

WHO-EM/TFI/012/E/G
Distribution: General

The tobacco industry's tactics and plans to undermine control efforts in Egypt and North Africa

World Health Organization
Regional Office for the Eastern Mediterranean
Cairo
2003



© World Health Organization 2003

This document is not a formal publication of the World Health Organization (WHO), and all rights are reserved by the Organization. The document may, however, be freely reviewed, abstracted, reproduced or translated, in part or in whole, but not for sale or for use in conjunction with commercial purposes.

The views expressed in documents by named authors are solely the responsibility of those authors.

Document WHO-EM/TFI/012/E/G/07.03/1000

CONTENTS

SUMMARY	I
1. INTRODUCTION	1
2. OVERVIEW OF STATE MONOPOLIES AND TOBACCO CONTROL IN EGYPT AND NORTH AFRICA	1
3. EGYPT	3
3.1 Anti-smoking legislation	3
3.2 Lobbying against a total ban on tobacco advertising.....	5
3.3 Voluntary codes of conduct	8
3.4 Controlling taxation.....	9
4. MOROCCO: LOBBYING THE KING'S ENTOURAGE	10
5. MEDIA RELATIONS	11
6. MANIPULATING SCIENTIFIC MEETINGS.....	12
7. TARGETING YOUTH	13
Annexes	
1. REFERENCES	14

Important Note

In 2002, the Egyptian parliament adopted Law No. 85 of 2002 that amends and complements the tobacco control legislation No. 52 of 1981, banning all kinds of tobacco advertising. This success came after years of unsuccessful attempts to ban totally tobacco advertising. It is hoped that this report will enlighten decision-makers, support their efforts to control tobacco and help them combat tobacco industry attempts to undermine national tobacco control initiatives.

Tobacco Free Initiative/ EMRO acknowledges the efforts of Amira Howeidy in writing and finalizing this report.

SUMMARY

In a market unbound by strict anti-smoking legislation and where the states themselves are mega producers of tobacco and own national tobacco companies (SNTA in Algeria, Eastern Tobacco Company in Egypt, Salento in the Libyan Arab Jamahiriya, RNTA in Morocco and Regie de Tabacs in Tunisia), Egypt and North Africa remains an attractive region for international tobacco companies.

It is therefore not surprising that all international tobacco companies, especially Philip Morris (PM), which, after the national monopolies, enjoys the largest market share in nearly the entire North Africa region, are keen to maintain good relations with these state monopolies. Moreover, these national monopolies are the best allies for international tobacco companies. Ideal as this might seem—given the common goals of both local and international tobacco companies—it constitutes an obstacle for the latter's ambitions for expansion in these countries.

The tobacco industry's tactics and plans to undermine tobacco control efforts in Egypt and North Africa can be seen in the industry's online document archive. They include direct methods such as infiltrating parliament, as in the case of Egypt prior to its passing of the 1981 anti-smoking law, or lobbying the King's entourage, as in the case of Morocco in 1991. They also include indirect measures such as monitoring and attempting to influence any anti-tobacco related event, establishing strong contacts with officials and influential figures, manipulating the media and advertising associations, and conducting regular surveys. These strategies enable the tobacco industry to reach non-smoking segments of society, especially potential smokers such as youth, and to prepare itself for any development that could affect its position in the market. In some cases, the online documents expose pre-emptive measures undertaken by the tobacco industry to guarantee its position in the market. The close monitoring of its business in a market as foreign and alien to Western culture as Egypt and North Africa, clearly reflects the industry's firm knowledge of where it is conducting its business. It is also clear that the industry has no limits when it comes to insuring its position in the market. As is evident from its own documents, the tobacco industry is prepared to go very far indeed to achieve its objectives and protect itself from even the remotest threat.

The picture that emerges from the hundreds of documents researched for this report reveals a very powerful and influential international tobacco industry operating with might in countries where health-related laws are viewed (and in many cases applied) lightly. We see a highly active network of tobacco industry employees and their "friends", who constant in their vigilance in a way that contrasts sharply with the laxity demonstrated by the officials and decision-makers in these countries in the development and application of anti-smoking legislation or in fighting tobacco consumption.

While Egypt remains the only country with ample records in the online tobacco archives, the few documents on Morocco show that even if documents on the rest of the North African countries are either non-existent or well hidden, the strategies of the international tobacco companies in this region remain the same. Although literally hundreds of documents were studied to obtain information on Algeria, Libyan Arab Jamahiriya and Tunisia, this has

proven unsuccessful. However, the limited availability of documents relating to these North African countries in the online archive should not be taken as evidence that the industry is not interested in these markets. The few available documents show that the industry is as interested in the entire region as it is elsewhere. Perhaps it might take serious anti-smoking legislation in these countries for documents to surface.

1. INTRODUCTION

According to the Philip Morris (PM) 5-year plan 1995–1999, the company generated 75% of its volume outside North America in 1997. Of this, 9% was generated from Turkey, the Middle East and Africa, an increase from 1991 when the volume of this region was 6%.¹

However, the market in Egypt and North Africa is not an open one as national tobacco companies continue to monopolize the market. This is why we see in plan after plan goals such as “maintaining good relations with the monopoly”. PM’s 5-year plan 1995–1999 sets the following rather general goal: ‘In EEMA [Eastern Europe, Africa and the Middle East] will be evaluating market entry strategies through acquisitions or joint ventures in . . . Morocco.’ Similarly ‘with the Egyptian monopoly, which potentially maybe privatised, we will consider either joint ventures or other arrangements. We will also evaluate other opportunities in Tunisia.’²

The Libyan Arab Jamahiriya is rarely mentioned in the hundreds of documents searched so far. Algeria, Morocco and Tunisia seem to have a low-key presence, at various levels, in the industry’s documents.

Among North African countries, Egypt occupies the most prominent position on the industry’s agenda, especially for PM. International tobacco companies have been taking serious interest in Egypt since the 1970s open door policy of the late President Sadat when he gave the green light for foreign investment in Egypt. Picking up on the signals, tobacco companies began studying the market by conducting surveys.

The Egyptian market is ‘extremely attractive’, states a 1981 PM market research report, for the following reasons:

- the market is virtually 100% blended;
- consumption is projected to grow at 7% to a level of 51 billion by 1986 (and 73 billion by 1991);
- volume growth will come largely from brands that are already established on the market, namely Marlboro and Merit;
- no local leaf growing and therefore guaranteed quality, taste characteristics and profit margins; and
- there is presently no solidly entrenched international competition that could hinder Philip Morris’ growth potential.³

2. OVERVIEW OF STATE MONOPOLIES AND TOBACCO CONTROL IN EGYPT AND NORTH AFRICA

Algeria

The state monopoly is Société Nationale des Tabacs et Allumettes (SNTA). No information is available.

Egypt

The state monopoly is the Eastern Tobacco Company (ETC). A contradiction exists in the government's attitude to cigarette consumption. Despite the state's efforts to enact strong anti-smoking legislation, the government continues to be a mega-producer of cigarettes through the public sector Eastern Tobacco Company. The company, established in 1920 and nationalized in 1956, has a monopoly on local production and is the largest manufacturer in the Middle East. According to the latest statistics, it manufactures 0.7% of the world's total output of cigarettes. The government also benefits from the sale of cigarettes through revenue from taxes and tariffs.⁴ Full-page newspaper advertisements featuring top state officials and the top management of ETC are occasionally featured in the press, accompanied by the staggering revenue figures of ETC and its role in the Egyptian economy.

Libyan Arab Jamahiriya

The state monopoly is Salento. While there has been marketing freedom since 1983, there are significant legislative restrictions for tobacco advertising, which is prohibited on television, cinema and radio. In the press and posters, only advertising for domestic brands is permitted. There are restrictions on sampling and point of sale (POS) advertising, while sponsorship and events are prohibited, as is the advertising of non-tobacco products under tobacco brand names. There are no noteworthy restrictions on public smoking or smoking on airlines.⁵

Morocco

The state monopoly is Regie Nationales des Tabacs et des Allumettes (RNTA). No information is available.

Tunisia

The state monopoly is Regie de Tabacs. In terms of marketing freedom, there is no requirement for warning labels on cigarette packs or other tobacco products, or on advertising of cigarettes. There are significant legislative restrictions for tobacco advertising, including a prohibition on television and radio, and restrictions in cinema. Tobacco advertising in the press is prohibited, except for the advertising of some sponsored events, and poster and transportation advertising is restricted. There are also restrictions on sponsorship and events. While there are no restrictions on public smoking on airlines, smoking in small taxis is prohibited by the Public Transportation Authority. There are no restrictions on smoking in public premises and areas.⁶

3. EGYPT

3.1 Anti-smoking legislation

The government initiated an anti-smoking campaign in 1977 with the banning of television cigarette advertisements. It was also decided that cigarette packs should carry health warnings and information on tar and nicotine content. A letter dated 10/11/1977 from Ali Ahukayr of the Société Orientale De Publicité (SOP), an advertising company⁸, addressed to Larry Rink at PM, Lausanne, captures much of the mood back then:

For a long time cigarettes advertising was being under strong criticism, especially those on TV (ref. My numerous letters on the subject. Lately this criticism acquired the form of attack from cartoonists and editors who concentrated large spaces of their columns for that purpose. Three days ago, we read that Mr. Bryan Reed, the American Manchester Guardian's editor in chief, specialised in mass communication and member of many "struggle against cancer societies" in the States, is now in Cairo to participate in the Middle East union against cancer, holding a press conference in Cairo. That conference was headed by the president's wife Mrs Jihan El Sadat. At the same time, the ex-minister of education directed a letter through the press to the actual minister of information, urging him to stop cigarettes advertising on radio and TV detailing in his letter the effects such advertising have on youngsters and the harm it causes them to smoke.⁹

As early as 1981, legislation was passed (Law 52 of 1981) banning smoking on public transport.¹⁰

One of the ongoing objectives in PM documents, reiterated again and again, is to "minimize the adverse effects of anti-smoking activity". The strategy outlined in 1981 in the *Egypt 5-year Plan, 1981–1986*¹¹, was to 'carefully monitor all developments on this issue and cooperate with the rest of the industry to determine effective counter action. Public relations activities will be increased.' The strategy is described as follows: '. . . increasing discriminatory duties on imported products . . . we are obliged to consider local activities. The government has told us that this must be through a joint venture, in partnership with one of the State-owned tobacco companies.' It says it will '. . . export brand tailor-made for certain Middle East and African markets, to satisfy demands by the Egyptian authorities. This will not be one of PM's international brands.' PM, it asserts, will be 'aggressive in field activity. . . We will maintain continuous contact and pressure on the government in order to establish the joint venture project. PR activities directed at the government will be strengthened.'

On a different, less official, yet perhaps more effective level, PM promotes tobacco by projecting attractive images addressed to the younger segments in society: '. . . communicating the unique image of freedom, masculinity and adventure symbolized by the cowboy. Activities will be aimed at the target 18–34 years old, with dominance in *youth* [emphasis added] media and sport/leisure interest magazines.'

For those concerned with health issues, PM is prepared with: '. . . emphasis on low tar and nicotine content.' However, it did not seem to be threatened by such concerns as 'Smoking and health is not an issue with the general population and the medical profession does not consider it a priority; it is more a popular concern with local politicians.'

Moreover, since ‘approximately 90% of the media available is owned by the public sector’, the industry assumed that the then draft anti-smoking law (which placed restrictions on advertising) would not be implemented fully as the media requires ‘maximum support in advertising funds to survive and compensate for operating losses.’

But when ‘there were first indications that Egypt might move into the direction of marketing restrictions’ in the first half of 1980, it was agreed in the Middle East Working Group¹⁴ that the industry would ‘carefully monitor developments in Egypt.’ PM’s JM Hartogh tells RW Murray that ‘we established contacts through the Eastern Tobacco Company, with an Egyptian MP, vice-chairman of the Committee of Industrial Development of the Egyptian parliament.’¹⁵

This Member of Parliament (MP) assured them that no draft law related to industry or trade could pass parliament without the advice of his committee. Hassan Soleib, the MP in question, had requested a ‘scientific paper’ on the smoking and health issue for use in his ‘capacity as a member of the People’s Assembly’ to be able to argue in favour of the tobacco industry. In a letter from Rothman’s GW Moore to Hassan Soleib, dated 6 October 1980, Moore attached the requested scientific paper which, he warned ‘reflects my views and not those of my company, nor of the Industry as a whole — as tobacco manufacturers we do not express opinions on smoking and health controversy . . . I would ask you not to disclose my or my Company’s name, as the source of this paper.’

Moore’s letter reflects the measures taken by the industry at that time to deal with the upcoming marketing restrictions. Says Moore: ‘Mr. Scott and I have been meeting with the other international manufacturers who market cigarettes in Egypt and have now agreed a common “Industry view” on the approach we would like to see taken on the proposed restrictions on the marketing of cigarettes.’ They are prepared to go as far as to travel to Cairo to meet with Soleib: ‘We feel that it would be best if we were to meet with you again to go through this document and if you are agreeable, would welcome an invitation to visit you in Cairo.’¹⁶

The ongoing contacts between Soleib and the industry relied on his committee’s role in passing any draft law in parliament. They did not, however, anticipate President Anwar Sadat’s own intervention when the official gazette published the law on 3 September 1980 signed by him on 25 June. The law called for advertising restrictions, allowing advertisements on packs only, and for a health warning label and the printing of constituent yields to be placed on packs.

PM’s representative, none other than business tycoon Mustafa El-Beleidi, who at that time occupied the strategic post of Chairman of the Egyptian Chamber of Commerce, ‘has had contacts with the Ministry of Health and feels confident that we will get a postponement regarding the implementation as far as the disposal of existing stocks and those in transit are concerned until the end of the year.’¹⁷

In order to mobilize the local industry, the same letter suggested that the Middle East Working Group Regional Coordinator, Middle East/Africa, Jack Picton, should go out and try

to see what can be done to 'improve the situation.' On the other hand, it argued, 'it would not be the first time in Egypt that the implementation of a law is postponed for a long time, or only partially implemented.'

A week later, the Middle East Working Group held a meeting in Brussels, at the premises of INFOTAB¹⁸ with the participation of PM, British American Tobacco (BAT), RJ Reynolds (RJR) and Tobacco Exporters International (TEI), an international subsidiary of Rothmans. In each case a field management person was present. Chaired by Picton, the meeting's participants set the objective of responding 'to government initiatives designed to restrict the sale and marketing of cigarettes.'¹⁹

The law was discussed 'point by point' and eventually it was agreed that Picton 'should go to Egypt to approach the Minister of Health (and possibly the Minister of Industry) with a view to get technical discussion regarding the implementation going, and thereby also achieving a delay.'²⁰ (Verbatim transcript of the telex from A Borek to M Winokur).

But of 'immediate concern are two areas', said the telex, '1) the stocks in the market and in the pipeline, 2) advertising after September 25, 1981.' As far as stocks were concerned:

Beleidi has written to the Minister in his capacity as President of the Cairo Chamber of Commerce (on September 12, 1981) asking the Chamber be represented at the Committee charged to formulate the implementation decree and also that the merchants, importers, shopkeepers etc. be given a period of grace of 4 months after issuing the decree.

Beleidi, said the telex, 'was fairly confident that this request would be granted.' Beleidi's confidence may have been well placed. As a November PM memo reveals, the Cairo Chamber of Commerce was indeed represented by a Mr. Chawki Ghanem, a member of the Chamber of Commerce and the Health Committee, who seems to have supplied the industry with information.²¹

3.2 Lobbying against a total ban on tobacco advertising

Whether if felt it coming or not, the industry seems to have prepared itself for an attempt in August 1993 to modify Law 52 of 1981, to ban all forms of advertising and promotion of cigarettes and other tobacco products.

On 19 July 1993, for example, we see the Middle East Tobacco Association (META) issue a model voluntary marketing code of for the United Arab Emirates (UAE), 'which could provide guidelines for a similar code in Egypt' in order to 'improve relations with the UAE authorities.' In all matters relating to advertising and promotions, the tobacco companies resolve:

- a. that cigarettes are a legally traded product;
- b. that smoking is an adult activity;
- c. that adults who choose to smoke are entitled to information on existing and new brands of cigarettes;
- d. that advertising is an important means of communication with consumers and its necessary to maintain fair competition between brands and that advertising is an essential component of a free market economy;

- e. that there should be an awareness of the local and cultural and social traditions to be taken into consideration.²³

The documents searched do not indicate if this voluntary code was ever presented to the Egyptian government, perhaps because, only days later, the industry was informed of a draft bill that was to be presented to the parliament to amend the provisions of Law 52, so as to ban all forms of advertising and promotion for tobacco and tobacco products. PM obtained the minutes of the meeting of the Proposals and Complaints Committee of the People's Assembly (parliament) dated 5 April 1993.

A PM document titled *The threat of a total ban on tobacco advertising in Egypt—strategy guidelines and action plan*²⁴ (15 August 1993) set as objectives the 'defeat of the proposed ad ban' or, 'as a fall-back, to ensure that advertising freedoms ceded are kept to a minimum.' PM outlined its strategy as follows:

1. Determine the expected progress of the bill within the legislative and decision-making processes and identify key influential players within these processes.
2. Identify key allies that could be mobilized against the proposed bill and in defence of advertising freedoms in general.
3. Prepare adapted argumentation tailored to the particular perspectives of the allies who are expected to use them against the bill and in defence of advertising freedoms.
4. Seek to enlarge the cycle of the committee review of the proposed bill and to defeat (or as a minimum favourably amend it) through the intervention of key committee members with whom contact is established via natural allies.
5. Build and mobilize formal and informal coalitions against the proposed bill within natural allies and allied organisations.
6. Prepare broad-based opposition to the bill within the People's Assembly in the likely event that it is put to debate at plenary session.
7. Prepare a tailored media communications campaign on marketing freedoms to be launched as appropriate in support of political and lobbying action undertaken.
8. Identify, and with line management agree on, maximum affordable concession that could be conceded as a last ditch defence.
9. Consider and agree with line management pro-active measures consistent with PM's or the Industry's position that could be volunteered in defence of advertising freedoms.

It then set an action plan from 15–20 August 1993 to implement all the above. Since the draft would pass before two committees in the parliament, PM's action plan asked:

Who are the members of the two mentioned committees, and the Bureau of the latter Committee? Can PM or PM/Industry allies approach and influence them? If the mentioned joint committee approves the proposed bill, what is (are) the next step(s)? Any further committee reviews? Which Committees? Who are their members? How can they be tapped/approached/influenced?

In terms of influencing officials and key decision-makers, the action plan suggested approaching figures such as the Minister of Information:

. . . establish direct or preferably indirect contact with [him] . . . to alert him to the proposed bill and its potential implications on the press should be determined and pursued. The Minister would ultimately be approached by the media individually or collectively and his intervention against the proposed bill will be sought.

The Minister of Industry and the Higher Committee for Privatisation, said the action plan,

. . . should be persuaded to present the case that all marketing freedoms should be safeguarded in the interest of the privatisation process (to enable privatised industries to launch improved or new products) and that the loss of such freedoms would definitely reduce the valuation of such industries including the tobacco industry.

PM realized that even if the entire action plan was carried out in the most efficient manner possible, ‘the risks’ of the proposed advertising ban bill being put to debate at plenary session of the People’s Assembly would remain high:

PM and the Industry should prepare for this likely eventuality by putting in place a broad-based lobbying effort that would secure opposition to the bill sufficient to defeat it. The focus of this effort should be within the Ruling Party (The National Democratic Party).²⁶

We see in this action plan reference, again, to introducing the concept of voluntary self regulation in tobacco advertising as an alternative to anti-smoking legislature ‘and draw on international examples where such agreements are in place and where tobacco consumption and particularly the incidence of smokers among juveniles and youngsters has declined over time (e.g. the UK).’

Letters to the President of the Higher Council of the Press, Ministers of Information, Health, Industry and Privatisation bureau and Eastern Tobacco Company were subsequently sent on 11 August 1993.²⁷ In addition to the issue of advertising tobacco, these letters reflect many of the industry’s arguments refuting “claims” that tobacco consumption causes health problems. Normally, the industry, and here PM, deny any negative effects of tobacco consumption and advertising. It never explains why then it goes out of its way to reach officials as high up as the Ministers of the Economy, Health and others, to convince them that tobacco advertising does not indeed increase consumption.

Here are excerpts from the letter sent to the Minister of Health:

. . . it is our contention that the premise under which supporters of the proposal operate, that advertising bans reduce tobacco consumption, is not supported by the available evidence from the many countries that have employed bans and restrictions for the same purpose.

The justification for the current proposal is contained in the explanatory memorandum attached to the bill. This document quotes the World Health Organisation (WHO) in arguing that cigarette advertising, particularly when it takes on supposedly “enticing and glamorous” forms, is most effective in influencing youth and youngsters which in turn leads to a steady annual increase in the number of new smokers.

Among the other contentions made in Dr [Sherif] Omar’s memorandum is that smoking, in addition to its health effects, is damaging to the national economy, due to financial losses stemming from absenteeism caused by alleged smoking-related health problems, and alleged reduced productivity at the workplace. These alleged financial losses far exceed tax revenues accruing to the government from tobacco sales, according to Dr Omar.

These and other related issues have been the subject of substantial research, most of which contradicts the presumptions behind this legislation.

First it is difficult to make a plausible argument that cigarette advertising in Egypt is glamorous, given that the content of such advertising, as prescribed by Law No. 52 of 1981, is limited to a shot of the pack and a description of its contents and price. Indeed, rather than introduce new legislation, the People's Assembly could successfully address health concerns through better and tighter enforcement of these guidelines by the concerned authorities.

Secondly, the overall contention by advocates of tobacco advertising bans that tobacco advertising increases consumption, and that the absence of such advertising helps reduce consumption has been seriously challenged by a number of international studies. If cigarette advertising constituted a significant factor in determining the incidence of smoking, one would expect to find a greater rate of smoking in those countries without such bans. Yet documentary evidence from such countries as Norway, Sweden and Finland indicates that the opposite is true . . .

The letter then moves on to the advantages of advertising, playing on its 'importance to the economy' and highlighting the industry's ethical position in targeting only 'adults' and not youngsters. It then points to the concept of voluntary self-regulation in tobacco advertising mentioned in its action plan above:

. . . its importance to the economy cannot be overstated. As we have endeavoured to demonstrate, tobacco advertising neither seeks to nor does it encourage youngsters to begin smoking. Indeed, the Industry is firstly committed to the proposition that smoking is an adult choice, and accordingly, it markets its products only to adults.

To that end, the Industry has actively embarked on a program of voluntary self-regulation of its advertising and marketing procedures, with the express goal of restricting our message to adults. Such programmes are currently in place throughout Europe, most notably in the UK, where tobacco consumption, including among juveniles, has declined over time. In fact, health Secretary Virginia Bottomley is on record as opposing advertising bans. The European Community appears to have put its advertising restrictions on hold, and the people of Switzerland resoundingly defeated an advertising ban referendum several months ago. The Industry stands ready to cooperate fully with the concerned authorities, through the implementation of voluntary agreement, in the enforcement of the provisions of Law No. 52 of 1981.

It is with this in mind, Your Excellency, that we have raised the foregoing issues in advance of the People's Assembly's debate regarding this important legislation, in the hope that you will take them into consideration as your esteemed Ministry formulates its position on the proposed law.²⁹

3.3 Voluntary codes of conduct

In its 1994–96 Three Year Plan for the EEMA region, PM is consistent with its lobbying efforts within the business and advertising sectors.

Continue to identify and work with opinion leaders, as well as the International Chamber of Commerce, the International Advertising Association and their local chapters to fight legislative attempts to prevent tobacco products from being consumed by, or marketed to informed adults.

With equal importance the plan refers to other forms of lobbying: ' . . . and to offer viable alternatives through voluntary restraints and common courtesy.'³⁰

Presenting the option of the voluntary code was seen by PM as another way to combat the proposed Egyptian draft bill (presented in 1993 to modify Law 52 of 1981) to ban all forms of tobacco or cigarette advertising. As a last ditch defence, PM's action plan proposed voluntary self-regulation as an 'alternative which has been accepted by the Industry in other markets and which is advocated by the IAA [International Advertising Association].' The tobacco industry, it said, has had long experience with voluntary codes of conduct undertaken unilaterally or self-regulation agreements concluded with government authorities:

This experience can be drawn upon to develop a voluntary code of marketing practices in Egypt that would adequately address the concerns of the initiator of the proposed ad ban bill and possibly other Parliamentarians and offer concessions that would not unreasonably restrict the Industry's marketing freedoms.

It listed the following options for consideration:

- Replace the proposed bill with a bill limiting cigarette sales to over-18s, with a promise of and actual Industry support in the enforcement of the Law with a communications campaign through the trade and the press.
- Launching a "Helping Youth Make the Right Choice" [with regard to tobacco use] campaign, tailored after the Tobacco Institute's campaign in the US undertaken in cooperation with the School of Education.
- Extending the GCC press campaign against the use of cigarette trademarks on children's products to Egypt and pursuing offenders with legal action.³¹

The proposed bill in question presented by Dr Sherif Omar was of course thwarted. No other attempt has been made since then to ban all forms of tobacco advertising in the Egyptian parliament.

3.4 Controlling taxation

PM, according to one of its online documents, was similarly active in resisting an increase in taxes. In May 1991, the general tax system within Egypt (all products) was transformed to an *ad valorem* basis with the introduction of sales tax. This was one of the conditions of the International Monetary Fund (IMF) agreement. Cigarettes and some other "essential items" were exempted and remain on a special basis. Over time, other products lost this exemption, while imports of finished cigarettes were liberalized, subject to a high and protective but *ad valorem* duty. An internal PM memo in May 1991 takes issue with this situation.³²

Egypt is committed to the introduction of a full *ad valorem* system and VAT is due to be implemented in mid 1993. The IMF is pushing to eliminate exceptions to the rule. The privatization process is linked to this fiscal reform and is moving ahead at a greater rate; the authorities are less concerned to subsidize products through the control of specific taxes.

As the memo itself explains, PM at this stage felt it should lobby or push for a continued exemption for cigarettes 'such that the current specific system is maintained.' In this was not possible, said the memo, PM's objective would be 'to obtain a system with elements of *ad valorem* and specific taxes at reasonable levels.' The strategy was outlined as follows:

- Present arguments to the authorities in favour of specific taxes, in particular focusing on the technology transfer, quality, export potential and privatisation consequences of a move to ad valorem, indicating the possible negative impact on overall tax revenue from cigarettes.
- Present cigarettes as an exceptional case, to avoid being categorized with any and all other inefficient locally manufactured products that are lobbying against ad valorem. To lobby independently of any other grouping/industry, because of the special importance of the tobacco industry to overall tax revenues.
- To lobby at all levels of the authorities and at the IMF; to obtain, and maintain the full agreement and collaboration of the monopoly, Eastern (our manufacturing partner) in this.

‘Lobbying’, says the ‘action plan’ section of this document would be carried out by PM alone or with its ally the government monopoly, Eastern Tobacco, at the level of ministries, the tax authorities and even the IMF in Washington:

- Educate Eastern on this issue, options and consequences (ongoing) and obtain their approval and lobbying collaboration (achieved but with reservations). We have their go-ahead to lobby, either together or alone, but Eastern’s position is not guaranteed/transparent.
- Prepare position papers for Eastern and the authorities (done and presentations ongoing with the support of license partner).
- Lobby at level of the Sales Tax Department, MOF (Ministry of Finance) MO Industry, Prime Minister’s Office, Parliamentary Committees.
- Lobby at IMF, at Washington level and locally (if required).

4. MOROCCO: LOBBYING THE KING’S ENTOURAGE

Government relations are an essential and critical component in our strategies to influence key legislation. Though public opinion carried through our communications program will play an important role, we shall develop other channels, both direct and indirect. We shall identify, contact and lobby relevant officials, by example, by participation in important scientific symposiums and by invitation to address forums . . . indirectly, we shall rely upon development of third parties . . .³³

Morocco is considered to be a market with “large volume potential” and business development projects are currently being studied.³⁴

On 29 April 1991, the Moroccan parliament adopted a law making it illegal to smoke in public services, or to advertise tobacco products. After the vote, which was unanimous, public health minister, Tayeb Ban Cheikh, stressed the government’s determination to apply the new law, which was due to come into force six months after its official publication.

However, as in Egypt, the government also has a vested interest in smoking, as the production of cigarettes is a state monopoly (Regie des Tabacs), which had sales of some four billion dirhams (US\$ 500 million) in 1989.

Taking issue with the legislation, an internal PM memo suggested the following as strategy:

- Continue strengthening government relations to secure support.
- Focus on lobbying at the Parliament to secure support from prominent Parliamentarians.
- Resume dialogue with the Advertisers Association.

This was followed by the recommended ‘actions’:

- Keep Tobacco Monopoly updated on the latest developments on tobacco and health issues worldwide.
- *Discreetly maintain lobbying efforts with the King’s entourage* [emphasis added].
- Develop relations at Governor’s level.³⁵

The trail is cut off from there. No available documents indicate how such lobbying progressed.

5. MEDIA RELATIONS

The tobacco industry’s great interest in the media, seen as a mechanism to ensure the industry’s strength, is reflected in dozens of online documents. This includes close monitoring of all that is published in the media about the tobacco industry and tobacco in general, as well the organising of industry sponsored media workshops. In one PM document:

Our media relations program will be strengthened to enable us to track journalists’ views on important issues, and to facilitate our regular contacts with them.

A vital element in our communications strategies will be the increasing role of smokers’ rights groups. On selected issues they have the motivation, credibility and clout that is indispensable. We shall carefully cultivate and assist these groups.³⁶

Vigilance is stressed and applied (as will be shown below): ‘We shall carefully target our opponents. We shall precisely identify, monitor, isolate and contest key individuals and organizations.’ The goals? The same document lists objectives as following: ‘Our goals include . . . a professionally staffed **Africa Working group**; and a more professional **Middle East Tobacco Association** [emphasis in document] that can conduct a higher profile operation.’

A 4 November 1991 PM document refers to direct contact with journalists from Tunisia and high-level executives working in the advertising section of Egypt’s leading newspaper, *Al-Ahram*.³⁸ According to this document, a presentation organized jointly by the Swiss National Manufacturers Association (NMA) and the Association Suisse des Fabriquants de Cigarettes (ASFC), the Swiss national manufacturers association, was given to journalists of Switzerland’s largest publishing house, Ringier. The presentation concentrated:

. . . on commonly encountered misconceptions and their treatment in the press . . . a presentation was given to two Egyptian journalists, Messrs Ahmed Kamel Awad (Deputy General Manager and Senior executive) and Adel Mohamed Afify (General manager Advertising and member of the board) both from AL AHRAM Publishing house, Cairo, and two Tunisian journalists, Messrs. Mondher Bendana (Secretary general of “La Presse de la Tunisie”) and Mohamed Hedi Cheriha (Promotion Director of “Le Temps”).

According to the document, a visit to both the production faculties of Fabriques de Tabac Reunies (FTR) and the laboratories was organized on this occasion.

In addition to such direct communication with representatives of the media, the tobacco industry's close monitoring of tobacco-related material is clearly evident in its own documents. It is highly unlikely that anything that is printed in the media—with even the remotest relation to the tobacco industry—is missed.

In a letter addressed to Mohammed Sadek, chairman of the Egyptian government monopoly ETC, on 14 December 1992, PM's Mark Durst expressed 'concern' about 'certain untrue and outrageous statements' which appeared on 29 November 1992 in *Al-Ahram* newspaper in the column of famous columnist Salah Montasser.³⁹ Mr Montasser accuses United States tobacco companies of adding 'some kind of drug to cigarettes marketed in the Third World that would cause smokers to become addicted to cigarettes' said the letter. After arguing that none of this is true, Durst asks Sadek to 'inform the writer of the article, the Editor-in-Chief of *Al-Ahram* as well as the relevant authorities of the facts above.'

And in another instance, the industry does not hesitate to draw a link between restrictions on marketing tobacco and its impact (in their view) on the media. A clear example of this is provided in a letter PM sent to the Egyptian Ministry of Industry in 1994 as part of its efforts to pre-empt a draft bill that would ban all forms of tobacco advertising.⁴⁰ If the law is passed, warned the letter,

. . . a significant number of Egyptian daily, weekly and monthly Egyptian publications will face bleak futures, and may even be forced to close if they are deprived of such vast revenues. Those that do not survive will face extremely tight budgets. The prospects for the continuation of a vibrant press in Egypt will vanish without substantial government subsidies to compensate for the loss of tobacco advertising revenue.

6. MANIPULATING SCIENTIFIC MEETINGS

Although not that many online documents reveal the industry's manipulation of scientific meetings, one document issued in 1993 is evidence of the tobacco industry's manipulations behind the scene.

On 16 September 16 1993, PM's Charles Lister (apparently in PM's Cairo office) addresses Mark Mansour (PM Corporate Affairs executive, Dubai) on a forthcoming IAQ [indoor air quality] conference in Cairo at the Faculty of Medicine at Ain Shams University:

ETS [environmental tobacco smoke] will undoubtedly come up, but only as one topic among many . . . Unfortunately there is presently no list of papers or speakers . . . We only know with certainty that we will have three or four consultants there. *Their job will be to ask questions, deliver helpful papers, and look for useful contacts.* [Emphasis added]⁴¹

Lister emphasizes that 'this is not our conference to control' however, 'we have friendly relations with some of them . . . all that said, *we still have an opportunity.* We have some friendly speakers there, and they could give interviews, meet regulators etc. *We could, in other words, market their visit.*' (Emphasis added). Asking Mansour if he would like such efforts and how he thinks they should be conducted, Lister argues that 'this has to be done at arm's length.'

7. TARGETING YOUTH

The growth of the industry, as stated in its documents, relies on attracting to smoking the segment of society with most potential—youth. Although this runs contrary to the industry's claims that it is not targeting youth, reference to the importance of luring young people into smoking is palpable. Says one PM market research report:

. . . we will strengthen the image of Marlboro and all activities will be directed towards communicating the unique image of freedom, masculinity and adventure symbolized by the cowboy. Activities will be aimed at the target 18–31 years old, with dominance in youth media and sport/leisure interest magazines.⁴²

This is echoed in the activities of Leo Burnett, PM's Cairo advertising agency, which was requested 'by Client' to do two surveys: 'We intend to pitch for information from the Egyptian youth (18–24 years) what are the opportunities for reaching them better, through activities, gatherings. We believe that you already conducted such surveys and we would like to have a questionnaire format (if available at your end).'⁴³

Annex 1

REFERENCES

¹ PM 5-year plan 1995–1999. PM 2048218154.

² Ibid.

³ PM 2501016264.

⁴ Shrouded in Smoke. *Al-Ahram Weekly*, 24–20 August 2000.

⁵<http://www.tobaccodocuments.org/view.cfm?docid=503880245%20-0247&source=SNAPRJR&ShowImages=yes>.

⁶<http://www.tobaccodocuments.org/view.cfm?docid=503880311%20-0247&source=SNAPRJR&ShowImages=yes>

⁷ Shrouded in Smoke. *Al-Ahram Weekly*, 24–20 August 2000.

⁸ SOP is a member of the Advertising Association of London (AA), the International Advertising Association of New York (IAA) and the Publicity and Advertising Agents' Association of Lebanon (PAAA).

⁹ Subject: Ban on all cigarettes advertising on Egyptian TV and radio. PM 2024949038.

¹⁰ The process of creating a law in Egypt is as follows: a proposal is presented to the (elected) parliament. It is then referred to its Legislative Committee, which studies it and presents it in its legal format. The law is then presented to the parliament, which votes for or against it. If the majority vote for it, it becomes a law once it is published in the official gazette (*Al-Gareeda Al-Rasmeya*). In certain emergency cases, the President may issue laws when the parliament is in recess.

¹¹ Egypt 5-year plan, 1981–1986. PM 2501016260.

¹² Ibid.

¹³ Ibid.

¹⁴ A document from the Brown & Williamson website states the objective of forming the Middle East Working Group (MEWG), established in 1983, as follows: 'to act as a forum for the exchange of information, assessment of issues related to smoking and the development of guidelines for action for member companies operating in the Middle East . . . In the face of increasing anti-smoking activity, MEWG will seek to gain agreement to a common response to requirements for Health Warnings, tar and nicotine disclosure, advertising restrictions etc . . .' MEWG comprises of at least one representative from the following tobacco companies: BAT, TEI, PM, RJR, Reemtsa and Gallaher. MEWG is chaired by the INFOTAB regional coordinator.

¹⁵ Situation in Egypt, 10 September 1981. PM 2501018429.

¹⁶ PM 2501021931.

¹⁷ PM 2501018429.

¹⁸ Founded initially as ICOSI, an exclusive gathering of multinational/international tobacco companies and later renamed INFOTAB when it took its offices in Brussels. Its main purposes are to monitor worldwide tobacco control activities, gather successful industry strategies all over the world and provide the information to member companies.

¹⁹ Middle East Working Group. 17 September 1981. PM 2025048141.

²⁰ PM 2025048147.

²¹ Egypt Law 52. 13 November 1981. PM 2024948994.

²² PM 2501066273.

²³ Ibid.

²⁴ PM 2501066298.

²⁵ Ibid.

²⁶ PM 2501066315.

²⁷ PM 2501066201, 2501066211, 2501066205 and 2501066214.

²⁸ PM 2501066211.

²⁹ Ibid.

³⁰ Regional Corporate Affairs. PM 2500065376.

³¹ PM 2501066315.

³² PM 2501362240.

³³ Philip Morris, EFTA, Eastern Europe, Middle East, Africa Long Range Plan 1990–1992. PM 2501479900.

³⁴ Philip Morris EEMA Region, 3-year 1994–1996. PM 2500065227.

³⁵ Type A priorities for Egypt, North Africa and sub-Saharan Africa. PM 250136224

³⁶ Philip Morris, EFTA, Eastern Europe, Middle East, Africa Long Range Plan 1990–1992. PM 2501479900

³⁷ Ibid.

³⁸ FTR Science and Technology. To S Parrish from HW Gaisch, Subject: Monthly report, Highlights October 1991, scientific briefings, media work. 4 November 1991. PM 2021599140.

³⁹ PM 2501173272.

⁴⁰ PM 2501066214.

⁴¹ PM 2025840642.

⁴² Egypt Area V5-Year Plan, 1981–1986. PM 2501016265.

⁴³ RE: Egypt surveys. 20 January 20 1993. PM 2501242239.