

Worldwide news and comment

WORLD: FCTC #COP9WEEK VIRTUAL CAMPAIGN

The ninth Conference of the Parties (COP9) for the WHO Framework Convention on Tobacco Control (FCTC) was scheduled to take place in the Hague, the Netherlands from 9-14 November 2020. It was postponed to November 2021 due to the COVID-19 pandemic. In its place, the FCTC Secretariat, Framework Convention Alliance (FCA) and civil society organisations held a virtual campaign, #COP9week, and range of online events to highlight and discuss ways to accelerate and intensify FCTC implementation.

The FCTC secretariat put the spotlight on the Global Strategy to Accelerate Tobacco Control. Adopted at COP8, the strategy provides a blueprint for global tobacco control from 2019 to 2025. It emphasises FCTC implementation, with a focus on articles 5 (general obligations), 6 (price and tax), 8 (protection from second-hand smoke), 11 (packaging and labelling) and 13 (advertising, promotion and sponsorship). Other priorities are building alliances and partnerships across sectors, and protecting the integrity of the FCTC.

The FCA encouraged the public health community to share their COP9 week priorities by taking a photo and sharing it on Twitter with the hashtag #COP9week. The tobacco control community responded with a range of priorities, including tax rises, preventing

HealthJustice Philippines calls for tobacco industry accountability in the #COP9week campaign. Source: Twitter



tobacco industry interference, economic alternatives to tobacco growing, ensuring a human rights approach to tobacco control, financing FCTC implementation and making the tobacco industry pay for the harms it causes, and getting to the tobacco endgame.

They also published three think pieces. The first, by FCA Policy and Advocacy Manager Ryan Forrest, discussed 'building back better' and how FCTC implementation can help recovery from the COVID-19 pandemic. The second by Convention Secretariat Head Dr Adriano

Blanco Marquizo discussed adaptation of the Secretariat during the pandemic, tobacco industry interference, and the vital role of civil society in FCTC implementation. Finally, the third by Paul Blokhuis, Dutch State Secretary for Health, Welfare and Sport, discussed the importance of smoking cessation during the pandemic, and the encouraging recent efforts in the Netherlands to catch up in tobacco control and work towards a Tobacco Free Generation, including institutional investor divestment from the tobacco industry.

ASH USA held a week of webinars. Topics covered included the overlooked role of FCTC Article 2.1 towards a tobacco endgame, Article 19 and using the judicial system to fight tobacco, incorporating human rights into the FCTC, the impact of COVID-19 on the FCTC cessation and tobacco policy, and closing the funding gap for FCTC implementation at the global and national level.

WORLD: TOBACCO INDUSTRY INTERFERENCE INDEX HIGHLIGHTS CSR & LACK OF TRANSPARENCY

Many governments found themselves between a rock and a hard place during the COVID-19 pandemic when offered donations of goods and funds by the tobacco industry. However, opening the door to the tobacco industry's charity also paves the way to a relationship that the industry will exploit to further its



The Solomon Islands tweets a call from the country's youth for a Tobacco Free Generation during the #COP9week campaign. Source: Twitter

business. A collaborative relationship with the industry serves to undermine tobacco control.

The 2020 Global Tobacco Industry Interference Index (the Index) has found that the tobacco industry used corporate social responsibility (CSR) initiatives across many countries as a tactic to access senior government officials to its own end. This is precisely why the WHO Framework Convention on Tobacco Control (FCTC), requires Parties to denormalise the tobacco industry CSR activities under Article 5.3 guidelines.

No government has been spared from attempts by the tobacco industry at policy interference. However, while governments pinpointed tobacco industry interference as the most serious barrier to their tobacco control measures, many have been found wanting in using the powerful tool at their disposal – FCTC Article 5.3 - to protect their policies.

The 2020 Index, which ranks 57 governments in their efforts to implement Article 5.3, found the industry has stepped up its meddling while the governments are moving at a glacial pace to protect their health policies.

Parties to the FCTC submit official reports every 2 years on how they are implementing the treaty. The Index is a civil society report on governments' efforts in applying Article 5.3 which pinpoints loop holes the industry exploits.

Governments which experienced the worst levels of interference are Japan, Indonesia and Zambia. It is not surprising that those countries facing high levels of interference also lag behind in their tobacco control measures.

In contrast, Brunei Darussalam, France and Uganda recorded the lowest level of interference. Countries with stringent tobacco control legislation have also adopted measures under Article 5.3 guidelines to facilitate transparency, avoid conflict of interest situations and provide guidance for interaction with the industry, thereby effectively tackling industry interference.

A key finding of the Index is lack of transparency, a problem across many countries. Few countries have procedures to record interactions with the tobacco industry or make their interactions public, a requirement in Article 5.3 guidelines. These guidelines state that interactions with the tobacco industry should only be when strictly necessary for regulation. This effectively rules out any collaboration or partnership with the tobacco industry.

Yet in 2019, seven countries including Colombia, Ecuador, Egypt and Ethiopia

entered into a memorandum of understanding (MOU) with the tobacco industry to tackle illicit trade in their respective countries. Civil society only became aware of the MOU when it was made public at the signing ceremony.

The Index found the tobacco industry sought to undermine the health department's leadership role in tobacco control by shifting decision-making to the non-health sector to obtain industry-friendly outcomes. In several countries, tobacco



Kenya tweets for economically viable alternatives to tobacco growing during the #COP9week campaign. Source: Twitter



Ghana civil society highlights the need for tax rises as part of #COP9week. Source: Twitter



The Jamaican Heart Foundation tweets in support of FCTC Article 5.3 and banning tobacco advertising, promotion and sponsorship during #COP9week. Source: Twitter.

control measures were defeated or diluted when the industry had a seat at the policy-making table or exerted influence through non-health representatives.

The Index shows that Philip Morris International (PMI) lobbied for the promotion and sale of its heated tobacco product (HTP), IQOS, in at least 12 countries which resulted in the government reversing a previous ban on HTPs, allowing their sale or granting a lower level of taxation for HTPs compared with cigarettes after PMI threatened to withdraw operations in some countries.

According to the Index, the lower the score, the lower the level of interference, which augurs well for the country. The Index covers countries from Africa, the Eastern Mediterranean region, Latin and North America, Europe, South and Southeast Asia and the Western Pacific region. The countries are ranked according to total scores provided by civil society

groups, which prepared their respective country indices.

The Index tracks improvements in and deterioration of countries' efforts in the implementation of Article 5.3. The 2020 Index, the second report in the series, provides a comparison for the 33 countries assessed in both the first and second edition of the Index. Pakistan, South Africa, Sri Lanka, Egypt and Mexico showed improvement in halting industry influence to some extent and improved their overall scores.

On the other hand, Brazil, Turkey, Indonesia, Ukraine and Kenya have deteriorated in their scores. Brazil's government allowed the industry to participate in policy development, while Turkey had a conflict of interest situation when the director of BAT Turkey was appointed as Deputy Minister of Commerce.

Vigilance in monitoring implementation of Article 5.3 to all-of-government is illustrated in the U.K.'s performance which slipped three points, from first to fourth position. This was due to opening the door to industry participation in policy development, giving benefits to the industry and creating a conflict of interest. Civil society groups identified a senior minister of the Cabinet in 2019 who

had a past involvement with the tobacco industry.

While the tobacco industry does not take a holiday from interfering, the good news is both high and low income countries have demonstrated resistance to the industry's influence. This report shows it is political will that protects tobacco control and public health.

This article was first published on the Tobacco Control website at <https://blogs.bmj.com/tc/2020/11/18/global-tobacco-industry-interference-index-highlights-csr-and-lack-of-transparency/>, which also has a link to the full report on the Index.

Mary Assunta

Global Centre for Good Governance in Tobacco Control,
a partner of STOP (Stopping Tobacco Organizations and Products)
mary.assunta@cancer.org.au

WORLD: BIG TOBACCO, BIG TAX AVOIDANCE

Despite tobacco companies' immense profitability, little is known about how the industry structures its commercial activities to avoid tax. A new report based on analysis of group annual reports and accounts from 2010 to 19 by the Investigative Desk, working with the University of Bath, has started to shed light on their strategies.

Four transnational tobacco companies, British American Tobacco (BAT), Imperial Brands, Japan Tobacco, and Philip Morris International, have engaged in 'aggressive tax planning' strategies – despite their own codes of conduct suggesting otherwise – and made extensive use of a range of common tax avoidance methods. These include shifting dividends through low tax countries, using notional interest payments on inter-subsidiary loans, making royalty payments to other subsidiaries, and offsetting profits in one subsidiary against losses elsewhere. While no evidence of illegal practices that would constitute tax evasion have been found, these strategies all reduce profits on paper and therefore tax bills.

Six European countries play a key role in the tax avoidance strategies of the Big Four because of the tax rules in each: Belgium, Ireland, Luxemburg, the Netherlands, the UK, and Switzerland. On average, the four companies shift around €7.5 billion of worldwide profits through the Netherlands annually. In the UK, the local subsidiaries of Imperial Brands and BAT, which are based and headquartered in the UK, were able to lower their UK corporate tax burden by £2.5 billion between 2010 and

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

2019. As a result, BAT paid close to zero corporation tax over this period. Imperial Brand's annual reports are so opaque that the company's UK tax burden is virtually impossible to determine.

One telling illustration of the lengths the industry goes to avoid paying tax on profits is from BAT's operations in South Korea. All BAT cigarettes produced by local subsidiary BAT Korea Manufacturing Ltd. (South Korea) are sold, on paper, to Rothmans Far East BV, a BAT subsidiary in the Netherlands. They are then immediately re-sold to a different BAT subsidiary back in Korea, BAT Korea Ltd, at a much higher price. This way, on average each year, €98 million in Korean profits are shifted to the Netherlands where the tax regime is more favourable.

All countries, particularly those mentioned above, need to crack down on these tax avoidance measures. A number of countries are already trying to implement changes, with the tobacco industry engaged in tax disputes in at least 11 countries over the last ten years. Claims range from €45 million to €1.2 billion. So far, in the majority of cases, the courts' decisions have been in favour of tobacco companies. This shows that changes are urgently needed so that tobacco companies can't circumvent their tax obligations with the use of loopholes. The tobacco industry profits enormously from a product that kills at least half of its long-term users; tobacco companies need to pay taxes in line with the spirit, as well as the letter, of the law. With many governments facing huge COVID-19 related expenses, the time has never been better to hold the industry to account in this way.

This article is based on a recently published report from The Investigative Desk, a co-operative of highly specialised investigative journalists, in conjunction with the Tobacco Control Group (TCRG) at the University of Bath. The TCRG is supported by Bloomberg Philanthropies Stopping Tobacco Organisations and Products project funding (www.bloomberg.org). Bloomberg Philanthropies Stopping Tobacco Organizations and Products project had no influence on the research for this report nor on the content. The full report is available from: <https://www.bath.ac.uk/announcements/big-tobacco-big-avoidance/>

**J Robert Branston
Andy Rowell**

The Tobacco Control Research Group
The University of Bath, UK
J.R.Branston@bath.ac.uk

INDIA: SIKKIM CANCER NUMBERS SHOW IMPACT OF TOBACCO CONTROL

The Indian Council of Medical Research 2020 National Cancer Registry Programme Report (NCRP), published in August 2020, shows that the highest cancer prevalence in the country is in the North Eastern (NE) region. However, the small state of Sikkim defies the trend. It is the only NE state in India where cancer prevalence decreased in both genders from 2012 to 2016. The encouraging results show the impact of an effective tobacco control approach implemented within a robust public health system.

According to the report, India will have 1.39 million cancer cases in 2020, and this is likely to increase to 1.57 million cases by 2025. The report provides cancer incidence, patterns, time trends, and mortality from 28 population-based cancer registries (PBCRs) and 58 hospital-based cancer registries (HBCRs) for the period 2012–2016 across India. Data indicate that cancers of the lung, mouth, oesophagus, stomach and nasopharynx were most common in men, while breast and cervix cancers were the most common among women. Tobacco use is estimated to be the largest contributing risk factor to the incidence of cancers in India, accounting for 27.1 per cent of the cancer burden in 2020.

Tobacco-related cancers including oesophagus, stomach and nasopharynx were most prevalent in the eight North-Eastern states of India. These states showed the highest cancer incidence in both sexes and almost twice the rate compared with other regions. The remote north-eastern state of Sikkim is an exception, showing an overall decrease in the incidence of all cancers for both males and females.

Sikkim is the least populous state of India. The PBCR was established in Sikkim

in July 2003. A strong public health system has been developed since then, along with increased population awareness of the harms of tobacco. A significant reduction in tobacco use prevalence was seen in Sikkim state from 41.6% in the Global Adult Tobacco Survey (GATS1) in 2009–10, to 17.9% in GATS2 in 2016–17.

The Indian Government implemented several crucial measures to decrease tobacco consumption, including a total ban on tobacco advertising and the implementation of health warning labels. With strong enactment of the Cigarettes and Other Tobacco Product Act, 2003, ratification of the WHO Framework Convention on Tobacco Control, and the launch of the National Tobacco Control Programme (NTCP) in 2007–08, Sikkim was declared the first smoke-free state of India in 2010. To maintain and consolidate the gains made, the state regularly conducts a series of sensitisation and training workshops for law enforcers, health officials, civil society members, and NGOs, along with constant monitoring and supervision by the Tobacco Control Cell. At the grassroots level, collaboration occurs with school teachers, Panchayats (village councils), and health assistants. Social marketing campaigns are regularly broadcast on television and radio to promote awareness of tobacco use harms.

The reduction in both cancer incidence and tobacco use in Sikkim can be attributed to the state's robust public health system, the hard work of its citizens, strong political will, and policy consistency towards sustainable development. Sikkim is a source of pride within Indian public health and an example of best practice globally.

Ravi Mehrotra*
Alpana K Gupta**

*ICMR-India Cancer Research Consortium
**Formerly with ICMR-National Institute of Cancer Prevention & Research
alpanakr68@gmail.com

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