



01 February 2021

HON. MARK JULIAN FRANCIS PAWSEY MP

Chair and Registered Contact
All-Party Parliamentary Group for Vaping
House of Commons
London, SW1A 0AA

Dear Mr. Pawsey:

Mabuhay! The Federation of Philippine Industries (FPI) is a non-stock, non-profit organization composed of over 100 manufacturing companies. We serve as the voice of Philippine industries and all stakeholders dependent on the same, including but not limited to: laborers, farmers, retailers, and consumers. In doing so, we are a proud partner of the Philippine Government in promoting and developing globally competitive local industries and local employment.

As advocates for Philippine industries, we are writing to respectfully request the honorable Parliament to ensure that a heterogeneous group of stakeholders is at the decision-making table at the upcoming Framework Convention on Tobacco Control (FCTC) 9th Conference of the Parties (COP9). We believe that fair representation of interests of different constituencies in all stages guarantees that policies are better designed through a broader evidence base, and could do much to inspire public confidence in regulatory protocols and decisions.

We understand that the All-Party Parliamentary Group (APPG) on Vaping Inquiry is set to collect evidence, discuss, and produce a report for the United Kingdom (UK) government regarding FCTC COP9 and the actions to be taken on behalf of the UK. We note that the APPG on Vaping Inquiry aims to evaluate how the proposals at COP9 impacts UK's domestic legislation and the UK government's own "smoke free target" of 2030, to determine what representations the UK will be making at COP9 to lead the issue on smoking cessation and defend its own successful policies thereon, and to offer alternative proposals to the existing positions as recommendations for the UK government to take forward in their discussions.

To provide proper guidance for APPG on Vaping to positively produce these ideal outcomes, FPI, in line with our advocacy, humbly emphasizes the value of inclusion and representation of all the parties-in-interest during the policy planning and analysis stage and the COP9 session itself. These various parties, which include the government itself, must be genuinely and consistently taken into account as they stand to be considerably benefitted or adversely affected by any decision issued during the conference. FPI's observation of the pertinent Philippine setting is instructive on this matter.

Based on the data presented by the National Tobacco Administration, there are almost 2.2 million Filipinos dependent on the tobacco industry: 462,504 in farming; 24,610 in trading; 5,550 in local cigarette manufacturing; 1,682,760 in sales; and 2,415 in government.¹ The Philippines, as a tobacco producing country, generated domestic tobacco leaf amounting to US\$ 81 million (Php 4 billion) and exported tobacco leaf and finished goods valued at US\$ 414 million (Php 20 billion) in 2019.²

¹ Tobacco industry performance published by the National Tobacco Administration, available at [Publications \(da.gov.ph\)](#).

² *Id.*

The Excise Taxes from tobacco in 2020, which principally funds the Universal Health Care Act and the Health Facilities Enhancement Program, among others, was at US\$ 3 billion (Php148 billion).³ This year, the Philippine Bureau of Internal Revenue is targeting to collect US\$ 4 billion (Php177 billion)⁴ in excise taxes on tobacco products and US\$ 4 million (Php200 million)⁵ on electronic cigarettes. According to the DOH, there are already more than 1 million Filipinos who use electronic cigarettes.

Given the substantial and expected contribution of the tobacco and electronic cigarette industries to the domestic economy in terms of excise taxes, trade, agriculture, and employment, FPI is of the position that reasonable regulations that are cognizant and responsive to the existing conditions in the Philippines are essential. This is consistent with the balanced policy of promoting a healthful environment and protecting the citizens from the hazards of tobacco smoke and at the same time ensuring that the interest of tobacco farmers, growers, workers, and other stakeholders are not adversely compromised as mandated in our national law on tobacco regulation (Republic Act No. 9211 or the Tobacco Regulation Act of 2003).

As far as arbitrary or excessive regulations and bans are concerned, it is of great importance that the UK government's preparatory assessments and positions to be submitted to the FCTC take into account the other sectors of society who will be directly impacted by the same. There are other equally significant issues that may not be overlooked in any discussion on tobacco control policy. The impact on government revenue, trade, agriculture, and employment, must also be considered and as such, any proposal on the regulation of these products must not only be science and evidence-based, but they must also be fair, practical, and aligned with the particular conditions and circumstances of the local industry. We respectfully urge the APPG on Vaping and the UK delegation to COP9 to reconsider any proposals that would result in an outright ban or even a *de facto* prohibition via strict regulation of tobacco crops and products and other alternatives to cigarettes.

In order to ensure open and inclusive policy-making and that the interests of your government and other stakeholders are fully recognized during COP9, we trust that the UK government shall send a diverse delegation who are qualified to represent the different sectors who may be impacted by these regulations. For purposes of illustration, we recall that the Philippine delegates to the previous conference - COP8 held in Geneva, Switzerland in 2018 were composed of representatives from the Department of Foreign Affairs, the Permanent Missions to the WTO and UN in Geneva, the Department of Health, the Department of Trade and Industry, the Department of Finance, and the Department of Agriculture (including the National Tobacco Administration).⁶

Indeed, given the range of issues that would be tackled in COP9 and the impact they would have to the economy, employment, and trade, the need for an inclusive UK position through a diverse delegation is ideal.

As former two-time British Prime Minister Benjamin Disraeli aptly put, "... [A]ll power is a trust; that we are accountable for its exercise; that from the people and for the people all springs, and all must exist." With this, we pray that the Government serve the aspirations of its people, and hence view this instance as an opportunity to protect and promote the economic and human rights of both businesses and laborers.

³ Press release by the Department of Finance, available at [BIR, BOC overshoot DBCC revenue targets in 2020 - Department of Finance \(dof.gov.ph\)](https://www.dof.gov.ph/press-releases/2020/01/bir-boc-overshoot-dbcc-revenue-targets-in-2020).

⁴ News report from the BusinessWorld, available at [Sin tax collection target set at P297.8 billion in 2021, DoF says | BusinessWorld \(bworldonline.com\)](https://www.businessworld.com.ph/news/sin-tax-collection-target-set-at-p297.8-billion-in-2021-dof-says).

⁵ *Id.*

⁶ COP8 list of participants, available at https://www.who.int/fctc/cop/sessions/cop8/LOP_Final.pdf?ua=1.

Very truly yours,

FEDERATION OF PHILIPPINE INDUSTRIES

By:

A handwritten signature in black ink, appearing to read 'Rufino M. Margate, Jr.', with a large, stylized flourish at the end.

ATTY. RUFINO M. MARGATE, JR.
Secretary General