

Tobacco manufacturer claims a smoke free world but trading figures paint a different picture

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On 25 July, Trends published a long [interview](#) with Frederic De Wilde, CEO of Philip Morris Europe. He labels his company as a good example of a sector in transition. But is this credible? Other newspapers published an [article](#) on 23 June regarding PMI's takeovers and investments in wellness and healthcare, of all things.

Of course, a company like this is going to give their own approach a positive slant. However, at the Belgian Foundation Against Cancer we would like to offer a different perspective.

Mr De Wilde states that 29% of the company's net income already comes from smokeless products, and that by 2025 the tobacco giant aims to derive a billion dollars of its revenue from non-nicotine activities. These figures give a distorted view. The 'Het Nieuwsblad' newspaper reported that PMI's global turnover is around 80 billion dollars, 70% of which is still from the sale of traditional cigarettes. Is this the great turnaround we are supposed to believe in?

In order to gain a more accurate perspective, it's always a good idea to look at [the information passed on to the shareholders](#). Here, we note, PMI states the following: "Traditional tobacco products involving a process of combustion (cigarettes and related products) saw, in the second quarter of 2022, a growth in volume of 2.4% and a growth in net revenue of 4.2% ... We anticipate that the volume trends of combustible tobacco products will continue to be resilient by historical standards."

Therefore, on one hand, the sale of cigarettes remains important to PMI and they are continuing to rely on it. The world of tomorrow is really not going to be the smoke-free one they claim if it's up to them. Certainly not if governments fail to intervene more and implement the measures of the WHO framework convention more quickly. [Too little progress in the war on smoking does not mean the measures will fail, but it does mean that the preventive measures in the framework convention will not be implemented adequately](#). The tobacco industry is one of the causes of this, as it works tirelessly to delay and weaken the tobacco control policy that might create a truly smoke-free world: everywhere, but especially in low and middle-income countries.

On the other hand, PMI derives much more profit from smokeless nicotine products. After all, these are not subject to the same high taxation as cigarettes, while the customer pays the same high price for their heated tobacco products. This means a much greater profit margin for the tobacco giant itself.

According to his [blueprint for wider fiscal reform](#), our Minister of Finance Vincent Van Peteghem intends to bring new variants and alternatives under the excise system alongside traditional tobacco products. We advise him to take into account the recommendations of the Superior Health Council. This means treating heated tobacco fiscally in the same way as cigarettes, and subjecting e-cigarettes to duty at a sufficiently high level to discourage use among non-smokers and young people, yet low enough not to financially discourage smokers from vaping temporarily if they decide to use e-cigarettes for smoking cessation .

These are a few observations on the PMI figures and the (fiscal) measures against tobacco consumption. However, let's not forget that people and their health are behind these figures. In Belgium, two smokers die prematurely due to their smoking every hour. Worldwide, there are 8.67 million deaths a year! As the market leader in this industry, PMI is responsible for a great many of these fatalities. Government leaders would do well to distance themselves from partnerships with tobacco companies.