



THE FACTS ABOUT PHILIP MORRIS INTERNATIONAL: COMPANY IS CAUSE OF THE TOBACCO PROBLEM, NOT THE SOLUTION

Philip Morris International – the giant cigarette manufacturer – recently announced the creation of its “Foundation for a Smoke-Free World” to support supposedly “independent” research. This announcement is part of the company’s campaign to portray itself as part of the solution to the global tobacco epidemic, which kills more than 7 million people worldwide each year.

But the facts tell a different story. Far from being part of the solution, Philip Morris International remains a primary cause of this enormous public health problem and the primary obstacle to greater progress in reducing smoking and other tobacco use around the world. Here are the facts:

- Despite its claimed commitment to a smoke-free world, Philip Morris works aggressively to expand the global cigarette market, touting to investors the company’s “robust plans to grow [its] cigarette business.” Philip Morris continues to make most of its revenue from selling cigarettes, the most deadly form of tobacco use, and brags about selling the world’s top cigarette brand, Marlboro.
- Philip Morris spends billions to market cigarettes around the world, often in ways that appeal to kids and often targeting vulnerable low- and middle-income countries.
- Philip Morris works across the globe to defeat and undermine policies proven to reduce smoking and other tobacco use.

Philip Morris Works Aggressively to Expand the Global Cigarette Market

While claiming it wants a smoke-free world, Philip Morris highlights its plans to “grow” its cigarette business, “develop untapped markets” and use cigarette “innovations” to power its “strong growth.” So it’s not surprising that Philip Morris continues to make most of its revenue and profit from selling cigarettes and works relentlessly to expand the global cigarette market. On its website, Philip Morris brags that Marlboro is “the number one global cigarette brand.”

Philip Morris International CEO André Calantzopoulos has made clear that his company isn’t getting out of the cigarette business anytime soon. In an October 2017 interview, Calantzopoulos told [The Wall Street Journal](#) that cigarettes “still represent the bulk of our income.” When asked in the same interview how long before his smoke-free world becomes a reality, he responded, “First, I don’t think it’s 40 years we’re talking about here. It’s much longer.”

At an investor day in September 2016, Calantzopoulos said Philip Morris’ priorities include “to continue leading the combustible product category” and touted “excellent combustible fundamentals,” including improving cigarette industry volume and expansion opportunities.¹

Also at the September 2016 investor day, Philip Morris’ president for the Eastern Europe, Middle East and Africa region summarized “robust plans to grow cigarette business” and “opportunities to develop untapped markets.” With regard to Marlboro, he described efforts to “continue to strengthen the brand” and “innovations delivering strong growth.” In his presentation, he highlighted plans to grow sales of Marlboro and other cigarette brands in low- and middle-income nations across the globe, from Turkey, the United Arab Emirates (UAE) and Saudi Arabia in the Middle East to Algeria, Ivory Coast, Morocco and other countries in Africa.²

According to Euromonitor International, Philip Morris International has increased its cigarette market share in the Middle East and Africa region more than any of its competitors over the last five years, from about 10 percent to 13 percent by retail volume sales.

Philip Morris has also targeted India and its 1.3 billion people as a major growth opportunity, stating in a 2014 internal company document that “India remains a high potential market with huge upside with cigarette market still in infancy,” according to a [July 2017 Reuters report](#).

These documents and statements leave no doubt that Philip Morris International is working to expand the global market for cigarettes, not shrink it.

Philip Morris Aggressively Markets Cigarettes, Often in Ways that Appeal to Kids

Philip Morris spends billions of dollars each year to market cigarettes worldwide, often in ways that appeal to kids and much of its targeting low- and middle-income countries that can least afford the burden of tobacco-related death and disease. The company’s youth-oriented marketing efforts in recent years include:

- **A new global campaign found to target youth:** In 2011, Philip Morris launched a [new global marketing campaign for its best-selling Marlboro cigarettes](#), called “Be Marlboro,” that used themes and images appealing to youth. With the slogan “Don’t be a Maybe. Be Marlboro,” the campaign’s ads featured young people partying, falling in love, playing music and engaging in risky behavior. The campaign expanded to more than 60 countries despite being banned by German authorities for targeting youth.
- **Introducing and marketing new flavored cigarettes that attract kids:** Philip Morris has introduced and promoted new flavored cigarettes in countries across the globe, products which have been banned in the United States precisely because they have been found to attract youth and other new smokers. [Research conducted in five Latin American countries](#) found that flavored cigarettes – including Marlboro and other Philip Morris brands – were observed at over two-thirds of retail locations visited. Examples of Philip Morris brands using menthol and other flavor descriptors include Marlboro Fusion Blast, Marlboro Double Fusion, Chesterfield Fresh Capsule, Marlboro Ice Blast and Marlboro Blue Ice. The introduction of new Marlboro brands that appeal to youth isn’t limited to Latin American. Philip Morris also touts the introduction of brands such as Marlboro Double Ice and Marlboro Touch Slim as “innovations delivering strong growth” in countries such as Turkey and the UAE.
- **Marketing near schools:** In its Code of Conduct, Philip Morris International promises not to market tobacco products to minors. However, recent research conducted in multiple countries has documented that advertising and promotions for Marlboro and other Philip Morris brands were prominently visible around primary (elementary) and secondary schools. This research has been conducted in [several African countries](#), [Indonesia](#) and other low and middle-income countries.
- **Violating India’s tobacco marketing laws:** According to [a July 2017 report by Reuters](#), Philip Morris marketed Marlboro cigarettes by placing colorful ads at kiosks and handing out free cigarettes at parties frequented by young adults, in apparent violation of India’s tobacco control laws.

Across the Globe, Philip Morris Fights Policies to Reduce Smoking and Other Tobacco Use

Far from being a part of the solution, Philip Morris is a primary obstacle to greater progress in reducing tobacco use. Philip Morris has waged and continues to wage an unrelenting campaign to defeat and undermine proven policies to reduce tobacco use called for by the global tobacco control treaty, the World Health Organization Framework Convention on Tobacco Control (WHO FCTC). These policies include higher tobacco taxes, comprehensive smoke-free laws, graphic health warnings and bans on tobacco advertising, promotions and sponsorships.

[An investigative report published by Reuters](#) in July 2017 revealed a massive, secret campaign by Philip Morris to undermine the WHO FCTC, depicting “a company that has focused its vast global resources on bringing to heel the world’s tobacco control treaty.”

In recent years, Philip Morris has also filed numerous legal challenges, both in national and international courts, to strong measures designed to reduce smoking adopted by Australia, Canada, France, Norway, Panama, Uruguay and the United Kingdom. One of the company’s favorite tactics has been to challenge tobacco control laws as violations of international trade and investment agreements. Examples of the company’s legal challenges include:

- Philip Morris challenged Australia’s pioneering law requiring plain cigarette packaging both in Australia’s courts and in an international tribunal as a violation of a bilateral investment treaty between Australia and Hong Kong. The company lost both cases. According to media reports, Philip Morris has also helped finance an ongoing World Trade Organization (WTO) challenge that several countries filed against Australia’s plain packaging law ([Australia has reportedly won the case](#), but the WTO has not officially released its ruling).
- Philip Morris challenged Uruguay’s strong cigarette warning and labeling laws as violations of a bilateral investment treaty between Uruguay and Switzerland. In a landmark ruling, [an arbitration panel of the World Bank ruled for Uruguay](#) and ordered Philip Morris to pay Uruguay’s legal costs.
- In Thailand, Philip Morris’ [ongoing legal challenge](#) temporarily stopped the Ministry of Health from increasing the size of pictorial health warnings on cigarette packs.
- In Colombia, a Philip Morris subsidiary [is suing a local government](#) for protecting kids and vulnerable populations by banning sales of cigarette and other tobacco products around schools and health facilities, among other sales restrictions.

Philip Morris’ claimed commitment to a “smoke-free world” cannot be taken seriously so long as it continues to aggressively market cigarettes, introduce innovative new cigarette brands that attract kid and increase users, and fight proven policies to reduce smoking and save lives around the world. Until Philip Morris ceases these harmful activities, its claims should be seen as yet another public relations stunt aimed at repairing the company’s image and not a serious effort to reduce the death and disease caused by its products.

¹ Opening remarks by André Calantzopoulos, Chief Executive Officer. *Philip Morris International Inc. Investor Day*. Lausanne, September 29, 2016.

² Remarks by Drago Azinovic, President, Eastern Europe, Middle East & Africa Region & PMI Duty Free. *Philip Morris International Inc. Investor Day*. Lausanne, September 29, 2016.