

Rt Hon William Hague MP  
Foreign and Commonwealth Office  
King Charles Street  
London SW1A 2AH

12 March 2012

*Dear Foreign Secretary*

**Guidelines on engagement with the Tobacco Industry**

Since 1999 the FCO has had guidelines in force that, "*Posts should not inter alia be associated in any way with the promotion of the tobacco industry*", stressing "*the Government's wish to encourage and support the efforts of other countries to strengthen their own tobacco control strategies*." Furthermore the Government also has clear legal obligations as a Party to the WHO Framework Convention on Tobacco Control (FCTC), when it comes to tobacco lobbying:

*"In setting and implementing their policies with respect to tobacco control, Parties shall act to protect these policies from commercial and other vested interests of the tobacco industry in accordance with national law."* In the Tobacco Plan, published in March 2011, your Government committed to live up to these obligations.

I was shocked therefore to be informed that Michael John Holloway, British Ambassador to Panama, has been lobbying the Panamanian government on behalf of British American Tobacco against a tobacco tax increase in Panama, raising fears that this would lead to increased smuggling writing letters to various Panamanian government ministries to this effect. I urgently seek your reassurance that the Ambassador will be asked to confirm whether this is in fact the case and, if so, reminded of the guidelines, required to withdraw his letters and to apologise to the Panamanian government. I also seek your reassurance that all embassies will be reminded of the FCO guidelines prohibiting promotion of the tobacco industry and of the UK's obligations as a party to the WHO FCTC, and provided with the guidelines to Article 5.3 of the FCTC, available from the WHO FCTC website.

Tobacco kills 5 million people a year worldwide, half of whom are from low income countries. By 2020 this will have risen to 10 million, 70% of whom will be from low income countries. Tobacco use itself exacerbates poverty all round the world. For example, a study in Bangladesh found that the typical poor smoker could easily add over 500 calories to the diet of the family with his or her daily tobacco expenditure. An estimated 10.5 million malnourished people could have an adequate diet if money on tobacco were spent on food instead - the lives of 350 children could be saved each day. The tobacco industry is a global industry. Faced with increased regulation and greater awareness of the health risks of smoking in Europe and North America, the tobacco multinationals are stepping up their activities in developing countries in search of new markets.

Reducing affordability through taxation is widely recognised, notably by the World Bank as well as the WHO, as the most effective means of reducing smoking uptake and encouraging quitting and is recognised as such in Article 6 of the WHO FCTC. Indeed your Cabinet colleague, then Chancellor, the Rt Hon Kenneth Clarke introduced an annual tax escalator above inflation in the 1993 budget stating that *"the approach we are adopting in Britain is the most effective way to reduce smoking"*. The tobacco industry, in this country and all round the world consistently lobbies against tax increases arguing that they will lead to increased smuggling and reduced revenues. The evidence from the UK does not support tobacco industry arguments. Increasing tobacco taxes year on year has been UK government policy for many years and our tobacco taxes are now amongst the highest in the world accompanied by falling smoking rates and a reduction in smuggling. A tough anti-smuggling strategy has led to significant reductions in tobacco smuggling year on year since 2000, delivering net annual revenue benefits of £1.7 billion.

In line with FCO guidelines and our obligations under the FCTC the UK should be supporting other Parties and providing them with technical assistance to achieve what we've achieved, not urging them to keep tobacco taxes down.

I look forward to your response.

Yours sincerely  
D. Arnott

Deborah Arnott  
Chief Executive, ASH  
[deborah.arnott@ash.org.uk](mailto:deborah.arnott@ash.org.uk)

cc Rt Hon Andrew Lansley MP CBE  
Rt Hon George Osborne MP