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Clear the Air says: well it's almost Hong Kong Budget time again, when the local stooge tobacco front groups start their yearly drivel disinformation output, funded and paid for by Big Tobacco. See the connection between Big Tobacco funding/ ITIC / Oxford Economics/ HKUAIT-Stopit.

Meanwhile the following independent studies are indeed peer reviewed:

<http://tobaccocontrol.bmj.com/content/early/2015/01/05/tobaccocontrol-2014-051937.fullin%20addition->

Tobacco Control

Did the tobacco industry inflate estimates of illicit cigarette consumption in Asia? An empirical analysis

Jing Chen¹, Sarah M McGhee¹, Joy Townsend², Tai Hing Lam¹, Anthony J Hedley¹

+ Author Affiliations

¹School of Public Health, The University of Hong Kong, Hong Kong SAR, China

²Department of Social and Environmental Health Research, London School of Hygiene & Tropical Medicine, London, UK

Correspondence to Professor Tai Hing Lam, School of Public Health, The University of Hong Kong, Hong Kong SAR, China;

hmrmlth@hku.hk Received 30 July 2014 Accepted 25 November 2014 Published Online First 6 January 2015

Abstract Objective Estimates of illicit cigarette consumption are limited and the data obtained from studies funded by the tobacco industry **have a tendency to inflate them**. This study aimed to validate an industry-funded estimate of 35.9% for Hong Kong using a framework taken from an industry-funded report, but with more transparent data sources.

Results Illicit cigarette consumption was estimated to be about 8.2–15.4% of the total cigarette consumption in Hong Kong in 2012 with a midpoint estimate of 11.9%, as compared with the industry-funded estimate of 35.9% of cigarette consumption.

The industry-funded estimate was inflated by 133–337% of the probable true value. Only with significant levels of under-reporting of daily cigarette consumption and undeclared smoking could we approximate the value reported in the industry-funded study.

Conclusions **The industry-funded estimate inflates the likely levels of illicit cigarette consumption.**

http://seatca.org/dmdocuments/ITIC%20report_More%20Myth%20than%20Fact_2%20July%202014.pdf



Southeast Asia Tobacco Control Alliance
June 2014

EXECUTIVE SUMMARY

The Asia-11 Illicit Tobacco Indicator 2012, a report on illicit tobacco trade by **the International Tax and Investment Center (ITIC) and Oxford Economics (OE)** was released in September 2013. This report, while claiming to be done by independent researchers, was actually **funded by Philip Morris International** and prepared according to agreed **terms of reference provided by Philip Morris Asia Ltd**. The ITIC itself, despite its declaration of independence, is funded by the major transnational tobacco companies.

The main conclusions of the report echo the assertions of tobacco companies:

- ☐ Nine percent (9%) (66.5 billion cigarettes) of cigarettes consumed in the countries surveyed are illicit, either illegally imported (5.6%) or illegally locally manufactured (3.4%);
- ☐ Some Asian countries, namely Brunei, Hong Kong, Malaysia and Singapore, that have high taxes on tobacco also had the highest volumes of illicit cigarettes, over 25% in 2012;
- ☐ Governments are losing billions of dollars in tax revenue due to illicit trade, particularly related

Report date 18th January 2016

Email Contact chair@cleartheair.org.hk



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to tobacco tax increases and high prices.

VII. Conclusion and Recommendations

The proposal to implement gradual tobacco tax increase (instead of huge hikes) made by the Asia-11 Report is exactly the same as the decades-old annual calls made by the tobacco industry in every country. There is absolutely nothing new that can be drawn from the study, and governments should continue to raise tobacco taxes in order to reach their public health and fiscal objectives.

It must be realized that substantial improvement can be achieved as a consequence of operative actions by the authorities. Governments should continuously implement effective novel strategies to combat illicit tobacco trade by stepping up enforcement measures. As governments had actively participated in the drafting of the WHO FCTC – Illicit Trade Protocol, they should ratify this new legal tool as soon as possible. Relevant laws and regulations should be enacted consistent with the articles and guidelines in this Protocol.

Recommendations

- Reject the ITIC/OE Asia-11 report as it is **not an independent report, uses flawed methodology, and results in skewed finding supportive of the tobacco industry's position**
- Implement FCTC Article 5.3 Guidelines and reject any partnership with the tobacco industry and its representatives in tackling smuggling problem
- Step up enforcement to reduce tobacco smuggling
- Ratify the Protocol to Eliminate Illicit Trade in Tobacco Products

[www.tobaccotactics.org/index.php/International Tax and Investment Center](http://www.tobaccotactics.org/index.php/International_Tax_and_Investment_Center)

The screenshot shows the Tobacco Tactics website. The main content area is titled "International Tax and Investment Center". The text describes the ITIC's founding in 1993, its independent status, and its funding by major multinational corporations including Philip Morris (PMI), Japan Tobacco International (JTI), British American Tobacco (BAT), and Imperial Tobacco. It also mentions the ITIC's Board of Directors and its research on tobacco tax policies and illicit trade.

<http://tobacco.cleartheair.org.hk/?p=11228>

CLEAR THE AIR NEWS TOBACCO BLOG

Tobacco: All the Facts, Legislation, and How it Affects Your Health.

Read the detailed ITIC report: **ITIC/Oxford Economics / MSintelligence Empty Pack Surveys and methodology (22) (23) Contact with MSintelligence** In email correspondence by the author with Mr Daniel Touati of MSintelligence who is based in Israel, not Switzerland, he was queried as to the location of their claimed offices in Asia and specifically, Hong Kong. Touati stated they had no office in Hong Kong. When queried on how his company with no local office could work in Hong Kong without work visas to complete the repeat alleged empty pack collections over a period of weeks and at two distinct different times in different years, then ship same discarded packs to Switzerland for examination, no response was forthcoming, despite repeat reminders. He was also unaware that their alleged methodology of collecting empty discarded packs left in public places and trash cans, was in fact a breach of several summary offences in Hong Kong. The Hong Kong Government has since notified MSintelligence of same. Email queries sent by the author to Oxford Economics Ltd on their methodology and the incorrect tourism numbers they employed, also remained unanswered. (24)

Other relevant studies re: **Empty Pack Survey flawed methodology - Towards a greater understanding of the illicit tobacco trade in Europe: a review of the PMI funded 'Project Star' report (25)**

<http://tobaccocontrol.bmj.com/content/25/1/5.extract?sid=f8588c54-5d61-4f6a-bad1-90038c8ff21d>



Worldwide news and comment

Ten years after the World Health Organization Framework Convention on Tobacco Control (FCTC) came into force, full implementation continues to be impeded by behind-the-scenes industry interference. In this issue we focus on systematic undermining of tobacco control by breaches of Article 5.3, which is designed to ensure that the setting and implementing of public health policy is protected from the vested interests of the tobacco industry. Although the guidelines for Article 5.3 specify that Parties should implement measures in all branches of government, the tobacco industry continues to enjoy a cosy relationship with policy makers in customs, law enforcement and taxation, both with multilateral agencies and in individual countries. Article 13 on tobacco advertising, promotion and sponsorship also continues to be inadequately implemented in many countries, due to both legislative loopholes and poor enforcement, particularly for sponsorship of youth-targeted events. We highlight examples of FCTC breaches in Lithuania, Spain and Germany, as well as the global tobacco industry initiative the International Tax and Investment Center (ITIC), and its collaboration with the World Customs Organization (WCO).

WORLD: ITIC & BIG TOBACCO'S 'SEAT AT THE POLICY TABLE'

The International Tax and Investment Center (ITIC), bills itself as "an independent, nonprofit research and educational organization founded in 1993 to promote tax reform and public-private initiatives to improve the investment climate in transition and developing economies". All four major tobacco companies – British American Tobacco (BAT), Philip Morris International (PMI), JT International and Imperial Tobacco Limited – are listed among its sponsors, and each of the companies has a staff member on the ITIC board.

ITIC enjoys charitable status in the USA under Internal Revenue Code section 501 (c)(3), which specifies that in order to

All articles written by Marita Hefler unless otherwise attributed. Ideas and items for News Analysis should be sent to: marita.hefler@menzies.edu.au



11th Annual Eurasia Tax Forum

30 June - 2 July 2015

Brussels, Belgium

Confirmed Government/Think-Tank Speakers

 Mr. Wael Bouard Director General for Tax and Customs, EU Commission	 Hon. Timur Suleimenov Minister of Economy and Financial Policy, Eurasian Economic Commission	 Hon. Rudan Dalenov Vice Minister of Finance, Republic of Kazakhstan
 Hon. Sergey Shogrin Auditor of the Accounts Chamber, Russian Federation	 Hon. Dmitry Kyiko Deputy Minister of Finance, Republic of Belarus	 Hon. Elena Razumova Deputy Head, Expert Dept., RF Government Analytical Center
 Hon. Daulat Egoshin Chairman, State Revenue Committee, Ministry of Finance, Republic of Kazakhstan	 Dr. Natalia Korzenko Head of Tax System Department, Gaidar Institute for Economic Policy, Russian Federation	 Hon. Othmar Karas Chairman of the Delegation to the EU- Russia Parliamentary Cooperation Committee

Speakers advertised in the brochure for the ITIC-hosted 11th Eurasia Tax Forum. Photo credit: James Middleton

qualify as tax-exempt, organisations must serve the public good. In addition, the legislation also restricts activities that can influence legislation. Contrary to both of these requirements, ITIC has a long history of lobbying for policies favourable to the tobacco industry.

In 2011, ITIC produced a report on illicit tobacco (*The Illicit Trade in Tobacco Products and How to Tackle It*). It highlighted disparities in taxation as an incentive for smuggling (while avoiding any suggestion that low taxing jurisdictions should raise taxation levels), provided support to the tobacco industry system of supply chain control system Codentify (which has been shown to have severe limitations), and concluded that international coordination and cooperation with the private sector is vital to tackle illicit trade (unsurprisingly, no mention is made of the tobacco industry's extensively documented record of involvement in smuggling). The report was subsequently cited when lobbying policy makers in several countries against plain packaging.

The report is a textbook example of the cooperation facilitated by the revolving, and sometimes wide open, door between policy makers and industry representatives, brought together under the umbrella of an ostensibly 'neutral' third party non-profit or trade organisation. The report's author, ITIC program advisor Liz Allen, previously had a senior role in UK Customs and Excise, the foreword was written by the Secretary General of the World Customs Organization (WCO), and before publication it was reviewed by staff at the European Anti Fraud Office (OLAF), the US Department of Treasury and International Monetary Fund. It was launched at WCO Headquarters in Brussels at a special panel session which

included speakers from ITIC, WCO officials, diplomats from South Africa and China, and a representative from BAT.

In recent years, ITIC has worked closely with the WCO, hosting several joint meetings and conferences. Helpfully for ITIC's tobacco industry members, WCO also holds Observer status to the FCTC Conference of the Parties (COP). Immediately prior to COP6, ITIC convened discussions with Parties and Observers to discuss taxation and pricing policies. The move was slammed by WHO Director General Margaret Chan. In a speech at COP6 in 2014, she said: "Their agenda, at least, is easy to see: to undermine your power, your efforts to adopt the robust, expert-driven proposed guidelines on tobacco tax and price policy...don't be fooled by them".

WHO has subsequently urged all governments to follow a non-engagement policy with ITIC. The WHO Director of Noncommunicable Diseases Dr Douglas Bettcher stated in May: "ITIC has published extensively in favour of the tobacco industry's false positions on excise taxation, investment and illicit trade in tobacco products". Dr Bettcher's comments were made in response to revelations that Dave Hartnett, former head of corporate tax at UK Inland Revenue, became a director of ITIC less than two years after he stepped down from his UK government role.

In May 2015, the World Bank withdrew from a tax conference to be co-hosted by ITIC in New Delhi, India, following an outcry from the international public health community. However, ITIC continues to find favour with WCO: the following month, WCO welcomed ITIC into its Brussels headquarters, where Liz Allen developed and presented a two day



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ITIC: A Foundation Directly Sponsored by Transnational Tobacco Companies

- The International Tax and Investment Center (ITIC) is a U.S.-based non-profit research and education organization headquartered in Washington, D.C. ITIC describes itself as an independent clearinghouse for best practices in taxation and investment policy that provides “its sponsors a seat at the policymaking table.”ⁱ
- ITIC’s main sponsors are large multinational corporations from the oil, alcohol and tobacco industries. ITIC’s sponsors include all of the leading transnational tobacco companies, and its Board of Directors includes representatives from BAT, PMI, JTI and Imperial Tobacco.ⁱⁱ
- Internal tobacco industry documents made public through U.S.-based litigation settlements in 1998 disclose that ITIC has long played a role in facilitating the tobacco industry’s access to government officials. For example, a 1997 internal R.J. Reynolds memo describes ITIC’s role in assisting RJR and PMI in favourable tax reform in Russia.ⁱⁱⁱ
- ITIC provides advice to governments on tobacco tax issues. They hold workshops and meetings and provide technical advice through paid experts. They sponsor reports on illicit trade, producing illicit trade estimates with poorly defined methodology and often exaggerated rates of illicit trade. ITIC uses their workshops, contacts and research to push for tax systems and rates that benefit the industry over public health.

Examples of ITIC Tobacco Work:

- **Pro-Tobacco Policy Events:** ITIC has hosted conferences and seminars with government officials on tobacco taxation and illicit trade around the world. Representatives from the tobacco industry are often present and participate in these events.
- **Pro-Tobacco Technical Assistance:** In 2013, ITIC signed a Memorandum of Understanding with the Eurasian Economic Commission, the regulatory body of the Customs Union of Russia, Belarus and Kazakhstan, to provide information in the areas of tax policy and administration, and organize consultations, seminars, conferences, forums, and roundtable discussions. Tobacco control partners have indicated that the Eurasian Economic Commission is currently considering a tobacco tax harmonization proposal that would leave prices of tobacco products in the region among the lowest in the world.
- **Pro-Tobacco Research:** ITIC funds and published reports funded by the tobacco industry. Since 2013 alone, ITIC has published at least five reports for which it received input, data and financial support from the tobacco industry including: *Are Earmarked Taxes on Alcohol and Tobacco a Good Idea? Evidence from Asia*, *The Risks of Excessive Cigarette Taxation: Warnings for Australia*, *The Illicit Trade in Tobacco Products and How to Tackle It, Asia-11 Illicit Tobacco Indicator 2012*, and *Asia-11 Illicit Tobacco Indicator 2013: Update for the Philippines*. In addition, ITIC has published bulletins covering tobacco taxation in Africa, Eurasia, Southeast Asia, Lithuania, Singapore, Thailand, and Vietnam.^{iv}
- **Pro-Tobacco Media Outreach:** ITIC publications on illicit trade are cited by media sources, and ITIC experts, including ITIC’s president, provide media interviews and author opinion pieces.

Recent Activities:

- **Exaggerating Illicit Trade:** At an event on illicit trade hosted by the U.S. Chamber of Commerce in Panama City in March, ITIC claimed that 84% of cigarettes sold in Panama are illicit^v, more than double the estimates made by two credible independent studies, which reported illicit trade between 28% and 36% in Panama.^{vi}
- **Attacking Sponsors’ Competitors:** In June, 2014 ITIC released a PMI commissioned study on illicit tobacco in the Philippines, which claimed that illicit domestic cigarette consumption increased significantly from 2012 to 2013 after

www.ftc.org

a 2013 tax increase. The report argued that the tax increase triggered a large loss in government revenue, even though government figures show large increases in tax revenue.^{vii} In the media, PMI’s local subsidiary, Philip Morris Fortune Tobacco Corp used the report as a part of efforts to claim its competitor, Mighty Corp, was evading taxes.^{viii, ix}

- **Poor Methodology:** In September 2013, the Tax Investment Center and Oxford Economics released a report estimating the extent of illicit cigarette consumption in 11 selected Asian countries.^x The report, funded by Philip Morris Asia, an affiliate of Philip Morris International, used potentially biased data provided by the tobacco industry and less than transparent research methods.

ⁱ ITIC Website. Accessed 2014 September 8. Available <http://www.iticnet.org/about/board-of-directors>

ⁱⁱ Griscom TC. Following are Highlights of May External Relations Activities and Issues Worldwide. Bates No: 523193828/5838. Accessed on February 19, 2014. Available from: <http://legacy.library.ucsf.edu/tid/ca93a00>

ⁱⁱⁱ International Tax and Investment Center. Publications. 2014. Available from: <http://www.iticnet.org/publications/bulletins>

^{iv} Capital Financiero. 84% del comercio de cigarrillos en Panamá es ilícito. 2014. Available from: <http://www.capital.com.pa/84-del-comercio-de-cigarrillos-en-panama-es-ilicito/>

^v Ministry of Salud, Panama. Global Adult Tobacco Survey, Panama 2013. Available from: http://www.paho.org/hq/index.php?option=com_docman&task=doc_view&gid=24644&Itemid=

^{vi} International Tax and Investment Center & Oxford Economics. Asia-11: Illicit Tobacco Indicator- 2013 Update for the Philippines. 2014. Oxford: Oxford Economics.

^{vii} Rodriguez JC. Philippines lost nearly P16-B on illegal cigarette sales in 2013- study. ABS-CBNNews.com. 2014 June 5. Available from: <http://www.abs-cbnnews.com/Business/07/05/14/philippines-lost-nearly-a-16-b-illegal-cigarette-sales-study>

^{viii} Castro R. Philip Morris Fortune Tobacco asks gov’t to adopt tax stamp scheme. 2014 July 31. Available from: <http://www.interestkyspn.com/business/92353/philip-morris-fortune-tobacco-asks-govt-to-adopt-tax-stamp-scheme>

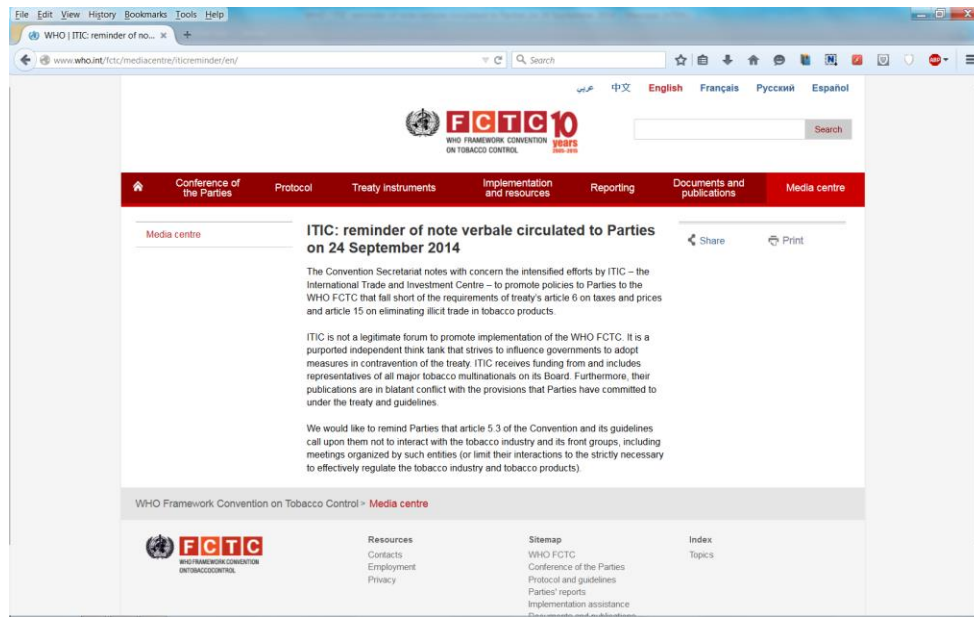
^{ix} International Tax and Investment Center and Oxford Economics (2013).Asia-11 Illicit Tobacco Indicator for 2012. Oxford: Oxford Economics.



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Read this report – see what WHO states about ITIC



Address to the Sixth Session of the Conference of the Parties to WHO FCTC



Dr Margaret Chan

Director-General of the World Health Organization

Address to the Sixth Session of the Conference of the Parties to the WHO Framework Convention on Tobacco Control Moscow, Russian Federation 13 October 2014 – (Extract)

QUOTE

" Most recently, and in a particularly brazen move, the tobacco industry brought its agenda and its voice here to the heart of tobacco control. Yesterday, the **International Tax and Investment Centre**, whose board of directors includes several tobacco companies, convened Parties and Observers to discuss tobacco tax and price policies without fully disclosing their vested interests. Please, do not be fooled by them.

Their agenda, at least, is easy to see: to undermine your power, your efforts to adopt the robust, expert-driven proposed guidelines on tobacco tax and price policy. These guidelines, when used to implement the treaty's Article 6, will protect children and young people, in particular, from initiating tobacco use. There is an exchange of views recorded in the mountains of internal industry documents that are now in the public domain. Let me share with you one such document. It records a discussion – an internal discussion – about whether the industry should consider children as part of its market. I remember very well one reply, which I would like to quote directly: **"They got lips? We want them."**

So ladies and gentlemen, this is the kind of tobacco industry tactic. They just want more and more market share. They could not care less if they are killing children. Again, don't be fooled by them. What is the next challenge? The next challenge is that the tobacco industry is increasing its dominance over the market for electronic cigarettes. This should not come as a surprise. One company used this year's World No Tobacco Day to call on WHO, and call on all of your governments, to promote electronic cigarettes as a way of protecting some of the lives that they themselves are killing with the other products they sell. We also heard a familiar argument. That company insists that it **"can and should be a part of this debate and possible solutions."**

No way. As I have said before, giving any tobacco company a place at the negotiating table is akin to appointing a committee of foxes to take care of your chickens."

https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtidsg_no=IX-4&chapters9&lang=en



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World Health
Organization



Dr Douglas William Bettcher is the Director the Department for Prevention of Noncommunicable Diseases, World Health Organization (WHO) Geneva, Switzerland

guardian.co.uk

THE GUARDIAN [Winner of the Pulitzer prize 2014](#)

<http://www.theguardian.com/business/2015/may/16/uk-tax-chief-smoking-health-dave-hartnett-tobacco-hmrc>

Former UK tax chief under fire for joining smoking lobbyists

Health campaigners are furious that Dave Hartnett joined Washington group that opposes tobacco taxation a year after leaving HMRC

QUOTE

"The UK is a signatory to the World Health Organisation's framework convention on tobacco control, which was established to check the influence of tobacco companies and their front organisations. **In an unusual move, the organisation has openly called for governments to distance themselves from Itic.**" "Itic has published extensively in favour of the tobacco industry's false positions on excise taxation, investment and illicit trade in tobacco products," said Dr Douglas Bettcher, director of prevention of noncommunicable diseases for the WHO. "Itic have used their international conferences, such as in Moscow in 2014 and in New Delhi earlier this month, to lobby government officials against tobacco taxation. This is despite tobacco taxation being the most effective and efficient measure to reduce demand for tobacco products. Parties to the WHO framework convention on tobacco control are obliged to protect their public health policies from interference by the tobacco industry and its allies. **In this light, WHO urges all countries to follow a non-engagement policy with Itic."**

https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsp_no=IX-4&chapter=9&lang=en

CSF/NV/14/25

Sixth session of the Conference of the Parties to the WHO FCTC: issues related to Article 5.3 and the guidelines for its implementation

The Convention Secretariat presents its compliments to the Permanent Missions in Geneva of the Parties to the WHO Framework Convention on Tobacco Control (WHO FCTC) and has the honour to refer to the sixth session of the Conference of the Parties to the WHO FCTC, which will be held from 13 to 18 October 2014 in Moscow, Russian Federation.

As part of its agenda, the Conference of the Parties (COP) will consider many topics related to economics and trade: the report and draft guidelines¹ on Article 6 (*Price and tax measures to reduce the demand for tobacco*), submitted by the open-ended drafting group established by the COP at its fifth session;² the status of the Protocol to Eliminate Illicit Trade in Tobacco Products;³ and trade and investment issues relevant to implementation of the WHO FCTC.⁴

It has been brought to the attention of the Convention Secretariat that the **International Tax and Investment Center (ITIC)**,⁵ in cooperation with the **Eurasian Economic Commission**, is organizing a briefing on tobacco excise taxation in Moscow on 12 October 2014, one day before the opening of the COP, and inviting tax officials from Parties and WHO Member States that are observers to the COP to participate. The Convention Secretariat would like to bring to your attention that ITIC has a number of tobacco companies as part of its board of directors and has produced many publications on several areas related to taxes and prices, investment and illicit trade in tobacco products.

In light of Article 5.3 of the Convention and the guidelines for its implementation adopted by the COP, the Convention Secretariat would like to inform the Parties and accredited observers to the Convention that this event is in no manner supported by the Convention Secretariat and cannot be considered as being in any way linked to the COP. The Ministry of Healthcare of the Russian Federation has also reassured the Secretariat that ITIC's event is in no manner supported by the Government of

¹ See document FCTC/COP/6/7, available at http://apps.who.int/gh/fctc/PDF/cop6/FCTC_COP6_7-en.pdf

² See http://who.int/fctc/guidelines/groups/art_6/en/

³ See document FCTC/COP/6/8, available at http://apps.who.int/gh/fctc/PDF/cop6/FCTC_COP6_6-en.pdf

⁴ See document FCTC/COP/6/20, available at http://apps.who.int/gh/fctc/PDF/cop6/FCTC_COP6_20-en.pdf

⁵ See <http://www.iticnet.org>

Convention Secretariat
World Health Organization • 20, avenue Appia • CH-1211 Geneva 27 • Switzerland
Tel +41 22 791 5043 | Fax +41 22 791 5830 | E-mail: fctcsecretariat@who.int | www.who.int/fctc

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the Russian Federation. Furthermore, to the best of Secretariat's information, the event is also not supported by any Party or accredited observer to the WHO FCTC.

The Convention Secretariat would also like to take this opportunity to remind Parties of recommendations 4.9 and 8.3 of the guidelines for implementation of Article 5.3 of the WHO FCTC related to the composition of delegations to meetings of the COP and its subsidiary bodies. Furthermore, in line with Articles 4.2 and 4.4 (*Guiding principles*) and 5.1 (*General obligations*) of the WHO FCTC, the Secretariat would like to highlight the pertinence of involving different sectors of the government as part of their delegations, such as customs, finances, regulatory and law enforcement authorities among others.

The Convention Secretariat is available to respond to any queries related to the information contained in this note verbale and avails itself of this opportunity to renew to the Parties to the WHO FCTC the assurance of its highest consideration.

GENEVA, 19 September 2014



WHO FRAMEWORK CONVENTION
ON TOBACCO CONTROL

Tel. direct: +41 22 791 5043
E-mail: ftcsecretariat@who.int

In reply please
refer to: CSF/HS/16/02

Public Petitions Committee
Ms Catherine Ferguson
Room T3.40
The Scottish Parliament
Edinburgh EH99 1SP
ROYAUME-UNI DE GRANDE-
BRETAGNE

Your reference:

11 January 2015

Dear Ms Ferguson,

Consideration of Petition PE1580

Your letter dated 11 November 2015 on the above subject, addressed to the World Health Organization (WHO), has been forwarded to the Secretariat of the WHO Framework Convention on Tobacco Control, which is the body responsible for servicing the Convention. The letter requests examples of good practices in legislatures of Party states in relation to the implementation of Article 5.3. of the Convention. I would like to respond to the question posed as follows:

As you are aware, Article 5.3. requires Parties to the Convention to protect their public health policies from commercial and other vested interests of the tobacco industry. The Conference of the Parties, as the Convention's supreme organ, has adopted a set of Guidelines containing concrete recommendations on the implementation of this provision. Although not legally binding, the Guidelines constitute an authoritative international policy tool, having been adopted by the Conference of the Parties by consensus. In accordance with the recommendations set out in the Guidelines, a number of Parties have established relevant practices relating to interactions with the tobacco industry. Please find some examples below:

Guideline Recommendation 2: Establish measures to limit interactions with the tobacco industry and ensure the transparency of those interactions that occur.

- **Finland:** Interaction with industry is limited mainly to open requests for comment.
- **Canada:** Technical discussions as required by national law in regard to both health and tax-related regulations; litigation-related responses, as required by national law and practice.
- **Singapore:** Health Promotion Board guidelines governing interaction with tobacco industry, including minutes of meetings and previously set agenda.
- **Panama:** All meetings between the Ministry of Health and the tobacco industry take place at the National Commission for the Study of Tobacco; Article 5.3 Guidelines distributed to governmental sectors.
- **Mexico:** Meetings between government and industry accessible through the Federal Institute for Access to Information.
- **Australia:** Meeting between Department of Health and Ageing and the Tobacco Industry notified on website www.health.gov.au
- **Philippines:** DOH memorandum (DM 2010-0126) prohibits DOH and its attached agencies' interactions (unless strictly necessary - for regulatory purpose).
- **Brazil:** Intersectoral Committee for Implementation of the WHO FCTC (CONIQ) - rules of interaction (and conflict of interest).
- **Thailand:** Rules for interaction with the tobacco industry and how to handle requests for meetings (Regulation of Department of Disease Control B.E. 2553, 2010).

Convention Secretariat

World Health Organization • 20, avenue Appia • CH-1211 Geneva 27 • Switzerland
Tel +41 22 791 5043 | Fax +41 22 791 5830 | E-mail: ftcsecretariat@who.int | www.who.int/ftc

Guideline Recommendation 4: Reject partnerships and non-binding or non-enforceable agreements with the tobacco industry.

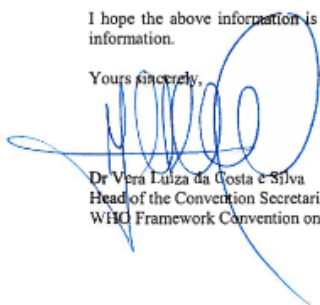
- **Latvia:** Industry participation officially excluded from State Commission on Restriction of Smoking in 2010.
- **Denmark:** Administrative law guiding private versus public interest.
- **Slovenia and Sweden:** Code of conduct for civil service.
- **Norway:** Government Pension Fund divested of tobacco.
- **New Zealand:** Superannuation fund divested from tobacco; code of conduct for civil servants ensures that conflict of interests is minimized or avoided, and that when interactions occur, these are reported (<http://www.ssc.govt.nz/code>).
- **Philippines:** A Joint Memorandum Circular of Civil Service Commission and DOH (CSC-DOH No. 2010-01) covers all national and local government officials and employees, including government-owned and controlled corporations, original charters, state colleges and universities. DOH officials and employees should not accept any direct or indirect offer (gift, donation, sponsorship) from tobacco companies (AO 2009-0004 Revised DOH policy).
- **Brazil:** Code for members of WHO FCTC Implementation Committee.

You will note that relevant efforts by Parties are generally more advanced as they concern government officials and governmental bodies. Equivalent practices for legislative bodies are in the process of being developed in some countries.

Efforts made by Party states to prevent conflicts of interests of members of the legislative and executive bodies as well as civil servants constitute an important means of implementing Article 5.3., and the Secretariat encourages any efforts by Parties to adopt such measures.

I hope the above information is helpful. Please do not hesitate to contact us should you require further information.

Yours sincerely,



Dr Vera Lúiza da Costa e Silva
Head of the Convention Secretariat
WHO Framework Convention on Tobacco Control

Petition PE01580: Guidance for Parliament staff on international health treaty standards

<https://www.scottish.parliament.uk/GettingInvolved/Petitions/PE01580>

Calling on the Scottish Parliament to develop guidance for all those working in the Parliament, to ensure adherence to obligations under the Framework Convention on Tobacco Control, as set up by the World Health Organisation, and to which the UK is a signatory.



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Big Tobacco Funded Fictional Drive <http://news.rthk.hk/rthk/en/component/k2/1236456-20160117.htm>

Anti-tobacco tax group says tax fuels black market 2016-01-17 HKT 18:49

Hong Kong United Against Illicit Trade says 70 percent of people surveyed believe too much duty on cigarettes fuels the black market. Photo: RTHK



Jeff Herbert

A group opposed to tobacco tax increases says 70 percent of the people they surveyed believe too much duty on cigarettes fuels the black market. The survey of a thousand people was commissioned at the end of last month by Hong Kong United Against Illicit Trade.

The group's advisor, Jeff Herbert, says that lowering the tax on cigarettes would probably end tobacco smuggling, but this would be a difficult political choice for the government.

CTA says: Note the Amcham logo in the photo – see what the New York Times has to say about the US Chamber of Commerce:

http://www.nytimes.com/2015/07/01/business/international/us-chamber-works-globally-to-fight-antismoking-measures.html?_r=0

<http://www.nytimes.com/2015/10/10/business/us-chamber-of-commerce-focus-on-advocacy-a-boon-to-tobacco.html>

<http://www.nytimes.com/2015/07/02/business/international/many-board-members-fight-smoking-even-as-chamber-opposes-tobacco-laws.html>

More Fiction

2016 <http://www.stopit.hk/?p=119&lang=en>

Home > Facts > 28% – The seriousness of the issue

28% – The seriousness of the issue



Source: Asia-16: Illicit Tobacco Indicator 2014, Oxford Economics

28% – Hong Kong's illicit cigarettes consumption According to the latest study conducted by Oxford Economics, Hong Kong's illicit cigarettes consistently stand at 28% of the total consumption. It means more than 1 out of 4 cigarette packs consumed in Hong Kong are illicit.

<http://tobacco.cleartheair.org.hk/wp-content/uploads/2015/10/Asia-16-Hong-Kong-report.pdf>

Report date 18th January 2016

Email Contact chair@cleartheair.org.hk



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40% – Illicit Cigarettes seized were Counterfeit

(CTA- WHICH MEANS 60% WERE GENUINE CIGARETTE PRODUCTS SMUGGLED BY THEIR MANUFACTURERS TO DEFEAT GOVERNMENT EXCISE TAX PREVENTATIVE ANTI-SMOKING MEASURES, **thanks for agreeing that!**
http://www.legco.gov.hk/yr10-11/english/hc/sub_leg/sc10/papers/sc100402cb1-1759-4-e.pdf)

1.6 times more illicit cigarette seized. **40% counterfeit** (Cantonese) (Source: [Apple Daily, 2 April, 2011](#))

According to the Hong Kong Customs and Excise Department, approximately 40% of illicit cigarettes they seized were counterfeit. (Source: LC Paper No. CB(2)1419/10-11(01), Legislative Council Panel on Security Enforcement Against the Smuggling and Sale of Illicit Cigarette, Customs and Excise Department, HKSAR Government, March 2011).

In addition to often not bearing the appropriate health warnings, counterfeit cigarettes are often made in unsanitary conditions: numerous seized counterfeit cigarettes contain substances like asbestos, rat droppings, human faeces, or mould among other substances (Source: [The Mail Online, 9 September, 2012](#)).

More Fiction 2016 <http://www.stopit.hk/?p=52&lang=en>

Home > Facts > HK\$2.5 billion – Government revenue lost to illicit cigarettes

HK\$2.5 billion – Government revenue lost to illicit cigarettes

Source: *Asia-16: Illicit Tobacco Indicator 2014, Oxford Economics*

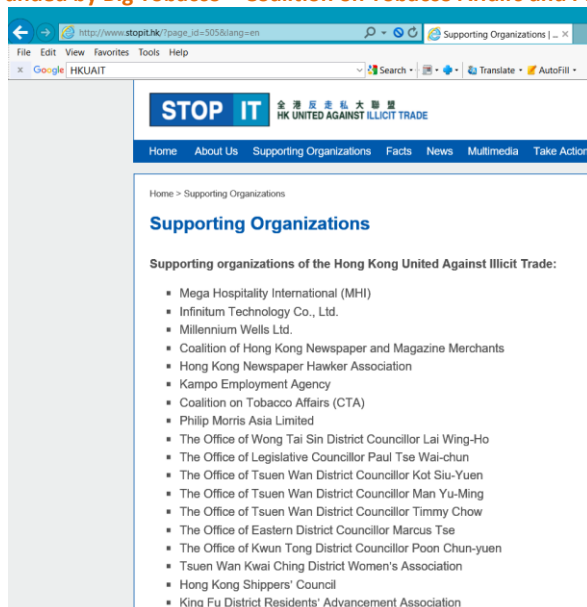
According to the latest study conducted by Oxford Economics, Hong Kong's illicit cigarettes trade stands at 28% of the total market in 2014, amounting to 1.3 billion sticks of cigarettes.

This means illicit cigarettes are costing the government at least \$2.5 billion HKD in lost tax revenues annually. The \$2.5 billion HKD in foregone excise tax revenue could have been used, for example, to cover more than two months' rentals for 750,000 public housing tenants in Hong Kong.

"To protect the revenue from tobacco duty and motor vehicles first registration tax, the C&ED will deploy more resources to step up its efforts to combat tax evasion in the coming year," said Financial Secretary John Tsang during his budget 2013 budget speech at the Legislative Council. (Source: [The 2013-14 Budget Speech](#))

We support the government's intention to combat this problem and we urge the government to step up enforcement on all fronts and conduct more robust anti-illicit trade public education campaigns.

Confirmation STOPIT HKUAIT is Funded by Big Tobacco = Coalition on Tobacco Affairs and Philip Morris Asia





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Previous year's Fiction – same Bovine Excreta (since then Luisa got herself a real job)

<http://www.iticnet.org/HKUAIT>

1 February 2015

Press Release Event - NINE out of 10 Hong Kong Residents concerned about black market cigarettes

To view the full press release, [click here](#).



Mr. Oliver Salmon, *Oxford Economics*; Ms. Luisa Tam, Executive Director of HKUAIT; and Mr. Jeff Herbert, Advisor of HKUAIT.



The following news articles were published following the press release.

Further tobacco tax hike may encourage illicit cigarettes, *The Sun* (2 February 2015)

Groups oppose tobacco tax hike for concern of fueling illicit tobacco trade, *Oriental Daily News* (2 February 2015)

Groups urge Government not to raise tobacco tax before tackling illicit cigarettes, *Hong Kong Commercial Daily* (2 February 2015)

90% of the public support more action against illicit cigarettes, *Ta Kung Pao* (2 February 2015)

Tobacco tax hike may aggravate illicit tobacco trade problem; groups call for tackling the problem first, *Hong Kong Daily News* (2 February 2015)

Groups oppose tobacco tax hike, *Apple Daily* (2 February 2015)

Survey: Nine out of 10 Hong Kong residents concerned about black market cigarettes, *Sky Post* (2 February 2015)

90% of the public urge the government to tackle illicit cigarettes, *am730* (2 February 2015)

Survey: 90% of the public want the government to further fight against illicit cigarettes, *RTHK News (Chinese)* (2 February 2015)

Groups said tobacco tax hike will exacerbate illicit tobacco problem and call for stepped up enforcement, *TVB* (2 February 2015)

90% of the public concerned with serious illicit cigarettes problem; Hong Kong United Against Illicit Tobacco urge against further tobacco tax hike, *Metro* (2 February 2015)

Tax hike on tobacco creates market for illicit cigarettes, *Harbour Times* (2 February 2015)

Illicit tobacco trade estimation methodology disclosed, *Hong Kong Citizens' Media* (online) (1 February 2015)



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全港反私煙大聯盟

STOP IT
HONG KONG UNITED
AGAINST ILLICIT TOBACCO

PRESS RELEASE

SURVEY: NINE out of 10 Hong Kong Residents concerned about black market cigarettes

<http://www.iticnet.org/HKUAIT>

New survey shows nine out of 10 Hong Kong residents are aware of the illicit tobacco trade problem

Awareness of the problem is up 10 percent since last year's survey

Residents concerned that illicit cigarettes are easily available to children

Overwhelming calls for the Government to tackle the problem

Hong Kong, February 1, 2015 – Latest independent survey shows that over the last year awareness of Hong Kong's illicit tobacco trade has increased amongst HKSAR residents. Nine out of 10 Hong Kong residents are now concerned about the illicit tobacco issue (an increase of 10% against last year's survey) and they would like to see the Government take more action to solve the problem. Worryingly the survey also reports respondents believe illicit cigarettes are easily available to children as well as adults.

The survey was conducted in December 2014 by **Ipsos**, an international market research company. It was commissioned by Hong Kong United Against Illicit Tobacco (HKUAIT) (*who are funded by Big Tobacco*) to measure the public awareness and better understand perceptions of the illicit tobacco issue in Hong Kong. The same survey was also conducted in 2013.

"90% of the respondents see illicit cigarettes as a problem for Hong Kong. That's up 10 percentage points from a year ago. 70% of respondents believe that illegal cigarettes are easily accessible to children, while 81% believe adults have easy access to illegal cigarettes," said **Janakan Ramalingam, Director, Ipsos**. **"For two consecutive years, nine out of 10 want more Government action to tackle the problem of illicit cigarettes."**

CTA says : thanks for that, IPSOS – since, according to HK Customs anti illicit tobacco unit, 60-70% of seized duty-not-paid contraband tobacco in Hong Kong is genuine product and the rest counterfeit, this clearly shows that the tobacco companies themselves are smuggling their own products by failing to control their supply chains. So HKUAIT needs to persuade HK Customs and Police to clamp down on the manufacturers who are smuggling their own products & hence, the highest illicit trade component year on year!

The survey results echo the findings of the [Asia-14: Illicit Tobacco Indicator 2013](#) ("Asia-14") study, conducted by Oxford Economics and published last year, which found that Hong Kong's illicit cigarettes consumption rate stood at an alarming 33.6% of all cigarettes consumed in Hong Kong. The study calculated the cost to the Government at HK\$3.2 billion in foregone excise tax revenues.

"The facts are very clear that the vast majority of Hong Kongers are aware of, and are concerned by, the serious problem of the illicit cigarette trade, and they want the Government to do more tackling it," said **Jeff Herbert, former Senior Superintendent with the Hong Kong Police and Advisor of HKUAIT**. He continues: "Instead of increasing excise - which will increase the price gap between illicit and legitimate cigarettes and therefore make the problem worse – the Government should first tackle and eliminate the serious illicit tobacco trade problem."

Ahead of the upcoming Budget Speech, HKUAIT has prepared a formal submission recommending measures to tackle the roots of the illicit trade problem, including cross-border organized crime. These measures include a multi-agency enforcement strategy, expanded public education campaign, and effective regulatory tools such as enforcement of the Organized and Serious Crimes Ordinance against criminal syndicates dealing brazenly in illegal cigarettes and a variety of other criminal activities.

END

Media contact: Luisa Tam, Executive Director, HKUAIT (+852 9096 7101 / Luisa@StopIt.hk)



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FOR THE SECOND CONSECUTIVE YEAR, 1 IN 3 CIGARETTES CONSUMED IN HONG KONG ARE ILLEGAL

09/09/2014 (CTA says: PMI funded the report, tobacco front ITIC and Oxford Economics constructed the deliberately flawed report based on illegal, supposed discarded pack collection (a Summary offence in Hong Kong) by MSIIntelligence, a Swiss company with no office here nor work visas and their alleged analysis of packs that might have been deposited by the 60 million annual visitors to Hong Kong, then tobacco funded HKUAIT presented the 'report' to the press – so, it must be true then?)



Jeff Herbert-Stopit /Daniel Witt (ITIC)/Luisa Tam –Stopit/Oliver Salmon (Oxford Economics)

Press Conference Held to Release New Illicit Tobacco Indicator

On 9 September in Hong Kong, ITIC, in conjunction with Oxford Economics and Hong Kong United Against Illicit Tobacco, held a press conference to release the new study, titled, *Asia-14: Illicit Tobacco Indicator 2013*. The press conference was attended by over 25 journalists from all of the major televisions, radio and newspapers in Hong Kong.



From left to right: Mr. Jeff Herbert, former Hong Kong Police Senior Superintendent and Advisor to Hong Kong United Against Illicit Tobacco; Mr. Daniel Witt, President, ITIC; and Ms. Luisa Tam, Executive Director, Hong Kong United Against Illicit Tobacco.



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OXFORD
ECONOMICS



PRESS RELEASE

FOR THE SECOND CONSECUTIVE YEAR, 1 IN 3 CIGARETTES CONSUMED IN HONG KONG ARE ILLEGAL

*Despite increased enforcement, illicit tobacco market share at over 30%
Hong Kong remains an illicit tobacco leader in Asia-Pacific*

Hong Kong, September 9, 2014 – Despite a significant improvement in customs enforcement, for a second consecutive year, Hong Kong's illicit cigarettes consumption rate stood at over 30%, costing the Government HK\$3.2 billion in foregone excise tax revenues. And Hong Kong remains an illicit tobacco leader in the Asia-Pacific region.

The Asia-14: Illicit Tobacco Indicator 2013 ("Asia-14") found that illicit cigarettes consumption in Hong Kong was at 33.6% in 2013, a 2.3% drop compared to 2012. The study was conducted by UK-based Oxford Economics in partnership with the US-based International Tax and Investment Center (ITIC).

The study also noted that there were nearly 16,600 reported cases of cigarette smuggling handled by the Hong Kong Customs & Excise Department, leading to seizures of illicit cigarettes worth HK\$ 222 million, an increase of 15.6% in comparison to 2012.

"The increased seizures have contributed to a drop of illicit cigarettes consumption and foregone cigarette excise tax revenue which is a good sign. However, the reality remains that Hong Kong is still seen as a very lucrative market for the criminals behind the international trade in illicit cigarettes," said **Daniel A. Witt, President of ITIC**.

According to the study, Hong Kong ranks 3rd out of 14 markets studied behind only Brunei and Malaysia.

"Key drivers of illicit tobacco in the Hong Kong include the excessive tax increases in 2009 and 2011 which directly contributed to high retail price differences with the neighboring countries, and led to the establishment of well-organized criminal networks that enable syndicates to make huge money without being sufficiently deterred," added Mr. Witt.

"In my 30 years working at the Hong Kong Police Force and in particular nearly 12 years in Criminal Intelligence, the trafficking and distribution of illicit tobacco is a business dominated by criminal syndicates that are involved in numerous other illegal activities. The Asia-14 results show that these syndicates have managed to maintain an illicit tobacco market share of over 30%," said **Jeff Herbert, former Senior Superintendent with the Hong Kong Police and Advisor of the Hong Kong United Against Tobacco (HKUAT)**.

"The foregone excise tax revenue could have been used, for example, to provide an extra 3 months supplement to each of some 420,000 elderly receiving old age living allowance in Hong Kong," added Mr. Herbert.

Meanwhile, according to a recent survey released by the HKUAT, illegal tobacco trade activities were observed in 9 out of 13 retail shops visited in the Chung King Mansion and visits to the 39 surveyed residential estates in Hong Kong Island, Kowloon and the New Territories showed 11 had a problem. Most buyers interviewed found it easy to purchase illicit cigarettes, and the significant price differential between legal and illegal cigarettes proved to be the single most important factor driving them to the black market.

About The Asia-14: 2013 Illicit Tobacco Indicator

The Asia-14: 2013 Illicit Tobacco Indicator was a follow-up to last year's Asia-11 study which covered Australia, Brunei, Hong Kong, Indonesia, Malaysia, Pakistan, Philippines, Singapore, Taiwan, Thailand, and Vietnam. Three Southeast Asian countries – Cambodia, Laos and Myanmar – were added in the 2013 research.

END

Media contact: Luisa Tam, Executive Director HKUAT (+852 9096 7101 / Luisa@StopIt.hk)



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<http://tobacco.cleartheair.org.hk/wp-content/uploads/2015/10/Asia-16-Hong-Kong-report.pdf>

Disclaimer

The Hong Kong Market Report (the “Report”) on the illicit tobacco trade in Hong Kong, has been prepared by the International Tax and Investment Center (ITIC) **and its partner**, Oxford Economics (OE). ITIC and OE enjoyed academic freedom and full editorial control of the Report. We are grateful for the inputs and data received from public sector and industry stakeholders.

ITIC and OE prepared the Report **in accordance with specific terms of reference** agreed between Philip Morris International Management SA., an affiliate of Philip Morris International (PM), and ITIC.

Financial support for the Report was provided by PM.

ITIC and OE assume all responsibility for the Report’s analysis, findings, and conclusion.

This Report represents an extract from the forthcoming report “Asia-16 Illicit Tobacco Indicator 2014”, set for public release in Q4 2015 via <http://IllicitTobacco.OxfordEconomics.com>. (members only)

Meanwhile:

From: Diana McKelvey [<mailto:dmckelvey@iticnet.org>]

Sent: Monday, November 30, 2015 3:20 PM

To: Julia Ross

Cc: Patricio V. Marquez; Rachel Winter Jones

Subject: Re: removal of World Bank Group logo

Dear Ms. Ross,

Thank you for your email. Please note that the pages you referenced in your email have been updated accordingly.

Sincerely,

Diana

Diana McKelvey

Communications Manager

International Tax & Investment Center

1800 K Street, NW, Suite 718

Washington, DC 20006

Phone: 1 202-530-9799

@ITICWashington

www.ITICnet.org

On Sun, Nov 29, 2015 at 5:31 PM, Julia Ross <World Bank Group> wrote:

Dear Diana,

It has come to our attention that the World Bank Group logo **is included, in error**, on several of your web pages and pdf documents.

I am writing to request that you kindly remove the logo from the following pages and pdfs:

<http://www.iticnet.org/programs/academy-of-public-finance>

http://iticnet.org/images/Eurasia_2015_FINAL.pdf

http://iticnet.org/images/Africa_20150512.pdf

<http://www.iticnet.org/programs/UpcomingEvents>

Please let me know when this is completed. We would like the logo removed as soon as possible.

Best regards,

Julia Ross

Senior Communications Officer

World Bank Group

Health, Nutrition and Population Global Practice



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Tobacco Free Initiative

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Watching and countering the industry

Quitting tobacco

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Publications

Raise taxes on tobacco



Overview

Increasing the price of tobacco through higher taxes is the single most effective way to encourage tobacco users to quit and prevent children from starting to smoke. Taxes on inexpensive tobacco products should be equivalent to higher-priced products, such as premium-brand cigarettes, to prevent substitution in consumption. Taxes need to be increased regularly to correct for inflation and consumer purchasing power. Tobacco taxes are generally well accepted by the public and raise government revenues. Allocating tax revenues for tobacco control and other important health and social programmes further increases their popularity.

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