

Tobacco control in the EMR

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Agenda item 2(d)
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for the Eastern Mediterranean**
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Outline of talk

- Global / EMR status
- Specific issues:
 1. Economic costs
 2. Farming/alternative crops
 3. Tobacco industry
 4. Way forward

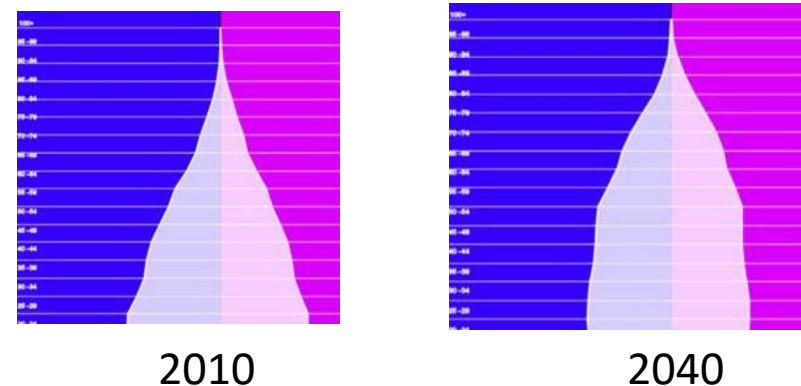


Tobacco pandemic increasing

- More people in world 7b->9b in 2040
- More people living longer

Therefore more:

- Smokers
- Disease and deaths
- Burden on health systems
- Jobs for farmers, manufacturers
- Tax for governments
- Profits for tobacco industry

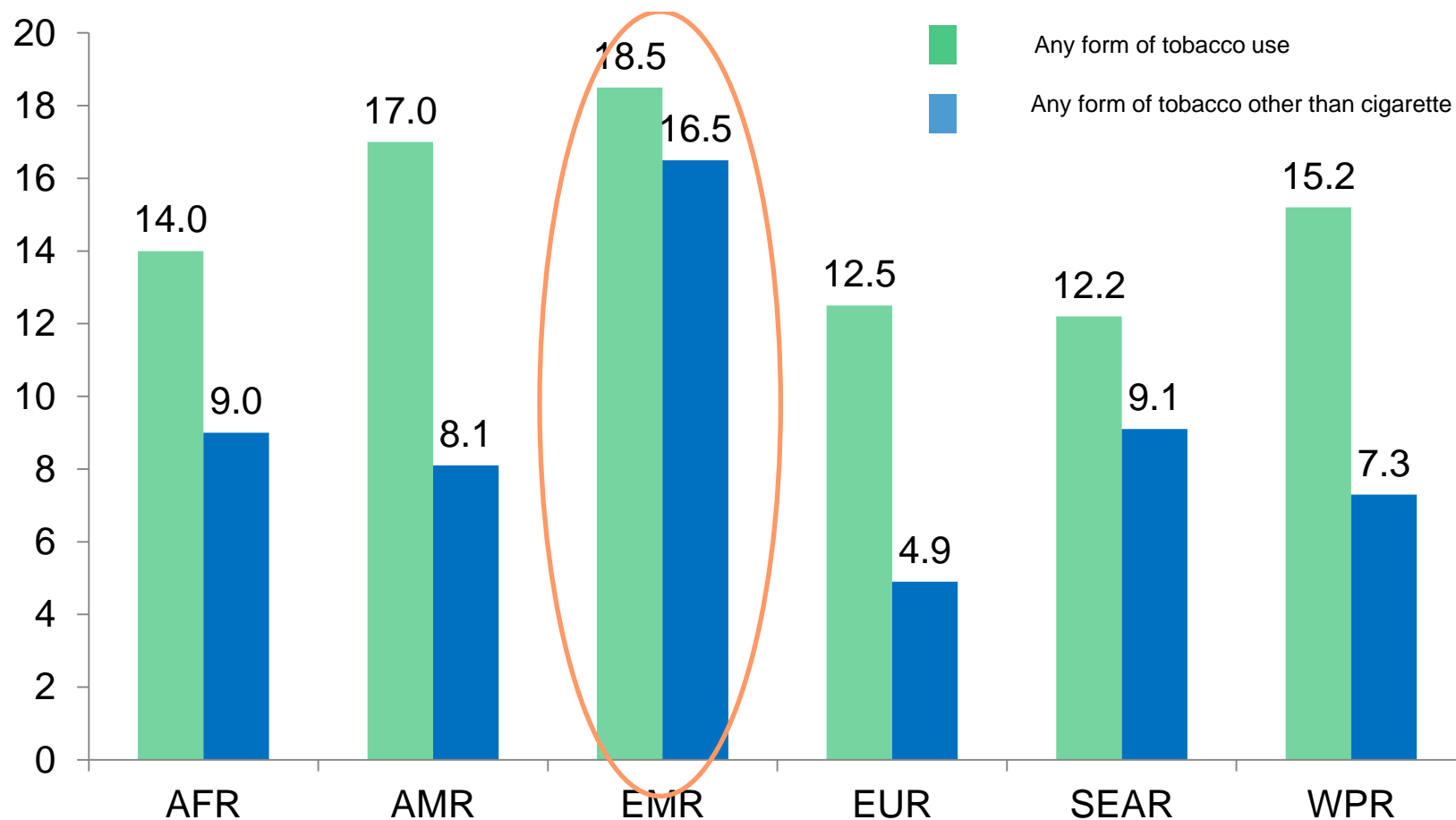


***** Red alert: EMR + AFR prevalence will increase *****

EMR 2010-2025: Worsening of epidemic

	2010			2014			2025		
Region	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes
AFRO	23.2	2.5	12.8	25.3	2.2	13.7	34.7	1.6	18.1
AMRO	23.8	14.0	18.7	21.3	12.2	16.7	16.1	8.5	12.2
EMRO	35.1	3.0	19.6	37.4	2.8	20.6	45.2	2.4	24.5
EURO	39.8	19.5	29.2	37.2	18.4	27.4	31.0	15.7	23.0
SEARO	33.1	2.9	18.2	31.3	2.3	17.0	27.5	1.2	14.5
WPRO	49.0	3.5	26.6	47.4	3.1	25.6	43.1	2.3	23.0
GLOBAL	36.7	7.2	21.9	35.2	6.3	20.8	33.0	4.6	18.8

Regional Comparison Tobacco Use Among Youth, Ages 13-15. GYTS



1. Economic costs



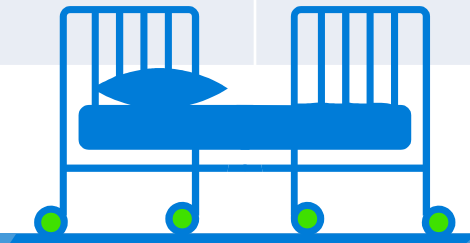
Economic myths

Tobacco industry says	Health economists say
Tobacco control will lead to job and business losses for farmers, factory workers, retailers, the hospitality industry and other businesses, and governments	NOT TRUE
The creation of smoke-free areas will cause loss of income for restaurant owners.	NOT TRUE
TAPS bans will severely affect the advertising industry	NOT TRUE
Increasing tobacco taxes will harm the poor and increase illicit trade	NOT TRUE

Many governments echo these concerns, to the extent these mistaken economic arguments are the major obstacle to tobacco control.

Economic costs of tobacco to governments, employers & smokers

Health costs	Other economic costs
<i>Medical and healthcare costs</i>	<i>Time off for “smoke breaks”</i>
<i>Higher absence rates</i>	<i>Lower productivity</i>
<i>Loss of skilled workers by premature death</i>	<i>Fires caused by careless smoking</i>
<i>Increased early retirement due to ill health</i>	<i>Damage to building fabric</i>
<i>Secondhand smoke risks</i>	<i>Litter of billions of cigarettes, matches, packets, lighters</i>



The Opportunity Costs of Smoking

Every society gives up the opportunity to buy something important when valuable resources are spent treating smoking-related illnesses.

Direct cost of tobacco use in USD

How else could these resources be spent?



\$9,584 million
UK, 2008

≈



SERVICES OF TRANSPORTATION DEPARTMENT
Government of the United Kingdom, 2010



\$1,140 million
Chile, 2008

≈



PUBLIC SAFETY PROGRAM
Chile Ministry of the Interior, 2008



\$922 million
Malaysia, 2008

≈



RURAL DEVELOPMENT PROGRAM
Government of Malaysia, 2007



\$244 million
Thailand, 2006

≈



SERVICES OF ENERGY DEPARTMENT
Government of Thailand, 2010



\$166 million
New Zealand,
2004

≈



ANNUAL SCHOOL CONSTRUCTION
New Zealand Ministry of Education, 2009



source: Tobacco Atlas, 4th edition; tobaccoatlas.org

NCD/Tobacco control: cost effective

THE LANCET

The NCD Alliance
Putting non-communicable diseases
on the global agenda

Priority actions for the NCD crisis
will prevent millions of premature
NCD events every year

	Interventions	Cost per person per year (US\$)		
		China	India	Russia
1. Tobacco use	Accelerated implementation of the WHO Framework Convention on Tobacco Control	0.14	0.16	0.49
2. Dietary salt	Mass-media campaigns and voluntary reduction by food industry	0.07	0.05	0.52
3. Obesity	Combination of drugs for individuals at high risk of NCDs	1.02	0.90	1.73
Total cost per person*		1.72	1.52	4.08

*Excludes any cost synergies or future treatment cost savings.

Table: Estimated costs of five priority interventions for non-communicable diseases (NCDs) in three countries

Tobacco control is a best buy in cost-effectiveness

2. Farming/alternative crops



Farming/alternative crops



- Tobacco farming is NOT a lucrative cash crop
- Tobacco farming is labour-intensive with serious negative environmental, health and social impacts, eg green tobacco sickness (GTS), exposure to agrochemicals, respiratory diseases, & food insecurity due to displacement of food crops.
- Developing sustainable alternatives to tobacco farming should be at the core of government tobacco-control policy.
- Viable agricultural alternatives exist
[e.g. Yunnan China: 458 farming households' annual income increased 21-110% per acre in 4 years]






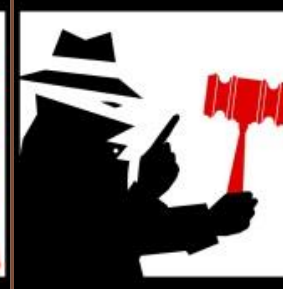
3. Tobacco industry



**World Health
Organization**

Regional Office for the Eastern Mediterranean

Forms of Tobacco Industry Interference

					
Manoeuvring to hijack the political and legislative process	Exaggerating the economic importance of the industry	Manipulating public opinion to gain the appearance of respectability	Fabricating support through front groups	Discrediting proven science and economic evidence	Intimidating governments with litigation or the threat of litigation, or trade threats

TI-funded groups: International Tax and Investment Centre (ITIC) active in EMR



11th Annual Eurasia Tax Forum
30 June - 2 July 2015
Brussels, Belgium

Sixth Annual Middle East/North Africa Tax Forum

Event Details

What: Sixth Annual Middle East/North Africa Tax Forum
When: 10-12 November 2015*
Where: Doha, Qatar, hosted by the Qatar Financial Centre
Web: iticnet.org/MENA2015
Email: tmairers@iticnet.org

MENA Tax Forum Library

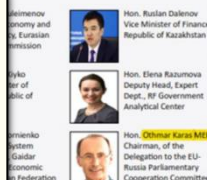
ITIC has annually organized the *Middle East/North Africa Tax Forum* since 2010.

To view presentations and related documents from previous forums, please visit:

www.iticnet.org/programs/middle-east-north-africa.



Registration will open on 15 July.



Issues to be Discussed

Trade Blocs in a Global Economy: minimizing trade and polarization in a world of competing trade blocs; balance between the EU and the Eurasian Economic Union; and trade nexus in economic policy making.

Tax Coordination: the challenges of cross-border taxation within the EEC and between the EEC and bordering countries on indirect tax issues such as VAT and excise.

Challenges of Global Tax Issues: BEPS, FATCA and Action Exchange, Multilateral Trends.

Shadow Economy Linkages: interface between tax evasion, tax enforcement and efforts to counter illicit trade and shadow economy activities.

Roundtable: discussion of the top-three tax trends (as identified by delegates in a pre-conference survey of "Keeps Tax Officials Awake at Night?").

Customs Organization Headquarters: 100 rue de la Woluwe, 1200 Brussels, Belgium.

Registration/Web/Contact: www.iticnet.org to register for the 2015 Eurasia Tax Forum. tmairers@iticnet.org or tmairers@iticnet.org for further information.

Qatar, Nov 2015

Legal and trade challenges

LEGAL CHALLENGES

Resisting legal challenges to tobacco control:
selected countries 2010-2014

2012
USA

FIVE TOBACCO

COMPANIES challenged graphic health warning regulations issued by the FDA. The Court found the warnings violated freedom of expression and rejected the regulations. The FDA will redesign the warnings.

2012
BRAZIL

Brazilian tobacco LOBBYING GROUP

challenged the Tobacco Products Directive, which was only marginally successful.

2012
URUGUAY

After several tobacco control laws, affiliates of PHILIP MORRIS INTERNATIONAL challenged two additional regulations in 2009, including 80% graphic health warnings, as a violation of a bilateral investment treaty between Switzerland and Uruguay. They also challenged and lost in the domestic courts.

2012
SCOTLAND

IMPERIAL TOBACCO

lost its challenge to a ban on vending machines and point-of-sale displays. The Supreme Court stated the law was designed to protect public health by reducing product attractiveness and availability.

2012
NORWAY

The Court accepted some of the challenges by PHILIP MORRIS Norway, but upheld a retail display ban, deeming it a ban on advertising, promotion and sponsorship.

2012
INDONESIA

The Court accepted some of the challenges by PHILIP MORRIS Indonesia, but upheld a retail display ban, deeming it a ban on advertising, promotion and sponsorship.

2013
THAILAND

TOBACCO

MANUFACTURERS to stop the Minister of Public Health from implementing larger-sized packet warnings was ultimately denied.

2011+
PHILIPPINES

Various legal cases regarding jurisdiction over tobacco regulations, including graphic health warnings, TAPS bans and smoking bans are ongoing.

2012
INDONESIA

The Court accepted some challenges, but rejected a constitutional challenge by Indonesian tobacco farmers and industry workers to Indonesia's Health Law.

2011
AUSTRALIA

The Australian government is fighting challenges to its Tobacco Plain Packaging Act. One challenge is from PHILIP MORRIS ASIA using a bilateral investment treaty between Australia and Hong Kong. The other challenge is from several countries using the World Trade Organization.

2013

SRI LANKA CEYLON TOBACCO

COMPANY'S request to delay 80% graphic pictorial health warnings, but the court also ordered a reduction in the size of the warnings to 50%-60% of the pack.

2015 Bloomberg/Gates announced USD4m fund to support countries against trade threats



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4. The way forward

Next steps:

Key messages on
policies, political
commitment and
tobacco industry



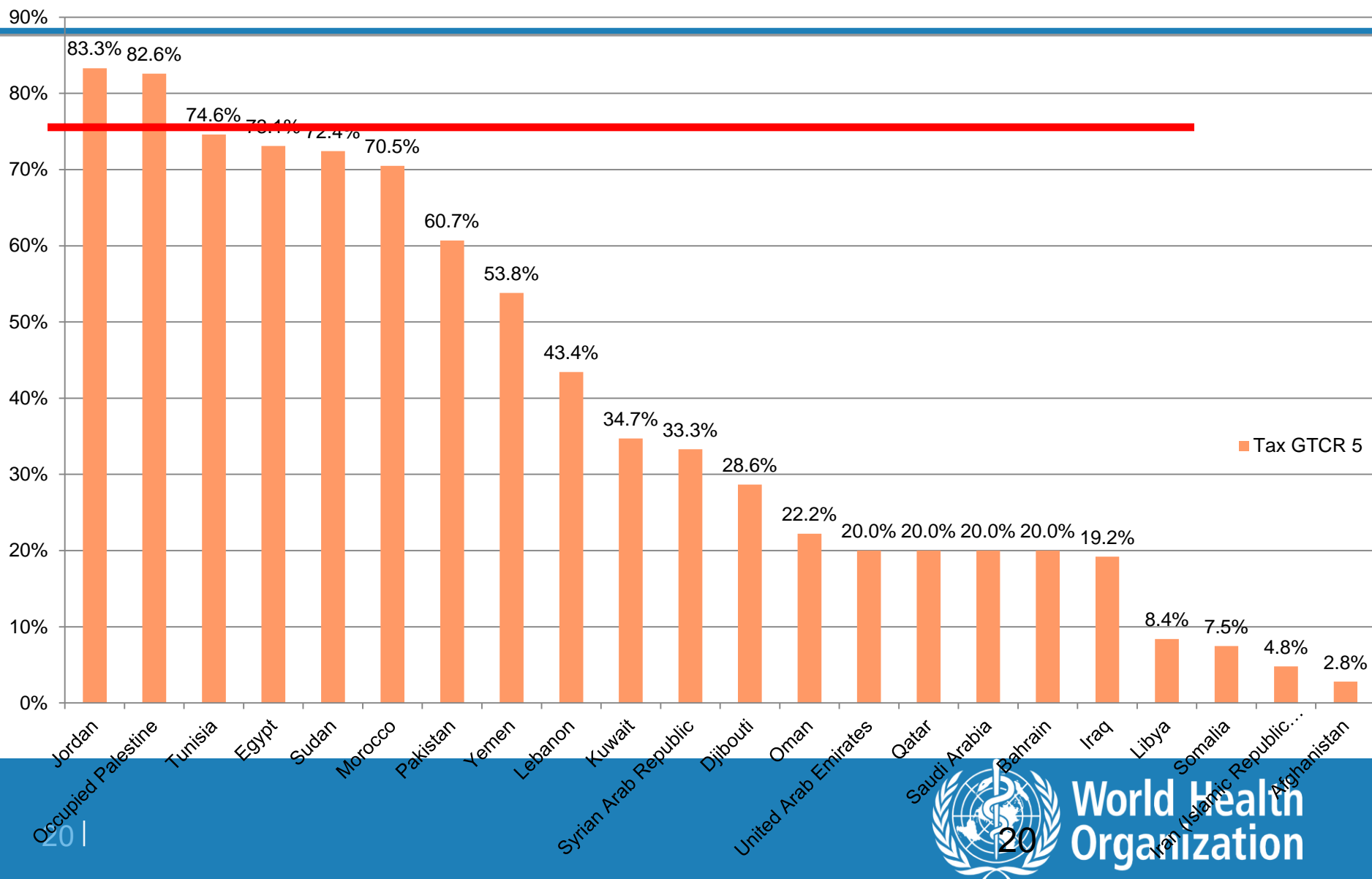
EMR: Build on key developments in 2015

- 16 countries adopted a tobacco reduction target, all 30% while Pakistan 50%.
- UAE and YEM, highest achievement in TAPS.
- PAK, QAT, KUW highest achievement in M.
- SAA highest achievement in P.
- New comprehensive tobacco control legislation in AFG, SAA.
- Establishment of observatory in EGY for TAPS in Drama. Another two are under consideration in both Kuwait and UAE.
- Two legislatives updates expected in all GCC and in IRQ.

Listen to Industry “scream test”

- **Tax *** Children very price sensitive**
- **Smoke-free areas**
- **Bans on all advertising, promotion and sponsorship**
- **Plain /standardised packaging, large graphic warnings**
- **Industry ignores: (so we know these do not work)**
- **Traditional schools’ programmes**
- **Ban on sales to minors**

Tobacco taxation status EMR



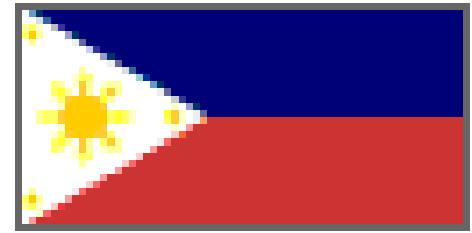
World Health Organization

Tax: Key actions



- Simplify tobacco tax collection
- Raise tobacco tax
- Use tobacco tax to fund tobacco control

Philippines Sin Tax, 2013



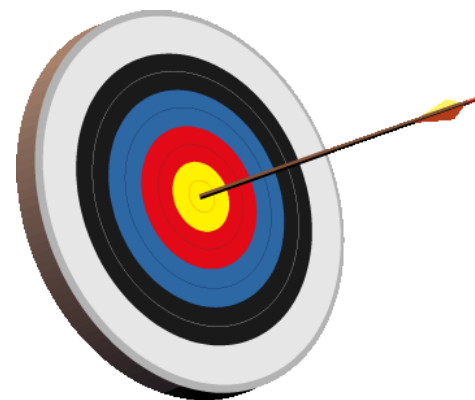
- Tobacco taxes raised by up to 340%
- Simplified tobacco tax structure
- 85% earmarked to fund insurance Universal Health Care Programme; remainder tobacco control etc.
- US\$ 1.6 billion revenues generated 2013

Aim at agreed WHO target

WHO target: 30% relative reduction in prevalence of current tobacco use in persons aged 15+ years by 2025

BUT at present rate of progress:

- **Only 1/3 will meet target**
- **Final reduction will be 18% not 30%**



Adopting the highest level in MPOWER measures
is the best solution to get to the target

10 Key messages



1. Tobacco control is good for the wealth AND health of nations
2. **The tobacco industry is very active in EMR in opposing tobacco control**
3. EMR can expect a huge rise in tobacco use in future
4. **The EMRO WINN initiative will support Member States in halting this rise**
5. Tobacco tax increases are a WIN-WIN policy
6. Laws must adopt the highest level in the MPOWER policy
7. **The law is only as good as its implementation – which involves other sectors that have to be trained, as well as social support through media campaigns.**
8. **The tobacco industry must be kept out of policy-making (Art 5.3)**
9. Political commitment is crucial
10. Sustained effort is needed