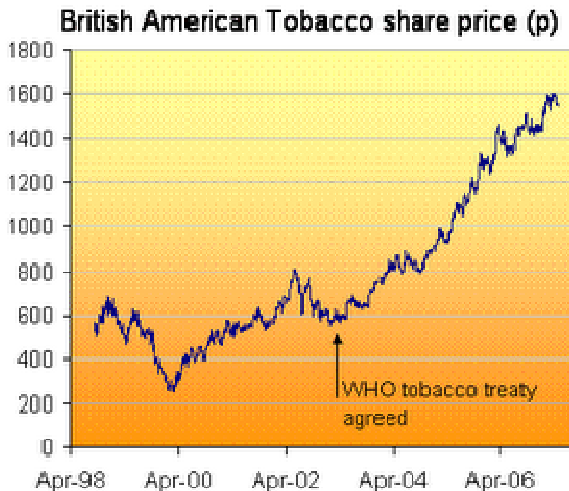


**Sunday, April 29, 2007**

**Mass killing machine making lots of money**



Hopes that Big Tobacco might be in retreat are looking pretty forlorn. I came across [BAT's share price data](#) showing a huge gain over the last seven years, including a sharp and sustained rise following agreement of the [WHO Framework Convention on Tobacco Control](#) (FCTC) - an attempt by [146 governments](#) (so far) to establish a common approach to regulating this industry and pushing a public health agenda. The [FCTC text](#) cover advertising, product labelling, smuggling, smoke-free environments, taxation and so on - much more useful information at the [Framework Convention Alliance](#).

I remember having lunch with an analyst from one of the City of London investment banks in 2000, and asking why he had such a strong 'buy' recommendation on the BAT stock when there was so much litigation and regulation in the air. He replied "*it's in the fundamentals: they sell so much of this stuff, it's really profitable, their customers are addicted, and worldwide the only way the pack price and customer base are heading is upwards*".

The massive increase in BAT's stock price arises from gradual move to a valuation that reflects those fundamentals - the price was heavily discounted before. Investors now believe that the risks of damaging litigation are falling and that the FCTC won't slow the spread of tobacco use in developing countries - especially to women. Smoking kills about 5 million per year (and rising fast) worldwide, there are about 1.3 billion users, also increasing. On current trends about 1 billion will die early from tobacco use in the 21st Century - it is amongst the worst and most avoidable of public health problems.

I still find it incredible that many public health professionals can look at this situation and conclude there is no place for a market-based strategy aiming to switch as many tobacco users as possible from smoking cigarettes to using smokeless tobacco in its many forms (with much lower risk than smoking)... In fact, many in public health are determined to block attempts to make the market for smokeless tobacco products take off. Yet we know this has yielded large public health gains in at least one country, Sweden [[research](#)] and there is a strong case in consumer rights to be able to choose products that are vastly less hazardous, especially when you are addicted. Lynn Kozlowsky [[here](#)] invites us to imagine we were trying to help someone in our own family - would we really try to stop them trying something 100 times less hazardous? There's a compelling body of evidence supporting this strategy [eg. see [International Harm Reduction Association library](#)] and arguments have raged for years without the opponents of this approach ever once making a convincing case, or even any case. The truth is that they

don't like the idea of tobacco companies making money or conceding there is any place for a tobacco product as part of the solution.

But make money they will, and lots of it. I'm all for banning smoking in public places and stopping the advertising etc - that can only help. But one of the big public health questions of the 21st Century is whether Big Tobacco can be manoeuvred into making money by selling smokeless tobacco products instead of cigarettes, which are perhaps around 100 times as hazardous. One danger is that fussy, insular and instinctively authoritarian public health people will continue down the evidence-free path of blocking these developments and insist that for smokers it has to be 'quit or die'. On the other hand, and more positively, tobacco companies may see smokeless products as a way of doing business with less death and disease and persuade regulators that they need some regulatory tweaks to make it work - for example it is still impossible to tell smokers the truth about relative risks, and much public effort goes in to obscuring it. In Europe, the much safer products are banned, while cigarettes are on open sale. It would be a pity if public health people continued to get in the way - that's the real scandal.