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## EUROPE

### **Europe: EC Abandons Plan To Ban Sales Promotions**

The European Commission (EC) abandoned plans for a ban on all EU-wide cross-border sales promotions of tobacco products due to concerns of lawsuits from manufacturers and national governments. Legal experts in Brussels said that such a ban is covered by the EU's proposed ban on advertising and argued that having two sets of regulations on the same subject would lead to confusion. A wide-ranging regulations on EU-wide sales promotions were to be published October 2<sup>nd</sup>. The withdrawn portion pertaining to tobacco products was a part of the regulation. The regulations aim to help companies manage EU-wide sales promotions (Financial Times 10/1).

### **UK: Gallaher Announces AT Offer Results**

UK's Gallaher Group Plc said October 2<sup>nd</sup> that it now holds 21.56 million shares in Austria Tabak, representing 98.18% of its total issued share capital. Gallaher said the offer by its wholly owned subsidiary Gallaher Austria (GA) for the remaining 12.95 million shares in Austria Tabak that GA does not own closed September 27, 2001. According to Austrian acquisition regulations, the offer period must be extended by 10 trading days and will now end on October 16, 2001. The offer is not open to investors in Australia, Japan and Canada (Business Wire 10/2).

### **UK: Sturgeon To Use Member's Bill To Ban Tobacco Advertisements**

Nicola Sturgeon, the Scottish National Party's shadow health minister, said October 1<sup>st</sup> that she would use a member's bill in the Scottish Parliament to ban tobacco advertising in Scotland in the absence of national legislation from the UK government. Claiming she has backing from various anti-tobacco groups, Sturgeon said she would launch the formal parliamentary process by sending her bill to presiding

officer Sir David Steel. Scottish Health Minister Susan Deacon said that she had not ruled out a Scotland-only ban, but was more in favor of a nationwide legislation (Glasgow Herald 10/2).

### **UK: NRT For Underage Smokers**

In a project supported by the Cancer Research Campaign and the Imperial Cancer Research Fund, underage smokers as young as 12 will receive nicotine patches to investigate whether nicotine replacement therapy (NRT) could help youth smoking cessation. Medical licensing laws do not recommend the use of NRT for those below the age of 16. However, a recent government White Paper acknowledged that there was no reason why underage smokers should not use NRT products. Experts plan to make patches available to young smokers in Nottingham and chart their progress. If successful, the new program would be extended across the UK to try to reduce the number of alleged smoking related deaths (Daily Mail 10/3).

### **UK: Measures To Reduce Smoking In Schools**

In line with official recommendations that all schools be designated as "non-smoking," Wrexham's education authorities are planning tough measures to reduce smoking rates, especially among teachers. About 90 schools are to be surveyed to check whether the schools have smoking rooms, whether non-smokers are opposed to environmental tobacco smoke (ETS), whether school administrators have adopted the county council's recommended smoking ban policy, and if disciplinary actions have been used to enforce compliance. Later this week, members of the council's corporate issues scrutiny committee will be informed of possible control measures, which could include spot-checks of premises, reminders to chief officers, disciplinary action against persistent offenders, and group sessions to aid cessation among smoking staff (Liverpool Daily Post 10/2).

will be higher than the 2000 subsidies for all tobacco varieties and their size will be fixed by the government on the Agriculture Minister's proposal. However, he declined to give any specific figures (BTA News Agency 9/28).

#### **Finland: ETS Linked To Asthma, Says Study**

A study conducted by the Finnish Institute of Occupational Health in Helsinki and presented September 25<sup>th</sup> in Berlin, Germany at the European Congress on Lung Disease and Respiratory Medicine indicated that workplace ETS exposure reportedly doubles a non-smoker's risk of developing asthma. The study also found that nonsmokers exposed to ETS at homes, in addition to workplaces, increase their risk of developing asthma by five-fold (Toronto Global & Mail 9/26).

#### **Germany: Hughes Network To Partner With Media Mundi**

Hughes Network Systems Europe, a provider of broadband satellite services based in Italy, announced September 26<sup>th</sup> that it will partner with Media Mundi, a German media company, to deliver point-of-purchase ads in tobacco and lotto kiosks across Germany (PR Newswire 9/26).

#### **Germany: Reemtsma IPO Planned**

Alexandra Grabner, a spokeswoman for German beverage group Tchibo Holding, said October 2<sup>nd</sup> that its cigarette unit Reemtsma is preparing for an IPO, though adding that no specific date has been set and she could not comment on how much may be for sale. The *Financial Times* reported October 2<sup>nd</sup> that Tchibo is considering offering 25% of Reemtsma shares valued at 7 billion euros (US\$ 6.41 bn), citing a March report by Dresdner Kleinwort Wasserstein Research. It is also rumored that Tchibo is in negotiations with Japan Tobacco International about a possible Reemtsma sale. Tchibo holds 75.1% of Reemtsma, with the remaining 24.9% owned by the Reemtsma family (Financial Times 10/2, Reuters 10/2).

#### **Italy: ETI Privatization Plan To Be Announced Soon**

Unidentified Ente Tabacchi Italiani sources told *Reuters* that details of its privatization are expected to be announced within the next few days. According to analysts, ETI, which was formed through the amalgamation of dozens of small companies, has too

many factories to make it an attractive manufacturer. ETI has 20 factories in Italy alone, compared with

the company demonstrates its "commitment to increasing shareholder value and developing the capital market in Bangladesh" (Independent 9/28).

#### **Hong Kong: Customs Seize Cigarettes Worth HK\$7.6 Million**

A spokesperson for the Customs and Excise Department said that 5.4 million contraband cigarettes worth HK\$ 7.6 million (US\$ 974,500) were seized September 26<sup>th</sup> from a container yard in Lok Ma Chau, following surveillance this month by the department's Anti-Illicit Cigarette Task Force on an alleged smuggling and distribution syndicate. The 31-year-old driver was arrested and later released on bail. The department spokesperson indicated that the special task force has so far confiscated more than 262 million illegal cigarettes. Penalties for conviction under the Dutiable Commodities Ordinance could be a sentence of up to two years in prison or a fine of up to HK\$ 1 million (US\$ 128,200) (Hong Kong iMail 9/27).

#### **Hong Kong: Restaurateurs March Streets**

Over 4,000 restaurateurs, catering outlets and their employees marched the streets in Hong Kong October 2<sup>nd</sup> to protest the government's proposal to ban smoking in restaurants, saying such a move would kill their businesses and cause layoffs. The government's proposal also would ban smoking in offices, schools and bars. The Health and Welfare Bureau said it is studying the potential economic impact of the proposal before submitting it to the legislature. The government added that the ban, which is aimed at protecting nonsmokers from the alleged health risks of environmental tobacco smoke (ETS), would be gradually extended to other public places such as nightclubs, bathhouses and mahjong parlors.

The proposal was already under criticism by Peter Tam Chung-ho, executive director of the Tobacco Institute, who said that it would deprive smokers of their rights. He stated that it was important to balance public health with the rights of smokers in public places, adding that individual restaurant owners should be allowed to decide whether to permit smoking in restaurants (Hong Kong iMail 9/28, AP 10/2).

#### **Indonesia: Investors Ask JSX To Revoke Cancellation Of Sampoerna Transaction**

An investor group filed a petition with the Jakarta Stock Exchange (JSX) giving it two days to revoke its decision canceling stock transactions of PT HM

### **UK: Publisher To Promote Anti-Smoking Campaign**

UK publisher Sold Out pledged to promote the government's new anti-smoking campaign 'Smoke Screen' using 400,000 of its £4.99 (US\$ 7.36) titles. Information and competition leaflets and logos will appear in boxes of all Sold Out titles released nationwide during September and October 2001 (Console Domain 10/2).

### **UK: Smoking Banned At Shopping Complexes**

Smoking was banned in the shopping complex in Cleveland Centre in Middlesbrough, UK, starting October 1<sup>st</sup>, making it the second establishment to restrict smoking after the Hill Street Centre that became smoke-free after 70% shoppers voted for the ban. Cleveland Centre business owners also held a poll amid concerns over a number of workers from neighboring offices and shops visiting the center just to smoke (Teesside Evening Gazette 10/1).

### **UK: Health Department Releases EU Directive Plans**

The UK Department of Health released October 1<sup>st</sup> details regarding implementation of the *European Directive 2001/37/EC* relating to nicotine, 'tar' and carbon monoxide limits of 1mg, 10mg and 10mg respectively for cigarettes manufactured in the EU. The new limits will be incorporated as of January 1, 2004 for cigarettes marketed within the EU. For cigarettes made for export to countries outside the EU, the new limits will apply as of January 1, 2005 at the earliest and January 1, 2007 at the latest. The government welcomed introduction of new limits, stating that it would improve the workings of the internal market, prevent illegal re-importation of exported products that do not meet EC standards and enhance public health protection. The directive also eliminates the use of "misleading descriptors" such as 'lights' and 'low tar' and requires larger health warnings and content information on packs (PR Newswire 10/1).

### **UK: Smokers To Light Up In Bus Shelters**

In Scotland, Telecom Services Centre (TSC) offices in Rothesay, Glasgow, Livingston, Falkirk and Dunoon have banned smoking on all their premises, allowing smoking only in outdoor bus shelters not visible to customers. A spokesperson of the anti-smoking group Action for Smoking on Health (ASH) said TSC was being fair to its employees, as companies are not legally obliged to create facilities

for smokers. However, another group Freedom to Enjoy Smoking Tobacco (Forest) on September 29<sup>th</sup> called the TCS decision to ban smokers on their premises as "inhuman" (Glasgow Sunday Mail 9/30).

### **UK: Boost For Tobacco Ad Ban Proposal**

Steps to ban tobacco advertising in Holyrood, Scotland received a major push September 29<sup>th</sup> from the UK government, as Scottish Secretary Helen Lidell said that Holyrood could bring into effect an advertising ban ahead of the rest of the UK (Daily Record 9/30).

### **UK: Smoking On Virgin Trains To Be Banned**

Beginning September 30<sup>th</sup>, smoking on Virgin Trains will be banned and passengers will be asked to put out their cigarettes by the train staff. There are no plans yet for fines or other penalties. Jim Rowe, spokesperson for Virgin Trains, said the decision was taken as staff found that passengers were not using smoking cars, while non-smokers who could not find seating in non-smoking seats were preferring to stand in the corridors rather than sit in the smoking areas (Coventry Evening Telegraph 9/28).

### **UK: Contraband Cigarettes Offered As Prizes At Fair**

In an anti-smuggling operation in southern England called Operation Cherry, Customs officials seized over 1,000 cigarettes at Barnstaple Fair, from sideshows where cigarettes were being offered as prizes. Over a four-day period, eighteen teams of Customs investigators visited 251 locations including residential and commercial premises, and confiscated over 58,000 cigarettes and 83 kgs of RYO tobacco in addition to seven vehicles used for storing or transporting the contraband (North Devon Journal 9/27).

### **UK: Five Sentenced To Jail For Involvement In Smuggling**

Two groups of cigarette smugglers were sentenced to jail terms, fines, and community service in the UK for their alleged involvement in smuggling more than 16 million cigarettes worth £3.5 million (US\$ 5.16 mn) into the country. Police involved in the "Operation Gold Eye" investigation arrested eight people in a raid in Wigan. Investigations revealed that the contraband was brought into the country by sea and air between June and August 1999 (Manchester Evening News 9/26).

brands with a current annual output of over 1 million packs for the next five years to help them compete with foreign brands (Oriental Tobacco Newspaper 9/28).

### **China: Imperial Chief's Advice To Tobacco Industry**

In a recent interview with *TobaccoChina Online* in Beijing, China, Imperial Tobacco group president Gareth Davis recommended China's tobacco industry to focus on popular brands and consolidate the marketing network. The interview came ahead of the 100<sup>th</sup> anniversary of the incorporation of the Imperial Tobacco group October 3<sup>rd</sup>. Davis said that in addition to consolidating businesses in Britain and markets in West Europe, Imperial will continue expanding global operations in emerging markets, including those in China. Offering suggestions and drawing from Imperial experience, Davis told the Chinese tobacco industry to concentrate on the core brand families and eliminate the minor ones. Brand focus would lead to lower costs, higher efficiency, improved quality, resulting in greater shares and increased profits, Davis said (TobaccoChina 9/30).

### **Azerbaijan: European Tobacco Baku Accused Of Concealing Production Figures**

In a complaint filed with Azerbaijan President Heydar Aliyev, shareholders and employees of European Tobacco Baku claimed that the company is concealing actual cigarette production figures and depriving them of dividends. The company, according to shareholders, produces 20 million cigarettes daily, or billion cigarettes per year. However, the company's report presents only half that number. Sahil Mammadov of the Tax Ministry said the shareholders could not receive dividends due to unprofitable production in 2000, wherein losses amounted to over 4.7 billion mantas (US\$ 1.02 mn). Shareholders have reported other suspected violations by the company such as Labor Code infringement, unlicensed production and misuse of excise stamps. European Tobacco Baku has denied the allegations, saying that the auditors were inspecting the account statements for 2000 (BBC Monitoring Service 9/26).

### **Bangladesh: BAT To Offer Bonus Share**

The Board of Directors of BAT Bangladesh announced at a September 27<sup>th</sup> meeting that the company intends to issue one bonus share for every two ordinary shares, subject to regulatory and

shareholders' approval. Mujibul Huq, chairperson of BAT Bangladesh, said by offering the bonus share,

### **UK: Bradford Reports Successful Cessation Program**

The Bradford Department of Health is encouraging smokers to join Bradford District Stop Smoking (BRASS) courses, which helped nearly 4,000 smokers quit in just one year. One-half of the 4,000 smokers did not pick up the habit even one month after their quitting date. Andrea Campbell, a smoking cessation advisor, explained that support offered and the opportunities given to participants to share their experiences, contributed largely to the group's success. The group is also going to launch the country's first "Stopping Bus," which will travel around offering free advice on smoking cessation (UK Newsquest Regional Press 9/27).

### **Ireland: Official Warns Of Restaurant Staff's Health**

Warning that improper ventilation in Irish pubs and bars forms a serious health issue, Maurice Mulcahy, chairperson of a tobacco-control group at Ireland's Environmental Health Officers Association, proposed a smoking ban in restaurants to protect the health of staff and patrons. Health officials had spent 18 months visiting bars across the country and found that carbon monoxide levels in the joints were supposedly 10 times higher than those found on busy roads (Mirror 9/27).

### **Romania: Youth Anti-Smoking Program Moves Into Third Year**

In Romania, an education program on the issue of underage smoking called "The Decision is mine," launched in 1999 by the Foundation for Pluralism and funded by cigarette makers Philip Morris and British American Tobacco and implemented in 16 schools, is now in its third year. In 2001, over 6,500 students aged 13-15 from Ploiesti, Bucharest and Ilfov will participate in the second stage of program that addresses youth smoking issues. The Health, Youth and Education Ministries along with the Presidency of Romania are actively involved in the program that will now be offered at a national level (Daily Bulletin -Romania 10/1).

### **Russia: Budget Increases Tobacco Excise Tax**

In 2002, the Russian government plans to increase the tobacco excise tax by 12%, which will most likely cause cigarette prices to increase. The Russian Federal budget would additionally generate an additional RUR 2-5 billion (US\$ 68- 170 mn) from the new excise rate (Izvestiya 10/1).

### **Russia: Moscow Tries To Reduce Ads**

The Moscow, Russia City Hall reviewed September 25<sup>th</sup> draft legislation aimed at reducing the number of billboards in the downtown area by 20% and regulating the sizes and prices for the remaining ones. Mayor Yury Luzhkov wants lawmakers to find ways to attract advertisers other than alcoholic beverage and cigarette companies (Moscow Times 9/26).

### **Russia: Cigarette Production Estimates**

Russia's Grandtabak association said that the country's 2001 cigarette production is expected to reach 360 billion pieces, up 5.5% from 2000 due to increased foreign investment in the country's cigarette industry and decreased imports. Cigarette imports have decreased to 12 billion pieces in 2000 from 21 billion in 1999. It is estimated that 10 billion pieces will be imported in 2001 (RusData DiaLine-BizEkon News 9/26).

### **Russia: New Director At Rothmans-Nevo**

Valery Pozdnyakov was appointed General Director of the St. Petersburg-based tobacco factory Rothmans-Nevo, owned by BAT, replacing Luis Ribeiro. Valery Pozdnyakov previously worked as a Production Manager for BAT-Java. Luis Ribeiro will become the Managing Director of BAT Mozambique (Produkt On-line 9/26).

### **Bulgaria: US\$ 600 Mn Expected From Privatizations**

Bulgarian economy minister Nikolai Vassilev estimated that the sale of the Bulgarian Telecommunications Company and Bulgartabac Holding would bring in at least US\$ 600 million in proceeds. The country's privatization agency is expected to sign a contract next week with Creditanstalt Investment Bank, the previous consultant for the Bulgartabac Holding deal. Vassilev was not certain whether the company would be sold in its entirety or in parts, but said that he expects a quick deal (BTA News Agency 10/2).

### **Bulgaria: Subsidy For Broad-Leaf Tobacco Producers**

Bulgaria's Agriculture Minister Ahmed Dikme said September 28<sup>th</sup> that for the first time since it was set up in 1993, the Tobacco Fund garnered enough resources in just 45 days to pay subsidies to producers of broad-leaf tobacco before the end of the year instead of next year, which had been the usual practice. The minister added that this year, subsidies

three that Philip Morris has in Europe. It is not clear whether ETI will sell the group as a whole or in parts. In addition to the cigarette business, ETI also has the Sigaro Toscano cigar operations, interests in cigarette papers and salt, and rights to manufacture and distribute Philip Morris's products in Italy until 2005. Morgan Stanley's Martin Steinik said that since not all potential bidders are interested in buying the whole group, ETI may split up and sell in parts (Reuters 10/2).

#### **Italy: Prosecutor Wants Philip Morris Charged**

Italian State prosecutor Sandro Raimondi urged an unidentified judge to prosecute Philip Morris for allegedly evading 1.2 billion euros (US\$ 1.09 bn) in taxes, *la Repubblica* newspaper reported without naming sources. Raimondi said that between 1990 and 1996, Philip Morris did not pay the full tax rate of 37%, according to the newspaper. In January 2001, Italian newspapers including Milan daily *Il Giornale* had reported that Philip Morris owed the Italian government 1.2 billion euros (US\$ 1.09 bn) in unpaid taxes (Bloomberg News 9/29).

#### **Spain: Smoking Trends Vary By Class And Gender, Reveals Study**

In an assessment of smoking trends among Spanish men and women by social class between 1987 and 1997, an analysis of the National Health Interview Surveys revealed that smoking among men aged 25 and older, in both the manual and non-manual class, decreased during the period, with the relative magnitude of decrease higher in the non-manual social class. Among women, the prevalence of smoking increased in both social classes. While the cessation rate among men belonging to all classes was higher in all age groups, women aged 25 to 44 in the non-manual class showed a greater interest to quitting smoking (Preventive Medicine 9/26).

#### **Spain: Cigarette Prices To Increase**

Prices of Philip Morris' brands in Spain rose by Pta 15 (US\$ 0.08) per pack effective today: *Chesterfield* increased to Pta 340 (US\$ 1.80), *Marlboro* to Pta 400 (US\$ 2.19), and *L&M* to Pta 310 (US\$ 1.69) per pack. Altadis has also raised prices of some of its brands by between Pta 5 (US\$ 0.027) and Pta 25 (US\$ 0.13) per pack. *Vegafina Corona* prices are up by Pta 25 to Pta 375 (US\$ 2.05), while *Coronita* increased to Pta 325 (US\$ 1.77). *Farias Corona* prices are up Pta 5 (US\$ 0.027) to Pta 175 (US\$ 0.95) per pack (El Pais 9/30).

#### **Yugoslavia: Witness Offers Help To Expose Balkan Tobacco Mafia**

Srecko Kestner, former partner of controversial Serbian businessman Stanko Subotic 'Canc,' told the latest issue of the Zagreb newsmagazine *Nacional* that he was willing to help the Montenegrin Parliamentary Commission uncover the Balkan tobacco mafia. Kestner said that he had no intentions of giving the Montenegrin Interior Ministry (MUP) more evidence on his previous charge accusing Montenegro President Milo Djukanovic of involvement in tobacco-smuggling in Yugoslavia. Kestner said that the MUP was under Djukanovic's full control (FoNet Daily Briefs 9/27).

Sampoerna on the immediate board on September 24, 2001. In a press briefing, Faisal Tajuddin, of Faisal and Panggabean Law Firm, appointed by the investor groups, cited capital market law, which says that a stock transaction can be cancelled only if both buyers and sellers agree. He claimed that the cancellation amounted to abuse of power by the exchange's board of directors. He also calculated that Sampoerna's shares last traded on the stock exchange at 14,600 rupiah (US\$ 1.50) per share, noting that one potential investor's loss touched about 14 billion rupiah (US\$ 1.39 mn) (AFX News 10/1).

#### **Indonesia: Gudang Garam Raises Workers' Minimum Wage**

Mochammad Hasjim, spokesperson for Indonesian kretek maker PT Gudang Garam, said October 2<sup>nd</sup> that effective October 1<sup>st</sup> the company raised its minimum wage by 16% from 388,500 rupiah (US\$ 40) to 450,000 rupiah (US\$ 45) a month. The increase follows negotiations that were prompted by workers threatening to strike if the minimum wage did not increase. The spokesperson did not disclose additional information except that a substantial percentage of Gudang Garam's estimated 40,000 workers are on the minimum wage (Reuters 10/2).

#### **Indonesia: Cigarette Price Hike Plan May Be Withdrawn**

On September 28<sup>th</sup>, Permana Agung, the Indonesian finance ministry's director-general in charge of customs and excise, said that the government may cancel its plan to increase the minimum cigarette retail prices in November 2001, a move that could ease concerns over high tax burdens on cigarette manufacturers. He told *Reuters* that the planned hike might be unnecessary given the government's plan to end its role in fixing minimum retail prices for cigarettes by early 2002. Agung said the cigarette manufacturers should be given more time to adjust to the new scheme. Agung did not elaborate on the plans (Reuters 9/28).

#### **Japan: Retailers Yet To Remove Vending Machines**

The Mayor of Fakuara, Japan noted October 1<sup>st</sup> that only four of 36 cigarette vending machines were removed following an April, 2001 ordinance banning the machines in an attempt to curtail cigarette sales to teens. Expressing concern over the non-compliance, Mayor Takayoshi Hirasawa said he will ask stores to

remove vending machines that sold cigarettes, alcohol and illicit literature. Retailers, however,

## ASIA AND OCEANIA

### India: Lower Clove Production Continue To Raise Prices

Reduced production among major clove producing countries such as Indonesia, Sri Lanka, Zanzibar and Madagascar has pushed up their prices substantially in both the domestic as well as international markets. The situation in Indonesia, once the world's largest clove producer, has changed dramatically, with the country turning into a net importer of cloves to meet the growing demand of the cigarette industry. This has affected prices in the international markets as cloves are an important ingredient in kreteks. Prices of cloves in the Indian market have risen more than 100% within a year and are likely to increase further if the current trend continues in the global markets (Economic Times – India 10/1).

### India: ITC Shares Drop To 16-Month Low

Shares in India's largest cigarette company ITC Ltd. dropped to its lowest value in 16 months on investors' concern over how a planned merger with its subsidiary, ITC Bhadrachalam Paperboards Ltd, would impact profits. ITC's shares fell as much as Rs 22.85 (US\$ 0.47), or 3.82%, to Rs 575 (US\$ 12), the lowest since May 15, 2000, on the Mumbai stock exchange. The company's shares plummeted 23.6% since September 5<sup>th</sup> when the company announced plans to acquire the remaining 38.5% equity of the paper unit. ITC reported a return capital of 27% for the year ended March 31, 2001, in comparison to ITC Bhadrachalam Paperboard's 9.83% (Bloomberg News 9/28).

### China: More Chinese Women Smoking

Zhang Yifang, the vice-president of the Chinese Association on Smoking and Health, said that the smoking rate among Chinese women has reached about 7% and is expected to continue rising as a result of stress, trends set by women worldwide and the alleged "glorification" of smoking in the media. A 1996 national survey revealed that 4.19% of Chinese women, or around 20 million, smoked. The figure for female smoking worldwide was 12% according to the World Health Organization stood at

12%. The national survey also revealed that 6.6% of the women aged 50 and above were smokers. Among women in their 60s and older, 11.4% were smokers. Wang Chen, vice-president of the Beijing Institute of Respiratory Medicine at Chaoyang Hospital, expressed concern over the rising smoking rate among teen girls. Although Chinese women said they were aware of the alleged health effects of smoking, they believed that moderate smoking would not be extremely harmful. Women in northeastern China smoked the most, followed by north, southwest and the northwest. Rates were lower among women in eastern and southern China, with the exception of Guangdong (Straits Times 10/1).

### China: Nanjing Factory Increases Cigarette Production

Nanjing Cigarette Factory in China's Jiangsu Province produced about 327,870 cases from January to August 2001, marking an increase of 35.9% or 86,607.8 cases compared to 241,264.8 cases produced during the same period in 2000. In the first eight-months of 2001, the factory earned 2.18312 billion yuan (US\$ 264.08 mn) in sales income and generated 861.54 million yuan (US\$ 104.21 mn) in consumption tax, an increase of 305.61 million yuan (US\$ 36.96 mn) over the same period in 2000 (Jinling Tobacco 9/28).

### China: Symposium On Cigarette Brand Names

At China's first symposium on Strategic Development of China's Cigarette Brand Names held in Liuyang city in Hunan province, participants discussed various means to develop and evaluate cigarette brand names as well as quality control, pricing and marketing tactics in order to become more competitive with foreign brands. Participants noted that many of the present Chinese brands were weak, small-scale, decentralized and disorganized. The participants evaluated brand names such as *Mount Hongta*, *Zhonghua*, *Baisha* and *Great Red Eagle* and urged producers to develop famous brand names that could lead to improved market shares. The STMA plans to support marketing of several

believe that the ordinance would hurt business. No decision has been taken as yet on penalizing stores that fail to comply with the ordinance (Mainichi Daily News 10/1).

#### **Japan: Gene-Modified Tobacco Developed**

An agriculture research group at Kinki University in western Japan announced at a press conference October 2<sup>nd</sup> that they have developed transgenic tobacco plants that have increased photosynthesis efficiency and can grow 1.5 times as tall as wild plants. The transgenic plants also had a higher photosynthetic carbon dioxide fixation capacity compared to wild tobacco. Lead researcher Shigeru Shigeoka said the new technology could potentially be applied to crops such as rice or potatoes as well as to trees such as the eucalyptus. In addition, these transgenic plants could help ease global warming and help provide food to the world's growing population, according to researchers. The research results were published in the October edition of UK magazine *Nature Biotechnology* (Jiji Press 10/2).

#### **Malaysia: PM To Sponsor Art Awards**

Philip Morris is organizing the Malaysia Art Awards 2001 to be held November 8th at the National Art Gallery, followed by the biennial Asean Art Awards in Bali, Indonesia, in May 2002. National competitions will be held in seven other ASEAN countries and the winners in each country will take part in the competition in Bali. The top five entries selected at the Malaysia Art Awards will receive a cash prize of RM 15,000 (US\$ 4,000), a trophy and an all-expense paid trip to the biennial regional finals in Bali (New Straits Times 9/25).

#### **New Zealand: *Smoke-Free Environments Act* 1990 Could Be Amended**

The New Zealand Health Select Committee is considering a bill to amend the Smoke-Free Environments Act 1990 by strengthening smoking restrictions in order to "protect" non-smokers at workplaces, schools and in enclosed public areas; the proposed penalties for violations include a fine not exceeding NZ\$ 4,000 (US\$ 1,600) for a corporate body and NZ\$ 400 (US\$ 160) for an individual. The amendment would ban smoking in any common area unless the public has no access to that area and all employees give written consent to allow smoking there. In addition, smoking would be banned in staff rooms unless the workplace has two or more of those

rooms. If enacted, the workplace restrictions would become effective July 1, 2002. On school and pre-

to increased sales volume, which rose by 5.9 billion pieces to 15.7 billion pieces during 1H01 from 9.6 billion pieces in 1H00. The PTC spent Rs 239 million (US\$ 3.73 mn) on marketing activities in 1H01, an amount that is 72% more than what was spent in 1H00 (Business Recorder 9/27).

people in 2000, up 10.6% from 110.4 in 1990, with lung cancer being the cause of the highest number of

#### **Pakistan: Bail Petitions Rejected For Counterfeit Packaging Printers**

A Lahore Additional District and Sessions Judge rejected bail petitions of 11 printers involved in printing counterfeit packaging of British and American cigarette brands including those for *Gold Leaf*, *555*, *Dunhill*, *Embassy* and *Benson & Hedges*. The police recovered millions of rupees worth of counterfeit packaging material in the case filed under 66-B of the Copyright Act (Business Recorder-Pakistan 10/3).

#### **Pakistan: CBR Announces Revised Cigarette Excise Tax Rates**

The Central Board of Revenue announced October 1<sup>st</sup> a change in the central excise tax rates on cigarettes. If the retail price on a 10-piece pack of cigarettes does not exceed Rs 4.48 (US\$ 0.06), the excise tax would be Rs 1.91 (US\$ 0.02). If the retail price is between Rs 4.48 (US\$ 0.06) and Rs 10 (US\$ 0.15), then the excise tax would be imposed at the rate of Rs 1.98 (US\$ 0.03) per 10 pieces plus 69% per incremental rupee or part thereof. Further, the excise tax would be charged at 63% of the retail price on a 10-piece pack of cigarettes costing more than Rs 10 (US\$ 0.15) (BTA News Agency 10/2).

#### **Pakistan: Child Labor In Tobacco Farming**

*Dawn*, an English daily, reported that a survey revealed Pakistani children constitute over 60% of tobacco farm labor, engaged in jobs such as sowing and harvesting for an income as low as Rs 35 (US\$ 0.54) a day per person. The 12-18 year old workers perform tough jobs under exposure to purported occupational hazards. Tobacco is one of the country's popular cash crops, with much of the total irrigated land used to grow tobacco in many areas and 80,000 farmers engaged in tobacco production and marketing (Dawn - Pakistan 9/29).

#### **South Korea: Cancer Rate Rising**

South Korea's National Statistical Office said September 25<sup>th</sup> that the number of citizens dying of cancer has increased to 122.1 out of every 100,000

school premises, teachers would be allowed to smoke only in segregated rooms provided with a ventilation system that takes the smoke to an area outside the school premises and where students cannot see inside. If enacted, this school amendment would be effective August 1, 2002. Smoking would be banned on licensed premises such as restaurants, bars and casinos unless separate ventilated rooms are provided. Licensed premises established after December 31, 2001 would have an effective date of January 1, 2002 and those established before January 1, 2002 would have an effective date of January 1, 2007. The amendments would also restrict the use of automatic vending machines and advertising strategies for retailers. The proposed penalties for violation of these amendments would be a fine not exceeding NZ\$ 4,000 (US\$ 1,600) for a corporate body, and NZ\$ 400 (US\$ 160) for an individual (Waikato Times 9/26).

#### **New Zealand: Doctors Cautioned About Prescribing *Zyban***

The New Zealand Ministry of Health advised medical practitioners that due to its alleged side effects, *Zyban* should only be prescribed as a second-line smoking-cessation treatment, after other treatments such as nicotine replacement therapy have proved unsuccessful. Since introduction of *Zyban* in July 2000, the country's Centre of Adverse Reactions recorded 218 cases of adverse effects to the drug such as allergic reactions, depression, insomnia, anxiety and headache. Dr. Stewart Jessamine, senior medical adviser Ministry of Health, said that despite adverse reactions to the drug, similar to those reported in United Kingdom and Australia, the Ministry was satisfied that the benefits outweighed the risks. Dr. Ian Griffiths, New Zealand medical director of Glaxo SmithKline, producer of *Zyban*, said "the company had no objection to caution" (Independent Newspaper Ltd 9/28).

#### **Pakistan: 100% Rise In PTC Profits**

Chairman and Chief Executive of Pakistan Tobacco Company (PTC) Gottfried Thoma announced that during 1H01, the group's post-tax EPS was Rs.0.51 (US\$ 0.008) compared to a loss of Rs 3.07 (US\$ 0.048) during the same period 2000. Profit after taxes for 1H01 were 129.4 million (US\$ 2.02 mn) compared to a loss of Rs 97.95 million (US\$ 1.53 mn) in 1H00. The profit and loss account for 1H01 showed a 100% rise in operating profit to Rs 251

million (US\$ 3.92 mn), compared to Rs 125 million (US\$ 1.95 mn) in 1H00. The increase was attributed

exposure, while one in 40 are hospitalized from alleged ETS related infections (AAP Information Service 10/2).

sporting grounds and may post warning signs requesting adults to avoid smoking. The Council

#### **Australia: Casino Staff Wear Device To Monitor ETS Exposure**

Croupiers at Crown Casino in Melbourne are wearing devices to monitor the nicotine and carbon monoxide levels in the air around gambling tables, following recommendations by WorkSafe, the health and safety branch of Victoria's WorkCover authority. The air sampling aims to determine the level of alleged risk presented by environmental tobacco smoke (ETS) to employees and is expected to continue until October 23<sup>rd</sup>. That will be when WorkSafe officers, Crown Casino management and union representatives will meet to discuss the results to decide on any further action. Meanwhile, the Liquor Hospitality Miscellaneous Workers Union (LHMU) stepped up its "We're Choking" campaign for a smoking ban in all clubs, bars and gaming areas, while Brian Daley, LHMU Victoria secretary, has urged casino staff to take breath, lung and blood tests and log the results (AAP Information Services 10/1).

#### **Australia: "Air Curtains" To Protect Non-Smokers**

"Anti-smoking air curtains" developed by Melbourne engineers were installed at the blackjack tables at Crown casino to keep cigarette smoke away from non-smokers. Each table is fitted with ducts that blow dual curtains of fresh air between players and croupiers, while fans installed below the playing surface carry exhaled tobacco smoke away from the croupier. Peter Mathieson, one of the engineers that developed the technology, said the Crown's air conditioning system was designed to pick up "microscopic smoke particles" and was created for pollution control, usually unaltered by standard air conditioning systems. Gary O'Neil, spokesperson for Crown, said the new curtains could improve the safety and comfort of the casino customers and employees (Melbourne Age 9/30).

#### **Australia: Council To Put Up Anti-Smoking Signs Near Parks**

Recognizing that it probably does not have the authority to ban smoking, Bankstown Council in Sydney, Australia, approved a resolution to develop "a voluntary, educational pilot program" regarding the issue of outdoor smoking near playgrounds and

deaths. An NSO official said lung cancer topped the list because it is difficult to detect in the early stages. The official added that smoking, worsening air pollution and the aging population also contributed to the rise in lung cancer incidents (Korea Times 9/26).

develop what they believe are preventable respiratory infections from environmental tobacco smoke (ETS)

#### **Thailand: Cigar Promotional Event Raided**

On September 26th, the Thai police raided a promotional event in Bangkok hosted by Sahavara Co, an importer of cigars manufactured by Germany's Dannemann, arresting the event organizer for allegedly violating the country's regulations on tobacco advertising, the *Thai News Agency* reported. According to Dr. Varabhorn Bhumisawasdi, director of the Institute for Tobacco Consumption Control, Nareerat Shinwattankij, managing director of Sahavara, was arrested for non-compliance of the regulations on three counts including giving away samples. Police seized literature distributed by the promoter which advertised the product as "suitable for 'young smokers and ladies' because of their light flavor." Under Thailand's tough anti-smoking laws, there is a ban on tobacco advertising, restrictions on smoking in public places, bans of sales to children and health warnings on cigarette packs (AP 9/26).

#### **Thailand: Health Ministry Plans To Cut Smoking Rate**

To reduce the domestic smoking rate to 22% in five years, the Thailand Health Ministry has set up four sub-committees to assess tobacco control initiatives and plan stricter measures focusing on promoting public health and protecting non-smokers. Public Health Minister Sudarat Keyuraphan said related laws such as the 1992 *Non-Smokers' Health Protection Act* and the 1982 *Tobacco Control Act* may be reviewed to facilitate implementation. The new plan would comply with the 9<sup>th</sup> National Social and Economic Development Plan (2002-2006) that is designed to reduce the smoking rate to 22%, he added (Bangkok Post 10/1).

#### **Australia: Smoking Parents & Risk Of Developing Respiratory Infections**

An analysis by the Sydney Institute of Respiratory Medicine of studies conducted worldwide revealed that children whose parents were smokers, particularly their mothers, reportedly have two to three times a greater risk of developing serious respiratory infections. Professor Norbert Berend of the institute said one in 20 children around the world

**OF NOTE:**

- **Ireland:** The Cancer Research Campaign in the UK is funding a trial project to provide nicotine replacement therapy to teen smokers in Nottingham (Belfast Telegraph 10/1).
- **Israel:** Starting October 1<sup>st</sup>, those caught violating the ban on smoking in public places will be fined NIS 280 (US\$ 64.30) per offense (Jerusalem Post 10/1).
- **Malaysia:** Since three government clinics offering smoking cessation services opened in Negri Sembilan, Kuala Pilah and Tampin, 122 smokers have received services. They hope to open four more clinics in the coming month (Star 10/1).
- **Northern Cyprus, Turkey:** Cigarette prices in Northern Cyprus increased by 25-30% effective September 26<sup>th</sup>, with *Dunhill* now costing 2.15 million Turkish lira (US\$ 1.40) and *Benson & Hedges* and *Silk Cut* and *Rothmans* costing 1.75 million Turkish lira (US\$ 1.14) (Cypriot News Digest 9/27).
- **Sweden:** A study conducted by Dr. Bo Lundback at the National Institute for Working Life in Sweden reported that lung function worsens quicker when smokers quit and then pick up the habit again, compared to when smokers never try to quit (Ananova 10/1).
- **Turkey:** TEKA Cigar Production and Trade Company, a Cuban-Turkish joint venture, started cigar production and aims to produce 10 million cigars a year (Gözlem Weekly Observer 10/1).
- **Uruguay:** BAT said it has filed a US\$ 900,000 suit against Uruguayan authorities, claiming that the company suffered damages due to the country's tax policy for imported cigarettes (El Cronista Comercial 10/2).

### **Argentina: Growers Claim Subsidy**

In the province of Tucuman in northwestern Argentina, the head of the provincial association of tobacco producers urged local legislators to demand the application of a law which determined that 20% of the country's tobacco production subsidy fund (FET) would be managed by a special commission conformed by representatives of the seven tobacco producing provinces in the country. It was highlighted that the law involved the creation of a US\$ 186 million fund, although later it was confirmed that the fiscal revenues corresponding to FET amounted to US\$ 220 million -an additional US\$ 34 million of which 10% would go to the province of Tucuman. Therefore, the central government's decision to overrule the FET law and continue managing the totality of tobacco production subsidies represents a US\$ 3.4 million loss for local producers (La Gaceta 9/26).

### **Brazil: Campaign Linked To Politics**

Brazil's Health Minister Jose Serra has a track record of taking on powerful lobbies, including multinational pharmaceutical companies, over the past several years. However, ahead of the general elections, Serra is locking horns with the country's large lobby, the tobacco industry. According to Mair Neto, spokesman for Souza Cruz, the Brazilian subsidiary of BAT, is following the worldwide trend with regard to stepping up its anti-tobacco campaign. However, some officials say the anti-smoking drive has to do more with politics than with principles, adding the recent campaign is aided by a US\$ 1.5 billion hike in the health ministry's 2001 budget as it is believed that President Fernando Henrique Cardoso wants to boost Serra's chances to become his party's presidential candidate in 2002 (Latin Trade 9/27).

deliberated the issue on September 25<sup>th</sup> and decided to talk to park users about possible restrictions. The council will also ask the Health Ministry to review the impact of passive smoking in open spaces (Daily Telegraph 9/28).

#### **Australia: Consumer Commission To Review Tobacco Industry Practices**

In Australia, Democrat Senator Lyn Allison said consumer watchdog Australian Competition and Consumer Commission will review the country's tobacco industry's conduct under the *Trade Practices Act* and prepare a report by April 30, 2002 (Canberra Times 9/28).

#### **Australia: Low 'Tar' Cigarettes Unsafe, Says Health Specialist**

Since public health specialist Murray Laugesen spoke out against the use of low 'tar,' labels on cigarettes, saying those products are purportedly linked to a slow-acting and different type of cancer called adeno cancer, anti-smoking group Action on Smoking and Health (ASH) has called for a ban on the use of terms such as low 'tar', 'mild' or 'light.' Trish Fraser, director of ASH, said smokers consuming low 'tar' and 'mild' cigarettes as an alternative to cutting down on smoking are not actually smoking a "safe cigarette." If they inhale such cigarettes intensively, they could end up getting as much nicotine as they do from a regular cigarette, she explained (Truth-Auckland 9/28).

#### **Australia: Smoking Ban For Hospitality Industry**

John Thwaites, Health Minister of Victoria, Australia, said October 2<sup>nd</sup> that following the smoking ban in restaurants and cafes introduced July 1<sup>st</sup>, the State government is now considering extending the ban to other hospitality areas such as clubs, pubs and gaming venues. He urged employers to ban smoking at workplaces to keep insurance premiums down and support public health (Herald Sun-Sydney 10/2).

#### **Australia: Government Urged To Fight Smoking In NT**

The Australian Medical Association (AMA) is urging the government to take steps to reduce the smoking rate in the Northern Territory (NT), which the AMA says is the highest in the country. Robyn Cahill, the executive director of the AMA's NT branch, said there is an urgent need for legislation to ban smoking in enclosed public places, adding that NT is the only Australian jurisdiction where cigarettes can be sold per piece. The AMA also appealed to the Federation Coalition and the Australian Labor Party (ALP) to raise the cigarette tax to generate substantial revenue and halt the national smoking rate, while increasing funds for anti-smoking efforts (Australian Broadcasting Corporation 9/30).

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## MIDDLE EAST AND AFRICA

#### **Israel: Health Specialist Speaks On Cessation**

Dr. Karl Fagerström, a smoking cessation specialist and former editor-in-chief of the *Scandinavian Journal of Behavior Therapy*, lectured at an Israeli government-sponsored conference on addictions, on the non-nicotine cessation drug *Zyban* and its reported effectiveness on reducing "nicotine dependence." The Health Ministry has licensed *Zyban* as a prescription drug and Dr. Arnon Tamir, medical director of GlaxoSmithKline-Israel, is recommending that the drug be included by the Health Ministry in its "new basket of health services for 2002" (Jerusalem Post 10/1).

alternative to tobacco. He told the farmers of an uncertain outlook for tobacco, noting BAT's move to

#### **Kenya: Tobacco Farmers Asked To Diversify**

Nyanza, Kenya Provincial Commissioner John Nandasaba encouraged local farmers to diversify their crops by taking up sunflower farming as an

### **Cuba: New Cigar Bar**

Romeo y Julieta, a cigar manufacturer in Cuba, has opened a cigar bar called "Casa del Tabaco" at its manufacturing facility. The company expects to draw many tourists to the new bar, which will offer cigars such as *Cohiba*, *Vegas Robaina*, *Trinidad*, *Partagas* and *Romeo y Julieta* (AIN 9/25).

### **Mexico: Cigarette Prices Increase**

Cigatam, a Philip Morris affiliate in Mexico, increased prices by 8-10% beginning September 27<sup>th</sup>, an unidentified company source told *Reuters*. Cigatam's decision to raise its prices follows BAT affiliate Cigarrera La Moderna's 10% price hike effective September 24<sup>th</sup>. The source also revealed that Cigatam's *Benson & Hedges* was the only brand whose price was not raised (Reuters 9/26).

### **Peru: Industry Opposes 'Tax Increase**

President of the Tobacco Manufacturers Committee of the Peruvian National Industry Society, Jorge Dawson, expressed concern over the announcement of a possible tax increase on cigarettes, which could further debilitate the sector's activities. Dawson said that the main problem of the tobacco sector is the high rate of smuggling, which holds a 35% market share and generates a S 84mn (US\$ 2.4mn) loss per year in tax revenue. Furthermore, the executive said that the government should try to reduce smuggling in order to increase its tax incomes instead of increasing the legal sector's taxes that already represent 100% of the products' value (Expreso - Peru 9/28).

### **Uruguay: Research On Alleged Economic Costs Of Smoking**

During the National Seminar on Tobacco Addiction held in Uruguay, economist Daniel Aran reported on a research related to the economic impact of smoking on the country. According to the report, the country loses around US\$ 96 million a year as a consequence of the estimated 5,500 deaths caused by alleged smoking-related illnesses. Aran explained that governments were not willing to ban smoking because they believed that cigarette market generated a significant sum of money in tax revenue. However, Aran affirmed that the Uruguayan State would not suffer significant losses if anti-smoking measures were implemented. One physician Adriana Blanco presented some items from a report issued by the World Bank (WB), according to which one of the most effective methods to discourage smoking is to

raise the price of cigarettes, generally through a tax increase. The WB suggests that two thirds of the price of a cigarette pack correspond to taxes. The report said that a 10% rise in cigarette prices would reduce demand by 4% in high-income countries and by 8% in mid- and low-income countries. Other measures that usually generate results, according to WB, are the complete prohibition of cigarette advertising and promotion campaigns and strongly-worded health warnings on cigarette packs (El Observador 9/26).

reduce its contracted farmers from more than 22,000 to 12,000 in the Kuria district. According to officials, a feasibility study in the region revealed that sunflowers and tea had potential to do well. BAT agreed to finance the switch to growing sunflower and tea in the district, according to Assistant Minister Shadrack Manga (Nation 9/28).

#### **Algeria: African Nations Meet To Discuss WHO's FCTC**

In preparation for the upcoming meeting on the World Health Organization's proposed *Framework Convention on Tobacco Control* in Geneva, Switzerland in November, African nations are meeting this week to determine the region's position on issues concerning the global treaty. US-based corporate accountability organization Infact said that the coalition of African countries appear strongly committed to checking the spread of the purported "tobacco epidemic" and have taken strong positions

on some of the treaty's provisions. Nigeria's Environmental Rights Action, a member of the Network for Accountability of Tobacco Transnationals, reportedly pledged to provide grassroots support and technical expertise for the talks. Attending the meeting in Algiers, Suren Moodliar, spokesperson for Infact, said, "We expect that African leaders will maintain their tough stance coming out of these talks and will continue to take the lead in stopping the Marlboro Man's global rampage" (PR Newswire 10/2).

#### **Zimbabwe: Tobacco Farmers May Need US\$890 Mn For Production**

The Zimbabwe Tobacco Association estimates that the country's tobacco farmers will need Z\$ 45.5 - 49 billion (US\$ 827.27 - 890.91 mn) to finance this year's leaf production because the production costs have increased from Z\$ 300,000 - 350,000 per hectare last year to more than Z\$ 700,000 this year. Other contributing factors are the weak Zimbabwe dollar and severe foreign currency shortages. Growers plan to plant 65,000 to 70,000 hectares of tobacco this year (Financial Gazette 9/27).

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## WESTERN HEMISPHERE

#### **Canada: Rothmans Inc To Purchase Santa Fe Natural Tobacco Company**

Rothmans Inc, which owns 60% of Rothmans, Benson & Hedges, announced September 27<sup>th</sup> that it entered an agreement to acquire privately held Santa Fe Natural Tobacco Company, maker of *Natural American Spirit* cigarettes, for US\$ 275 million: US\$ 105 million in cash, about 4.24 million in Rothmans shares valued at US\$ 65 million, and US\$ 105 million in bonds to be issued by Santa Fe and be repaid over four years from Santa Fe's operating cash flows. Upon completion of the transaction, Rothmans intends to increase the company's quarterly dividend from C\$ 0.30 (US\$ 0.19) to C\$ 0.375 (US\$ 0.23) per share, or C\$ 1.50 (US\$ 0.95) on an annualized basis. Rothmans CEO Paul Jewer said that the acquisition will diversify the company's revenues and earnings outside Canada while remaining focused on the core tobacco business. The purchase price is subject to adjustment based on Santa Fe's performance through 2005. Rothmans Inc. also announced the recapitalization of Rothman's Benson & Hedges, using C\$ 150 million (US\$ 94.93 mn) in capital and its replacement by a term loan. Rothmans will use C\$ 90 million (US\$ 57.05 mn) of the distribution for financing the acquisition of Santa Fe (Canada Newswire 9/27, Reuters 9/27).

#### **Canada: Anti-Smoking Groups Pledge Support For Global Treaty**

Anti-smoking groups based in Eastern Canada and New England, US expressed their support for the *Framework Convention on Tobacco Control* currently being drafted by World Health Organization (WHO). The treaty would fight tobacco use and try to reduce cigarette smuggling worldwide. It is expected to be finalized in 2003. Over 150 representatives attended the tobacco control conference held in Saint John, New Brunswick last weekend (Canada.com 10/1).

#### **Canada: New Duty Rates On Tobacco Products**

The Canada Customs and Revenue Agency reported that effective October 1<sup>st</sup>, new duty rates apply on previously exempted quantities of tobacco products which Canadian travelers bring back with them. The rates are C\$ 10 (US\$ 6.40) per carton of 200 cigarettes, C\$ 7 (US\$ 4.45) per carton of 200 tobacco sticks, and C\$ 6 (US\$ 3.80) per 200 grams of loose tobacco. The new rates aim to reduce tobacco consumption and to ensure equal tax treatment of Canadian tobacco products (CCN Newswire 10/1).

### **Canada: Anti-Smoking Bylaw To Be Readdressed**

In Alberta, Canada, the Calgary City Council voted October 1<sup>st</sup> on a watered-down version of a proposed anti-smoking bylaw that would ban minors from entering smoking sections in restaurants and other public places, but the issue will have to be readdressed in November because the council could not get the necessary unanimous consent. Ald. Sue Higgins, a smoker who started her 21-year career on the council fighting the anti-smoking lobby, was the only member who voted against the ban. The new city council will vote in November (Calgary Herald 10/2).

### **Canada: Tobacco Companies' Condition To Remove Terms On Packs**

The voluntary date of September 8<sup>th</sup> fixed by Health Canada for cigarette manufacturers to stop using the terms 'light' and 'mild' from cigarette packs has passed with the companies refusing to agree to the demands unless the department offers it an alternative way to inform smokers about the 'tar' content. In May, the companies were given 100 days to remove the terms from the packs on the premise that the wording "mislead smokers into thinking that those cigarettes are healthier," citing research that reported that "smokers who smoke 'light' cigarettes overcompensate by taking longer, deeper puffs." While cigarette firms agreed that they were ready to remove the terms, Imperial Tobacco in a letter to the Health Minister said, "To voluntarily remove these product descriptors without a replacement system... would not achieve your expressed concerns about public health" (Globe & Mail 9/26).

### **Canada: Health Ministers Discuss Improved Healthcare**

Canadian Health Minister Allan Rock announced September 26<sup>th</sup> Federal, provincial and territorial progress on numerous initiatives aimed at improving the country's healthcare system including illness prevention programs and anti-tobacco measures. Rock and several Federal, provincial and territorial health ministers agreed to continue to improve publicly-funded healthcare and cooperate on various health issues (Canada Newswire 9/26).

### **Canada: New Anti-Smoking Campaign**

The Department of Health and Wellness in New Brunswick announced September 27<sup>th</sup> a new anti-tobacco strategy under a partnership between health

and youth groups, including the Canadian Cancer Society. Groups in the partnership will share the funding, decision-making and programs in a move to reduce youth smoking and cut health care costs. John McCann, physician and former president of the New Brunswick Medical Society, said, "if we make a dent in smoking, we can make big dent in the health care of the province" (Canadian Press 9/28).

### **Colombia: New 10-Piece *Marlboro* Pack Introduced**

In an effort to increase its market share in Colombia, Philip Morris recently launched a new *Marlboro* 10-piece flat box pack. The promotional campaign used to launch the new pack is linked to the company's sponsorship of *Formula 1* racing, and aims to repeat the 20% increase in sales registered during 2000 (El Tiempo 9/27).

### **Chile's Adult Smoking Trends**

Out of Chile's population aged 18 and over, an estimated eight million are smokers, of which 50% choose to smoke 'light' cigarettes. However, studies have reportedly shown that smokers that change from regular to 'light' cigarettes end up consuming the same amounts of ETS ingredients because they inhale stronger or smoke more. In Chile, 15% of total deaths are reportedly directly or indirectly related to smoking. Throughout the city of Santiago, the capital of Chile, smoking has increased among the population from 36% in 1971 to 40.9% by 1998. The rise in smoking is mainly attributed to an increase from 26.3% to 35.5% of female smokers during the period. The level of male smokers has been around the same at 47.2% (El Mercurio 9/30).

### **Colombia: PM Sales Up In Face Of Sector Slump**

Philip Morris's sales in Colombia rose by 20% despite an overall decline in the sector of 7% in cigarette sales. According to South American Business Information, the increase can be attributed to successfully addressing the issue of smuggling, launching new products, presentation of the new *Extra-Slims* that should soon account for 15% of *Marlboro* sales, and advertising. Philip Morris' brand *Marlboro* now has a 6% share of the Colombian market. Philip Morris is spending around US\$ 800,000 on advertising the *Extra-Slims* brand (South American Business Information – SABI 9/27).