

Global pact to curb illicit tobacco trade to take effect in September

June 28 2018

The World Health Organization announced Thursday that a "game-changing" global pact to battle the illegal tobacco trade would soon kick into action, after Britain became the 40th country to join.

The UN health body said that with the ratification by Britain and Northern Ireland on Wednesday, "the necessary number of parties to the Protocol to Eliminate Illicit Trade in Tobacco Products has been reached."

That means the treaty, which aims to create an international tracking system with the goal of halting the smuggling and counterfeiting of tobacco, will take effect after 90 days, or on September 25.

"It's a historic day in the fight against tobacco," WHO chief Tedros Adhanom Ghebreyesus said in a Tweet, describing the entry into force of the treaty as "a vital step towards a tobacco-free world."

When the pact was first announced in November, 2012, Tedros's predecessor Margaret Chan described it as "a game-changing treaty".

"This is how we hem in the enemy," she said at the time, addressing a meeting in Seoul of WHO's Framework Convention on Tobacco Control (FCTC), calling the new pact a major step towards "eliminating a very sophisticated criminal activity".

About 10 percent of the global cigarette market is estimated to go



through <u>illicit trade</u>, according to Vera Luiza da Costa e Silva, who heads the FCTC secretariat.

Due to the shadiness implicit in the illicit <u>trade</u>, the scope of the problem is unclear, and WHO could not provide any specific numbers on how much it might be worth.

According to Euromonitor International however, overall cigarette retail values in 2016 were worth \$683.4 billion, so the annual value of illicit cigarette sales alone could conceivably be valued at around a tenth of that, not to mention other tobacco products.

'Big public health problem'

"Illicit trade in tobacco products is a big public health problem," da Costa e Silva told journalists in Geneva, adding that "it also has an impact on countries' revenues."

It is estimated that some \$30 billion a year are lost in tax revenues due to this illicit trade.

A major aim of the new treaty is to prevent the illegal trade in the first place, by obligating parties to for instance use non-removable markings and to coordinate globally to detect illegal tobacco trading.

Agents, suppliers and tobacco manufacturers will all have to be licensed. Manufacturers will have to carry out checks on customers to ensure they are genuine or if they have associations with criminal organisations.

Under the pact, countries will also be obliged to establish "tracking and tracing" systems, at the national, regional and international levels, within five years.



The European Commission's Tobacco Products Directive has bee criticised for allegedly relying on tobacco companies themselves to handle the tracing aspect, sparking questions over whether it might be forced to change track once the new treaty takes effect.

Asked about what role <u>tobacco</u> companies would be permitted to play under the new pact, da Costa e Silva said the final format would only be determined during a first meeting of the members of the treaty, in Geneva from October 8-10.

"There are open questions that we will only be able to handle with the meeting of the parties," she said.

She insisted that the new treaty amounted to "a war against illicit trade."

"The current parties to the protocol will have the instruments ... to implement provisions to exterminate, eliminate the illicit trade of tobacco products."

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