

## TOBACCO: A GLOBAL KILLER

- Globally, around 4 million people die from tobacco-related illness each year. This is the equivalent of twenty-seven 747 airplanes full of passengers crashing every day. By the year 2030, 10 million people will be dying each year from tobacco use.<sup>1</sup>
- Approximately 80,000 to 100,000 young people around the world become addicted to tobacco each day.<sup>2</sup>
- Many of tobacco's future victims are today's children. If current trends continue, 250 million children alive today will die from tobacco-related disease.<sup>3</sup>
- Based on current smoking trends, tobacco will soon become the leading cause of death worldwide, causing more deaths than HIV, maternal mortality, automobile accidents, homicide and suicide combined.<sup>4</sup>
- At the national level, tobacco use imposes significant economic costs on countries, ranging from .7% to 2% of gross domestic product lost annually.<sup>5</sup>

### The Tobacco Industry is Targeting Developing Countries:

- In 1998, Philip Morris made a profit of \$5 billion selling cigarettes overseas, compared to \$1.5 billion from cigarette sales in the United States.<sup>6</sup> Says Geoffrey Bible, Chairman of Philip Morris, "We are still in the foothills when it comes to exploring the full opportunities of many of our new markets."<sup>7</sup>
- The burden of tobacco-related death and disease is rapidly shifting to developing countries. By the year 2030, 70% of all deaths from tobacco will occur in developing countries, up from around 50% today.<sup>8</sup>
- While approximately 25% of women in industrialized countries smoke, only about 7% of women in developing countries smoke, making them a prime target for the companies.<sup>9</sup>
- During the 1980s, cigarette companies convinced the U.S. government to force countries in Asia to open up their markets to imported cigarettes or face trade sanctions. The results were catastrophic. In South Korea, for example, the smoking rate among teenage boys was 18% in 1988 -- a year later, after U.S. cigarette imports were allowed, it rose to 30%. Smoking rates for teenage girls climbed during the same period from 2% to 9%.<sup>10</sup>

### **The Global Tobacco Industry Is Growing:**

- Multinational tobacco companies are engaged in an aggressive overseas expansion. Philip Morris, Japan Tobacco and British American Tobacco (BAT), the world's three largest multinational cigarette companies, now each own or lease plants in at least 50 countries.<sup>11</sup>
- In 1998, these three companies had combined tobacco revenues of more than \$88 billion, a sum greater than the total GNP of Albania, Armenia, Bahrain, Bolivia, Botswana, Bulgaria, Cambodia, Cameroon, Estonia, Guyana, Honduras, Jamaica, Jordan, Laos, Latvia, Madagascar, Moldova, Mongolia, Nepal, Nicaragua and Togo combined.<sup>12</sup>

### **The Tobacco Industry Is Shamelessly Targeting Youth:**

The tobacco industry spends billions of dollars each year promoting its brands in every way imaginable. In response to government attempts to regulate tobacco advertising, the industry has been adept at finding loopholes in existing laws and devising new and creative ways to reach youth. For example:

- In China, Philip Morris sponsors giveaways where consumers can trade in empty packs of cigarettes for backpacks, lighters and other paraphernalia emblazoned with the Marlboro logo. The company has been caught mailing promotional materials to minors even though it claims the giveaways are only for adult smokers.<sup>13</sup>
- R.J. Reynolds has sponsored tennis tournaments in Malaysia and Hong Kong in which tennis star Michael Chang, an idol to many Asian teenagers, has appeared.<sup>14</sup>
- As part of its "Salem Cool Planet" series, R.J. Reynolds brings popular musical acts like Samantha Cole, Savage Garden and Deep Purple to Malaysia. It also sponsors ticket giveaways for such popular films as *My Best Friend's Wedding* and *Air Force One*.<sup>15</sup>
- Philip Morris has sponsored the "Philip Morris Super-band Series" in Thailand which included a concert by Tony Bennett and the McCoy Tyner Trio while R.J. Reynolds has sponsored the "Ambassadors of Opera" series in Bangkok.<sup>16</sup>
- The "Asia Marlboro" road-racing competition is featured prominently on Chinese TV, allowing Philip Morris to circumvent Chinese laws banning cigarette advertising on television.<sup>17</sup> The company also pays \$1 million annually to sponsor the Zhuhai International Car Race.<sup>18</sup>
- A concert by the singer Madonna held in Spain was rebroadcast on Hong Kong television as the "Salem Madonna Concert" where the company had the Salem logo superimposed over the stage. Salem also sponsors a "virtual reality dome" where teenagers can come and fire laser guns at each other, and distributes removable tattoos of the Salem logo.<sup>19</sup>
- In cricket-crazy India, the Indian Tobacco Company (partially owned by BAT) recently paid \$16 million to put its cigarette logo on the national team's uniforms.<sup>20</sup> In the city of Madras, the company paid school children to go to discos and hand out invitations to a party. Only children were invited to this party where free liquor and cigarettes were distributed. The children were then photographed for use in future ad campaigns.<sup>21</sup>

- In Beijing, Philip Morris underwrites the popular “Marlboro American Music Hour”, featuring songs by Elvis Presley and Michael Jackson, while in Kuala Lumpur, records and CDs are sold at the “Salem Power Station.” At the Canton Disco in China, R.J. Reynolds pays internationally known artists to perform, distributes free cigarette samples during the shows and advertises Salems during and after the shows.<sup>22</sup>

<sup>1</sup> World Health Organization, *World Health Report 1999* (Geneva: WHO, 1999). NOTE TO TFK:

<sup>2</sup> World Bank, *Curbing the Epidemic: Governments and the Economics of Tobacco Control* (Washington: World Bank, 1999).

<sup>3</sup> C.J. Murray and A.D. Lopez, eds. *The Global Burden of Disease: A Comprehensive Assessment of Mortality and Disability from Disease, Injuries and Risk Factors in 1990 and Projected to 2020* (Cambridge, MA: Harvard School of Public Health, 1996).

<sup>4</sup> Howard Barnum, “The Economic Burden of the Global Trade in Tobacco,” Paper presented at the 9<sup>th</sup> World Conference on Tobacco and Health, October 1994.

<sup>5</sup> Prabhat Jha, Thomas Novotny and Richard Feachem, “The Role of Government in Global Tobacco Control,” in *The Economics of Tobacco Control: Towards an Optimal Policy Mix*, Abedian et al. eds. (Cape Town: Applied Fiscal Research Center, 1998).

<sup>6</sup> Philip Morris 1998 *Annual Report*.

<sup>7</sup> Philip Morris, 1996 *Annual Report*.

<sup>8</sup> World Health Organization, *World Health Report 1999* (Geneva: WHO, 1999).

<sup>9</sup> *Smoking and Women: The Next Wave of the Tobacco Epidemic*, (Geneva: World Health Organization, 1997).

<sup>10</sup> Ruth Roemer, *Legislative Action to Combat the World Tobacco Epidemic* (Geneva: World Health Organization, 1993).

<sup>11</sup> “International Cigarette Manufacturers,” *Tobacco Reporter*, June 1998.

<sup>12</sup> Philip Morris and BAT 1998 Annual Reports; Dow Jones Newswires, “Japan Tobacco/Results,” 21 May 1999; UNDP, *Human Development Report 1999* (New York: UNDP, 1999).

<sup>13</sup> “Philip Morris Draws Fire with Chinese Promotion,” *Advertising Age*, 5 January 1998.

<sup>14</sup> Glenn Frankel, “US Aided Cigarette Firms in Conquests Across Asia,” *Washington Post*, 17 November 1996.

<sup>15</sup> Advertisements in *The Sun* (15 & 22 April 1998) and *The Star* (28 October 1997).

<sup>16</sup> . ASH Thailand Web Site, 1998 (<http://www.ash.or.th/>).

<sup>17</sup> Nancy Stancill, “Black-Market Allure of US Cigarettes Tempts Teens in China,” *Charlotte Observer*, 19 October 1997.

<sup>18</sup> Unus Alladin, “Motorsport Tobacco Bidding War Looms as Zhuhai Steps Up F1 Race Bid,” *South China Morning Post*, 8 November, 1997.

<sup>19</sup> *The New York Times*, “Selling Cigarettes in Asia,” 10 September 1997; Sens. Richard Durbin and Ron Wyden, “Big Tobacco Must Stop Targeting Kids Worldwide,” *Roll Call*, 23 March 1998.

<sup>20</sup> Jenny Barraclough, “Tobacco Barons Wage War on a Third World Nation,” *Dawn/The Guardian News Service*, 12 March 1998.

<sup>21</sup> *The Times of India*, “RS Fumes Over Use of Children in Cigarette Ad,” 13 March 1997.

<sup>22</sup> United States General Accounting Office, *Advertising and Promoting US Cigarettes in Selected Asian Countries*, (Washington: GAO, 1992); Karen Lewis, “Addicting the Young: Tobacco Pushers and Kids,” *Multinational Monitor*, January/February 1992.