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Calderon Scraps Agreement with Tobacco Companies

by LADB Staff

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President Felipe Calderon has decided to scrap a pact with Mexican tobacco companies that was originally negotiated by former President Vicente Fox's administration. Under the accord, the government received 1 peso (US\$0.09) from the tobacco companies for each pack of cigarettes sold. The funds from the cigarette sales were to be used for anti-smoking campaigns and treatment of tobacco-related illnesses.

The tobacco companies entered into the agreement on condition that the government would not promote an increase in taxes on tobacco during the life of the agreement. The deal attracted strong criticism from health advocates, who argued that the arrangement gave the tobacco companies control of the government's anti-smoking policies, and the amount of funds donated by the tobacco industry was not sufficient to compensate for the economic costs of smoking (see SourceMex, 2005-11-09).

Opponents of the agreement argue first and foremost that the rules of the Framework Convention on Tobacco Control (FCTC) prohibit tobacco companies, some of which are subsidiaries of multinational firms, from assuming any role in developing policy related to a country's anti-smoking efforts. The FCTC is a program sponsored by the World Health Organization (WHO).

Critics had other problems with the agreement, including the lack of accountability on how the funds from cigarette sales were spent. The Mexico City daily newspaper El Universal reported that the Fox government did not provide records on how 1.2 billion pesos (US\$107 million) of the 3.6 billion pesos (US\$321 million) obtained from the tobacco industry in a two-year period was spent.

Some members of Congress also complained that the agreement hampered their ability to draft legislation. In 2005, the finance committee (Comision de Hacienda) of the Chamber of Deputies attempted to increase a tax on tobacco products, but the measure was defeated when it reached the floor of the lower house (see SourceMex, 2005-11-09).

The Calderon government announced its decision to scrap the agreement with the tobacco companies at a meeting of the 145-member WHO in Bangkok, Thailand, in July of this year. The Mexican delegation was led by Eduardo Jaramillo, director of the Comision Federal de Proteccion de Riesgos Sanitarios (COFEPRIS), who said the cancellation of the pact was "definitive and irrevocable." Jaramillo and other Mexican officials said the agreement was inconsistent with the government's efforts to reduce smoking.

The Mexican delegation expressed its desire to create a more-cohesive health legislation, giving a higher priority to the health of the population over any other interests, said El Universal. The Calderon government was forced to take the action, in part because of international pressure. Mexico had gone to the meeting with little or no progress in the effort to reduce smoking, and last

year had earned the dubious "Dirty Ashtray," presented as part of the FCTC. Some observers also said the agreement may have cost Fox's health secretary Julio Frenk Mora a chance to become the next leader of the WHO in (see SourceMex, 2006-11-15).

A need for more rigorous anti-smoking campaign

A handful of recent government studies confirm the need for the government to impose more rigorous anti-smoking measures. A recent study published by the Consejo Nacional contra las Adicciones (CONADIC) estimates that 53,000 Mexicans die each year from illnesses related to smoking. This is the equivalent of 147 deaths daily and one death every 10 minutes, said CONADIC. Similarly, specialists at the Instituto Mexicano del Seguro Social (IMSS) recently noted an increase in the number of strokes among Mexicans under age 40, many of whom started to smoke in their teenage years.

Roughly 30% of all stroke victims in Mexico are under age 40, compared with 10% only 20 years ago. In some cases, smoking combined with poor eating habits and lack of exercise to cause the strokes, said IMSS cardiology specialist Francisco Javier Leon Hernandez.

At the global level, the WHO estimates that 30% of adults on the planet are smokers, resulting in about 4 million deaths per year. "This is the equivalent of 11,000 deaths related to this malady every day," Maribel Zavala, a columnist for the Mexico City daily business newspaper El Economista said on May 28, three days before the annual commemoration of the WTO's International No Smoking Day.

Zavala cited warnings from ex-WTO director Lee Jong Wook, who projected that the number of smoking-related deaths at the global level could increase to 10 million per year by 2020 if the tobacco industry is allowed to continue its smoking-promotion campaigns. "The consumption of tobacco increases in all places where the tobacco industry is allowed to expand its publicity campaigns," she said, quoting Lee.

Another related concern in Mexico is the problem of secondhand smoke. In May, the Instituto Nacional de Salud Publica (INSP) reported that four of every 10 Mexicans are exposed to secondhand smoke at public places, including government buildings and in the special smoking sections of bars, restaurants, schools, and hospitals. "A very high percentage of Mexicans are exposed to tobacco smoke," said Luz Miriam Reynales, who heads the tobacco-research division at the INSP. "This population would not be exposed if all the norms related to tobacco were followed." [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Aug. 15, reported at 11.19 pesos per US\$1.00]

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