

TFWA ANNOUNCEMENT

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TFWA CLARIFIES POSITION ON TOBACCO NEGOTIATIONS

In view of recent announcements and allegations by the tobacco control body, the Framework Convention Alliance (FCA), TFWA wishes to make its position clear.

In their daily Bulletin of 1st July, in an article entitled *Hiding Behind Front Groups*, the FCA claimed that:

"Big tobacco spreads propaganda that taxation causes smuggling and generic packaging promotes illicit trade, while hiding behind trade associations and front groups to dispute the connection between Duty Free sales and tobacco smuggling. The tobacco industry uses 2 European-based Duty Free trade associations as front to lobby against the FCTC illicit trade protocol and its finding that DF sales of tobacco lead to increased smuggling. Several tobacco transnationals including Philip Morris International, BAT and Imperial Tobacco are members of the Tax Free World Association (TFWA). The TFWA is also on the managing board of the European Travel Retail Council (ETRC). Both trade associations have called upon political leaders and other travel-retail companies to lobby against the FCTC illicit trade protocol."

TFWA's response:

- TFWA is a member of the ETRC as indeed it is of many other regional trade associations around the globe in its efforts to further the interests of the industry. As such TFWA has also fully supported the contention that any claim that duty free sales of tobacco lead to increased smuggling is without foundation, and certainly without sufficient foundation to consider a global ban of all duty free sales of tobacco.
- Tobacco, which is a legal product, accounts for 8.3% of global duty free and travel retail sales and is a sector which, in line with all other products sold in the duty free and travel retail industry, is subject to more rigorous controls than almost any other channel in the world with stringent regulations covering manufacture, packaging, storage, transit and retail sales.
- TFWA also wishes to clarify that it is a non-profit making, apolitical association, which was founded 25 years ago to assist supplier companies to develop their global trade in the duty free and tax free areas of airports, airlines, ferries, cruise lines, border shops and downtown duty free stores. Its primary objective is the organisation of trade shows and related conferences and research programmes for the benefit of its members. It is not per se a political lobby group.

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- The membership of TFWA consists of over 400 suppliers of fragrances & cosmetics, fashion & accessories, wines & spirits, jewellery & watches, confectionery & fine foods, gifts, toys, electronics, tobacco and other products. TFWA is committed to promoting the interests of all of its members in matters relating to the development of the industry.
- TFWA is opposed to any form of illicit trade including smuggling, and would welcome a protocol on illicit trading of tobacco products. TFWA has, as an example, taken a strong view on counterfeit trading as part of the Cannes Declaration of October 2008.

TFWA would also like to point out that it finds the decision regrettable that the negotiating sessions of the WHO INB3, at which the future of duty free tobacco sales was to be decided, were closed to the public with effect from 2nd July after invoking Article 5.3 of the FCTC treaty which restricts the influence of commercial interests of the tobacco industry in policy making on tobacco control.

This ban meant that neither the public, the European Travel Retail Council, which represents the interests of the duty free and travel retail industry in negotiations with governmental organisations, nor any other interested third parties could have any access to the discussions and the conclusion of the talks which took place on Sunday 5th July.

The duty free and travel retail tobacco industry was thus excluded from a debate which may determine its very future.

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For further information please contact

TFWA Press Office – Kate Teagle
www.tfwa.com

Tel: +44 1784 434 666
Email: press@tfwa.com

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