

# Study finds 'serious flaws' in EU report on illicit tobacco

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(Medical Xpress)—Public health experts from our Department for Health will claim at an event in the European Parliament today (Wednesday 22 January) that there is growing evidence that the tobacco industry is still involved in the illicit cigarette trade and using exaggerated levels of smuggling as an argument to appeal tobacco control policies.

Presenting findings from a new study, Professor Anna Gilmore, Head of our Tobacco Control Research Group and part of the UK Centre for Tobacco and Alcohol Studies, will highlight serious flaws in the accuracy and reliability of Philip Morris International's (PMI) 'Project Star' report on illicit cigarette trade within the EU.

This annual report is compiled by the accountancy firm KPMG, on behalf of the [tobacco](#) giant PMI, as part of a legally binding agreement reached between the company and the EU. In 2000, on the back of overwhelming evidence that smuggling formed part of major tobacco companies' business model, two companies including PMI were taken to court in New York by the European Community. As part of the legal settlement reached, PMI is now required to produce an annual 'Project Star' report.

However, by reviewing the findings presented in 'Project Star' in conjunction with independent data, the authors of the Bath study highlight major concerns. They suggest:

- \* Project Star data tends to overestimate levels of illicit cigarettes in Europe;
- \* There is a lack of transparency surrounding the methodology used and the extent of PMI's control over the report, plus an over-reliance on information supplied by PMI (some of which is highly inaccurate) with little external validation;
- \* Project Star data should not be relied on to measure illicit cigarette levels.

Professor Gilmore explains: "Within a ten-year period, the tobacco industry has turned the issue of cigarette smuggling from a PR disaster in to a PR triumph in which it claims to be both the victim of the illicit tobacco trade and part of the solution. Yet growing evidence suggests that, just as in the past, the major tobacco companies are still involved in the [illicit trade](#) and still over-supplying markets with their products in the knowledge they will leak into the illicit market."

The new study highlights that Project Star shows that a quarter of illicit cigarettes in Europe in 2010 were PMI's own brands, compared to just five per cent being counterfeited PMI brands and 10 per cent comprising leading illicit white brands . Despite this, PMI emphasises the problems of counterfeit and illicit whites, also used as an argument to counter [tobacco control policies](#) such as plain packaging for cigarettes.

More broadly the study raises concerns about the accuracy of [tobacco industry](#) 'empty pack surveys'. These are the main means by which the industry attempts to measure illicit trade in cigarettes, yet, as the paper highlights, these surveys do not directly measure levels of illicit cigarettes but instead measure non-domestic cigarettes. Indeed the paper suggests that there is growing evidence that 'empty pack surveys' are designed to exaggerate levels of illicit cigarettes.

Luk Joossens, Advocacy Officer for the Association of European

Cancer Leagues, added: "Project Star data cannot be used to estimate the illicit cigarette market in the EU because the report was commissioned to meet specific terms of reference which are only known to Philip Morris International and KPMG."

**More information:** To access a copy of the latest study 'Towards a greater understanding of the illicit tobacco trade in Europe: a review of the PMI funded 'Project Star', see [tobaccocontrol.bmj.com/content ... rol-2013-051240.full](https://tobaccocontrol.bmj.com/content/33/1/rol-2013-051240.full).

Provided by University of Bath

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