25 August 2000

TOBACCO FREE INITIATIVE
WORLD HEALTH ORGANISATION
20 AVENUE APPIA
1211 GENEVA 27
SWITZERLAND

Dear Sir/ Madam

FRAMEWORK CONVENTION ON TOBACCO CONTROL (FCTC)

i) SUBMITTER

Tobacco RSA of South Africa.

ii) SCOPE OF ACTIVITIES

Tobacco RSA is an administrative industry body which was established by the various role players in the South African tobacco industry to co-ordinate and arrange the local tobacco industry in accordance with free enterprise principals and to the benefit of the industry as a whole.

iii) INTEREST OF TOBACCO RSA IN THE FCTC PROCESS

The proposed Framework Convention on Tobacco Control will have very serious implications for the members of Tobacco RSA and the South African Tobacco producers. Furthermore, it will have a particularly detrimental effect on the economies of the Southern Africa region and mainly those countries in the region whose economies are highly dependent on tobacco. For example Malawi and Zimbabwe.

iv) SOURCE OF FUNDING

Tobacco RSA is funded by its members by means of annual financial contributions.

vi) SOUTH AFRICAN TOBACCO INDUSTRY

The tobacco industry in South Africa is an important component of the total agricultural sector on which the South African economy is still heavily reliant.
As the fifth biggest annual agricultural crop in the country, tobacco growing is one of the most labour intensive industries, and requires more care and personal attention than any other crop.

The result is large-scale job creation and employment, especially in rural areas where thousands of people are directly or indirectly dependent on the industry.

Tobacco is one of the main crops in three of South Africa’s poorest provinces (Northern Province, North West and Mpumalanga.)

The tobacco industry thus contributes to the nation’s economic well-being and helps promote stability through the provision of employment.

In 1999, the industry:

- consisted of 630 farmers who produced 32 million kilograms of leaf tobacco;
- provided employment to more than 46 000 people on farms and 2 480 at tobacco producer organisations;
- contributed more than US $570 million to the national exchequer; and
- benefited other sectors of the economy by more than R250 million.

The total capital investment in the primary sector exceeds US $300 million.

The estimate gross value of packed tobacco for 1999 exceeded US $70 million.

Employment levels in the industry have risen by over 30% (34 000 on farms in 1995) after initial restructuring and subsequent product improvements.

The secondary sector (cigarette manufacturing) produces high quality world class products.

As can be seen from the above, the tobacco industry in South Africa forms an important part of the agricultural sector which in turn constitutes a very important component of the country’s economy.

South Africa and its economy cannot afford to lose thousands of jobs, which would create and even bigger unemployment and poverty problem for the country. After all, the prevention of unemployment in rural tobacco growing areas can only benefit the socio-economic circumstances of our country.

**vii) MOST IMPORTANT CONCERNS OF TOBACCO RSA REGARDING A FRAMEWORK CONVENTION ON TOBACCO CONTROL (FCTC)**

a) The WHO undertook to be transparent and involve all stakeholders in the formulation of the proposed FCTC process.

Will there be adequate and full consultation with all the role players and the tobacco industry?
b) There is still much more work and research to be done before the formulation of any FCTC - specifically research in relation to the following:

- Alternative crops to tobacco and crop diversification which require a feasibility study of switching to alternative crops.
- The availability of technical and financial recourses to assist countries to move away from tobacco production.
- The social and economic implications for all the tobacco growing countries if they have to stop growing tobacco or stop manufacturing tobacco products.
- The development of adequate strategies to deal with the social and economic consequences if tobacco growing is stopped.
- The employment generated by tobacco and tobacco-related activities (for example more than 70% of Malawi’s population depend on tobacco for their livelihood and nearly 2 million people are employed in the industry).
- The implications for the large number of people downstream whose jobs are dependent on the tobacco industry.
- The negative effect the FCTC can have on the initiative to establish a free trade zone in *SADC. (One of the biggest export products from countries like Malawi and Zimbabwe is tobacco. For example the 1999 tobacco crop in Zimbabwe contributed in excess of 38% of the physical trade of the country and represented 30 to 33% of the GDP. South Africa imports more than 10 million kilograms and almost 2 million kilograms of tobacco from Zimbabwe and Malawi respectively.)
- The FCTC presents a serious economic and social threat to the tobacco growing countries in SADC.

*SADC - South African Development Community (Countries are: Botswana, Lesotho, Namibia, Swaziland, Malawi, Mauritius, Mozambique, Tanzania, Zambia and Zimbabwe.)

d) Tobacco RSA urges the WHO to wait for the release of the FAO study on the economic impact of tobacco growing before taking a decision to go ahead and formulate a FCTC.

This study will provide more information on the possible long term impacts on the national economies and social structures of countries and especially those countries who are highly dependent on tobacco growing.
viii) CONCLUSION

Each country has each own unique circumstances and a internationally treaty on tobacco control will therefore have a different effect on the development, economy and social structures of each country.

Tobacco RSA does not object to tobacco control per se. However, it believes that it is not necessary for the WHO to develop an international treaty on tobacco control. Tobacco RSA is convinced that it should be left to the national governments of the various countries to determine their own policies on tobacco control.

JSML VENTER
GENERAL MANAGER
TOBACCO RSA