

# Worldwide news and comment



PHILIP MORRIS INTERNATIONAL

## JOBS

Economic Research analyst  
Full-time | Lausanne

### Economic Research Analyst

Philip Morris International (PMI) is the world's leading international tobacco company, with 48 production facilities in 33 different countries, over 80'000 employees and with products sold in more than 180 countries. Cigarettes are our main product today, but we are increasingly focused on developing and commercializing a wide range of non-combustible nicotine products, including e-cigarettes and heated tobacco products, that have the potential to significantly reduce health risks compared to smoking. We refer to these products as Reduced Risk Products, or RRP's. **PMI is looking for talented individuals to join our company in order to help us achieve a smoke-free world** where a broad range of RRP's fully satisfy the continuing consumer demand for tobacco and nicotine products.

We are currently seeking a highly-qualified econometrician to join our international Corporate Affairs Research and Strategy team in Lausanne, Switzerland. **As part of our efforts to advance a smoke-free world**, we are looking for a candidate to help us better understand, quantify, and model the impact of various fiscal and regulatory policies on adult smoker conversion to RRP's, as well as develop relevant socio-economic impact models. The successful candidate will work closely with colleagues in Corporate Affairs and Research & Development to develop and analyze econometric models, scholarly papers, and publicly available data. In this multi-faceted position, the candidate will also seek input and collaboration from government, academics and civil society to validate and co-create models. Additionally, the candidate will have any opportunity to publish their research in leading peer-reviewed economic journals.

The successful candidate will possess the following qualifications and competencies:

Masters or Doctorate in Quantitative Economics or Econometrics.

Some work experience is preferred but not required, in either a major corporation, international consultancy, or government agency/ministry – tobacco sector experience is **not** required.

Understanding and experience of working with economic modeling for consumer goods or pharmaceutical industries, or public health NGOs/agencies.

Experience in Excel-based and SAS-based, STATA-based, or R-based models. Modeling competencies should include data collection from multiple, diverse data sources, and statistical and econometric modeling.

Experience in developing and using data visualization platforms.

Familiarity with epidemiological methods, is preferred but not required.

Strong communication and presentation skills.

Ability to work well in an international and multi-disciplinary team environment.

Interpersonal skills necessary to engage with peers among government and civil society for the validation and co-creation of econometric models.

PMI is an Equal Opportunity Employer.

PMI is also committed to sustainability across our entire business. This is not just a buzzword at PMI, but something that extends through our research and product development, to our farmers and suppliers, into our manufacturing, distribution, sales, and marketing, and ultimately to our consumers. Our commitment to sustainability is not complete without first reflecting, and acknowledging, the societal harm caused by our products. **This is why we are leading a full scale effort to ensure that cigarettes are ultimately replaced in society.** For more information, please visit [www.pmi.com](http://www.pmi.com).

An extract from a position advertised by Philip Morris International in July 2015, stating the company's claim to be leading an effort to achieve a smoke-free world

The company does not elaborate on what is meant by 'societal harm' and there is precious little about it on their website. Presumably they are obliquely referring to the harm that runs through the entire life-cycle of their products, from the insecure and precarious livelihoods of many tobacco farmers, the problem of child labour, the diversion of agricultural land for producing the deadliest artefact in human history, and environmental

degradation, through to the smoking-induced deprivation which affects the poorest and most disadvantaged in most countries, rich and poor, and of course the devastating toll of smoking-caused disability, disease and early death.

The company can no longer pretend its products are not harmful, but it still benefits from the fact that many smokers were addicted while big tobacco obfuscated about what it knew for decades

## WORLD: PHILIP MORRIS' 'SMOKE FREE WORLD' SMOKESCREEN

Big tobacco wants to lead a push to a smoke free world; at least, that is what Philip Morris International (PMI) is claiming it wants to do. Does the claim stand up to scrutiny?

A recent job advertisement for an economic research analyst to join PMI's corporate affairs research and strategy team in Lausanne, Switzerland states that "PMI is looking for talented individuals to join our company in order to help us achieve a smoke-free world where a broad range of RRP's (reduced risk products) fully satisfy the continuing consumer demand for tobacco and nicotine products."

Of course, 'continuing consumer demand' is based on a number of crucial factors. Crucially, the vast majority of smokers try their first cigarette in their teens, increasing the likelihood of addiction. The desire to try smoking is fostered by advertising and promotion, funded through enormous marketing budgets, in countries which have either not ratified, or failed to fully implement, the WHO Framework Convention on Tobacco Control (FCTC).

The policy context that allows the tobacco industry to ply its deadly trade is supported by aggressive lobbying of governments by tobacco companies and their proxies against effective tobacco control policies such as graphic health warnings, tax increases and more recently plain packaging. Governments that do not yield to such lobbying find themselves the subject of legal action intended to intimidate, and divert limited resources away from policy implementation.

Conveniently ignoring these facts, the ad goes on to state: "PMI is committed to sustainability across our entire business... Our commitment to sustainability is not complete without first reflecting, and acknowledging, the societal harm caused by our products. This is why we are leading a full scale effort to ensure that cigarettes are ultimately replaced in society."

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The screenshot shows a presentation slide from Philip Morris International's 2016 Investor Day. The slide is titled "PMI Strategic Priorities" and lists three main points:

- Leverage the strengths of our existing business to continue leading the combustible product category and deliver against our current growth algorithm
- RRP's to ultimately replace cigarettes to the benefit of all stakeholders. PMI undisputed leadership of new category: RRP's to be OCI accretive as of 2018 and enhance mid-term growth algorithm thereafter
- PMI very well positioned to deliver on both growth engines

The slide also features a photo of André Calantzopoulos, Chief Executive Officer, and a list of names: Nicholas Roll, André Calantzopoulos, Werner Barth, Manuel Petzsch, Mirosław Zelinski, Frederic de Witte, and Drago Azimovic.

A slide from the presentation by Andre Calantzopoulos, Philip Morris International Chief Executive Officer at a two day investor meeting held on 29 and 30 September 2016, showing the strategic priority of PMI to continue to lead the combustible product category.



A slide from the presentation by Andre Calantzopoulos outlining the 'excellent combustible fundamentals', despite the company's claim it is leading efforts to achieve a smoke-free world.

– obfuscation which continues to this day by fighting measures which will more fully inform current and potential smokers about the true magnitude of the risk.

At an investor day held in late September 2016, PMI chief executive officer Andre Calantzopolous outlined the company's strategic priorities, which include "to continue leading the combustible product category and deliver against our current growth algorithm" and for "RRPs to ultimately replace cigarettes to the benefit of all stakeholders". Calantzopoulos described the 'excellent combustible fundamentals' which include: improving cigarette industry volume/trend mix, and broad and balanced geographic footprint with expansion opportunities. While these are not exactly the words of a leader who wants to get out of the cigarette business, he also states that the company is committed to achieving widespread conversion to RRP, and that PMI

"welcome all alternatives to achieve a combustion-free world as quickly as possible." Together these contradictory priorities sound very much like a bet each way.

At first glance, the latter rhetoric sounds like the company has finally – after more than 50 years of denial and deceit about the harms of tobacco – realised that not only is the tobacco business ethically and morally bankrupt, but it is also the wrong profit-making horse to back. However, a closer look suggests that reduced risk products may be yet another cynical tactic for the company to position itself as a socially responsible entity that deserves to be treated as part of the solution, rather than the problem.

The glaring omission in the rhetoric is the most obvious alternative for PMI to meaningfully contribute to achieving a combustion-free world: announce a date by which the company will phase out combustible products entirely.

Calantzopoulos is previously on record as stating the iQOS (I Quit Ordinary Smoking) technology which appears to be the platform it is pinning most hope on, put the industry "on the cusp of a revolution". At the September meeting, he told investors that almost one million smokers have already converted to RRP and it had captured nearly 3% of the Japanese cigarette market. Wells Fargo Securities tobacco analyst Bonnie Herzog estimates that iQOS could displace 30% of the global combustible market by 2025.

Calantzopoulos was not shy about framing RRP as a public health solution with enormous potential, claiming "...if we can encourage a meaningful portion of adult smokers to rapidly switch to RRP that meet this standard, it is likely to create a significant additional population health benefit relative to current regulatory efforts." He called on the public health community to embrace this approach, and noted "we are very much encouraged by the growing number of pre-eminent public health advocates that already support the principle of tobacco harm reduction through products and science."

The public health community has seen similar promises before: the promise of reduced risk products is nothing new, and the safety of iQOS is largely untested. If these products fail, as their predecessors have done, PMI will have benefited from iQOS and other reduced risk products being branded consistently with its combustible tobacco products.

Presumably anticipating such objections, Calantzopoulos noted, "I fully recognise there is scepticism and a deficit of trust in our determination to lead the effort to achieve a combustion-free world as soon as possible. Although we cannot change the past, we can certainly change the future and transform our company."

Indeed, PMI can certainly change the future and transform the company. Nothing will accelerate the transition to a smoke free world more effectively than PMI withdrawing completely from the combustibles market, supported by the intensive consumer engagement strategies it is already using to promote uptake of iQOS.

Public health advocates who are willing to work with the tobacco industry on joint harm reduction approaches would do well to remember the fable of the scorpion and the frog, in which the frog agrees to carry the scorpion across a stream. Halfway across, the scorpion stings the frog. As they both start to drown, the frog asks 'why?', to which the scorpion replies 'it's my nature'.



A slide by Andre Calantzopoulos showing the common branding across different product categories. This branding aligns with the most harmful of the company's products, cigarettes and other combustible products. Should these reduced risk products fail, the common branding minimises risks to PMI's combustible products, particularly in the absence of any timeframe to phase out combustible products.

## NETHERLANDS: 1000 SMOKERS LINE UP AGAINST BIG TOBACCO

A Dutch lawyer has filed charges with the Dutch Public Prosecutor's Office against four of the big tobacco manufacturers operating in the Netherlands: Philip Morris International, British American Tobacco, Japan Tobacco International and Imperial Tobacco Benelux. The charges include attempted murder and manslaughter and/or premeditated attempts to cause grievous bodily harm and/or premeditated attempts to cause damage to health.

The case was initiated on behalf of a 43 year old woman, Anne Marie van Veen, who was diagnosed with metastatic lung cancer in 2014. Also included is Lia Breed, a 66 year old woman who has been smoking since the age of 20 and has chronic obstructive pulmonary disease. They are both part of a grassroots campaign called Sick of Smoking, which was formed in April 2016 to put together a class action campaign against the tobacco industry. Together the cases will form the basis of complaints for the 1066 people who are supporting the campaign.

As van Veen explains on the Sick of Smoking website, "I've been a smoker for 24 years and started, like most smokers, as a teenager. I tried to quit many times, but never succeeded because I was addicted. Time after time I was tempted to pick up the habit again. Through the documentary 'De Vergangers' (The Replacements)...I learned that my addiction had been deliberately caused. The tobacco industry does all it can to get young people addicted to tobacco by adding hundreds of substances, marketing their products aggressively, and lobbying intensively. They call children 'replacement smokers' because they take the place of smokers who die young...The tobacco industry has already destroyed me, but it won't get at my children. After all, soon I won't be there to care for them."

The submission argues that the tobacco industry knowingly manipulates cigarettes to be more appealing and addictive, and also highlights the tactics used by manufacturers to influence emissions testing.

## JAPAN: NEW HEALTH WARNINGS NEEDED TO COUNTER TOBACCO PACKAGING

Currently, legislation in Japan requires that all tobacco packages should have a health warning message that covers 30% of their main side. But since 2004, the ministry of finance which controls tobacco policy and business has not reviewed the guideline of the warning messages, despite

the changing and increasingly attractive design of tobacco packaging.

The finance system council under the ministry resumed discussions toward a new guideline in February 2016, and released the tentative plan to the public in June. The council tested twelve new warning messages for tobacco packages. All were brief and simple compared to the current eight messages. The council also proposed restricting the color and background on the warning space area to improve visibility. While these changes are welcome, the council shied away from introducing graphic health warnings and expanding the size of warnings, despite strong public support.

Prior to the ministry's tentative plan, the National Cancer Center of Japan (NCC) published their questionnaire survey results about warning messages on tobacco packages. The survey of 2440 persons showed that 70% of all adult respondents supported both graphic health warnings and expanding the size of warnings. Support was even high among smokers; 50% of smokers surveyed agreed with the stronger measures. The survey also showed that tobacco packaging that combined a simple message and graphic images was the best design to catch consumers' attention.

The ministry of finance will be expected to reflect health awareness of the public in the coming new guideline, and ensure that health warnings are updated to continue to be effective and counter the constantly evolving appeal of tobacco packaging.

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## SOUTHEAST ASIA: INDONESIA LAGGING ON TOBACCO INDUSTRY INTERFERENCE

Indonesia has once again emerged as a clear laggard in curbing tobacco industry interference in policy-making, according to a report ranking countries in the Southeast Asia region based on their level of implementation of Article 5.3 of the WHO Framework Convention on Tobacco Control (FCTC). It is the third annual report on tobacco industry interference prepared by the Southeast Asia Tobacco Control Alliance (SEATCA), and was published in September 2016.

Indonesia is the only country whose score increased in both the 2015 and 2016 reports among the seven surveyed in all three years (Brunei, Philippines, Cambodia, Malaysia, Thailand, Lao PDR,

Vietnam and Indonesia). Its 2014 score of 78 reflected a very high level of interference, and exceeds the scores of all other countries in any year of the survey. It has continued to worsen, and stands at 84 in the 2016 report. The maximum possible score is 100; a higher score reflects a greater level of interference.

The dismal result is a stark illustration of why Indonesia, one of only a handful of countries that has not signed the FCTC, is a tobacco control 'rogue state'. The country achieved worldwide infamy in 2010 when a video of a smoking toddler went viral. The video prompted increased media coverage of the striking absence of effective tobacco control policies and regulation in Indonesia, a situation which tobacco companies have taken full advantage of to saturate the country in cigarette advertising.

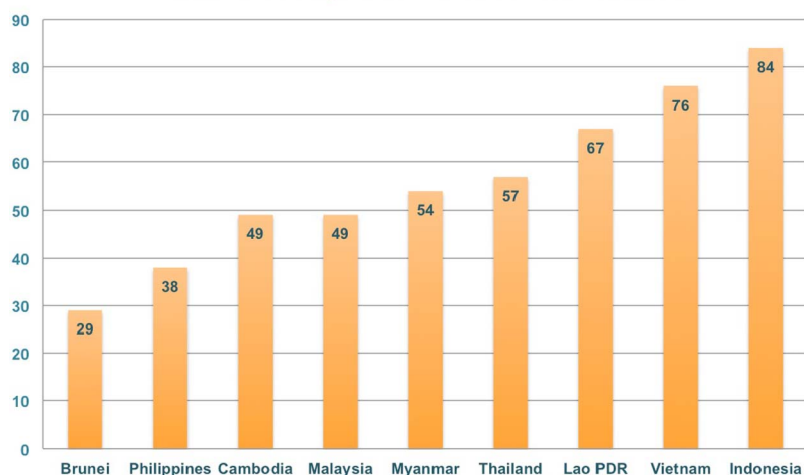
The Global Adults Tobacco Survey (GATS) of 15 low and middle income countries with high tobacco use published in 2012 found that Indonesia was among the countries with the highest adult male smoking prevalence at 67%. The lax regulations extend to failure to protect Indonesians from secondhand smoke; the GATS also found that 85% of people who visited restaurants were exposed to tobacco smoked and 82% reported seeing cigarette advertising within the last month – exposure far higher than any other country surveyed. Unsurprisingly, Indonesia's (male) youth smoking prevalence is among the highest in the world; according to the 2014 Global Youth Tobacco Survey, 35% of boys aged 13-15 are current smokers.

The standout countries in the 2016 report were Brunei and the Philippines. Brunei was ranked first for the third year in a row with a score of 29, unchanged from 2014 and 2015. The Philippines has seen a dramatic improvement from a score of 71 in 2014 down to 38 in 2016. Cambodia and Malaysia have also shown consistent improvement from their 2014 scores to be ranked equal fourth at a score of 49 in 2016.

Thailand and Lao PDR both had disappointing results, dropping to below their 2014 scores after having improved in 2015. In both 2014 and 2015, they were ranked as the second and third best performers respectively, but slid to fifth and sixth respectively in 2016.

The result reflects significant setbacks in tobacco control for Thailand, which has previously been a leader for its model of funding the Thai Health Promotion Foundation (ThaiHealth) through a 2% surcharge on tobacco and alcohol tax revenues. According to the SEATCA report, in 2015 the Thai government accepted and acted on a proposal by the Thai Tobacco

Tobacco Industry Interference in ASEAN Countries



Ranking of countries in the Southeast Asia region by tobacco industry interference, as calculated by SEATCA. Source: 2015 ASEAN report on implementation of WHO Framework Convention on Tobacco Control Article 5.3. Available at <http://seatca.org/dmdocuments/TII%20Index%202016.pdf>

Monopoly to investigate and reorganise ThaiHealth. In addition, the ministry of finance excise department received technical assistance from the International Tax and Investment Center (ITIC) to reform excise tax. ITIC's activities to advance the interests of the tobacco industry have been well documented.

The 2016 report included two new countries, Myanmar and Vietnam. While Myanmar had the fifth lowest score, Vietnam placed second last. Apart from Indonesia, Vietnam's score of 76 was the worst result for any country in the three years surveyed, a result that will need to be dramatically improved if the country hopes to make progress on reducing its appallingly high male smoking prevalence which was just over 47% in 2010.

A link to download the SEATCA tobacco industry interference report is available on the Tobacco Control website at <http://blogs.bmj.com/tc/2016/10/11/southeast-asia-indonesia-lags-in-curbing-tobacco-industry-interference-in-policy-making/>.

### NEW ZEALAND: PLAIN PACK LEGISLATION PASSED

On 8 September, New Zealand joined a growing international move to outlaw the tobacco industry's 'silent salesman' when it became the latest country to introduce cigarette plain packaging.

The legislation – the Smoke-Free Environments (Tobacco Standardised Packaging) Amendment Bill was passed on its third and final reading in the New Zealand parliament with 108 votes in favour, 13 against.

The move has been welcomed by health experts as an important measure towards achieving the goal of Smokefree 2025.

Professor Janet Hoek, co-director of research group ASPIRE 2025 said: "Standardised packaging is a pivotal measure in the road to Smokefree 2025. It transforms tobacco packaging from a highly effective marketing tool, particularly for youth and young adults, to a plain and unattractive object. For decades, tobacco companies have used skilfully designed packaging to help attract the next generation of smokers and the government has rightly ended this practice".

Professor Hoek has led several studies on cigarette plain packaging, as well as an innovative study on the potential for dissuasive cigarette sticks.

Australia, the United Kingdom and France have already introduced plain packaging, while several other countries have either legislated or are preparing to legislate for them, in line with guidelines for implementation of Articles 11 and 13 of the World Health Organization Framework Convention on Tobacco Control. More information can be found at <http://blogs.bmj.com/tc/2016/09/09/new-zealand-no-more-silent-salesman-cigarette-plain-packaging-passed/>.

### SLOVENIA: THE NEXT PLAIN PACK DOMINO?

Media reports in late September suggest that Slovenia is also likely to introduce plain packaging. The ministries of health and finance have agreed on a draft law for tobacco packaging, however there is still some disagreement about a proposed levy. The health ministry supports using their levy for prevention programs and other capacity building measures, while the finance ministry is arguing for the funds raised to go to general revenue. The two

sides have agreed to commission an independent report to resolve the issue.

According to a study commissioned by the European Commission for the WHO, five per cent of Slovenia's GDP – 1.8 billion euros – is lost each year through health expenditure and lost productivity.

### CANADA: WHEN TOBACCO INDUSTRY SPIN GOES WRONG

JTI-Macdonald is one of Canada's big three tobacco firms. On Saturday 17 September, it ran an ad in several of Canada's leading newspapers to argue against tobacco plain packaging legislation, which the Canadian government is currently considering.



Advertisement by JTI-Macdonald against tobacco plain packaging in Canada, inadvertently reminding the public of the true danger of cigarettes.

The ad may have been intended to argue against plain packaging, but by loading a cigarette pack with 20 bullets, the company has inadvertently reminded Canadians that the product it sells is actually a deadly weapon – a smoking gun, by an unconscionable industry's own unconscious admission.

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