

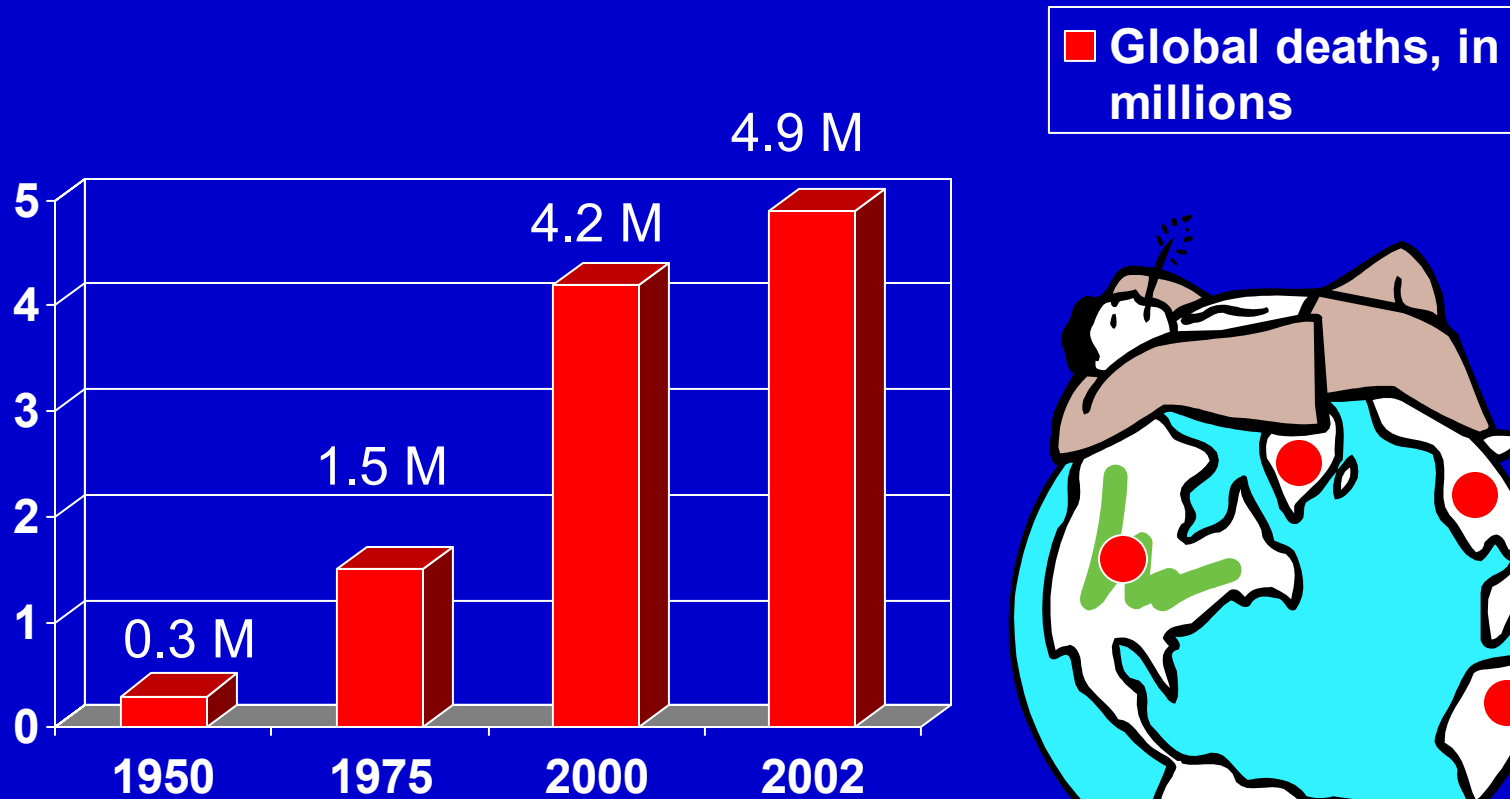
SEATCA Workshop on Advancing  
Tobacco Tax Policy in South East Asia  
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*The Framework Convention on  
Tobacco Control (FCTC)  
and tobacco tax-related issues*

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# Introduction: Burden of Disease

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## From a Phillip Morris marketing researcher, 1982....

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"A price increase can cause a decline in the number of people who use the product or in the amount of the product its users consume. Usually it works both ways..., both by increasing the number of smokers who quit and decreasing the number of young people who begin to smoke."

"In one study it was estimated that the price elasticity of cigarettes among teenagers is -1.4, which would mean that an 11 percent price increase would reduce the number of teenagers beginning to smoke by 15 percent."

# However.....

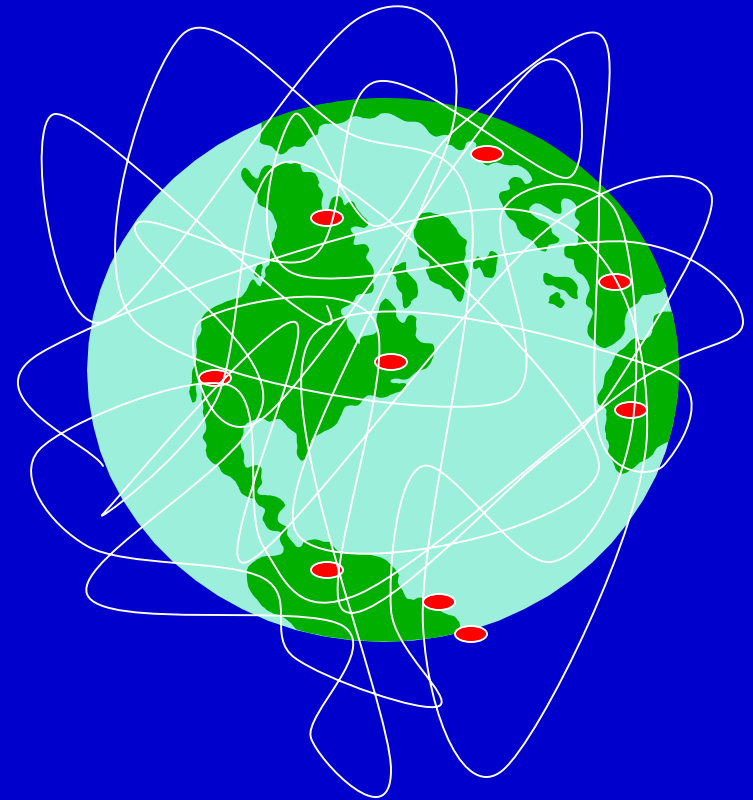
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Philip Morris fights tax increases on cigarettes even though such measures are effective at reducing the smoking prevalence among children and teenagers, which they often state is a goal of their company.

# Globalization of the tobacco epidemic

**The tobacco epidemic is being spread and reinforced by a complex mix of factors that go beyond national borders.**

**Globalisation of the epidemic restricts the capacity of countries to regulate tobacco through domestic regulation alone.**



# A “Framework Convention” ???

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“A legally binding international agreement”

“A global treaty”

A “new international legal instrument that will circumscribe the the global spread of tobacco and tobacco products”

# “Tobacco Control” ???

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A range of strategies that aim to improve the health of a population by reducing their consumption of tobacco and exposure to tobacco smoke

# Background: The Process of the FCTC

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1996: World Health Assembly resolution to develop a FCTC

1999: Working group established.

Oct 2000 – Feb 2003: 6 intergovernmental negotiations meetings

# **“INB6”: The end of the beginning of the FCTC. The work continues.....**

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Final text available: NOW!

For adoption by the World Health Assembly: May 2003

For ratification/signing: June 2003 - ?

Entry into force: 3 months after at least 40 countries have signed

Protocols with more details and obligations will follow

2-3 years of implementation requiring national action and policy development.

# Some of the issues addressed in the FCTC

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- **Duty-free sales**
- **Tobacco taxes/price**
- **Illicit trade**
- **Technical Assistance and Financial resources for implementation**
- **Packaging and labeling**
- **Advertising, promotion and sponsorship**
- **Treatment of tobacco dependence**
- **Protection from exposure to tobacco smoke**
- **Health Education & Research**
- **Information exchange**

# The FCTC on tax (article 6)

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The text formally recognizes that tax and price measures are an effective way of reducing tobacco consumption, particularly among young people, and requires signatories to consider public health objectives when implementing tax and price policies on tobacco products.

It does not contain language obliging countries to specific levels of tax.

It does not specifically mention earmarking tobacco taxes for health promotion and tobacco control

## Duty free - article 6.2(b)

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Proposals were made to ban duty free sales of tobacco as they provide an unnecessary channel for smuggling.

The final FCTC text provides a ban on tax-free products as **an option**. It is not obligatory. This may also be the subject of a future protocol.

# The FCTC and Smuggling / Illicit trade

(article 15)

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Labeling to include place of origin and place of intended sale to enable tracking and tracing.

Language to be that of the destination country

Data collection, monitoring and sharing information with the “Conference of the Parties”

Promote cooperation at national and regional levels between relevant authorities.

Licensing, penalties

Mostly not obligatory language.

# Financial resources (article 26)

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Parties are required to provide financial support to their national tobacco control programmes.

In addition, the text encourages the use and promotion of existing development funding for tobacco control.

The “Conference of the Parties” is required to review existing and potential resources and find ways to assist developing countries with implementation of the FCTC.

# Relationship between the FCTC and other international agreements (article 2)

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“*Determined* to give priority to their right to protect public health,” .....First words of the preamble

Countries are “encouraged to implement measures beyond those required.....”

The FCTC is not subordinate to other agreements.

(Ref: “*lex specialis*” and “*lex posterior*”, The Vienna Convention on the Law of Treaties)

# Watch this space

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WHO Tobacco Free Initiative:

<http://www5.who.int/tobacco/>

Framework Convention Alliance:

<http://www.fctc.org/>