Organization: Tabakprom Association of Tobacco Manufacturers

Scope of activities: Tabakprom Association is a non-commercial organization. Tabakprom’s scope of activities includes:
- defending the rights of its members in state power bodies and state administration bodies, as well as other international organizations and unions;
- protecting the rights and interests of its members in the process of free manufacture, advertising and trade of tobacco products.

Interest in the FCTC process: Tabakprom Association represents the interests of Russian tobacco manufacturers that express high interest in reasonable regulation of tobacco industry in the Russian market.

Source of funding: The organization is financed from the members’ contribution fund.
Tabakprom Association of Tobacco Manufacturers uniting 23 major Russian tobacco factories which manufacture 90% of Russia’s tobacco output would like to take this opportunity to express its point of view on the Framework Convention on Tobacco Control proposed by the World Health Organization.

First of all we would like to give you a short summary of the tobacco industry status in Russia.

In the past several years Russian tobacco industry, unlike other sectors of economy, developed quite rapidly. This is for the most part due to the creation of a favourable taxation regime, which enabled to attract investments into the industry and grow production capacities.

Continuous growth of tobacco production in Russia is mostly ensured by Russian and foreign investments into modernisation of tobacco industry. From the beginning of the 90-s investments into tobacco industry both by Russian and foreign companies amounted to 2.5 million dollars.

The quality of manufactured products has sufficiently improved. The average delivery of tar in tobacco smoke of filter cigarettes reduced to 15 mg/cigarette. Production of cigarettes with tar delivery below 12-10 mg/cigarette has grown for the past several years. Smoking characteristics and quality standards of new Russian brands comply with those of the international brands.

The legislative base regulating tobacco manufacture, import and turnover in Russia was formed in several years and is sufficient enough for exercising state control and defending the consumers rights by means of the current certification system and the sanitary and hygienic norms. The existing in Russia import duty protects local manufacture. The multi-tier specific excise on tobacco products serves a reliable source of government revenues.

World Health Organisation is in preparation for the adoption of the new international Framework Convention to regulate tobacco manufacture and consumption of tobacco products. A number of vital issues which touch upon the interests of every WHO member state, including Russia, emerge in this respect.

We understand public concerns about healthcare problems and we agree that tobacco industry needs reasonable regulation.

In fact, the necessary regulation base in Russia already exists, and it has proved to be efficient. Licensing of import, manufacture and wholesale trade of tobacco products has been introduced. Advertising is restricted to a reasonable extent, tar and nicotine levels in tobacco smoke are continuously declining, share of contraband products in the market is only 5%.

Preparation and adoption of the above mentioned international convention presupposes that certain governments are in fact incapable of own regulation of tobacco manufacture and consumption of tobacco products. It is obvious that this is not the case. Governments of sovereign states have at
their disposal absolute power for regulating tobacco manufacture, import and turnover of tobacco products.

To that effect we express our concern with the WHO initiative, as it touches upon the national interests of Russia and represents a threat for the International Law as a whole.

Adoption of the WHO proposals would result in the emergence of a new international institution for tobacco regulation, where international co-operation and standard-setting procedures already exist. There is no apparent justification for founding an additional layer of international regulation and bureaucracy.

Moreover, separate proposals lead to the conflict with existing international agreements and basic democratic principles, such as freedom of trade and freedom of speech.

For example, WHO proposals on tobacco products flow across borders would become an obstacle to international trade. Existing bilateral and international trade rules and provisions are mainly regulated by the World Trade Organisation and World Customs Organisation. There is no justification for creating new structures which may duplicate activities of these organisations and contradict their principles.

Tabakprom Association appreciates the reasonable policy pursued by Russian Government which ensures high level of public health protection in the country, and is against including into the FCTC draft taxation issues, the ban on duty-free trade of tobacco products, abolishment of subsidies and governmental support for tobacco farmers, requirements for tobacco companies to disclose information on advertising expenditure; introduction of the total ban on smoking in public places, the total global ban on tobacco advertising, marketing, promotion and sponsorship. However, if the RF government will agree with the WHO proposals on launching new programmes to restrict underage smoking and to increase consumer awareness of the smoking related health risks, Tabakprom Association will support these initiatives and will participate in them to ensure that the choice to smoke is the choice of an informed adult.

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