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# Tobacco industry lobbying: the scandal of the century

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There is more and more evidence of the involvement of the tobacco industry in this illicit trade, writes MEP Gilles Pargneaux (Photo: EUobserver)

By **GILLES PARGNEAUX**

BRUSSELS, 21. DEC, 17:53

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The lobbying by the tobacco industry of European institutions has to be considered the scandal of the century. As a member of the European Parliament (MEP), I have witnessed their constant endeavour to undermine our work during the negotiations to adopt the 2014 Tobacco Directive.

The lobbying activities of this industry shouldn't be considered as other strategies of influence. They are death-mongers! 700,000 Europeans die every year from smoking, which is the equivalent of a city like Frankfurt being wiped

out from the map.

It is the reason why, with other MEPs from various political backgrounds, we've decided to wage this fight against the interference of the tobacco industry within our policies.

I've visited several EU capitals: Lisbon, Vienna, Athens, Paris, Rome, London, Madrid and Berlin.

I've met with numerous non-governmental organisations, representatives of health and finance departments and customs officials to assess the state of transposition of the tobacco directive in view of the May 2016 deadline and to debate the fight against smuggling and the black market of tobacco products that harm our health policies.



MEP Pargneaux (Photo: European Parliament)

Some member states are prevented from implementing ambitious measures. However, other member states like the United Kingdom as well as France have managed to resist this deadly lobbying by choosing standard packaging or by ending tobacco displays in shops.

In the case of France, it is the 12th country and 4th EU member state to have ratified the World Health Organization (WHO) protocol to fight illicit trade of tobacco products. This protocol foresees an independent track and trace system to fight the smuggling of tobacco products.

There is more and more evidence of the involvement of the tobacco industry in this illicit trade. Anna Gilmore, director of the Tobacco Control Research Group from the University of Bath, has testified in a workshop organised at the European Parliament that overproduction from the big four tobacco companies, which reaches in some countries as much as 240 percent of the legitimate demand, then leaks into the illicit market.

Smuggling helps these companies to generate higher profits by enabling them to circumvent some taxes. Because the black market is not subject to any regulations, through smuggling it is easier for those companies to reach children and the youth, who are potential new clients.

Let's not hesitate to say it out loud. The illicit trade of tobacco products is part of the business strategies of the tobacco industry. For example, trading cigarettes illegally enabled the industry to access closed Asian Markets and created pressure for market openings.

An independent track and trace is more necessary than ever as the revenue losses for EU member states are estimated to be around 12 billion euros per year for the European Union.

Moreover, illegal smuggling of tobacco products contributes to the funding of international flows that end up financing terrorism. Some terrorist organisations are funded by these activities. Military officials and scholars say cigarette smuggling, in fact, has provided the bulk of financing for Al Qaeda in the Islamic Maghreb (AQIM).

The HMRC [the tax-collecting administrative body in the UK] confirmed this to me in London. OLAF, the EU's anti-fraud body/organisation, opened an inquiry in 2012 against a major tobacco company, which violated the Syrian embargo. The decision is still pending.

It is thus urgent that the European Union and its member states ratify the WHO protocol to fight illicit trade of tobacco products and that we implement an

independent track and trace system that excludes CODENTIFY, the industry-driven tracking and trace system that may be seen as being in contravention of Article 5.3 of the Convention, and more specifically Article 8.12 of the Protocol, which requires that obligations assigned to Parties shall not be delegated to the tobacco industry.

Some countries or states like Brazil, Turkey and California, after having installed track and trace, noted an increase of over 30 percent in income from taxes on tobacco (in spite of lower production) and others noted a 30 percent decrease in smuggling.

We are thus asking that the European Union does not renew its illicit trade agreements with the four major transnational tobacco companies. These agreements, introduced in 2004, have proved to be inefficient. On the one hand, member states lose 12 billion euros per year. On the other hand, the accumulated payment gained from these agreements can vary from 50 to 150 million euros a year! These payments do not even represent 1 percent of the annual revenue losses.

The lobbying of the tobacco industry and these tobacco agreements raise many concerns. What are we witnessing when it comes to our dealings with the tobacco industry? It is illegal activities flirting with criminal organisations,

duplicity in the fight against illicit trade of tobacco products and strategies of fiscal evasion which were unveiled by the special committee of the European Parliament on tax evasion.

This is the worrying assessment we have to make in order to stop these practices and rein in the influence of the tobacco industry. This fight is a struggle for health and life. This fight is as well a fight against the funding of terrorism. These are the challenges we have to take on in 2016!

Gilles Pargneaux is a French member of the European Parliament. He is a member of the centre-left S&D group and one of the vice-chairs of the parliament's committee on environment, public health and food safety



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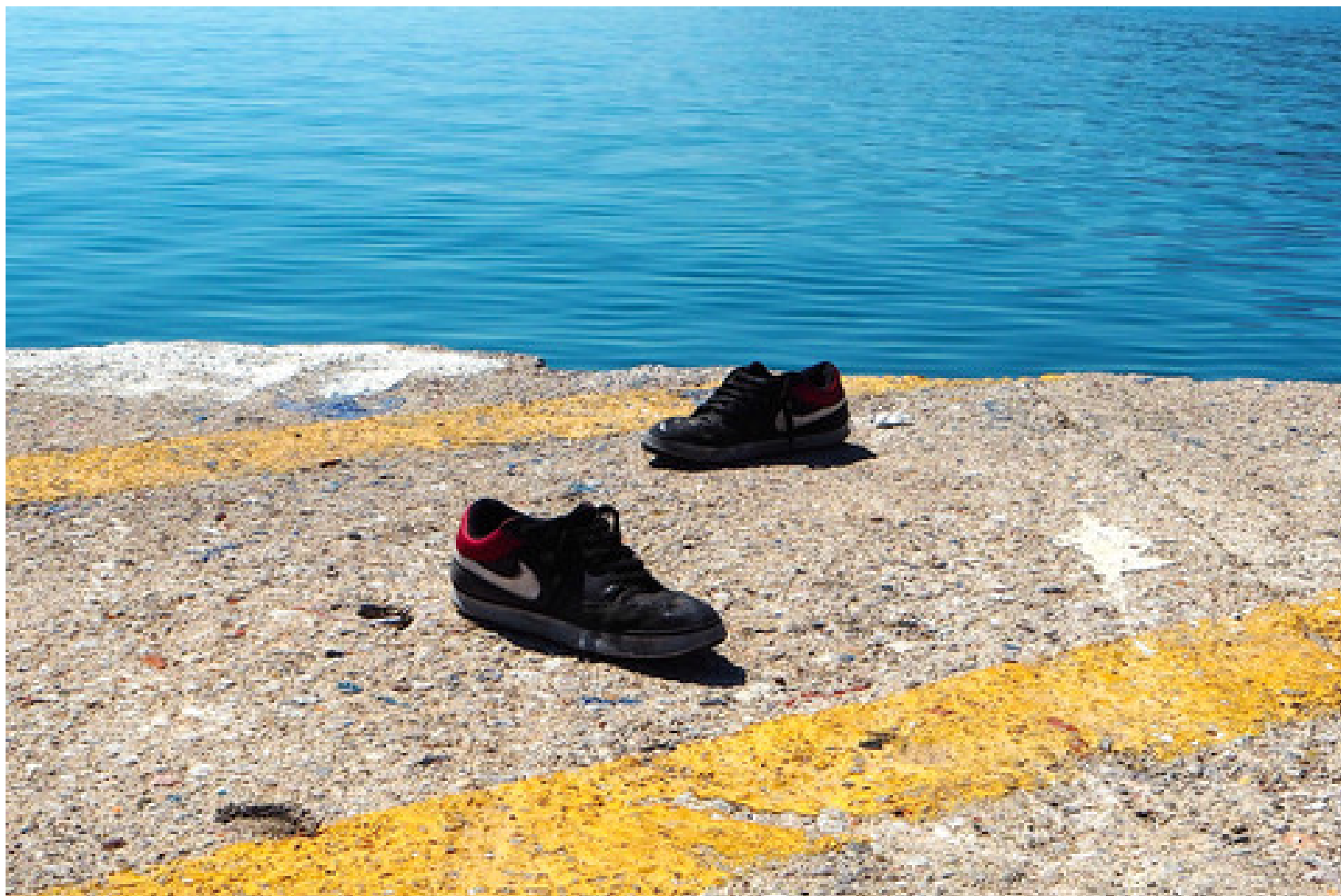
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