

# Tobacco industry arguments and proposed government actions: tobacco industry correspondence with the Dutch government

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## Background

As part of the National Prevention Agreement, the tobacco control measures of tobacco tax increases, plain (or standardised) packaging and a point-of-sale display ban of tobacco products are all being implemented in The Netherlands in 2020.

We analysed documents of correspondence between the tobacco industry and the Dutch government, available from the public record. We identified the most prominent themes in the argumentation used by the tobacco industry against the three policy measures and their proposed actions to be taken by the government.



## Research Method

All available correspondence dated January 2017 – October 2020 from the tobacco industry and allied parties addressed to the Dutch government were downloaded from the public record titled 'Clarity about contact with the tobacco industry'<sup>1</sup>. This may not cover all correspondence between the tobacco industry and the government in this period, as much correspondence is published online significantly later.

Arguments in opposition to the three measures, as well as actions for government as suggested by the industry were recorded and analysed for theme and frequency.

## Nature of Correspondence

Correspondence relevant to the three policy measures included 24 letters, 11 emails, 5 attached publications and 4 notes from meetings. Correspondence was predominantly received by Ministry of Health, Welfare and Sport and the Ministry of Finance. Other recipients were the customs authority and the Ministries of General Affairs and Interior and Kingdom Relations. Correspondence was sent from tobacco and cigar manufacturers, Dutch trade associations for tobacco manufacturing, retail and trade, the Dutch employer's federation and organisation for entrepreneurs of small and medium-sized enterprises, tobacco retailers and the Dutch petrol station interest group.



<sup>1</sup> Duidelijkheid over contact met de tabaksindustrie [accessed 5 October 2020]  
<https://www.rijksoverheid.nl/onderwerpen/roken/transparant-over-contact-tabaksindustrie>

## Tobacco industry arguments used against policy

### Negative financial consequences for small-to-medium business owners

All three policy measures were argued to threaten the livelihoods of small-to-medium business owners as policies would be costly to implement and sales would fall drastically. This effect was emphasised for border-region shops where it was argued that cross-border purchases would increase, causing losses in revenue.

### Denied utility of policy

Another major argument was that there is no evidence that plain packaging in particular is effective, citing the OECD<sup>2</sup> principles of Better Regulation that measures must first be established to be effective. On the contrary, it was asserted that evidence from Australia suggests the opposite effect. Furthermore, it was argued that there is no budgetary need for further increases in tobacco tax.

### Legal concerns & law enforcement

The industry argued that the policies would result in increased illicit trade and create a precedent for the plain packaging of other legal products. Furthermore, it was argued that plain packaging infringes on intellectual property, citing the then unresolved World Trade Organization dispute.

**“In addition, far-reaching measures such as neutral packaging (brand expropriation) are being introduced, which sets an extremely risky precedent for the general business community and whose effectiveness requires discussion”**  
– VNO-NCW & MKB Nederland

## Tobacco industry & allied groups proposed actions for government

Suggestions from the industry to the government covered 5 main themes:

1. **To further investigate and research policy effects** – this included assessing the effectiveness of the policy in line with OECD principles of Better Regulation and the potential negative effects such as cross-border trade and economic consequences for retailers
2. **To introduce a multi-annual, gradual increase in tobacco tax** – the industry is advocating for limited and frequent increases in tobacco tax, instead of the substantial increases proposed by the government
3. **To make an exception for e-cigarettes, cigars and other smokeless products** – exceptions were called for regarding display bans, advertising bans, plain packaging and smoking bans, in addition there were calls for these products to have different health warnings than cigarettes
4. **To consider other measures instead** – informational campaigns and school programmes were favoured measures as these are “less disruptive to trade”
5. **To delay implementation dates of policy** – it was suggested that the tax increase be moved back so that it came into effect simultaneously with plain packaging and that the display ban for e-cigarettes would also be postponed until 2022

## Conclusions

- The Ministry of Finance and Ministry of Health, Welfare and Sport received the majority of tobacco industry correspondence
- Argumentation against the measures focussed on negative financial consequences, denying the utility of the policies and legal concerns
- Many actions recommended by the tobacco industry have the effect of delaying or weakening policy

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