

TOBACCONOMICS

“...the economic arguments often used by the industry to scare off smoking ban activity were no longer working, if indeed they ever did. These arguments simply had no credibility with the public, which isn't surprising when you consider that our dire predictions in the past rarely came true.”
TINA WALLS, PHILIP MORRIS 1994
released as a result of legal action

How big tobacco uses dodgy data to 'throw sand in the gears' of GLOBAL HEALTH POLICY



BIG TOBACCO CORP
Government proposes new regulations. Commission consultants to provide 'independent analytical support'

NE CONSULTANCY LIMITED
Identify the statistical methods necessary to counter medical research findings. Be sure to declare industry funding

INDUSTRY ANALYTYX.COM
Recycle and sanitise industry data. Win award for environmentally friendly lobbying-

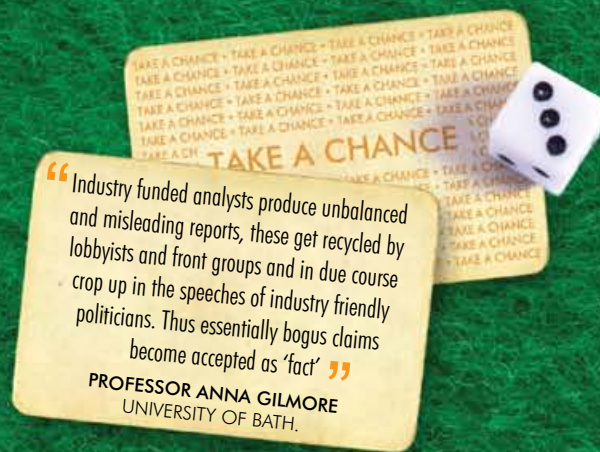
NATIONAL FRONT GROUPS ASSOCIATION
Boil down research from the internet for briefing to MPs. Big Tobacco Corp will pay lobby fees

IVOR THAME MP
Stand up for the little guy. Join debate based on front group briefings
GO TO BLOG



tob·ac·o·nom·ics

(tə'bakō'nāmiks) *n.* 1. the use of specious or partisan analysis to “throw sand in the gears” of public health policy. 2. creating unjustified anxiety about the social or economic impact of regulations to reduce tobacco use



With thanks to Simon Chapman, Gary Fooks, Becky Freeman, Anna Gilmore, Stanton Glantz, Casey Quinn, Lisa Rimmer, Behrooz Tavakoly, Melodie Tilson, Peter Ucko, and special thanks to Luk Joossens.

ISBN : 978-1-872428-86-4

© Copyright

Copies of the full report can be downloaded from the ASH website at: www.ash.org.uk/Tobacconomics2011
The executive summary is available at: www.ash.org.uk/Tobacconomics2011sum

All rights are reserved. Please contact the ASH for permission to reproduce any part of the content of this report.
June 2011

CONTENTS

Tobacconomic myths

Introduction – economic arguments against tobacco control	4
Pro-tobacco arguments and Tobacconomics	5

Standing up for small businesses and defending workers jobs

Tobacconomics on the point of sale display ban	6
Tobacconomics on the implementation of smokefree legislation	7
Tobacconomics on the loss of jobs	9

Raising the alarm about counterfeit and smuggled tobacco

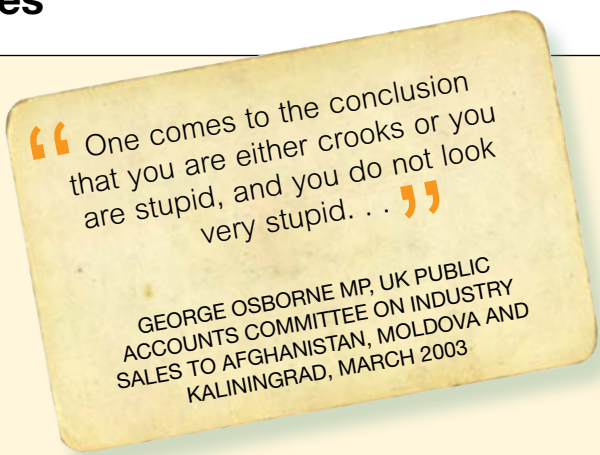
Tobacconomics on the market for illicit tobacco	10
Tobacconomics on plain packaging	12

Denying the effectiveness of tobacco control policies

Tobacconomics on youth take-up of smoking	13
Tobacconomics on smoking rates	15

Conclusion	16
-------------------	----

References	17
-------------------	----



TOBACCONOMIC MYTHS

Introduction - economic arguments against tobacco control

When clinicians and researchers first understood in the 1950's that smoking kills, the tobacco industry faced a choice: either go on the back foot and admit its product would eventually kill half of all users or use its considerable resource and influence to protect its interests by undermining the evidence in order to "throw sands in the gears" of public health policy.

As understanding developed of the adverse effects smoking has on life expectancy and wellbeing, industry pro-tobacco arguments diversified. Now the industry has been forced to concede that smoking kills,² efforts are increasingly concentrated on building libertarian and economic arguments against policies to reduce smoking prevalence, as scare tactics to deter policymakers from supporting tobacco control policies.

The tobacco industry can no longer credibly deny the addictiveness of tobacco, its role as a cause of lung cancer and the harmful effects of secondhand smoke. Instead the arguments employed to counter tobacco control policies and influence government policy makers emphasise claims that tobacco control measures have adverse effects on the economy.

Tobacco lobbyists repeatedly argue that tobacco control measures will at one and the same time be ineffective **and** cause a disastrous drop in tobacco sales. This apparent contradiction is reconciled by arguing that any form of tobacco regulation will lead to an increase in the tobacco black market which enables smoking rates to be sustained while at the same time legitimate business declines.

The same arguments are recycled again and again for each new policy intervention. So, for example, it is alleged that not only does raising taxes lead to increased smuggling, reduced tax revenues and small businesses going bankrupt, but so will putting tobacco out of sight in shops. When the UK consultation on putting tobacco in plain, standardised packs is launched, the same arguments will be recycled yet again. They already have been in Australia where plain packs are due to be introduced in 2012.

In propagating their economic arguments the tobacco firms have established a disparate and loose coalition of lobbyists such as the tobacco industry funded pro-smoking organisation Forest (Freedom Organisation for the Right to Enjoy Smoking Tobacco), smaller retailers and businesses.

Some of these groups are funded largely, and in some cases entirely, by the tobacco industry and can be seen as no more than 'fronts' for industry interests. These include the Tobacco Retailers Alliance which is funded by the Tobacco Manufacturers Association. Many groups, however, have sided with the economic arguments used by the industry because the industry has roused their fears and they have genuine concerns that tobacco regulation will damage their economic livelihood.



“It is hard to see how the tobacco industry can sustain their claims that Irish duty has fallen since the display ban when the Irish government says they have increased but it is consistent with industry misinformation about tobacco policy”

Dr. Casey Quinn, University of Nottingham

However, the dire predictions of the tobacco industry have proved false. The UK is a good example. Since a comprehensive strategy to reduce smoking prevalence was introduced in 1999, which included an advertising ban, picture health warnings on packs, smokefree legislation and tax rises, there have been dramatic drops in smoking rates amongst both adults and children, sustained declines in smuggling and increases in tax revenue.³ Businesses have survived. The ban on smoking in public places has not only been popular but highly effective in reducing the harm caused by secondhand smoke⁴ and when it came into force was accompanied by an increase of over 5% in the number of licensed premises year on year.

Pro-tobacco arguments and Tobacconomics

The tobacco industry uses pseudo economic arguments to divert attention away from the health consequences of smoking to protect its revenues. Time and again the industry displays the same tired position by:

- ***Standing up for small businesses and defending workers' jobs***
- ***Raising the alarm about counterfeit and smuggled tobacco***
- ***Denying the effectiveness of tobacco control measures***

We will examine these themes in turn.

STANDING UP FOR SMALL BUSINESSES AND DEFENDING WORKERS JOBS

Claims	Facts
Point of sale display bans are costly and ruinous for small retailers ⁶	Refitting costs are small and experience shows that there has been no adverse effect on small retailers ^{5 7 8 9 11}
Smokefree bans harm the hospitality industry ¹³	Smokefree bans have improved the health of employees, enjoy public support and have had no significant adverse effect on the hospitality industry ^{4 14 15 16 17 19}
Tobacco control policies lead to job losses and are harmful to economic growth ^{21 24}	Mechanisation of the tobacco manufacturing process has led to job losses, whilst a reduction in smoking has reduced absenteeism and increased worker productivity ^{8 21 25 26}



Tobacconomics on the point of sale display ban

“A ban on tobacco displays will put many independent shopkeepers out of business . . . 23 convenience stores in Ontario and 12 in Quebec closed every week after bans were introduced there.”

John McKeown, Tobacco Retailers Alliance, Press Association 17/06/2009

In fact, the number of convenience stores increased by 1.9% in 2008.⁵

“The display ban will damage both competition and the livelihoods of tens of thousands of small businesses by imposing high compliance costs on them.”

Michelle Healy, BAT General Manager, 2010^{2 6}

In fact, the cost of refitting shops has been found to be small and not prohibitive: the average cost of shop refits in compliance with the Irish tobacco display ban was £300, as reported by the Association of Convenience Stores itself (ACS).⁷

Small retailers are under pressure from competition with larger supermarket chains for reasons other than tobacco control policies.⁸ However, experience shows that incentives paid to retailers by tobacco firms do not disappear with the implementation of tobacco display bans.⁷

Tobacco industry championship of small businesses is backed up by the money tobacco firms pour into retailer lobbying organisations.^{9 10} Small retailers have been encouraged to believe that tobacco sales are vital to the success of their trade and tobacco control measures will be detrimental to their business. Yet tobacco sales account for only a small proportion of small business profits. Although tobacco sales account for up to a third of a small retailer's turnover, the profit a shopkeeper makes on a packet of cigarettes is very small (approximately 4-5% on a packet of 20)^{11 12} whereas the profits to be made by retailers on the sale of fresh fruit in comparison are large – around 25%

Tobacconomics on the implementation of smokefree legislation

“We are recovering from recession and it is time to lift the legislative weight off struggling local businesses and their communities. The smoking ban has, contrary to claims from health organisations, severely threatened the £6 billion pub and bingo industry by negatively affecting thousands of people working in the hospitality sector who have lost sales, jobs and their livelihoods. Here is the evidence of how the smoking ban has impacted on Britain's pubs and clubs”:

Christopher Ogden, Chief Executive of the TMA, July 2010¹³

The tobacco industry claims that smokefree policies in the UK saw 52 pubs close every week. The British Beer and Pub Association (BBPA), campaigning against licensing reforms and the smoking ban, told Parliament that almost 2,000 more pubs closed than opened in 2008; a subsequent press release claimed that this total had increased to 52 pubs closing every week.¹⁴

A BBC investigation into the claim that “52 pubs close every week” found that the survey had reclassified venues that increased the amount of food sold from “pubs” to “restaurants” and counted them as “pub closures” even though the venue, licence and staffing remained unchanged.¹⁵

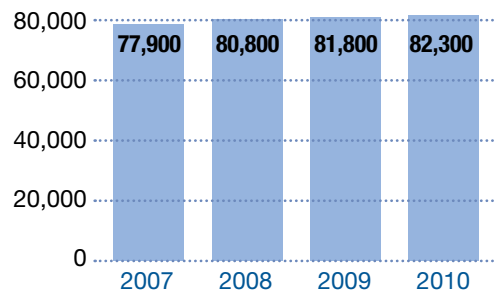
Furthermore, evidence shows that in many countries, bans on smoking in public places have had a net positive economic benefit for businesses and no adverse effect on the hospitality industry.⁴

The UK government’s official review into the impact of smokefree legislation shows that smokefree laws do impact on the hospitality industry in a number of ways, many of them positive as the health of employees is no longer at risk from the effect of secondhand smoke and insurance and cleaning costs have reduced. Moreover, studies have shown no significant decrease in bar patronage or restaurant attendance pre and post-legislation.⁴

In 2007 The Campaign for Real Ale (CAMRA) published a survey demonstrating that pubs are continuously under threat from closure for a variety of complex reasons. Reports from 197 CAMRA branches across the UK found that approximately 56 pubs a month are closed permanently, and at any time 1,300 are shut and facing an uncertain future.¹⁶ In 2007, the year England went smokefree, the number of premises licensed for “on sales” of alcohol increased by 5%.¹⁷ Subsequently the numbers have increased every year.¹⁸

Data from the Office for National Statistics survey on attitudes to smoking show a net **increase** in the number of people going to pubs since the smokefree law came into effect.¹⁹

Premises in England and Wales such as pubs with a licence for both “on” and “off” sales



Tobacconomics on the loss of jobs

“An Irish type ban would lead to 20-40,000 job losses in Belgium”.

Reported in La Libre Belgique, 10th March 2005²⁴

Yet, according to the website of the Belgium hospitality industry, in Belgium only 14,183 people work in bars.²⁰

Additional evidence from the Central Statistics Office of Ireland shows that following a smokefree ban, industry claims that licensed trade turnover was down by as much as 16% and overall employment levels were cut by 14% were inaccurate. In fact, a small decrease of 3.3% in sales was experienced that was broadly in line with trends of a gradual downturn in volume of sales in bars that began in 2002.²¹

It is claimed that reductions in tobacco volume sold led to the closure of manufacturing plants and the loss of farmers' livelihood in the developing world. For example, it is alleged that South African tobacco control policies led to the closure of the BAT Paarl factory and 350 job losses, putting up to 10,000 associated jobs (including poor farmers) at risk.

However, according to internal company documents, BAT closed the Paarl factory because it was obsolete and inefficient and they relocated 50 workers to a modern factory in Heidelberg.²⁰ It is the mechanisation of the means of tobacco production that is therefore responsible for job losses.²² Although volume sold today is greater than in the 1960's there are now considerably fewer people employed in tobacco manufacturing.²³

It was claimed that the 1988 EU Tar Directive would lead to the loss of 338,000 jobs and an illicit tobacco market share of 95%.²⁴ In reality the Tar Directive had no impact on job losses, sales of illegal tobacco or popular premium brands.

Furthermore the 'jobs versus lives' argument has no merit in relation to health considerations and life expectancy: on average each smoker loses 10 years of life and experiences many more years of ill-health.²⁵ The economic benefits of cutting smoking prevalence by half (through reduced healthcare costs due to lower incidence of smoking-related disease; and through increased economic productivity and reduced workplace absenteeism) are estimated in the UK alone to reach between £13.7bn and £15bn by 2020.²⁶

RAISING THE ALARM ABOUT COUNTERFEIT AND SMUGGLED TOBACCO

Claims	Facts
High taxes on tobacco increase smuggling and can reduce government tax revenue ²⁷	Industry complicity and their control of the supply chain, corruption and lax enforcement are the key factors in the increase of smuggling; increasing tax on tobacco products has increased government revenues and tobacco firms' profits ^{28 29 33 34 35 36 38}
Point of sale display bans on tobacco create an "under the counter culture", increasing underage sales and the demand for illicit tobacco. Imperial Tobacco reported to shareholders at their 2011 AGM that Irish tobacco duty revenue fell by £0.5bn (€0.57bn), which would have been a crushing fall of 47% ^{6 7 40 54}	Independent evidence shows no increase in youth smoking or tobacco smuggling. In Ireland tobacco duty revenues were unaffected by the display ban. Indeed they increased by almost €50 million ^{44 45 46}
The removal of branding on tobacco products and the introduction of 'plain packaging' makes it easier to counterfeit cigarettes and harder for enforcement agencies to detect illicit products ²	Cigarette packs already carry unique identifiers. Removing the branding will make no difference to the effectiveness of scanners to detect illicit products ^{28 29 33 39}

Tobacconomics on the market for illicit tobacco

Tobacco measures such as "display bans . . . will promote an 'under the counter culture' that will blur the line between legitimate and illicit tobacco, making it harder to detect illicit tobacco and harder to reinforce the message that smuggling is a crime . . ."

British American Tobacco response to the UK Government Consultation on the future of tobacco control, December 2008

"In my research I have encountered some outrageous examples of the industry's bogus economics but in short, what ever tobacco reform a government proposes you can be sure the industry will claim a) 50 small businesses will close every week b) Thousands of jobs will be lost c) Our streets will be flooded with smuggled tobacco and if they think they can get away with it they will claim all three."

Luk Joossens, European Cancer Leagues

The tobacco lobby continually claims that tax increases automatically lead to increases in smuggling.

“Government has today increased tobacco duties by 2% above inflation which clearly demonstrates a complete lack of joined-up-thinking as taxation is the acknowledged driver of the illicit tobacco trade.”

Christopher Ogden, Chief Executive of the Tobacco Manufacturers’ Association (TMA press release, March 2011)

The logic of this argument is that tobacco products should not be singled out for high levels of tax as it could lead to illicit trade undermining the legitimate market. Smuggling can and has been reduced in the UK at a time of increasing taxation by law enforcement and supply chain controls.²⁸ High levels of smuggling exist between countries with similar legitimate tobacco prices. Tobacco smuggling is also prolific in many countries with extremely low tobacco taxation and prices. Over the last decade, action in Europe to enforce regulations and disrupt the illicit tobacco supply has dramatically reduced the illicit tobacco market share in several countries (in the UK the illicit market share fell from 21% in 2000 to 11% in 2010).³ Only proper control by the tobacco industry of the supply chain, that is sales of its products, and robust enforcement of trade regulations will reduce the market for illicit tobacco.²⁹

Display bans have also not been shown to decrease government tax revenues. For example, in Ireland following the implementation of a display ban, revenue from tobacco actually increased from €1.17bn in 2008 to €1.22bn in 2009.³⁰

The tobacco industry claims that tobacco control measures, such as duty increases on tobacco products, leads to the loss of government tax revenue. However, the demand for tobacco products is such (being an addictive product with a relative inelastic demand) that despite the presence of down trading to cheaper and illicit tobacco, government tax revenues will continue to increase as they have done consistently for the past decade even as duty on cigarettes has increased over or kept pace with inflation.³¹ Furthermore, although in 2010 global tobacco volumes sold fell by 3%, overall industry profits rose as the industry increased prices around the world by 6-7%.³²

Legal price and illicit trade in 2007²⁹

World Bank Income Group	Average legal price (US\$)	Average percent of consumption that is illicit
Low Income	1.13	16.8%
Middle Income	1.89	11.8%
High Income	4.91	9.8%

The international tobacco industry itself has been heavily implicated in facilitating smuggling operations.^{33 34 35 36} Indeed in 2000, Kenneth Clarke, BAT’s Deputy Chairman complained in

response to an exposé of the company's links to smuggling, that smuggling was caused by high taxes and that,

“where governments are not prepared to address the underlying causes of the problem . . . we act, completely within the law, on the basis that our brands will be available alongside those of our competitors in the smuggled as well as the legitimate market.”³⁷

During an investigation into tobacco smuggling by the Public Accounts Committee, the current Chancellor, then a member of the PAC said in exasperation to senior executives of Imperial Tobacco:

“One comes to the conclusion that you are either crooks or you are stupid, and you do not look very stupid. How can you possibly have sold cigarettes to Latvia, Kaliningrad, Afghanistan and Moldova in the expectation that those were just going to be used by the indigenous population or exported legitimately to neighbouring countries, and not in the expectation they would be smuggled?”

George Osborne MP, UK Public Accounts Committee on industry sales to Afghanistan, Moldova and Kaliningrad, March 2003³⁸

Tobacconomics on plain packaging

The tobacco industry also claims that plain packaging (the removal of brand signifiers) will make it easier to counterfeit tobacco products and harder for retailers and enforcement officers to distinguish from legitimate product.

“Plain packs are also likely to lead to yet further increases in the smuggling of tobacco products and plain packs would make it so much easier for a counterfeiter to copy than existing branded packs, making it even more difficult for a consumer to differentiate between genuine and counterfeit products.”

TMA response to publication of the UK government's tobacco control plan, March 2011

There is no evidence that plain packs will be easier to counterfeit. They will require complex printing of the pictorial warnings. Smuggling of any tobacco product is a serious concern but given current widely available printing technology all packaging in general is easy to counterfeit, and as such, it can be difficult to be discriminate between genuine and counterfeit packaging. But security features on the packs have been introduced to resolve this problem. In the United Kingdom and many other countries, a security mark with an invisible feature has been applied on each cigarette pack headed for the domestic market. Enforcement officials can scan the mark and discover immediately whether a product is counterfeit.

Combining these measures with aggressive enforcement and consistent application of tough penalties is the best way to counter smuggling, not tax reductions. Indeed in Canada when tobacco taxes were reduced following a campaign by manufacturers smoking rates went up while the illicit trade did not decline.³⁹

DENYING THE EFFECTIVENESS OF TOBACCO CONTROL POLICIES

Claims	Facts
Tobacco control policies, such as duty increases and constraints on the promotion and sale of tobacco policies, are ineffectual in reducing the demand for tobacco and preventing children from smoking ²	Evidence from several countries demonstrates that duty increases and restrictions on the sale and promotion of tobacco reduce smoking rates and childhood initiation ^{47 48 49 51}

Tobacconomics on youth take-up of smoking

The tobacco industry depends for its survival on its ability to recruit new young smokers. The pro-tobacco lobby consistently argues that there is no evidence to suggest that measures such as display bans and plain packaging will reduce youth take-up of smoking. For example, it has claimed that youth smoking rates in Canada increased by 2% as a result of tobacco display bans.⁴⁰ As part of its campaign to block the Health Act 2009, which would ban tobacco displays in England, the multi-national tobacco company Japan Tobacco International commissioned Europe Economics, a London-based consultancy, to develop a case against the display ban, providing “expert economic analysis”.⁴¹ The claims in the report are recycled by Patrick Basham of the Cato Institute (whose funders include tobacco companies RJ Reynolds and Altria, owners of Philip Morris). Basham is a Canadian pro-tobacco industry spokesman who has been actively campaigning against proposed UK tobacco control measures. Expert analysis has found his and other tobacco industry reports to be extremely flawed.⁴² A major problem is that the analysis is inconsistent: a high burden of proof and very exacting methodology is applied to evidence that does not support the pro-tobacco position, whilst the bar is set significantly lower for evidence that is supportive.

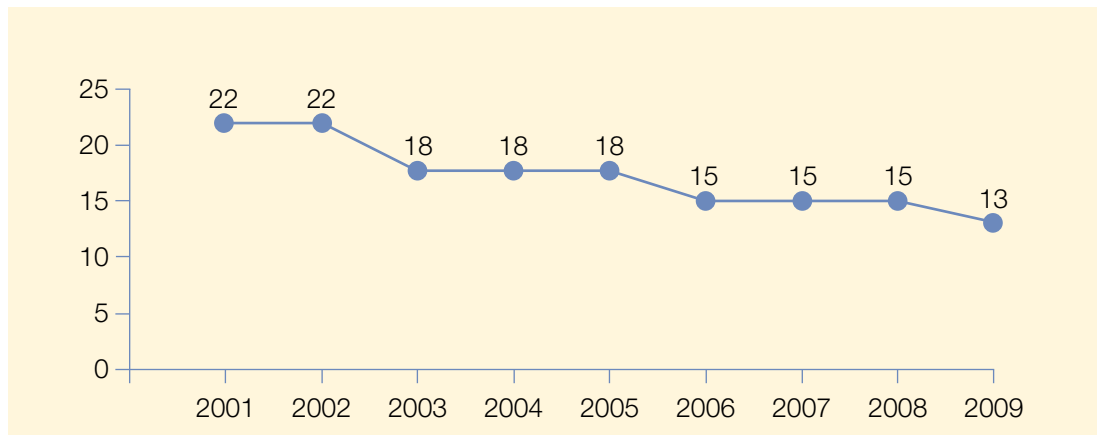
Neither Basham’s report nor all but one of the references he cites, are in peer reviewed academic journals. Quotes are almost entirely from tobacco industry or small shops spokespeople or from reports by consulting firms working on behalf of the tobacco companies. Yet Basham’s report is then further recycled and asserted as fact by Philip Davies MP in his ConservativeHome blog.⁴³

“Industry funded analysts produce unbalanced and misleading reports, these get recycled by lobbyists and front groups and in due course crop up in the speeches of industry friendly politicians. Thus essentially bogus claims become accepted as ‘fact’ ”

Anna Gilmore, University of Bath.

In truth Canadian youth smoking rates have fallen steadily and there has not been a single year when they have risen.⁴⁴ Evidence suggests that smoking rates among adults and young people have fallen and daily cigarette consumption is lower after the implementation of point of sale display bans. Age of smoking initiation among youth is also higher.⁴⁵

Current Smoking Prevalence 15-19 Year Olds (Canada)



Jurisdictions that have enforced tobacco point of sale bans as part of a range of tobacco control measures have seen a decrease in smoking prevalence among young people. In Iceland the prevalence of daily smoking among 15 year olds fell from 18.6% in 1999 prior to the cigarette display ban to 13.6% in 2003, two years after the law came into effect and has continued to fall thereafter.

Basham in his review of display bans, cites data from a report by the Public Health Institute of Iceland (PHII) published by Statistics Iceland, which he claims showed youth prevalence to have risen to 15.5% ('Youth in Iceland Survey'). However, he uses this rather than another survey which showed a decline to 12.2% of youth smoking (ESPAD survey). Stefan Hrafn Jonsson, Division Director, Research and Development of the PHII, had already written to the UK tobacco industry correcting such misuse of the data. He stated: '*The European School Survey Project on Alcohol and Other Drugs (ESPAD) survey covers almost all Icelanders in the 10th Grade, ie about 16 years old, but takes place less frequently. The PHII survey uses a sample of approximately 2,400 Icelanders aged 15-89 years old. This means the sample size for any given age group is only a few hundred. The PHII regard the ESPAD survey as more appropriate for measuring youth smoking*'.⁴⁶

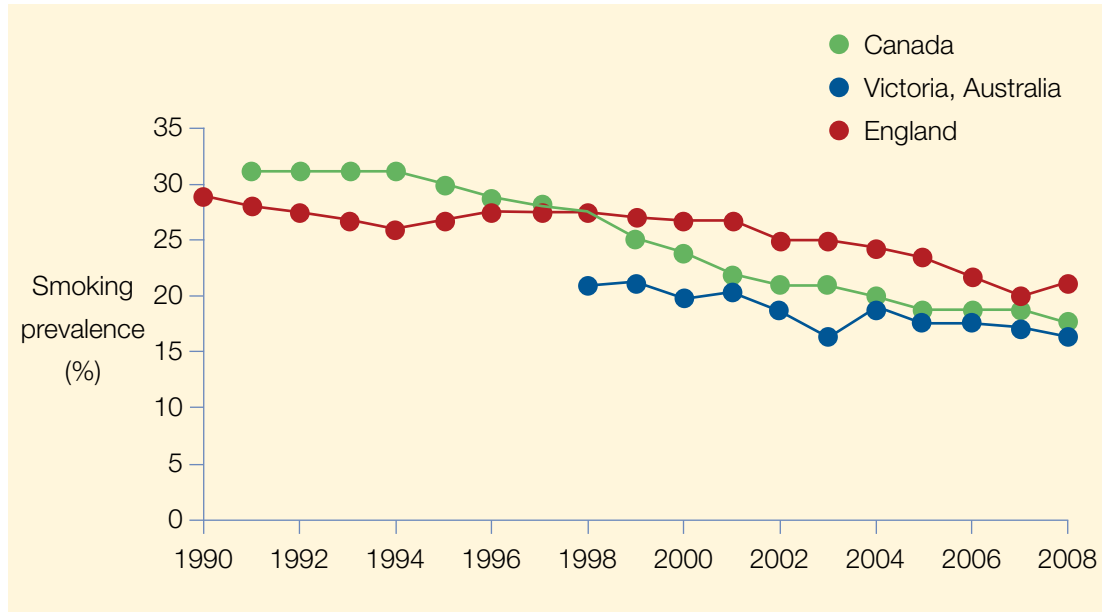
In Canada, research by the Canadian Tobacco Use Monitoring Survey shows that banning point of sale displays in a growing number of provinces has coincided with a fall in smoking prevalence rates amongst 15 to 19 year olds – from 22% in 2002 to 15% in 2007.⁴⁴

An evaluation of the impact of Ireland's tobacco display ban found an improvement in attitudes among young people regarding youth smoking including: a reduction in the tendency to over-estimate the number of their peers who smoke, a reduction in the recall of tobacco displays,⁴⁷ and a reduction in the belief that they would be able to buy cigarettes successfully.⁴⁷

Tobacconomics on smoking rates

While it is difficult to attribute individual tobacco control policies to an associated decline in smoking rates, all countries with a comprehensive tobacco control strategy have experienced a decline in smoking rates.

Smoking rates in Canada, Victoria (Australia) & England⁴⁸



Conversely, when the ‘foot is taken off the pedal’ and tobacco control efforts are reduced, smoking rates can rise again as happened in the case of Ireland after the introduction of the smoking ban. A comparative study of the effects of the smoking ban in England and the subsequent impact of the recession demonstrates that, whilst smoking rates continue to decline, continued downward pressure on smoking through tobacco control policies is required.⁴⁹

The difficulty with assessing the impact of tobacco control policies is that in ‘real world’ situations it is extremely difficult to disaggregate the impact different policies will have on smoking rates and behaviour. There is, however, a large evidence base which shows that the most effective tobacco control strategies involve taking a multi-faceted and comprehensive approach.⁵⁰

Smoking is a highly addictive activity and smoking behaviours are irrational: there is a wide range of social, physical and behavioural factors that influence the take-up of smoking. This should not be a deterrent to further activity to reduce smoking rates. A comprehensive evaluation of the effectiveness of NHS Stop Smoking Services (in smoking cessation) shows that it is the single most cost-effective life-saving intervention provided by the NHS.⁵¹

CONCLUSION

In England, smoking continues to be the primary cause of preventable death accounting for over 80,000 deaths in 2009, a figure more numerous than the next six most common causes of preventable deaths. Smoking also costs the NHS over £2.7 billion each year and the costs to the wider economy are estimated at nearly £14 billion each year.⁵²

Although it is important and necessary to refute the economic arguments given by the pro-tobacco lobby, and echoed by small businesses concerned about their livelihoods, it should not be a distraction from the fact that smoking kills half of all life-long users and tobacco control policies save lives.

However, tobacconomics does need to be refuted. Contrary to the claims of the pro-tobacco lobby, public health policies are not incompatible with economic development and increasing government tax revenues. As the three-year review of smokefree legislation in the UK has shown, smoking bans can often result in positive economic benefits for countries where they have been implemented.⁴

Small businesses and retailers, for so long duped by the tobacco industry into thinking tobacco sales are vital to their livelihoods, can make far greater profits on the sale of fresh fruit. It should be incumbent on tobacco companies to publish details of their marketing spend and funding of 'front organisations' so that we can distinguish between the voice of the tobacco firms who make by far the greatest profits from the sale of tobacco and that of retailers with genuine but misplaced concerns about their businesses. If policy makers were to continue to make efforts to actively engage with these small retailers and seek their views and support for tobacco control measures, we could achieve the twin goals of promoting public health goods and supporting small businesses that are increasingly under pressure from large supermarkets and chains.

Many of the assertions made by tobacco firms and repeated in the media, such as how the banning of tobacco advertising will kill the French Press⁵³ and how the ban on point of sale display of tobacco in Ireland resulted in Irish tobacco duty revenues falling by £0.5 billion, are just plain inaccurate.^{54 55} Faced with such obvious falsehoods there exists a strong temptation to dismiss these claims out of hand and focus solely on the health gains to be had from curtailing tobacco use.

However, it would be a gross error to dismiss the scare stories; for no matter how spurious the economic arguments might be and how plain the evidence is to the contrary, these assertions capture media attention and assume an influence on policy makers disproportionate to their accuracy by dint of repetition and through powerful lobbying by vested interests. The same goes for the pseudo-scientific research commissioned by the tobacco industry which demands unrealistically high standards for health research but accepts poor quality data from the tobacco lobby.

REFERENCES

- 1 Walls, T. CAC Presentation Number 4. Press release, 8 July 1994. Bates Number 2041183751-90. www.legacy.library.ucsf.edu/tid/vnf77e00
- 2 For example see BAT Response to UK Government's consultation on the future of tobacco control http://www.bat.com/group/sites/uk__3mnfen.nsf/vwPagesWebLive/DO7J7D2K?opendocument&SKN=1
- 3 HM Revenue & Customs. Measuring Tax Gaps 2010.; Smoking-related behaviour and attitudes, 2008/09, ONS. http://www.statistics.gov.uk/downloads/theme_health/smoking2008-9.pdf
- 4 Bauld L. The impact of smokefree legislation in England: evidence review. Department of Health, March 2011
- 5 CANSIM database, Table 080-0011. Statistics Canada
- 6 Judicial review sought on tobacco display ban. BAT news release, 26 April 2010. http://www.bat.com/group/sites/uk__3mnfen.nsf/vwPagesWebLive/DO84VC7B?opendocument&SKN=1
- 7 Implementation of the Tobacco Display Ban in the Republic of Ireland. Association of Convenience Stores, 2010
- 8 Hastings, G. Independent retailers and the demise of smoking: A scoping study. Institute for Social Marketing & Institute for Retail Studies, University of Stirling, Dec 2009
- 9 Letter from James Lowman, Chief Executive of ACS, to Mr Steven Williams MP. 22 February 2011
- 10 The smoke filled room: how big tobacco influences health policy in the UK. ASH, 2010
- 11 Personal communication with John McClurey, an independent retailer.
- 12 Walker G. Sticking around. Convenience Store. 4 March 2011
- 13 <http://www.the-tma.org.uk/2010/07/three-years-on-industry-calls-time-on-a-complete-smoking-ban/>
- 14 Pub closures rise to record 52 a week. Press release. British Beer and Pub Association, 22 July 2009. http://www.beerandpub.com/newsList_detail.aspx?newsId=289
- 15 Easton, M. Pubs aren't dying – they are evolving. 31 July 2009 www.bbc.co.uk/blogs/thereporters/markeaston/2009/07/pubs_arent_dying_they_are_evol.html
- 16 Campaign for Real Ale. CAMRA survey reveals over 1300 pubs could be lost forever. Press release, 14 Feb. 2007
- 17 DCMS Statistical Bulletin: Alcohol, Entertainment and Late Night Refreshment Licensing, England and Wales, April 2007 – March 2008. DCMS Evidence & Analysis Unit, Oct. 2008 <http://webarchive.nationalarchives.gov.uk/+http://www.culture.gov.uk/images/research/AE-Statistics-bulletin-2008.pdf>
- 18 DCMS Statistical Bulletin: Alcohol, Entertainment and Late Night Refreshment Licensing, England and Wales, April 2007 – March 2008. DCMS Evidence & Analysis Unit. 2007, 2008, 2009, 2010
- 19 Smoking related behaviours and attitudes 2008/9. The Information Centre for Health and Social Care, 2009
- 20 Joossens L. European Cancer Leagues. The use of pseudo-economics. Presentation, Bath 2010
- 21 Joossens L. Economic impact of smoking in bars and restaurants: Lifting the smokescreen, 2004
- 22 Buck, D. et al. Tobacco and jobs - the impact of reducing consumption on employment in the UK. Centre for Health Economics, University of York, 1995 and The Annual Business Survey. ONS 2010 <http://www.statistics.gov.uk/abs/v>
- 23 Warner K. The economics of tobacco, myths and realities. Tobacco Control 2000;9:78-89
- 24 Roque, Y. Vice-President of the Federation Horeca, Brussels; reported in La Libre Belgique, 10/03/05 (Joossens L. Pseudo Economics Presentation, Dec 2010)
- 25 A smokefree future. A comprehensive tobacco control strategy for England. HM Government, Feb. 2010 http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_111749
- 26 Nash, R. and Featherstone, H. Cough up: Balancing tobacco income and costs in society. London, Policy Exchange, 2010.
- 27 The Government risks undermining its own Tackling Tobacco Smuggling Strategy. TMA press release, 23 March 2011
- 28 Joossens L, Raw M. Progress in combating cigarette smuggling: controlling the supply chain. Tobacco Control 2008; 17: 399-404
- 29 Joossens L, Merriman D, Ross H, Raw M. How eliminating the global illicit cigarette trade would increase tax revenue and save lives. Paris, International Union Against Tuberculosis and Lung Disease, 2009
- 30 Excise Duty on Tobacco Products (table EX18). Revenue Ireland, 2009

- 31 Tax revenue from tobacco. TMA <http://www.the-tma.org.uk/tma-publications-research/facts-figures/tax-revenue-from-tobacco/>
- 32 Personal communication with Citigroup analyst. April 2010
- 33 Joossens, L. & Raw, M. How can cigarette smuggling be reduced? *British Medical Journal* 2000; 321:947-950 <http://bmj.com/cgi/content/full/321/7266/947>.
- 34 Lee K, Collins J. Key to the future. BAT and smuggling in China. *PLoS Medicine* 2006; 3(7):e228
- 35 Beelman MS et al. Tobacco companies linked to criminal organizations in cigarette smuggling. Washington, Center for Public Integrity. <http://www.publicintegrity.org/report.aspx?aid=351>
- 36 RJ Reynolds affiliate pleads guilty, pays \$15 million in criminal fines and forfeitures as part of cigarette smuggling operation. US Department of Justice press release, 22 December 1998 <http://www.usdoj.gov/opa/pr/1998/December/605usa.htm>
- 37 BAT exposé: special report *The Guardian*, 3 February 2000 <http://www.guardian.co.uk/bat/article/0,,191288,00.html>
- 38 Public Accounts Committee, Mar 2003 <http://www.parliament.uk/business/committees/committees-archive/committee-of-public-accounts/pac100103-pn3/>
- 39 Joossens L, Raw M. Turning off the Tap. *Cancer Research UK*, 2003
- 40 Basham P. Canada's Ruinous Display Ban. *Institute of Economic Affairs Discussion Paper 29*, 2010
- 41 Lilico A. The impacts of restrictions on the display of tobacco products: A supplemental report. *Europe Economics*, October 2009
- 42 A response by Cancer Research UK to: Canada's ruinous tobacco display ban: economic and public health lessons by Patrick Basham, IEA http://info.cancerresearchuk.org/prod_contrib_wcm/groups/cr_common/@nre/@pol/documents/generalcontent/cr_048792.pdf
- 43 <http://conservativehome.blogs.com/platform/2011/03/philip-davies-mp-the-tobacco-display-ban-is-gesture-politics-of-the-worst-kind-and-a-triumph-for-the.html>
- 44 Data from CTUMS (Canadian Tobacco Use Monitoring Survey)
- 45 Hammond D. Presentation can be viewed (with audio) at:<http://davidhammond.ca/downloads/Backup/Hammond%20Talk/>
- 46 Jonsson, SH. Letter to Tobacco Retailers' Association, Dec. 2008
- 47 McNeill, A. et al. Evaluation of the removal of point of sale tobacco promotional displays in Ireland. *Tobacco Control* 2010 doi:10.1136/tc.201.038141
- 48 A smokefree future. A comprehensive tobacco control strategy for England. HM Government, 2010
- 49 West, R. Impact of the 'smoking ban' on smoking prevalence in England. Feb. 2010 <http://www.smokinginengland.info/>
- 50 World Bank. Public Health at a Glance. *Tobacco Control*. 2003 www.worldbank.org/tobacco
- 51 Ferguson J, Bauld L, Chesterman J and Judge K. The English smoking treatment services: one year outcomes. *Addiction* 2005; 100(S2): 59-69
- 52 Callum C, Boyle S, Sandford A. Estimating the cost of smoking to the NHS in England and the impact of declining prevalence. *Health Economics Policy & Law*. 2010 doi:10.1017/S1744133110000241; Nash, R. and Featherstone, H. Cough up: Balancing tobacco income and costs in society. London, Policy Exchange, 2010.
- 53 Joossens, L. The use of pseudo-economics. Presentation, Bath 2010
- 54 Imperial Tobacco AGM, 2011
- 55 Excise duty on tobacco products (Table EX18). Revenue Ireland, 2009

TOBACCONOMICS

How big tobacco uses dodgy data to “throw sand in the gears” of global health policy



ash.
action on smoking and health

Action on Smoking and Health,
First Floor, 144-145 Shoreditch High Street, London E1 6JE
Telephone : 020 7739 5902
email : enquiries@ash.org.uk
www.ash.org.uk

Action on Smoking and Health is a company limited by guarantee. Registered Charity No. 262067.
Registered in England No. 998971. Registered address as above.