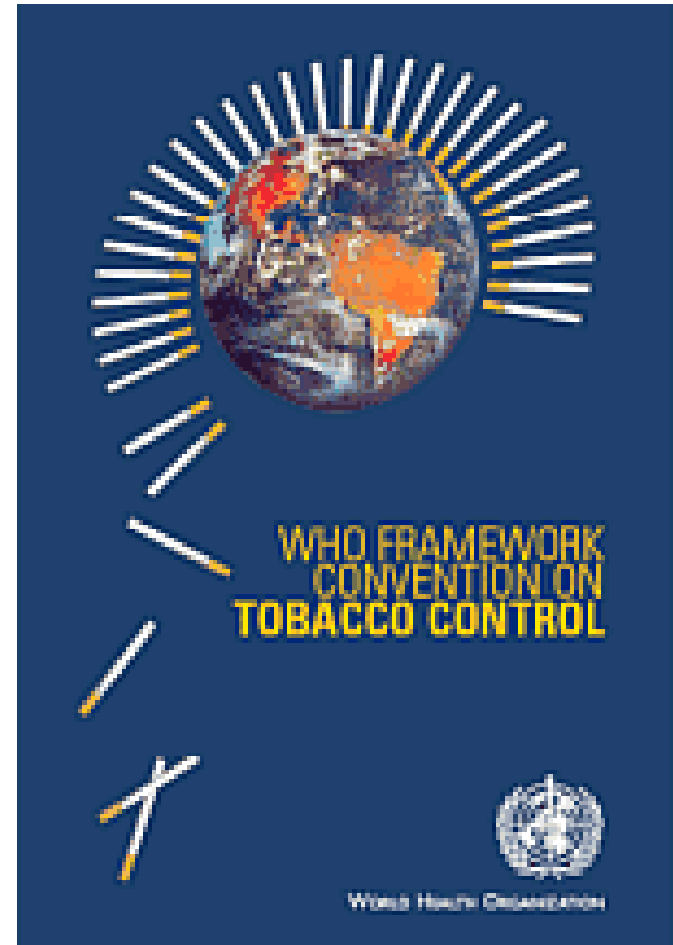
International Law

Framework Convention on Tobacco Control (FCTC)

Negotiated 2000 – 2003

In force: February 2005

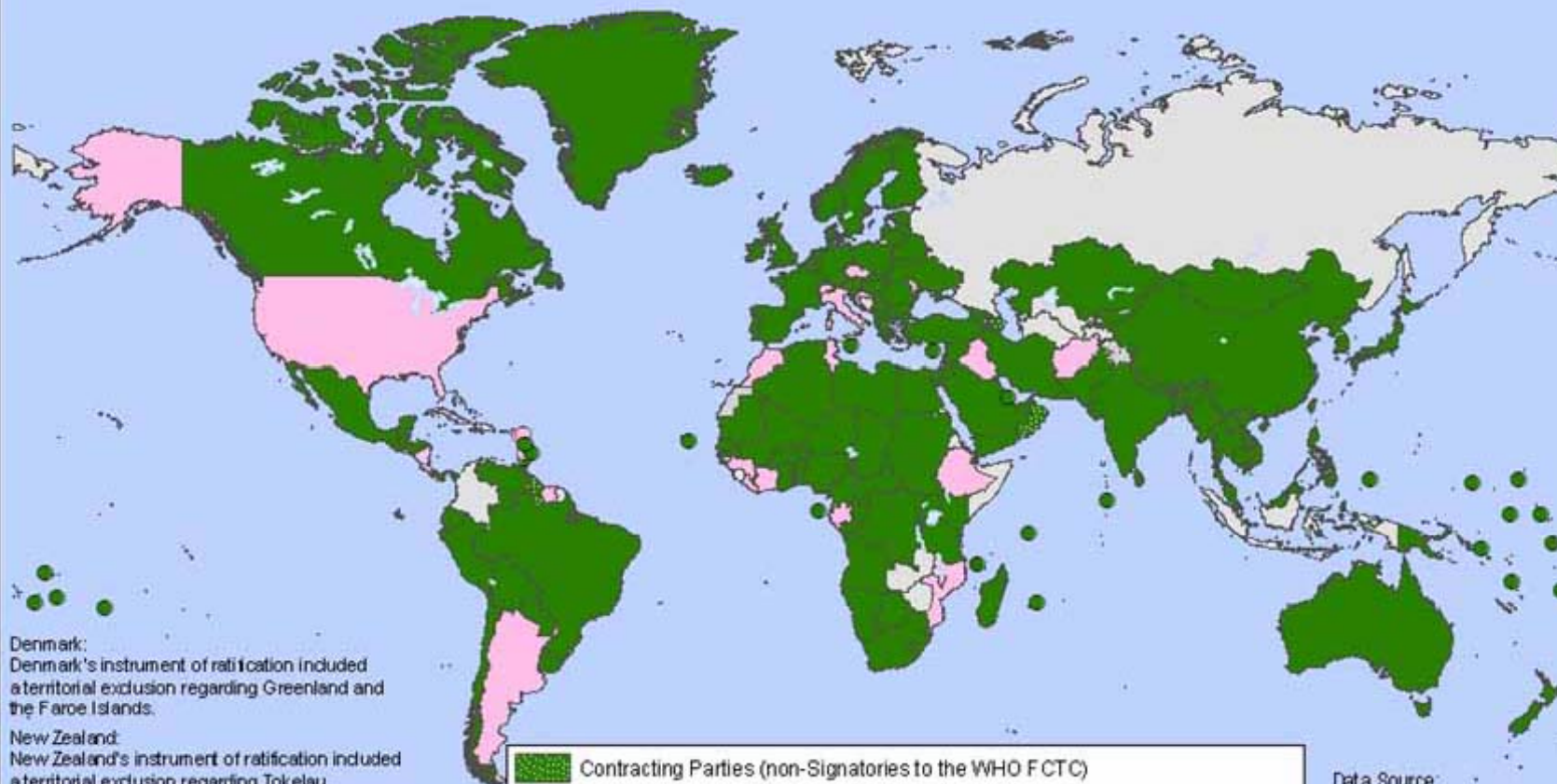
- **Minimum** requirements
- An issue of **human rights**



- The world's **first public health treaty**
- The most **rapidly-embraced** international treaty
- Today **157** out of a potential 192 countries have agreed to be bound by the treaty
- Protecting almost **90%** of the world's population

FCTC-Ratifying Countries

Status of the WHO Framework Convention on Tobacco Control (WHO FCTC)
151 Contracting Parties*



Denmark:
Denmark's instrument of ratification included a territorial exclusion regarding Greenland and the Faroe Islands.

New Zealand:
New Zealand's instrument of ratification included a territorial exclusion regarding Tokelau.

*Regional economic integration organizations are entitled to become Parties to the WHO FCTC. As such, the European Community is a Contracting Party to the WHO FCTC (with previous signature).

- Contracting Parties (non-Signatories to the WHO FCTC)
- Contracting parties (previous Signatories to the WHO FCTC)
- Countries non-Parties that have signed the WHO FCTC
- Countries that have not signed the WHO FCTC and are not Contracting Parties

Data Source:
WHO Tobacco Free Initiative
Map Production:
Public Health Mapping and GIS
Communicable Diseases (CDS)
World Health Organization



The boundaries and names shown and the designations used on this map do not imply the expression of any opinion whatsoever on the part of the World Health Organization concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Dotted lines on maps represent approximate border lines for which there may not yet be full agreement. © WHO 2007. All rights reserved

No ordinary product

The only **legal** product that,
when used
according to the manufacturers' instructions
kills or causes disease
in more than half of the people who use it.

In 2006 Judge Gladys Kessler of the US wrote:

“This case is about an industry ... that survives, and profits, from selling a highly addictive product which causes diseases that lead to a staggering number of deaths per year, an immeasurable amount of human suffering and economic loss, and has a profound effect on our national healthcare system.”

An ordinary industry

Fiduciary duty:

to make **as much profit** as it can for its
shareholders

Trust us



BAT's ROADMAP 2000

Isolate the anti-smoking movement

Target individual activists

Win over public opinion

Influence decision-makers

Understanding Stakeholders – Research Model

- Identify stakeholders and understand the level and nature of their **influence**
- Classified according to three criteria:
 - Their impact on business
 - Their hostility/sympathy towards tobacco
 - Their willingness to change their views

Liars, Social Engineers & Nannies

“Unlike Lambert and Saloojee, I do not have the luxury of lying to this Portfolio Committee”

Francois van der Merwe

Tobacco Institute of South Africa May 2008

Buying Political Influence

- **US - \$7 million to President Bush and other Republicans in 2000**
 - **\$1.4 million to Democrats**
- **South Africa: junket to Sweden and the UK**
- **Uganda: assisting the President to pay for a wedding**
- **Kenya: junket to a beach resort**

Economic Attacks

- **Higher taxes increase smuggling**
- **Industry contributes to the tax base**
- **Loss of jobs**
- **Destitution of tobacco farmers**

The Truth

- **Combating smuggling requires customs control, speedy prosecutions, tracking and tracing systems**
- **The industry benefits from smuggling**
- **Tax money stays in the economy**
- **Mechanization causes job loss**
- **The farmers poverty trap**

Exploiting loopholes

“So in a market where no promotion of cigarettes is allowed, you could expect to see the following ... more efficient use of the trade, and in-store communications, i.e. permanent merchandising material and point of sale temporary material (e.g. stickers). The aim is to create a better impact—to let the retail environment communicate the values of the product more effectively.”

Pedlow G. Marketing of cigarettes in countries with total Ad bans: notes on conversation with Paul Bingham. 1991. Available from:

<http://www.library.ucsf.edu/tobacco/batco/html/13200/13217>

Indirect Advertising

Brand-Stretching

“Opportunities should be explored by all companies so as to find non-tobacco products and other services which can be used to communicate the brand or house name, together with their essential visual identities. ...to ensure that cigarette lines can be effectively publicised when all direct forms of communication are denied.”

British American Tobacco (BAT)

Directly advertised brand-stretching



Advertising Marlboro clothing, Malaysia

Marlboro Clothing

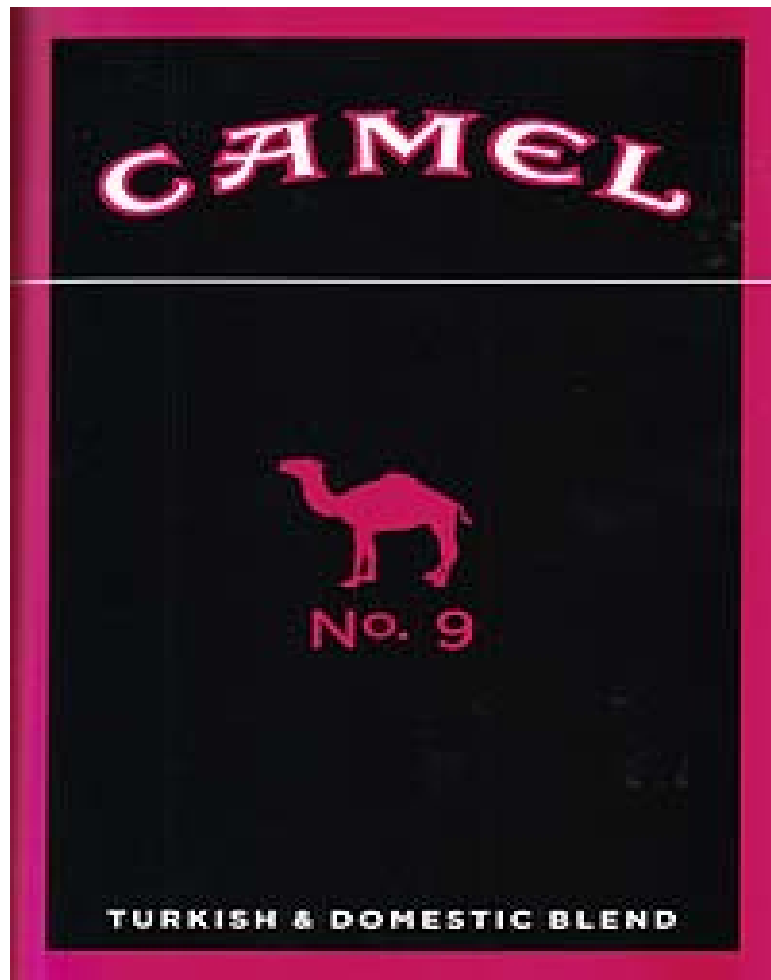


Marlboro clothing store- Czech Republic (2001)

Packaging

[Focus on] “areas of opportunity which do not rely on conventional media”, such as “new types and forms of packaging that can act as a means of communication...”

Phillip Morris. *Marketing new products in a restrictive environment*. June 1990. Bates No. 2044762173-2364.



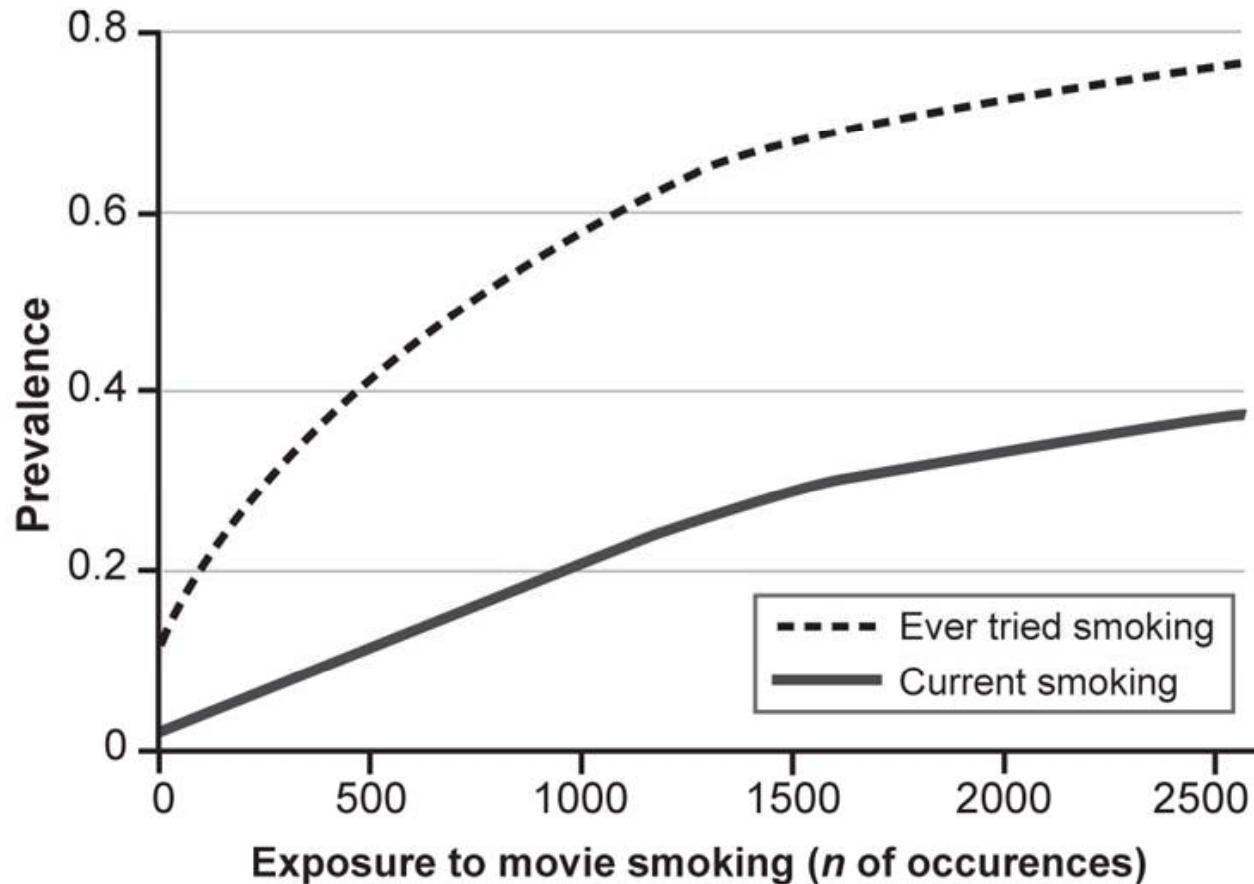
Camel No. 9: targeting women and girls, 2007



Accompanying give-away items

Product placement in movies

Association between Exposure to Smoking in Movies and Adolescent Smoking



Source: Hanewinkel R, Sargent JD. Exposure to Smoking in Popular Contemporary Movies and Youth Smoking in Germany. American Journal of Preventive Medicine. 2007; 32(6): 466–473.

Corporate Social Responsibility

“The potential positive outcomes of adopting programs of this nature [socially responsible programs] may be . . . a more sophisticated understanding by government regulators of the needs/behaviors of industry. For example, a program to discourage teens from smoking (an adult decision) might prevent or delay further regulation of the tobacco industry.”

Source: Landman A, Ling PM, and Glantz, SA. Tobacco Industry Youth Smoking Prevention Programs: Protecting the Industry and Hurting Tobacco Control. Am J Public Health. 2002 June; 92(6): 917–930. Available from: <http://www.pubmedcentral.nih.gov/articlerender.fcgi?tool=pmcentrez&artid=1447482>

BAT calendar advertising its CSR projects in Mauritius



We say ...

The industry uses CSR:

- **To purchase credibility**
- **To deflect people's attention to the deadly nature of the products that they make and sell**

The industry says ...

The ultimate aim of CSR is:

“...to (get stakeholders to) support BAT’s achievements and standards of business integrity.”

The World Health Organization says...

“Socially responsible initiatives, so called by transnational tobacco companies, sit side by side with their continued involvement in aggressive advertising campaigns ... and their attempts to actively undermine the tobacco control activities of the World Health Organization”

WHO 2004

“Replacement smokers...”



Advertising of a youth-targeted brand



Poster for I-gen, India 2007



I-gen pack

I-pod

Industry Youth Smoking Prevention Initiatives



“It's the law. We do not sell tobacco to persons under 18.”
– Billboard in Moscow, Russia

Industry-funded youth smoking prevention campaigns

They are:

- **Calculated campaigns** undertaken for public relations purposes¹
- **Enhance** the appeal of smoking to teenagers by framing smoking as an 'adult' activity²
- May **distract governments** from pursuing effective regulatory measures

¹ Landman A, Ling PM, Glantz S. Tobacco industry youth smoking prevention programs: protecting the industry and hurting tobacco control. American Journal of Public Health. 2002; 92(6):917-30.

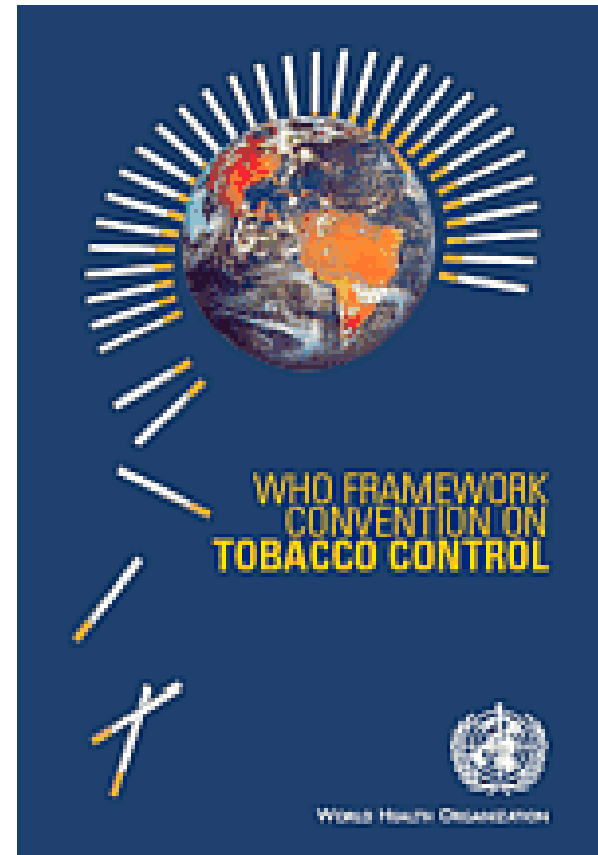
² Teenage Research Unlimited. Counter-Tobacco Advertising Exploratory Summary Report January – March, 1999

³ DeBon M, Klesges R. Adolescents' perceptions about smoking prevention strategies: a comparison of the programs of the American Lung Association and the Tobacco Institute. Tobacco Control. 1996; 5:19-25.

The Framework Convention on Tobacco Control (FCTC)

Expressly prohibits
'industry interference'
in public health policy

FCTC Art. 5.3



Namibia

- The industry leads government to believe that domestic legislation is necessary before the country can ratify the FCTC

Zambia

- Zambia ratified the FCTC in May 2003
- The industry seeks “co-operation” with local activists

South Africa: Industry Research

BAT website:

- BAT is specifically researching and targeting the black community which it refers to as **“black diamonds”** in a cynical bid to increase its sale of tobacco products.
- Black middle class grown by 30% in one year
- Spending power of black diamonds risen from R130 billion to R180 billion

Feb 2008

Trust us



We've changed!

- Central objective: make a profit from the product
- Continue to undermine public health measures: product is 'risky' & adults have 'choices' and exercise 'rights'
- Increasing market expenditures and promoting their image
- Opposing effective regulation

We've changed, but ...

- No-one has withdrawn false or misleading statements
- No-one has apologised, resigned or been fired for deceiving people
- It's a "zero-sum" business. Every person who quits is a lost customer. Why should the industry work against its own commercial interests?

The last word

Is it immoral to market cigarettes in the developing world?

“It would be stupid to ignore a growing market. I can’t answer the moral dilemma. We are in the business of pleasing our shareholders.”

M.Pavitt, Public Affairs Manager, Rothman’s Exports Ltd, quoted in J. Sweeney, “Selling Cigarettes to Africans,” Independent magazine 29 October 1988

Thank you

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