

# WHO FRAMEWORK CONVENTION ON TOBACCO CONTROL HEARINGS

## Pre-hearing Submission

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### **Activities of the organization**

The Action on Smoking and Health Foundation of Thailand (ASH Thai) is a non-profit, non-government organisation which is involved in grassroots tobacco education and advocacy. Established in 1986 as a project under the Moh Chao Ban Foundation, ASH became a foundation in its own right in 1997. Projects run by ASH include a telephone counseling service for smokers ('Quitline'), a youth advocacy club ('Smokebuster Club'), a children's programme ('Care for Kids') and a mobile education unit ('Smoke-buster Caravan'). ASH Thai also organises many networks to mobilise different sectors of the community to become involved in tobacco control and education including the 'Professionals for Health' Network, the 'Tobacco Control Advocates' Network and the 'Southeast Asia Tobacco Control Alliance'.

### **Why are you interested in the FCTC?**

The Framework Convention for Tobacco Control is an important step towards achieving global standards for tobacco control and in mobilising the world community to take tobacco control more seriously. ASH wholeheartedly supports a strong Framework Convention and hopes that it will particularly support developing countries in protecting our citizens from an aggressive and financially powerful industry.

### **Who funds your activities?**

ASH funds its projects through grants from many organisations and through fundraising. Organisations who have funded ASH in the past include the Telephone Authority of Thailand, AIS, the World Health Organisation and AusAid.

**I will not be able to present this statement at the hearings in Geneva however I designate Bungon Ritthiphakdee of the Action on Smoking and Health Foundation of Thailand to speak on behalf of myself and ASH Thailand.**

### 1. Smoking and its Health Effects

- In 1993 there were 41,000 tobacco related deaths in Thailand, of these 37.8% were due to diseases of the heart, 25.9% were due to lung cancer and related lung diseases, 14.5% were due to Emphysema, 6.1% were due to Cerebro-vascular disease, 4.2% were due to stroke and 11.5% were due to other diseases.
- A 1990 study by the National Cancer Control Programme found that lung cancer was the second most prevalent type of cancer amongst Thai men (after liver cancer) accounting for 25% of male cancer patients. In addition a further 8.1% of cancers were cancers of the oesophagus and layrnx.
- It was estimated in 1994 that there would be 10,000 new cases of lung cancer annually and only 3.6% would have a chance to be cured or live longer than another five years.
- According to a study conducted by Dr. Thira Limsila of the Faculty of Medicine at Siriraj Hospital, Mahidol University, in 1994 ninety-two percent of male lung cancer patients were smokers.

### 2. Smoking and its Economic Effects

- A recent study completed at Thammasat University estimated the economic burden of tobacco consumption in Thailand. Researchers found that a typical lung cancer patient spends over 700,000 baht on their treatment. Lung cancer patients make up 10,000 of the 42,000 deaths from tobacco related illnesses. Collectively the treatment cost of lung cancer patients is equal to 25% to 65% of the national health budget of Thailand.

### 3. Thai Smokers

- Education levels amongst Thai smokers are generally very low. Few have gone beyond the compulsory seven years of schooling. Female smokers are particularly likely to have no formal education at all. Both the level of education and the types of occupations most common amongst smokers illustrate the generally low economic and social levels of smokers in Thailand.
- The figures below are reflected in all age groups, with 76% of regular smokers reporting that they worked as fisherman, farmers, labourers or factory workers. Whilst blue-collar workers still make up a bulk of the smoking population (at seventy-six per cent) there has been a slight increase in the smoking prevalence in white-collar professions and a decline amongst blue-collar workers since 1988.

#### Regular Smokers by Occupation and Residence 1996

Occupation/Residence	Thailand	Urban	Rural
Professionals	2.5%	0.6%	1.9%
Upper and Middle Management	2.7%	6.5%	2.1%
Office Staff	2.2%	7.1%	1.3%
Small Business Owners and Sellers	6.8%	15.7%	5.2%
Farmers and Fisherman	54.5%	4.4%	63.4
Transport Workers	6.5%	16.5%	4.85
Labourers and Factory Workers	21.5%	36.1%	18.9%
Service, Sports and Rec. Workers	2.8%	7.6%	1.9%

### 4. Political Pressure by Foreign Governments and the Tobacco Industry

- The Thai ban on cigarette importation, in effect from 1943 till 1991, was a significant factor in keeping cigarette smoking contained despite rising consumption in western countries. The ban was lifted after US trade pressure saw the matter referred to GATT to adjudicate. The Thai defense of its policy of excluding foreign cigarettes from the market for health reasons generated significant international attention to Western Tobacco multinationals' actions in developing countries. Whilst Thailand technically lost the case, in defending countries right to restrict the environment tobacco companies work in and highlighting the unethical tactics of tobacco firms and the involvement of the US government in tobacco trade, the case has had a lasting impact.
- Immediately after the Thai market was pried open the industry began efforts to try and block the incoming legislation. The TTCs tried to intervene in the process at every step. Powerful public sentiment against the tobacco industry triggered by the case enabled the passing of two key pieces of legislation, the 1992 Tobacco Control Act and the 1992 Protection of the Rights of Non-Smokers Act.
- In the five years following the passing of the 1992 Act's the industry continued to oppose new regulations emanating from the 1992 laws, and began to gently undermine others.
- From 1997 onwards Thailand began to see a significant escalation in the level of product promotion specifically 'shopfront' or 'point-of-sale' advertising. Tobacco companies began to run retailer incentive schemes and massively discounting their products. They have continued their political maneuvering (recently illustrated by the Cigarette Ingredients Disclosure dispute) and have been strategically placing themselves in the region to take advantage of the ASEAN Free Trade Area.
- Despite claims to the contrary, foreign governments, particularly the US and Japan, have been aiding the tobacco industry in pushing their agenda in Thailand. A recent example of industry pressure being placed on Thailand with the help of their governments is the Ingredients Disclosure dispute. Throughout 1998 and 1999 the US Trade Representative, along with other Embassies, acted on the behalf of tobacco companies to lobby for the Thai government to drop its Cigarette Ingredients Disclosure regulation. This regulation had been approved in principle by the Thai Cabinet way back in May 1995 but its implementation had been constantly delayed due to the strong opposition of big producers and the help of their respective governments.
- The Ingredients Disclosure dispute illustrated the companies' unwillingness to accept tobacco control regulations even if equally applicable to all producers and their disrespect for Thai laws that regulate their behaviour. The companies petitioned cabinet ministers both directly and through diplomatic attaches to have the regulation dropped or weakened and when it became clear that the government would not bend to their machinations, Philip Morris and British American Tobacco blatantly refused to comply with the Ministerial regulation. They justified their objections by saying that the regulation would jeopardise the confidentiality of their trade secrets and breach the World Trade Organisation's Agreement on Trade Related Aspects of Intellectual Property Right.

## **5. Tobacco Promotion**

- Tobacco advertising bans are important to de-glamourise tobacco use but the bans must be comprehensive. Partial bans are not effective. To have a significant impact laws must ensure that there are no avenues for the tobacco industry to promote tobacco use.
- Since 1997 'point-of-sale' advertising has become bigger, glossier and more prevalent than ever before. Large cabinets emblazoned with distinctive brand colours and sometimes graphics are given out for free to retailers, ensuring a neat, eye-catching display for cigarettes. Newer models contain wire shelves underneath where retailers can place magazines and chips and are often put in strategic positions in the shops. Stickers and suggestions on how to paste cartons in glass-walled shops to create outdoor advertising are also offered.
- Also of concern is the amount of indirect marketing, particularly brand stretching, which has increased markedly since the mid- 1990s. The most prominent example is Camel Trophy clothing. Camel Trophy clothes are sold in up-market department stores and in separate Camel Trophy shops. The clothes, which are of good quality and are often sold at significant (over 50%) discount, are a common sight around Thailand. The 'Camel Trophy' stickers are fixed to most 4x4's in Thailand and the company has close connections with off-road activities including the promotion of Camel Trophy clothes in off-road magazines and a high profile at 4x4 events.
- Foreign cigarette producers have introduced cheap brands of cigarettes with strong youthful images to make cigarettes both attractive and accessible to young people. For example Philip Morris has introduced L&M.
- TTCs have been absorbing tax increases rather than passing them on to consumers for a number of years now and this practice is now being copied by the Thai Tobacco Monopoly (TTM) in a desperate effort to compete with the TTC's. These price cutting tactics are undermining the use of taxation to reduce tobacco consumption.

## **6. Regional Trade Agreements and Tobacco Trade**

- The ASEAN Free Trade Agreement (AFTA) aims to encourage more trade between member states by removing obstacles to free trade among member states including the abolition of high tariffs or taxes on traded goods and the scrapping of quantitative restrictions and other non-tariff barriers that limit the entry of imports. The agreement is set to produce an extremely advantageous trading environment for the tobacco industry with fewer restrictions for those companies operating in the ASEAN region. This has led to transnational cigarette makers to directly invest or invest through joint ventures in most of the member states. ASH believes that the Thai market will be a major sales target for these regionally produced products.
- If AFTA goes ahead as planned Thailand may see significant drops in the price of regionally produced cigarettes and higher profits for the tobacco industry. The agreement will undermine the pricing measures (taxation) taken by the Thai government to control tobacco use and since the impact of taxation is most effective for young people the agreement is likely to produce an increase in the number of young smokers.

## **7. Transnational Tobacco Companies and the Thailand Tobacco Monopoly**

- The Thai Tobacco Monopoly (TTM) has been an important factor in Thailand's success in keeping tobacco consumption down. In the past the state owned corporation has not denied health evidence against smoking, hasn't advertised, marketed or promoted their cigarettes and hasn't obstructed government action.
- However as their market share has declined they have been desperately trying to compete with the transnational tobacco companies.
- In October 1999 for the first time ever the TTM took the decision to absorb rather than pass on a tax increase, following the example of the TTC's, and by January 2000 the TTM had begun to produce colourful cigarette cabinets akin to those distributed by the foreign companies. In mid- 2000 the TTM came out publicly against pictorial health warnings. Whilst some may not see these as significant in themselves they illustrate a significant change in tactics for the TTM.

### **8. Tobacco Control Measures and the Framework Convention**

- The Action on Smoking and Health Foundation (Thailand) strongly supports a strong Framework Convention on Tobacco Control in order to provide global pressure to institute effective tobacco control policies in Thailand and other countries.
- We recognise the problems that our neighbouring countries face and believe that a strong Framework Convention would support them in controlling an aggressive and financially powerful company.

Specific areas where we support strong global regulation include -:

- The implementation of global ban on direct and indirect advertising, promotion and sponsorship for tobacco products across all media and in all forms of entertainment (including satellite TV, internet sales and promotion and advertising in international media);
- The recognition of tobacco as an 'exceptional' good which should be excluded from all trade agreements;
- The exclusion of tobacco from 'duty free' sales;
- The use of tobacco taxes as a policy to reduce smoking, with some revenue generated used to fund tobacco control projects including helping tobacco farmers to diversify;
- The introduction of pictorial cigarette package warnings or generic packaging;
- The introduction of a system whereby cigarettes can be tracked from their manufacturing base in order to control cigarette smuggling;
- We also support the call for public funding of effective counter-advertising to counteract industry spending aimed at glamourising tobacco use;
- We furthermore believe that the tobacco industry must be held accountable for its actions in all countries in which it operates and not just in wealthier countries.