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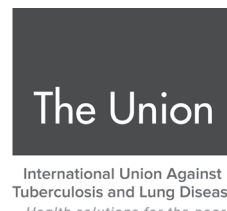
TOXIC DEPENDENCE

How industry shapes
tobacco control policies
to its advantage

SMOKE-FREE LIFE
COALITION
SOFIA, 2022



COALITION
SMOKE FREE LIFE
BULGARIA



International Union Against
Tuberculosis and Lung Disease
Health solutions for the poor

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SUMMARY

Based on analysis of publicly available information, interviews with participants, and other sources, the authors establish and describe a mechanism of conveying messages and interests of tobacco industry to decision makers in Bulgaria, which distorts health policies in its favor. Annually the tobacco industry kills nearly 8 million people world over through chronic non-communicable diseases directly or indirectly caused by the use of its products. Governments' determination to limit and eliminate tobacco use is irreversible since the entry into force of the WHO's Framework Convention on Tobacco Control (FCTC) ratified by Bulgaria in 2005.

To keep profiting, tobacco companies send false and manipulative messages to governments and society. They deny and undermine anti-tobacco measures, challenge their effectiveness, and construct an appealing image of their industry. They oppose increasing excise duties and claim that their smokeless tobacco products reduce the harm of tobacco use. We reveal how these misleading messages reach society, mass media, and especially tobacco control policy decision-makers.

Intermediaries play a key role in the process. These are organizations, companies and individuals who receive funding, grants and donations from the tobacco industry. They formulate recommendations and messages to the industry's convenience, which influence the forming of tobacco control policies, or simply polish the industry's image.

Possible intermediaries include law firms which submit opinions to public hearings that favor the industry. Actors such as the National Patient Organization or Arbilis - a health conference organizer and health journals' publisher - also perform intermediary functions. At least two think tanks funded by the tobacco industry have actively influenced the government to mitigate and prevent tobacco control policies: The Institute for Market Economics and the Center for the Study of Democracy. Other leading scientific and research institutions are also recipients of funding from tobacco companies.

Tobacco giant Philip Morris Bulgaria (PMB) funds a year-long charity program of the BCause Foundation in the tobacco-producing regions of Bulgaria, using its accomplishments to build its positive socially tolerable image - a practice explicitly defined as inadmissible sponsorship by the FCTC Implementation Guidelines for Article 13. 24 Chasa, Trud, and many other media organizations accept the tobacco industry's sponsorship while promoting its interests and messages in their

content. The reputable business newspaper Capital organizes events sponsored by a tobacco company while accommodating its corporate reports and messages on its website.

The ultimate recipients of all these are institutions and individuals who formulate or implement the state's tobacco control policies - including MPs, the ministries of economy and finance, and the Customs Agency among others. Adults, young people, pupils, students, specialists, scientists and experts, as well as doctors and medical professionals, are also affected.

Specific cases used for this analysis include: debates and decisions to refuse or minimize excise duties on heated tobacco products; a recent proposal for the establishment of a National Council for Coordinating the Implementation of the FCTC; insinuations that increasing excise duties should boost illicit trade or that heated tobacco products are safer; as well as grants, projects and corporate social responsibility which "whitewash" the image of the tobacco industry.

Recommendations are made for:

- ✓ clarification and implementation of Article 5.3 of the FCTC to prevent the interference of tobacco companies in the formulation of tobacco control policies;
- ✓ improved interaction between the institutions for the implementation of the FCTC;
- ✓ elimination of tobacco advertising and promotion of the tobacco industry in society;
- ✓ effective limitation of sponsorship by the tobacco industry through grants, charity, corporate social responsibility, etc.;
- ✓ tightening bans on smoking in public places, expanding the scope and control bodies;
- ✓ increasing the excise duty on tobacco and related products, including heated tobacco products; and
- ✓ health education, prevention and creation of a public culture that excludes the use of tobacco.

INTRODUCTION



1964 was a turning point in the state of human health worldwide. In the United States, at the highest state level, an Advisory Committee on Smoking and Health has been formed. Its conclusions about the link between smoking and cancer are clear. For decades, data and knowledge about the relationship between smoking and various diseases have been accumulating around the world. Statistics confirm clinical observations. The public is shocked by the results of research in various countries. Tobacco companies make official statements such as: „We will stop our business tomorrow“ if „we had any thought or knowledge that we were selling a product that was harmful to consumers anyway.“¹ This was stated in March 1954 by George Weissman, Vice President of Philip Morris International (PMI). „If our products are harmful.... we will stop producing them.“²

In 1986, Gerald Long, president of R.J. Reynolds, admitted in an interview that “if I ever see or learn that there is any evidence that strongly confirms that tobacco is somehow dangerous to humans, and if I believe it with all my heart and my soul, then I will get out of this business.”³ Such are the promises.

Today, decades after these memorable events, tobacco companies have not only stopped producing their killer products, but with even greater vigor are looking for and finding ways to improve their image and influence in society.

This report aims to expose their intentions and unmask their frauds. We are working on this in close cooperation with the international health community, which is strictly guided by independent science and follows the recommendations of the World Health Organization (WHO) to keep the tobacco industry away from decisions and policies to reduce smoking.

The study also aims to uncover the interrelationships between the interests of the tobacco industry, the analytical findings of its sponsored institutions, think tanks and other intermediaries, and the resulting implications for government policy on one of the nation’s major health risk factors: smoking.

¹ PROCTOR R. Golden Holocaust. University of CA Press, 2011, p.257.

² Ibid

³ Ibid

About the project

This analytical report was developed under the project “Unmasking Tobacco Industry Tactics and Building Counteraction”, funded by STOP⁴, a global tobacco industry watchdog. STOP is a partnership between the Tobacco Control Research Group, (University of Bath), Global Center for Good Governance in Tobacco Control, The International Union Against Tuberculosis and Lung Disease and Vital Strategies, with financial assistance from the Bloomberg Philanthropies.

To counter the aggression of the tobacco industry, in 2003 the World Health Assembly adopted the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) - as the first international treaty to protect current and future generations from the devastating health, social, environmental and economic consequences of tobacco use and exposure to tobacco smoke. Bulgaria ratified the FCTC by law on November 7, 2005, and it entered into force on February 5, 2006 (promulgated, SG No. 15/2006). To date, the FCTC has been ratified by 182 countries.

The implementation of Article 13 of the FCTC, related to the ban on advertising and promotion of tobacco products and sponsorship by tobacco companies in Bulgaria, is unsatisfactory. Its „Implementation Guidelines“ are also not taken into account. The prohibition on sponsorship covers only cross-border sponsorship, in accordance with EU Directive 2003/33.

According to the FCTC, „tobacco sponsorship“ means contributing to the benefit of any event, activity or individual with the aim, actual or potential, of promoting the use of tobacco, directly or indirectly.⁵

According to the Additional Provisions of the Act on tobacco and related products „Sponsorship“ is any form of public or private contribution to the implementation of an event, activity or aimed at a person whose purpose or direct or indirect result is the promotion of a tobacco product and / or related products.

Sponsorship allows tobacco companies to use corporate social responsibility (CSR), including various grant and charity schemes, to promote their products and image.

For years, the Bulgarian institutions responsible for the implementation of the FCTC have effectively paralyzed any effort to improve health policies. The Ministries of Economy, Finance and Environment, Bulgarian Customs and others routinely oppose the initiatives of the Ministry of Health in this regard, arguing that everything is perfect and no improvements are needed.

⁴ STOP - <https://exposetobacco.org/>

⁵ WHO Framework Convention on Tobacco Control https://www.who.int/fctc/text_download/en/

This project examines how and why the statements of state institutions are too often in harmony with those of the tobacco industry, reproducing the conclusions and formulations of experts, scientists, and think tanks funded by it. This speaks of direct connection and dependence.

It is time for state institutions and the public to be informed about the role of sponsorship by tobacco companies and their lobbyists in making important decisions for the health of the nation. We expect this to help overcome the years-old institutional paralysis in the development and implementation of tobacco control policies in Bulgaria and to lead to a total ban on tobacco advertising, promotion and sponsorship by the tobacco industry.

Goals and objectives of the investigation

The implementation of the project includes conducting research and analysis of the data obtained. The main goal of the study is to highlight the mechanism by which the messages of the tobacco industry become public policy. To this end, we reveal the relationship between the sources of those convenient for the tobacco industry, their main intermediaries and their recipients in government structures. These three objects of study cannot be completely differentiated, of course. There is an overflow and an overlap between them. For example, the media in some cases are recipients of ideas and opinions directly generated by the industry. In other cases, they are intermediaries, helping to influence opinion on health policies among decision-makers.

Our method

To achieve the set goals, we used available scientific literature, mostly from well-established independent sources, to identify the main messages and goals of the tobacco industry, as well as to study its tactics and methods of impact. Using the experience and monitoring of the Smoke Free Life Coalition, we analyzed cases from the last decade in which the messages and goals of the tobacco industry successfully penetrate and influence management decisions and actions of state institutions. This brings us to the key role of intermediaries, who practically translate the interests and messages of the tobacco industry into the policies and opinions of state institutions.

We selected five of these cases and gathered detailed information about them from online sources, as well as through trips to regions where activities or projects funded by tobacco companies are being implemented. We interviewed the beneficiaries of such activities. We have analyzed the data collected in this way, with the task of establishing the mechanism by which the industry achieves such an effective impact on the formation and implementation of policies to reduce smoking in Bulgaria. We share the results in this report.

Ethical and professional considerations

This is not the first time we have studied various social, political and media aspects of the use of tobacco products in Bulgaria. We have implemented all the requirements for protection and security of the participants in this study, trying to inform them clearly what we are doing and for what purposes, and to protect their safety and confidentiality. We based our claims and analysis on the most reliable scientific resources, which we presented thoroughly and transparently.

But the current study presents us with difficult dilemmas. It relies on the wording and requirements of the WHO Framework Convention on Tobacco Control, which has been ratified by Bulgaria and is therefore part of the legislation. But we are aware that there are inconsistencies and gaps in the Bulgarian legal system that allow - and even encourage - circumvention of the requirements of the Convention.

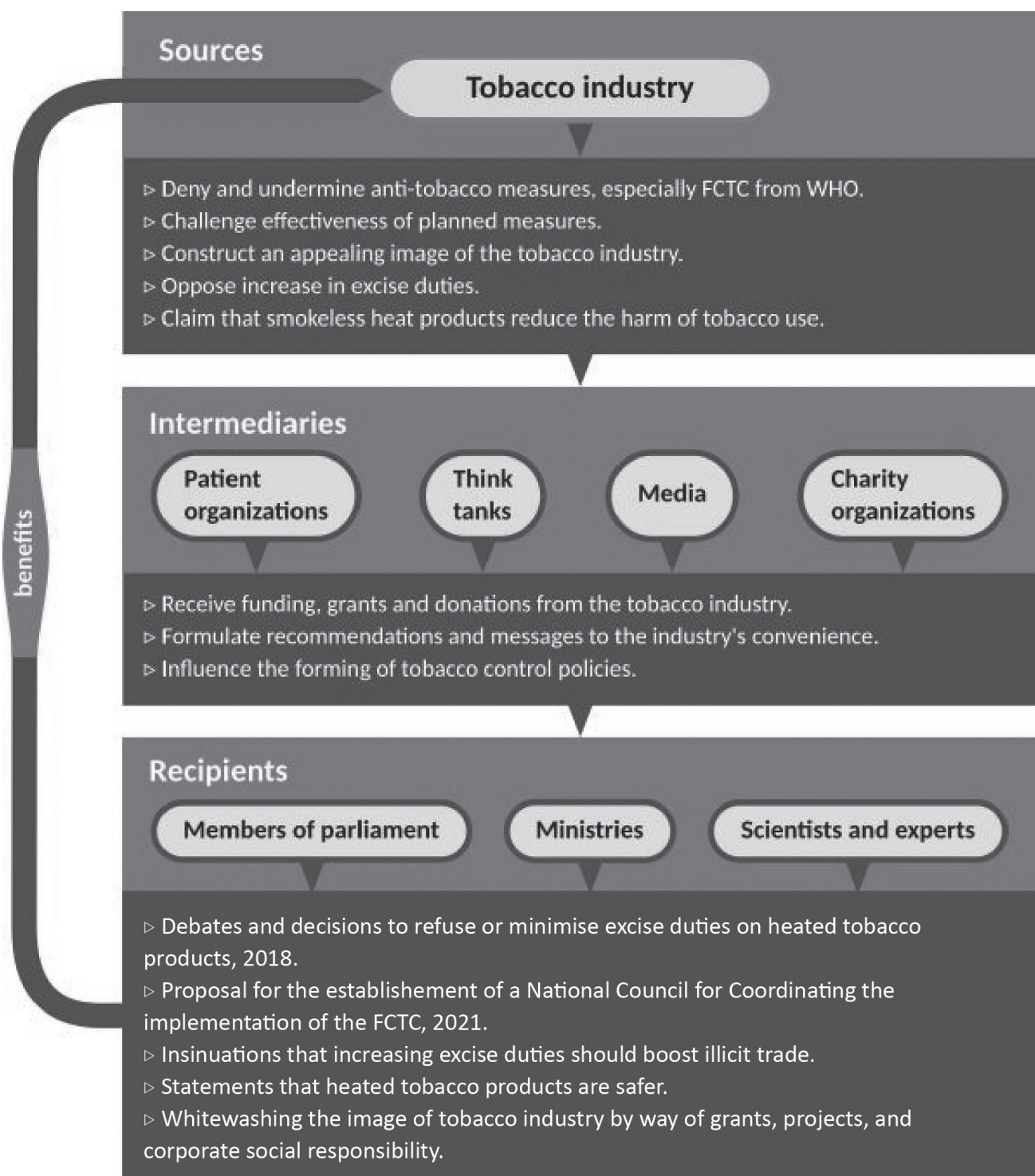
Undoubtedly, there are organizations, companies and people in Bulgaria who support and promote the interests of the tobacco industry involuntarily or with good intentions. There are also those who receive funding from it in the form of grants, sponsorship of publications, events, etc., but claim that this is not prohibited, and that it does not prevent them from honestly pursuing their goals.

We came across those we recognize as allies in the cause of the Smoke-Free Life Coalition to enforce tobacco control laws and defend the public interest. We consider their inclusion in the scope of this study as an opportunity to draw their attention to the problematic aspects of their interaction with tobacco companies and the risks it poses to them and society.

We are guided in all our actions and analyses by the goals set in the statute of the Coalition:

- ✓ restriction of smoking among the population of Bulgaria and especially among young people;
- ✓ achieving a complete ban on smoking in indoor and public places and public transport, as well as in some open spaces;
- ✓ protection of the rights of non-smokers in Bulgaria;
- ✓ compliance with the legislation regulating the restriction or complete prohibition of smoking in public and workplaces and public transport;
- ✓ supporting the improvement of the legislation related to the restriction or prohibition of smoking, as well as that related to the regulation of the requirements for tobacco products by participating in the preparation of draft regulations;
- ✓ liaising between the civil society and the institutions in the country regarding the restriction or prohibition of smoking;

- ✓ offering an independent expert assessment of the state of problems related to smoking and regulating the requirements for tobacco products; and
- ✓ informing the public about the harms of smoking and the benefits of quitting and providing a smoke-free environment.
- ✓ We remain well-intentioned and ready for partnership to achieve these goals - with all but those who purposefully and recklessly promote the interests of the tobacco industry, to the detriment of human health and well-being.



SOURCE: TOBACCO INDUSTRY

First of all, let's look at the tobacco industry as a major generator - a source of messages to institutions and management decision-makers. Driven by various motives, these messages find good ground, sprout, bear fruit, which then reaches recipients, in most cases decision-makers, and finally becomes a public policy that is in the interest of industry and to the detriment of health and the well-being of the people.

The leading goal and task of tobacco companies is to expand their markets and increase their profits.^{6,7} The tobacco industry puts its profits before the people, so there is a fundamental and irreconcilable conflict between the interests of the tobacco industry and the interests of public health policy.^{8,9,10,11}

Much is already known about the industry's efforts to influence tobacco control policies, especially through a study of internal corporate documents published through lawsuits in the United States.¹² These documents show that the tobacco industry has been deceiving politicians and the public for decades.¹³

⁶ Philip Morris Europe Research and Development Three Year Plan. p.6
<https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=hnmh0162>

⁷ Y. Saloojee, E. Dagli. Tobacco industry tactics for resisting public policy on health. [https://www.who.int/bulletin/archives/78\(7\)902.pdf](https://www.who.int/bulletin/archives/78(7)902.pdf)

⁸ Tobacco Industry Interference a Global Brief. WHO, p.6
https://www.euro.who.int/_data/assets/pdf_file/0005/165254/Tobacco-Industry-Interference-A-Global-Brief.pdf

⁹ Tobacco industry interference in policy decisions undermines effective control
<https://www.uicc.org/news/tobacco-industry-interference-policy-decisions-undermines-effective-control#>

¹⁰ Opposing Goals: The Tobacco Industry vs. Public Health
<https://ash.org/opposing-goals-tobacco-industry/>

¹¹ WHO Definitions of Tobacco Industry Tactics. <https://tobaccotactics.org/wiki/who-definitions-of-tobacco-industry-tactics/>

¹² K.E. Smith, E. Savell and A.B. Gilmore. What is known about tobacco industry efforts to influence tobacco tax? A systematic review of empirical studies. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3701860/>

¹³ Bero L. Implications of the tobacco industry documents for public health and policy. *Annu Rev Public Health*. 2003;24:267-88. doi: 10.1146/annurev.publhealth.24.100901.140813. Epub 2001 Nov 6. PMID: 12415145.<https://pubmed.ncbi.nlm.nih.gov/12415145/>

Key messages

The industry sends different messages, sometimes contradictory, but essentially similar in all countries of the world. In our study we will trace those of them that we most often come across in Bulgaria.

Denial of regulations to reduce tobacco use

Openly, or through veiled phrases or casting doubts, through front groups and individuals, the tobacco industry is attacking WHO anti-smoking policies.^{14, 15, 16} TI vehemently opposes the FCTC and any regulatory measures to limit the use of tobacco products, calling them „high business risk“.¹⁷ It is clear why - these measures are aimed at limiting and eliminating its sales.¹⁸

Challenging the effectiveness of the measures introduced

As the determination to curb tobacco use became irreversible in most countries, some tobacco companies adapted their rhetoric. Thus, instead of denying the benefits of the restrictions imposed by the FCTC, today they define them as „insufficient and ineffective.“¹⁹

Building a humane image of the industry

Proper use of tobacco products has proven to lead to illness and death for its customers.²⁰ Therefore, the tobacco industry is desperately looking for ways to give a human image to her murderous nature. It achieves this through messages of social and corporate responsibility or the appropriation of other positive causes, such as the United Nations Sustainable Development Goals (SDGs).²¹ The paradox in this case is that the implementation of the FCTC is part of SDG 3 - Good Health.

¹⁴ Letter from one hundred specialists in nicotine science, policy, and practice
[//www.scohre.org/news/letter-from-100-specialists-in-nicotine-science-policy-and-practice/](http://www.scohre.org/news/letter-from-100-specialists-in-nicotine-science-policy-and-practice/)

¹⁵ Gender, women, and the future of tobacco control
<https://www.emerald.com/insight/content/doi/10.1108/DAT-02-2020-0005/full/html>

¹⁶ A nationally representative survey of NPO presents new data on the perceptions and use of tobacco and related products in Bulgaria
<https://npo.bg/%D0%BD%D0%B0%D1%86%D0%B8%D0%BE%D0%BD%D0%B0%D0%BB%D0%BD%D0%BE-%D0%BF%D1%80%D0%B5%D0%B4%D1%81%D1%82%D0%B0%D0%B2%D0%B8%D1%82%D0%B5%D0%BB%D0%BD%D0%BE-%D0%BF%D1%80%D0%BE%D1%83%D1%87%D0%B2%D0%B0%D0%BD-2/>

¹⁷ Highjacking the SDGs? Analysis, p.21
<https://unfairtobacco.org/wp-content/uploads/2018/07/Analyse78-highjacking-the-sdgs.pdf>

¹⁸ Tobacco Industry Interference. A Global Brief. WHO, p.6
https://www.euro.who.int/_data/assets/pdf_file/0005/165254/Tobacco-Industry-Interference-A-Global-Brief.pdf

¹⁹ Is the tobacco industry hijacking the SDGs? <https://unfairtobacco.org/en/tobacco-industry-highjacking-the-sdgs/#/>

²⁰ WHO, Tobacco <https://www.who.int/news-room/fact-sheets/detail/tobacco>

²¹ Highjacking the SDGs? Analysis, p.21 <https://unfairtobacco.org/wp-content/uploads/2018/07/Analyse78-highjacking-the-sdgs.pdf>

Resistance against increase in excise duties

The messages of the industry against any increase in the excise duty on tobacco products are unequivocal. Such an increase has proven to be the most effective factor in reducing smoking, especially among young people and the lower income population.²² The tobacco industry has always tried to keep tobacco taxes low by using consistent tactics and misleading arguments.^{23,24}

The industry and its allies argue that an increase of tobacco taxation will inevitably lead to an increase in the illicit trade of tobacco products. They argue that higher tax rates and higher prices increase financial incentives for the criminal business to supply cigarettes from lower-tax areas, encourage tax evasion in the country and encourage smokers to look for cheaper and lower-quality illegal cigarettes. The industry also disputes the argument that raising tobacco taxes increases government revenue, arguing that having an illegal tobacco market will in fact reduce revenue collection after tax increases.^{25,26}

Harm reduction

In recent years, the tobacco industry has increasingly sent messages about „reducing the harm“ of smoking. Responding to changes in public attitudes, TI flexibly changed its strategy and cynically began to claim that it is fighting for a healthy future without tobacco smoke. It promotes electronic and heated tobacco products as innovative and safer, and even launches them as part of its anti-smoking policies.²⁷

Tactics and goals of the industry

To achieve its goals, the industry uses various tactics. It is important that they be exposed and recognized. TI sponsors research of major scientific institutes and organizations, contacts representatives of political power, attracts authoritative scientists and experts, and finances health and scientific conferences. It uses all opportunities to be present in the media, works to improve its public image and prestige, to transform itself from an industry harmful to human health and life, to

²² Raising Tax on Tobacco – What You Need To Know http://apps.who.int/iris/bitstream/handle/10665/112841/WHO_NMH_PND_14.2_eng.pdf?sequence=1

²³ K.E. Smith, E. Savell and A.B. Gilmore. What is known about tobacco industry efforts to influence tobacco tax? A systematic review of empirical studies. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3701860/>

²⁴ Why is reducing the use of tobacco a priority? TC at a glance <http://web.worldbank.org/archive/website01213/WEB/IMAGES/AAGTOBAC.PDF>

²⁵ Bero L. Implications of the tobacco industry documents for public health and policy. *Annu Rev Public Health*. 2003;24:267-88. doi: 10.1146/annurev.publhealth.24.100901.140813. Epub 2001 Nov 6. PMID: 12415145. <https://pubmed.ncbi.nlm.nih.gov/12415145/>

²⁶ IARC Handbooks of Cancer Prevention - Effectiveness of Tax and Price Policies for Tobacco Control, p.75. <https://publications.iarc.fr/Book-And-Report-Series/Iarc-Handbooks-Of-Cancer-Prevention/Effectiveness-Of-Tax-And-Price-Policies-For-Tobacco-Control-2011>

²⁷ Highjacking the SDGs? Analysis, p.27 <https://unfairtobacco.org/wp-content/uploads/2018/07/Analyse78-highjacking-the-sdgs.pdf>

one concerned with the welfare and well-being of the public.^{28,29,30,31,32,33}

The tobacco industry wants to establish itself as a trusted and indispensable partner in policy-making. It wants to sit at the decision-maker's table. However, this is prohibited by Article 5.3 of the FCTC - it requires countries to protect their health policies from the interference of the tobacco industry.

To reopen the door that is closed to them, tobacco companies are trying to use new tobacco products. The industry is launching and strengthening „harm reduction“ messages, sparing no expense. For example, PMI invests about 0.1% of its revenue to finance the so-called Smoke-free World Foundation with \$80 million for 12 years. The foundation is a major proponent of industry narratives and insists that it is independent.³⁴

A key element in the efforts to improve the image of the tobacco industry is corporate social responsibility.^{35,36} The political use of charitable initiatives and donations by tobacco companies emphasizes the need to urgently limit the “philanthropy” of the tobacco industry by fully implementing Articles 5.3 and 13 of the FCTC.^{37,38}

After Bulgaria's accession to the EU and especially after the destruction of the local Bulgartabac in 2019 and the sale of its most popular cigarette brands to British American Tobacco (BAT), the tobacco market in our country was taken over by international tobacco companies. BAT has the largest share, and the most aggressive in its marketing policy are Philip Morris Bulgaria, a division of PMI.

²⁸ The secret's out: the tobacco industry targets a new generation <https://www.euro.who.int/en/health-topics/disease-prevention/tobacco/news/news/2020/5/the-secrets-out-the-tobacco-industry-targets-a-new-generation>

²⁹ Tobacco Companies' Public Relations Efforts: Corporate Sponsorship and Advertising https://cancercontrol.cancer.gov/sites/default/files/2020-06/m19_6.pdf

³⁰ Spinning a new tobacco industry: How Big Tobacco is trying to sell a do-gooder image and what Americans think about it <https://truthinitiative.org/research-resources/tobacco-industry-marketing/spinning-new-tobacco-industry-how-big-tobacco-trying>

³¹ How Big Tobacco is trying to makeover its image and protect its bottom line at the expense of public health <https://truthinitiative.org/research-resources/tobacco-industry-marketing/how-big-tobacco-trying-makeover-its-image-and-protect>

³² 'Corona-washing': How the tobacco industry is advancing its interests in the midst of the pandemic <https://www.uicc.org/blog/%E2%80%98corona-washing%E2%80%99-how-tobacco-industry-advancing-its-interests-midst-pandemic>

³³ Tobacco companies using intermediaries 'to promote image' – Report <https://www.premiumtimesng.com/news/top-news/439444-tobacco-companies-using-intermediaries-to-promote-image-report.html>

³⁴ Highjacking the SDGs? Analysis, p.116 <https://unfairtobacco.org/wp-content/uploads/2018/07/Analyse78-highjacking-the-sdgs.pdf>

³⁵ Is the tobacco industry highjacking the SDGs? <https://unfairtobacco.org/en/tobacco-industry-highjacking-the-sdgs/#/>

³⁶ Highjacking the SDGs? Analysis, p.116 <https://unfairtobacco.org/wp-content/uploads/2018/07/Analyse78-highjacking-the-sdgs.pdf>

³⁷ G.J. Fooks, A.B. Gilmore. Corporate Philanthropy, Political Influence, and Health Policy. <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0080864>

³⁸ Greenwashing <https://tobaccotactics.org/wiki/greenwashing/>

In Bulgaria, sponsorship by TI is not prohibited by the law and neither is the advertising of tobacco products, with some small exceptions.

All this provides a great opportunity and opens wide doors for the industry to realize its goals and policies.

INTERMEDIARIES OF TOBACCO MESSAGES

In this chapter, we will look at some of the possible intermediaries of the interests and messages of the tobacco industry, which have stood out in recent years. Most of them receive funding from the industry in various ways. Conveniently, despite the clear guidelines of the FCTC, this is not prohibited by law.

By financing projects, tobacco companies create conditions for closer communication and connection with selected intermediaries who perceive, communicate and promote their messages and interests, or at least create an acceptable public image for them. A clear early example of such a symbiosis was the joint campaign of Bulgartabac, MoF and the Customs Agency against cigarette smuggling, which provoked a sharp public reaction in 2015.^{39,40} The campaign then involved the Center for the Study of Democracy, which will be discussed shortly.

Currently, tobacco companies are actively financing various public projects. Usually, materials and publications produced by such projects say that the results are independent and belong only to their authors. But the influence of industry in most of them can be seen with the naked eye. At the very least, they are becoming a great advertisement, as company logos are sometimes printed in thousands of copies or on the Internet, and the media covers them without hesitation.⁴¹

The conclusions from the projects of the funded institutions have a powerful impact in shaping the attitude of the ruling recipients to certain policies. They also shape public opinion.⁴² Therefore, we tried to identify the organizations that are potential intermediaries of the tobacco industry by legalizing its messages to the state and society.

It is important to clarify here that none of the organizations studied below identifies itself as an intermediary of the tobacco industry. On the contrary, all of them diligently declare independence of their analytical and other actions from it, and some of them and their employees and analysts have joined efforts to reduce smoking in Bulgaria. Even law firms do not submit their opinions to public hearings openly on behalf of their tobacco corporate clients, but on their own behalf.

³⁹ Mediapool <https://www.mediapool.bg/grazhdani-podadoha-zhalba-sreshtu-reklamnata-kampaniya-na-bulgartabak-news229835.html>

⁴⁰ Smoke On The Water* <https://www.banker.bg/komentari/read/smoke-on-the-water>

⁴¹ The focus on heated tobacco products in the media. BlueLink <https://www.bluelink.net/files/attachments/focus-on-http-in-media.pdf.pdf>

⁴² 2019. Antonov, P. and Barova, V. *A wolf in sheep's clothing: tobacco industry's sponsorship and CSR in Bulgaria*. Paper presented at the 4th International Conference on Tobacco Control *Tomorrow's sustainable development starts now - time to accelerate tobacco control!* March 27 – 29, 2019. Bucharest. ENSP-SRP

Receiving grant, project or sponsorship funding does not necessarily imply servicing the donor's thesis. However, we treat recipients as potential intermediaries for the following reasons:

- ✓ Despite the ambiguities and discrepancies in the legal definitions in our country, grant funding and donations from the tobacco industry are explicitly mentioned as part of the limited sponsorship practices in the Guidelines for the Application of Art. 13 of the WHO FCTC, which is part of the Bulgarian legislation;
- ✓ the conclusions, recommendations and active messages communicated by recipients of tobacco financing coincide with the narratives of the tobacco industry or visibly serve its interests; and / or
- ✓ recipients participate in the formulation of smoking cessation policies.

Lawyers of the industry

The most direct intermediaries of the tobacco industry seem to be four law firms, which express an opinion on a draft Decree of the Council of Ministers, related to tobacco control. In the course of the public consultation in July - August 2021 in connection with the draft of the Council of Ministers prepared by the Ministry of Health to establish a National Council to coordinate the implementation in the Republic of Bulgaria of the Framework Convention on Tobacco Control of the World Health Organization. The official website Strategy.bg published opinions from four law firms. The four opinions contain very similar ones, in line with the postulates of the tobacco industry. As it turns out, at least two of them are directly related to the tobacco industry and are likely to be involved on its behalf.

Boyanov & Co.

In 2016, BOYANOV and Co. represented Philip Morris International in a case of violation of TM Marlboro.⁴³ According to a publication on the company's website, „Following an operation in an illegal factory in Vidin and the ensuing investigation, the Vidin prosecutor has filed charges against six factory workers accused of cigarette production and use of the registered Marlboro TM without the consent of the TM owner. The criminal case is before the Vidin District Court, Criminal Division. BOYANOV and Co. represent the owner of the trademark and claim damages caused by the incriminated activity of the accused. „ The team of BOYANOV and Co. in the deal is led by Kina Chuturkova, partner.

In addition, the judicial team of Borislav Boyanov and Co. is engaged in the protection of several companies belonging to one of the largest international manufacturers of tobacco products in the first collective lawsuit of its kind in

⁴³ BOYANOV & Co. is representing Philip Morris Intl. in a case of infringement of TM Marlboro
<https://boyanov.com/boyanov-co-is-representing-philip-morris-intl-in-a-case-of-infringement-of-tm-marlboro/>

Bulgaria. Collective actions have been introduced in Bulgaria with the new Civil Procedure Code, which enters into force on March 1, 2008.⁴⁴

Stoychev, Boykov & Partners

On the company's website <https://www.sbplegal.bg/>, in the section „Recommended by“ the company Imperial Tobacco Bulgaria is mentioned, but no further information can be found.

Detailed comparison of the narrative in the statement of the Law Firm Boyanov & Co with the statements of the Ministry of Economy, the Ministry of Finance, the Customs Agency, the Ministry of Agriculture is made in the chapter „Specific cases“. There is a very clear coincidence in the opinions of the tobacco industry and state institutions. (See Case 2)

National Patient Organization

The National Patient Organization (NPO)⁴⁵ aims to unite the patient's voice and represent and defend the interests of all patients. However, it has become a mouthpiece for the tobacco industry, becoming a zealous advocate of its heated products, recommending them to its members and declaring them „less harmful smokeless products“ - an alternative to cigarettes, despite explicit WHO warnings against such claims.

It was established in 2010 as an association of legal entities - patient organizations – today it is the largest patient association in the country, with more than 80 members. Since 2010, the NPO has been recognized under the Health Act as a nationally representative organization.

According to the Annual Technical and Financial Reports, in 2018 the organization received from Philip Morris - BGN 14,000⁴⁶ and in 2019 - BGN 133,760.⁴⁷ Since March 2021, the executive director of the NPO is Dr. Stanimir Hasardjiev, who was previously chairman of the Board.

In 2018, the NPO prepared an Official statement on an amendment bill to the Law on Excise Duties and Tax Warehouses, submitted by Menda Stoyanova, Chairwoman of the Committee on Budget and Finance of the 44th National Assembly and a group of MPs aiming to increase the excise duty on heated tobacco products. It was presented at a meeting of the Committee on Budget and Finance in the National

⁴⁴ Defense in First Ever Class Action in Bulgaria <https://boyanov.com/defense-in-first-ever-class-action-in-bulgaria/>

⁴⁵ National Patient Organization (NPO) <https://npo.bg/>

⁴⁶ National Patient Organization, Annual Technical and Financial Report, p.17 organization (NGO)<https://npo.bg/wp-content/uploads/2019/10/Otchet-za-2018.pdf>

⁴⁷ NPO, Annual Technical and Financial Report, p.17 organization, p21 https://npo.bg/wp-content/uploads/2020/12/2019-Annual-Report_NPO.pdf

Assembly under number №854-01-60 / 20.06.2018. The NPO strongly opposes the proposed increase of the excise tax on heated tobacco products.⁴⁸

In June 2018, the NPO sent a letter to the Minister of Health Kiril Ananiev with ref. №1418 / 21.06.2018 (Appendix 1). The idea presented by the NPO is the Ministry of Health to include wording that promotes heated tobacco products in Bulgaria's Proposal on „Draft Political Declaration of the Third Summit of the UN General Assembly on Prevention and Control of Non-communicable Diseases“. The activities of the NPO are in line with a major campaign launched by PMI during the meeting to promote its strategy to reduce the harm of smoking among world political leaders. It is noteworthy that literally identical wordings from the letter of the NPO are found in a proposal of the Institute for Market Economics (IME) on the same occasion, which we present as case 4 in the chapter „Specific cases.“

It is noteworthy that literally the same wording is in the proposal of the Institute for Market Economics (IME).⁴⁹ More details are presented in the section “Specific cases - case 4”.

On 04.08.2020 the NPO published „National representative survey of the perception and use of tobacco and related products“.⁵⁰ The study was conducted with partial funding from Philip Morris Bulgaria Ltd. The summaries at the end, as well as the explanatory notes, suggest to the readers that the tobacco companies are fighting for harm reduction from smoking, to improve the health of the population and for a better future by investing in better, safer and innovative products.

Thus, the tobacco company is trying to rebrand itself as „part of the solution“ to the problem of smoking. And the conclusion of the study is that the state, as well as the international health community, propose and implement measures that are in practice insufficient, ineffective and do not give the expected result. The study is widely reported in the media.

In 2020, during the Third Scientific Meeting on Smoking Harm Reduction in Athens, the NGO became one of the founders of the International Association for Tobacco Control and Harm Reduction (SCOHRE).⁵¹ The new association brings together scientists, doctors, policy experts, behaviors, academics and other professionals from different countries who openly oppose WHO FCTC policies and launch

⁴⁸ NPO, Annual Technical and Financial Report, 2018, p. 15 <https://npo.bg/wp-content/uploads/2019/10/Otchet-za-2018.pdf>

⁴⁹ These suggestions were made available to the research team by people who were well acquainted with the case and wished to remain anonymous.

⁵⁰ NPO, National Representative Survey of Perception and Use of Tobacco and Related <https://npo.bg/%D0%BD%D0%B0%D1%86%D0%B8%D0%BE%D0%BD%D0%B0%D0%BB%D0%BD%D0%BE-%D0%BF%D1%80%D0%B5%D0%B4%D1%81%D1%82%D0%B0%D0%B2%D0%B8%D1%82%D0%B5%D0%BB%D0%BD%D0%BE-%D0%BF%D1%80%D0%BE%D1%83%D1%87%D0%B2%D0%B0%D0%BD-2/>

⁵¹ International Association for Smoking Control and Harm Reduction <https://npo.bg/%d0%bd%d0%be%d0%b2%d0%b0-%d0%bc%d0%b5%d0%b6%d0%b4%d1%83%d0%bd%d0%b0%d1%80%0%be%d0%b4%d0%bd%d0%b0-%d0%b0%d1%81%d0%be%d1%86%d0%b8%d0%b0%d1%86%d0%b8%d1%8f-%d1%89%d0%b5-%d1%80%d0%b0%d0%b1%d0%be%d1%82/>

various policies that mainly promote e-cigarettes and HTPs such as innovative means of reducing smoking. The media, as well as the PMI Science website,^{52,53} widely covered the event.

Arbilis - health conferences and medical journals

Arbilis is another facilitator that shows how health conferences can be organized with the help of the tobacco industry. In materials distributed during PMI-sponsored events, as well as in many of the company's medical periodicals, the PMI logo is visible. This enables the tobacco company to shine as a benefactor who cares for people's health and is part of the solution to the problem of smoking.⁵⁴

Arbilis Ltd. was established in 2000 as a publisher of medical periodicals (Science Cardiology, Endocrinology, Pulmonology) and literature, organizer of events - health conferences, forums, corporate and company courses, organizer of excursions and trips in the country and abroad.

In the last three years alone, Arbilis has held more than five health conferences, media meetings and events sponsored by PMI - as a "silver" and support partner.⁵⁵

In almost all issues of the journals - „Science of Cardiology“ „„Science of Pulmonology“ - there are articles, interviews and other information materials that have been prepared by PMI or published with their support.

In the „Policies“ section of the Arbilis Ltd. website, the company's management declares a commitment to „know and apply the requirements of applicable national and international regulations“ and states that the General Manager / PR is responsible for implementing and maintaining the policy⁵⁶, but clearly Arbilis' management is not familiar with the Framework Convention, nor does it wish to follow its recommendations. More about the role of Arbilis and the specialists/organizers of its events is described in the chapter „Specific cases - cases 4 and 5.“

Institute for Market Economics (IME)

According to our research, the Institute for Market Economics (IME) mediates the

⁵² No Smoke Summit presentations
<https://www.pmiscience.com/whats-new/no-smoke-summit-2020-virtual-presentations>

⁵³ 3rd Scientific Summit on Tobacco Harm Reduction: Novel products, Research & Policy
<https://www.pmiscience.com/science/conferences/conference/3rd-scientific-summit-on-tobacco-harm-reduction-novel-products-research-policy>

⁵⁴ How Big Tobacco is trying to makeover its image and protect its bottom line at the expense of public health <https://truthinitiative.org/research-resources/tobacco-industry-marketing/how-big-tobacco-trying-makeover-its-image-and-protect>

⁵⁵ Arbilis, Events <https://events.arbilis.com/?p=12227>

⁵⁶ Arbilis, https://events.arbilis.com/?page_id=9500

messages of the tobacco industry. IME is one of the leading think tanks in Bulgaria⁵⁷, which through its analyses, publications, and opinions directly tries to influence politicians in government and MPs. He is one of the main factors influencing the decision of the National Assembly not to equate the excise duty on heated tobacco products with that of cigarettes.

In the period 2017-2019, the IME team realized the project „Law and Economics of Illicit Trade in Tobacco Products in Bulgaria“, supported by PMI Impact⁵⁸ - a global initiative of Philip Morris International to provide financial support to organizations developing and realizing projects related to fighting illicit trade and related crimes. Within the project, IME explores various legal and economic aspects of the illicit trade in tobacco products in Bulgaria. The IME initiative under the motto „According to the Rules“ aims to explore opportunities to improve policies and overcome those institutional weaknesses that give rise to illegal trade in tobacco products in the country. The following documents have been developed within the project:

- ✓ IME: Economic Analysis of the Excise Policy on Tobacco Products in Bulgaria and the Effects on Illicit Trade (2007-2017), January 2018. https://ime.bg/var/images/Excise_policy_tobacco_IME_18.pdf
- ✓ IME and Alpha Research: Results of a sociological survey among smokers in Bulgaria, March-April 2018. https://ime.bg/var/images/Alpha_5200_Smokers_IME_18.pdf
- ✓ IME: Legal and Institutional Framework for Tobacco and Tobacco Products, May 2018. https://ime.bg/var/images/Illicit_trade_tobacco_legal_analysis_IME_18.pdf
- ✓ Press release from an IME event: 5.6% of smokers in Bulgaria - with packs of cigarettes not intended for the domestic market, June 2018. https://ime.bg/var/images/press_tobacco_18_IME.pdf
- ✓ IME: Study of the price elasticity and affordability of tobacco products in Bulgaria within the framework of the Common European Excise Policy (2007-2018), December 2018. https://ime.bg/var/images/Affordability_tobacco_IME_19.pdf
- ✓ IME: Observations on the excise policy on tobacco products in Bulgaria and the development of the illegal market, May 2019. https://ime.bg/var/images/IME_policy_note_tobacco_2019.pdf
- ✓ IME: What is the case law on smuggling and illegal trade in tobacco products in Bulgaria, June 2019. https://ime.bg/var/images/Illicit_trade_judicial_practices_IME_19.pdf
- ✓ Press release from the IME event: Revenues from the taxation of tobacco products in Bulgaria reach BGN 3 billion in 2018, June 2019. https://ime.bg/var/images/press_tobacco_19_IME.pdf

⁵⁷ Institute of Market Economics <https://ime.bg/>

⁵⁸ PMI Impact <https://www.pmi-impact.com/#homepage-popup>

On the front page of each article stands the following caption:

“PMI Impact (www.pmi-impact.com) is a global initiative of Philip Morris International (PMI). In conducting its research, the Institute for Market Economics (IME) is completely independent of PMI. The views and opinions as well as the responsibility for the accuracy of the information expressed in this document are the sole responsibility of the IME and do not necessarily reflect the position of the PMI.”

Despite this statement, doubts remain that the research is in line with the understanding and policies of the tobacco industry. There is an old but very true Bulgarian proverb: he who pays the piper decides the tune.

In addition to the analyses and materials on this project, IME actively consults and gives opinions on various economic issues, such as tobacco products, mainly related to their excise duty. They have been particularly active in discussing the excise framework and tax rate on heated tobacco products in 2017-2018 (See Case 1).

Center for Study of Democracy (CSD)

The Center for the Study of Democracy (CSD) is another major think tank in Bulgaria that receives funding from the tobacco industry.⁵⁹

Founded in late 1989, the Center promotes the process of reform in Europe by influencing politics and civil society. It defines its mission as ‘building bridges between science and politics’ and as an independent, interdisciplinary analytical institute, combining a wide range of knowledge, skills and capabilities. For years, the CSD has been analyzing trends in organized crime and the informal economy.

As early as 2016, the CSD, together with the University of National and World Economy and the IME, also won a project funded by PMI Impact⁶⁰, following in the footsteps of illegal trade on the Balkan route. “The Balkans have long been key to a number of illegal flows, and since 2000, Greece has become one of the main entry and distribution points for international cigarette smuggling,” says Tihomir Bezlov of the CSD. According to him, after their import to Greece, the distribution of illegal cigarettes is usually directed to Italy and Western Europe, or through Bulgaria and Romania to Central European markets. As a result, over the years a sustainable and difficult to eliminate cross-border criminal infrastructure has emerged.

During the project a number of analyses and studies are prepared, including:

- ✓ Corruption pressure and the illegal market of tobacco products - driving factors and trends, by Tihomir Bezlov, 15.01.2020 https://csd.bg/fileadmin/user_upload/events_library/files/Korupcionnijat_natisk_i_nezakonnijat_pazar_na_tjutjunevi_izdelija_2020.pdf

⁵⁹ Center for Study of Democracy (CSD) <https://csd.bg/>

⁶⁰ SELECTED PROJECTS: FIRST FUNDING ROUND <https://www.pmi-impact.com/Funding/firstfundinground>

- ✓ The illicit trade in tobacco products along the Balkan route. Assessment of vulnerabilities and threats focusing on the illegal tobacco market and the effectiveness of countering it in four EU countries within the Balkan route - Bulgaria, Italy, Greece and Romania. The authors are four analysts from the CSD, published in 2020. <https://csd.bg/bg/publications/publication/policy-brief-no-80-the-illicit-trade-of-tobacco-products-along-the-balkan-route-bulgaria-greece/>
- ✓ Detailed model for estimating the illicit cigarette market https://csd.bg/fileadmin/user_upload/publications_library/files/2019_11/PB90_EN.pdf
- ✓ Integrated Index for Estimation of the Illegal Cigarette Market, April 2019 <https://csd.bg/bg/publications/publication/policy-brief-no-84-integrated-index-for-illegal-cigarettes-market-assessment/>
- ✓ Corruption pressure and the illegal market of tobacco products - driving factors and trends, January 2020 https://csd.bg/fileadmin/user_upload/publications_library/files/BRIEF_91_BG.pdf
- ✓ Trends and risks before the tobacco products market in Bulgaria, March 2018 <https://csd.bg/bg/publications/publication/policy-brief-no-75-the-tobacco-market-in-bulgaria-trends-and-risks/>

On March 6, 2018, the CSD held a round table⁶¹ on “The institutional response to the illicit tobacco market: the limits of countermeasures.” Among the participants are Hristo Terziiski - Director of the General Directorate, „National Police“ and Georgi Kostov - Director of the Customs Agency.^{62,63}

At the top of all CSD publications the familiar declaration could be found:

“This publication is funded by PMI IMPACT, an initiative of Philip Morris International (PMI). In conducting its research, the Center for the Study of Democracy is completely independent of PMI. The views and opinions as well as the responsibility for the accuracy of the information expressed in this document are those of the Center and do not necessarily reflect the position of PMI. Neither PMI, nor any of its affiliates, nor any person acting on their behalf may be held responsible for any action that may result from the information contained herein.”

CSD is discussed in Cases 1, 3 and 5.

⁶¹ The Institutional Response to the Illicit Tobacco Market: Limits of Counteraction - Round Table <https://csd.bg/bg/events/event/institucionalnijat-otgovor-na-nezakonnija-pazar-na-tjutjunevi-izdelija/>

⁶² Round table- program https://csd.bg/fileadmin/user_upload/events_library/files/2018_03/Agenda_BG.pdf

⁶³ Round table – press release https://csd.bg/fileadmin/user_upload/events_library/files/2018_03/Press_release_BG.pdf

University of National and World Economy (UNWE)

The University of National and World Economy (UNWE) is participating in a two-year project funded by the PMI Impact Initiative and distributing materials with its logo. In this way, UNWE becomes an excellent promotor of the tobacco company's policies and a means of normalizing its image.

The University of National and World Economy is the largest and oldest higher economic school in Bulgaria and Southeast Europe, with a 100-year history (founded in 1920). The structure of UNWE has 8 faculties, 33 departments, 3 research institutes, „Institute for Postgraduate Qualification“, 3 university and 30 research centers. The training is conducted in bachelor's, master's and doctoral programs (full-time, part-time and independent). For the period 2012 - 2019, the average annual number of prospective students is over 5,500 young people, with 3,500 - 4,000 newcomers, and more than 200 are foreigners.

UNWE develops close cooperation with Bulgarian business, having contracts with more than 40 business structures. The university is a member of many international organizations.

“With its hundred-year history of successful development, experience, scientific and educational achievements, academic authority and university prestige, UNWE takes its place as an elite university, creating the country's elite.”⁶⁴

During the period 2017-2019, UNWE is implementing a research project called „Identification of the risk of smuggling and counterfeiting (analysis of business processes and spatial aspects)“, funded by the PMI Impact Initiative in the amount of 799,150 USD.⁶⁵ The project does not openly oppose the principles of the FCTC, nor does it use explicit and compelling messages in favor of the tobacco industry, but the events presenting the results of this project, the training materials developed and the courses organized on this basis are disseminated. The PMI Impact Initiative logo and information about its “highly humanitarian work” among many government officials, local and international experts, thousands of students, building the image of PMI as a responsible, stable and caring partner for the future. Through the Internet, this reaches an unprecedented number of people.

At a meeting with the Rector of the University Prof. Dimitar Dimitrov, we received a copy of the report of UNWE on this project - „Contraband and Counterfeit Risk Identification - Final Report“, in English, as well as the project guide - “Handbook on Contraband and Counterfeit Risk Identification“, 120 pages, in English.

You can read more on the topic related to UNWE in “Specific cases. Case 5”.

⁶⁴ JUBILEE ALMANAC 1920 - 2020 - 100 U Philip Morris International has announced the projects selected for funding from the PMI IMPACT initiative UNWE https://www.unwe.bg/Uploads/Main/Almanah%202020_Final.pdf

⁶⁵ According to a letter from the Rector of the University Prof. Dr. Dimitar Dimitrov, received under the Access to Public Information Act.

Center for Liberal Strategies (CLS)

The Center for the Study of Democracy (CSD)⁶⁶ is another major think tank in Bulgaria, established in 1994 as an independent non-governmental organization. CLS conducts research focused on public policy proposals, assists in streamlining public debate and is committed to supporting civic participation and building an active civil society.

The reason that CLS comes to our attention as an intermediary of the tobacco industry is the fact that from September 2019 to March 2022, it implemented a project funded by PMI Impact, which includes the development of a database with analytical capabilities to identify key trends and leading factors for the development of illicit trade in the region of Eastern Europe and the Middle East.

More about the project is said in the article „IT for risk management of illegal trade“^{67,68}, which is also the title of the project, with partners: Code Runners, BlueBoard. “The project aims to connect the available public and private databases into a single online portal and to develop analytical capacity based on them. Data on crime, socio-economic development, consumer attitudes and preferences, trade, smuggling of cigarettes and tobacco, seized illegal imports and exports will be combined into a single database that can serve to visualize and analyze key trends in illegal trade and to highlight regional trends.

Based on this analysis, the specific links between the illicit trade in tobacco products and other illegal activities will be sought. It will be possible to visualize strategic data (such as OLAF statistics) at the European Union level in order to show those phenomena that structurally drive illegal trade in the EU, as well as in Bulgaria’s high-risk neighbors such as Turkey, Serbia and Ukraine. It will be possible to take into account the dynamics of the risk of illegal trade in different regions. The models will be targeted at both manufacturers and public institutions and researchers.”

More details about this project could not be found through publicly available sources. Maybe the project is very useful in managing the risk of the illicit trade in tobacco products, as long as it is not funded by the tobacco industry. Research into the fight against smuggling and trafficking should be funded either by the EU or the state, not by those who in some cases produce illicit products themselves.

⁶⁶ Center for Liberal Strategies (CLS), <https://cls-sofia.org/>

⁶⁷ IT project for risk management of illegal trade
<https://cls-sofia.org/programi/tpost/5xk39r8ky1-it-za-upravlenie-na-riska-ot-nezakonna-t>

⁶⁸ Филип Морис Интернешънъл обяви избраните за финансиране проекти от инициативата PMI IMPACT <https://www.cross.bg/turgoviya-impact-nezakonnata-1599550.html#.YdvsMzMzaHt>

BCause - charity with a taste of tobacco

The BCause Foundation⁶⁹ is an expert organization in the field of charity, a recognized leader with 20 years of experience nationally and internationally (since 1995). It encourages people, organizations and communities to transform lives by developing philanthropy and social investment.

The BCause Foundation falls within the perimeter of our research with its implemented program „Fun summer, caring autumn“. The entire program is funded by Philip Morris Bulgaria (PMB), fulfilling its intentions related to corporate social responsibility.

For more than seven years, the program has provided opportunities for children from tobacco-producing areas to participate in training programs during the summer. Over the years, it has expanded with new components, such as entrepreneurship for young people, teacher training. In addition, elderly people from settlements in these areas are examined by specialists - gastroenterologists, urologists, orthopedists, cardiologists, endocrinologists and others. In essence, the program is useful for people from 5 districts in the country (Silistra, Shumen, Haskovo, Kardzhali, Blagoevgrad).

In a 20-minute program⁷⁰ on Darik Radio (media partner of the program) on August 26, 2021, which presents the program in 2021, it is mentioned that for the first 6 years Philip Morris Bulgaria has invested BGN 1,170,000 as CSR. 6,400 examinations of elderly people were performed, 2,800 children went through summer academies, 250 entrepreneurs and 100 teachers were trained. Thanks to the program, many other media present PMB in a positive light.^{71,72,73} The problem with all this is that it creates a favorable public image of the tobacco industry, without the opportunity to inform the public about the harmful effects of products and basic and business on the health and lives of its customers. In this way, the requirements of the FCTC for avoiding tobacco sponsorship are practically meaningless and circumvented. You will learn more about the BCause program in case 5.

Media

In the sense of the concept, the media are information intermediaries between the various participants in social processes. In a democratic society, they are supposed to guarantee freedom of information and pluralism of opinion. Therefore, their

⁶⁹ Foundation BCause <https://www.bcause.bg/about-us/who.html>

⁷⁰ Darik Radio <https://www.youtube.com/watch?v=s0eDOOco8gE>

⁷¹ Another award for the program "Fun summer, caring autumn" - PMB Gold Partner <https://www.bcause.bg/daritelstvo/news-giving/682-oshte-edno-otlichie-za-programata-zabavno-lyato-grizhovna-esen.html>

⁷² "Fun Summer" presents adventures and knowledge to children and parents <https://www.24chasa.bg/novini/article/9730983>

⁷³ The Academy for Local Entrepreneurs gives a chance to start a small business in places <https://www.youtube.com/watch?v=sBqtsHDY9xM>
<https://www.youtube.com/watch?v=sBqtsHDY9xM>

behavior is determined by a complex framework of ethical rules that govern the relationship between their sources of revenue and editorial content.

Generally speaking, according to these ethical rules, journalistic content should be independent of the revenues of the respective publication. Unfortunately, this is difficult to achieve in practice, as compliance with ethical rules is largely left to self-regulatory bodies with limited scope for intervention. Pursuant to the FCTC, Bulgarian and European legislation, various restrictions on the advertising of tobacco products are applied in Bulgaria.

Assuming that individual journalists and newsrooms can defend certain positions of conscience and inner conviction, we turn our attention to several specific publications. They transmit messages, opinions and opinions that are convenient for tobacco companies as part of their editorial content, while at the same time receiving funding from them. In this way, they influence both politicians and the public, and virtually circumvent legal restrictions on tobacco advertising.

24 Chasa (24 hours)

The daily „24 Chasa“ has been published since 1991. In 2005 the electronic edition of the newspaper appeared on the Internet, which contains articles from the printed edition, as well as real-time news, audio and video materials, etc. „24 Chasa“ is part of the Media Group Bulgaria, publishers of which are Venelina Gocheva and Dimitar Dimitrov. The editor-in-chief is Borislav Zyumbyulev. „Today, the brand ‘24 Chasa’ is associated with freedom of speech, social activity, initiative, criticism and impartiality,“ says the website of the publication.⁷⁴

The newspaper „24 Chasa“ devotes a lot of space on its pages to advertise through articles sponsored by tobacco companies, especially Philip Morris Bulgaria and its new products.^{75:76:77:78:79:80, 81:82:83:84:85:86} Most of these publications are marked as

⁷⁴ „24 Hours“ <https://www.24chasa.bg/aboutUs/>

⁷⁵ Anna Gabrovska from Philip Mopic Bulgaria: "Change will be the new reality we will live in" <https://www.24chasa.bg/novini/article/8449031>

⁷⁶ E-cigarettes can reduce mortality from smoking-related diseases <https://www.24chasa.bg/zdrave/article/9711607>

⁷⁷ "Fun Summer" presents adventures and knowledge to children and parents <https://www.24chasa.bg/novini/article/9730983>

⁷⁸ Finale of the second season of "Inspirers" <https://www.24chasa.bg/ojivlenie/article/9747892>

⁷⁹ Jacek Olczak: Tobacco retains its true taste with IQOS <https://www.24chasa.bg/mnenia/article/9800880>

⁸⁰ Jacek Olczak, Philip Morris: we are accelerating our progress towards a smoke-free future <https://www.24chasa.bg/novini/article/9780144>

⁸¹ The Academy for Local Entrepreneurs gives a chance to start a small business in places <https://www.youtube.com/watch?v=sBqtsHDY9xM>

⁸² The imprint of cigarette filters - 24chasa.bg <https://www.24plovdiv.bg/novini/article/9883709>

⁸³ Over 80% of e-cigarette users quit smoking <https://www.24chasa.bg/novini/article/9924812>

⁸⁴ E-cigarettes are more effective than nicotine replacement therapies <https://www.24chasa.bg/zdrave/article/9950438>

⁸⁵ Verzhinia Dzhevelekova: Smokeless alternatives play a significant role in reducing the risks of smoking <https://www.24chasa.bg/zdrave/article/10749931>

⁸⁶ The #ChangePicture campaign continues with an exhibition at the National Palace of Culture <https://www.24chasa.bg/ojivlenie/article/10438978>

sponsored, others are published as part of the editorial content of the publication. The fact that there is sponsored content indicates the existence of a financial transaction between the tobacco companies and the publication.

Trud

The first issue of the newspaper „Trud“ was published in the distant 1936. During socialism the newspaper was a publication of trade unions. Currently, “Trud” is published on paper and online, as a publication of Trud Media EOOD - sole property of Blaskov Media AD. The editor-in-chief is Petyo Blaskov. The publication regularly promotes the new products and technologies of tobacco companies in a positive light, without objectively presenting the criticism of the world health community and the WHO towards them.^{87,88,89,90} In this case, too, some of the publications are marked as sponsored by tobacco companies, i.e. there is information about the financial relationship between them and the publication.

Capital

„Capital“ started as a weekly in 1993. Today, several products are published under the „Capital“ brand - the website capital.bg, the daily „Capital Daily“ and the weekly „Capital“, which is also a platform for business events and conferences such as the Annual Business Meeting with the Government, Digitalk and Citytalk. The publisher of „Capital“ is „Economedia“, owned by Ivo Prokopiev and Teodor Zahov. The editor-in-chief is Alexei Lazarov.

Capital newspaper presents itself as the most influential business media in Bulgaria and demonstrates adherence to the ethical rules of serious and quality journalism. Investigations by Capital for abuse of power and corruption have repeatedly led to serious upheavals and changes in politics and the economy.

The editorial board of „Capital“ takes an active position on pressing public causes. One of the goals of the 2010 edition is „to maintain a complete ban on smoking in public places.“ At the same time, Capital publishes many articles funded by Philip

⁸⁷ The company's smokeless products are growing, despite the global decline in sales of conventional cigarettes due to the coronavirus crisis <https://trud.bg/%D0%B2%D0%B5%D1%80%D0%B6%D0%B8%D0%BD%D0%B8%D1%8F-%D0%B4%D0%B6%D0%B5%D0%B2%D0%B5%D0%BB%D0%B5%D0%BA%D0%BE%D0%B2%D0%B0-%D1%84%D0%B8%D0%BB%D0%B8%D0%BF-%D0%BC%D0%BE%D1%80%D0%B8%D1%81-%D0%B1%D1%8A%D0%BB%D0%B3%D0%B0%D1%80%D0%B8%D1%8F-%D0%BF%D1%80%D0%B5%D0%B4-%D1%82%D1%80%D1%83%D0%B4-%D1%86%D0%B8%D0%B3%D0%B0%D1%80%D0%B8%D1%82%D0%B5-%D0%B7%D0%B0-%D0%BC%D0%B5%D0%BD-%D1%81%D0%B0-%D0%B2%D0%B5%D1%87%D0%B5-%D0%BC%D0%B8%D0%BD%D0%B0%D0%BB%D0%BE/>

⁸⁸ Philip Morris Bulgaria with a national campaign #Change the Picture <https://trud.bg/%D1%84%D0%B8%D0%BB%D0%B8%D0%BF-%D0%BC%D0%BE%D1%80%D0%B8%D1%81-%D0%B1%D1%8A%D0%BB%D0%B3%D0%B0%D1%80%D0%B8%D1%8F-%D0%BD%D0%B0%D0%BB%D0%BD%D0%B0-%D0%BA%D0%B0%D0%BC%D0%BF%D0%B0%D0%BD%D0%B8%D1%8F-%D0%BF%D1%80%D0%BE%D0%BC%D0%B5%D0%BD%D0%B8%D0%BA%D0%B0%D1%80%D1%82%D0%B8%D0%BD%D0%BA%D0%B0%D1%82%D0%B0/>

⁸⁹ Philip Morris International is accelerating the transition to a smoke-free future <https://trud.bg/filip-moris-interneshanal-uskoryava-prehoda-kam-badeshte-bez-dim/>

⁹⁰ Philip Morris Bulgaria provides a career start for 15 students <https://trud.bg/filip-moris-balgariya-osiguryava-start-v-karierata-za-15-studenti/>

Morris Bulgaria.^{91,92,93,94} The publication uploads corporate reports of the tobacco company on its website. Periodically, Capital holds health conferences and forums at which PMB is named as a partner / sponsor.⁹⁵

⁹¹ Dilyana Yakova: Philip Morris will reduce plastic waste by 50% by 2025 https://www.capital.bg/politika_i_ikonomika/climate/2021/11/07/4275758_diliana_iakova_filip_moris_shte_namali_s_50/

⁹² "A historic decision - IQOS with the status of a modified-risk tobacco product from the US Food and Drug Administration (FDA)." Scientific bulletin. <https://www.capital.bg/biblioteka/5924-nauchen-byuletin/>

⁹³ Anna Gabrovska: The crisis has changed the way we work and stimulates us to develop a faster pace of change https://www.capital.bg/biznes/kompanii/2021/04/14/4198022_anna_gabrovska_krizata_promeni_nachina_ni_na_rabota_i/

⁹⁴ Reduce tobacco damage https://www.capital.bg/politika_i_ikonomika/zdraveopazvane/2021/12/22/4287441_namaliavane_na_vredata_ot_tjutjuna/

⁹⁵ Net-Zero Economy - from Strategy to Execution <https://www.capital.bg/event/205-net-zero-economy/#item-4>

FINAL RECIPIENTS WHO MAKE DECISIONS AND SHAPE POLICIES

For the purposes of the study, we call “recipients” those institutions and groups that implement health policies in our country, but can be under the influence of TI either directly or through “intermediaries”.

In the first place, these are the MPs in the Parliament, which is the only legislative body that turns into laws the ideas and proposals meant to improve the existence of the Bulgarian people.

But there are other participants - these may be the Council of Ministers and its constituent ministries and agencies, other institutions that propose regulations, as well as society - which directly or indirectly, through public opinion and pressure influences the implementation of various legal regulations.

Members of the Parliament

In the 47 National Assembly of the Republic of Bulgaria, elected on 14.11.2021, there are 240 MPs from 7 parties, who form 24 parliamentary committees.

MPs in Parliament usually present the views and ideas of their political party. Where there are leadership parties, leaders have a decisive influence on the policies that a parliamentary group will defend.

In 2010, an MP from the ruling party with personal corporate interests in the tobacco business led to the lifting of a total ban on smoking in closed public places. The court confirmed that there was a conflict of interest for Emil Dimitrov.⁹⁶ The strong and powerful intervention of civil society and the medical community, supported by the European Commission (Directorate-General for Health) and the Bloomberg Initiative to Reduce Tobacco Use, led to the restoration of the total ban in 2012.

But the impact of the tobacco industry on government institutions and decision-

⁹⁶ Decision 7976 / 30.06.2015 of the Supreme Administrative Court of the Republic of Bulgaria <http://www.sac.government.bg/court22.nsf/d038edcf49190344c2256b7600367606/fbb259ba0911ac87c2257e730044195a?OpenDocument>

makers has not stopped. Here are some of the manifestations we have encountered over the last decade.

Ministries and departments

The key state body for the formation and implementation of state policies to reduce smoking is the Ministry of Health (MoH). The Office coordinates the implementation of the FCTC in Bulgaria and reports on its progress to the Secretariat of the Convention. Although there is no information that it has come under the direct influence of the tobacco industry, the ministry does not show the necessary initiative to implement the recommendations on all texts of the FCTC. At the same time, its capacity for effective tobacco control has been severely limited in recent years.

We pay special attention here to the Ministry of Finance, the Ministry of Economy, the Ministry of Agriculture, the Customs Agency, as well as the Council of Ministers. They can initiate proposals for new or changes in existing regulations affecting tobacco control.

In carrying out their commitments, they are recipients of messages from the tobacco industry - not only because they are in direct contact with its representatives, but also because they come under the influence of its front groups and intermediaries. As a result, government officials and institutions can include industry interests and advantageous proposals in their proposals for regulations or policies.

For the Ministry of Finance, the most controversial is the relationship in the preparation of changes in tax policy and excise duties on tobacco products. So far, the Ministry of Finance has not shown any desire to adhere to the recommendations of Art. 6 of the FCTC, which refer to price and tax measures to reduce the demand for tobacco. In practice, our country adheres to the minimum required rates according to the requirements of European directives. The Ministry of Finance also drew criticism for its participation in a joint massive campaign against tobacco smuggling with Bulgartabac (2015), which was discussed.^{97,98,99}

The Customs Agency, which is a structure of the Ministry of Finance, gives recommendations for the implementation of tax laws, the fight against smuggling and illegal trade, the collection of excise duties, etc., which is also a point of conflict.

Due to its specific connection with economic players and their interests, the

⁹⁷ Bulgartabac has launched a new campaign against cigarette smuggling <https://www.banker.bg/upravlenie-i-biznes/read/bulgartabak-pusna-nova-kampaniia-sreshtu-kontrabandata-na-cigari>

⁹⁸ Citizens file a complaint against Bulgartabac's advertising campaign <https://www.mediapool.bg/grazhdani-podadoha-zhalba-sreshtu-reklamnata-kampaniya-na-bulgartabak-news229835.html>

⁹⁹ Smoke On The Water* <https://www.banker.bg/komentari/read/smoke-on-the-water>

Ministry of Economy can also easily be influenced by the tobacco industry when discussing the requirements for tobacco products, their registration, advertising and related legislation. In recent years, the MI has systematically opposed attempts to introduce and expand restrictive measures imposed by the FCTC.

The Ministry of Agriculture has no direct connection with tobacco products, but only with policies related to tobacco cultivation and purchase, but with regard to tobacco products it relies on the opinions of the Institute of Tobacco and Tobacco Products. Currently, the Institute is a structure of the Agricultural Academy - part of the Ministry of Agriculture. According to the Law on Tobacco, Tobacco and Related Products, the Institute is the main state structure that conducts all research on tobacco products. In the past, the Institute of Tobacco and Tobacco Products was a structure of Bulgartabac-Holding AD.¹⁰⁰⁻¹⁰¹

The connection between these departments and the tobacco industry is very risky given that in Bulgaria Art. 5.3 of the FCTC. There is no clear regulation on the order and manner of relations of civil servants at all levels with the tobacco industry. Cases 2 and 3 illustrate the impact of the tobacco industry and its intermediaries on these agencies, already in their role as recipients.

Public

Here we will look at several groups of the population that have been involved in various events that are the subject of this study.

Elderly

The “Fun Summer, Caring Autumn” program of the BCause Foundation, funded by Philip Morris Bulgaria, includes medical examinations of elderly people from the settlements in five districts of Bulgaria, mainly in tobacco-producing regions.

The examinations are performed by specialists - cardiologists, endocrinologists, etc., who come from the neighboring large city hospitals. This is a great benefit for the municipalities and for the elderly.

This activity, together with the gratitude of the people and the satisfaction of the doctors involved, is widely covered in the media.

You can learn more about it in Case 5.

¹⁰⁰ Dnevnik https://www.dnevnik.bg/print/arhiv_pari/2000/11/01/1484479_intervju/

¹⁰¹ State Gazette <https://www.ciela.net/svobodna-zona-darjaven-vestnik/document/2135462368/issue/26>

Young people

The program „Fun Summer, Caring Autumn“ also includes meetings, trainings and financing of young entrepreneurs from the settlements in the five districts of Bulgaria, mainly in tobacco-producing regions.

These meetings are greeted with great enthusiasm and give new ideas to young entrepreneurs. The atmosphere is encouraging, uplifting, and the knowledge, skills and financial aid gained at the end of the training for the best proposed mini-projects are extremely useful. Relations with mentors remain after graduation from the Academy. PMB often buys the products of young entrepreneurs in bulk, which is very useful for their start-up business. Young people in these areas are encouraged by these trainings.

Children

The program of the BCause Foundation also includes conducting activities with school-age children during the summer, extracurricular period in the same settlements. The children feel cared for, the activities that are held with them are unconventional, exciting, conducted by well-trained young teachers and all this makes these summer meetings very pleasant and expected every summer.

Specialists, scientists and experts

The study mentioned a UNWE project sponsored by PMI Impact. All specialists involved in their implementation, as well as those who are eventually acquainted with their results, become the subject of hidden advertising of the tobacco industry. But this also applies to other institutes - think tanks that implement projects funded by tobacco companies. Logos, explanatory notes representing the role of the scientific sections of the industry, thanks, form the idea of a normal and responsible industry - which tobacco companies have been striving for years and create special strategies for its implementation.

Students

In the mentioned project of UNWE, sponsored by PMI Impact, at workshops, trainings and presentations, the scientific results of this project are widely shared with students from the university. Training materials have been developed and finally it was decided to include this topic in the program of the school. All training materials mention PMI Impact and bear its logo. Thus, the information about his activity and charity has reached more than 1000 students.

Doctors and medical professionals

In the study we find doctors and medical specialists - cardiologists, pulmonologists, pharmacists, sociologists who are actively involved in the presentation and advertising of new smokeless tobacco products. These are specialists with a good reputation, authority and a high position in the ranks of the medical profession. They regularly participate as speakers, even as organizers of national and international medical conferences sponsored by tobacco companies, give lectures, train colleagues, students, patients, give interviews in the media, write articles, conduct opinion polls, share personal positive and encouraging experiences from the use of new tobacco products.^{102,103,104,105}

It is noteworthy that these specialists or their organizations and institutes have never before joined the initiatives to curb smoking in Bulgaria, neither as experts nor as citizens.

Today, however, they are strongly opposed to the cigarette killers of millions of people around the world, and in the name of a „smoke-free future“ they are openly on the side of e-cigarettes and HTPs, showing that the views of the WHO Framework Convention on Tobacco Control are not known to them, or consciously unwilling to accept them. At the same time, some of them became members of the newly established International Association for the Control of Smoking and Harm Reduction (SCOHRE)¹⁰⁶, which, however, did not work in line with the WHO FCTC. You will learn more about the activities of the above-mentioned specialists in cases 1, 4 and 5.

Hundreds of medical specialists received the messages of the health conferences organized by Arbilis and Capital with the financial support of the PMB partners, the health publications Science Cardiology, Endocrinology, Pulmonology, as well as the constantly published and broadcast paid interviews, articles and information materials. in the Bulgarian media. They have witnessed the authoritative conclusions of experts on the „reduced harm“ of HTPs and their benefits to the health of heavy smokers.

¹⁰² Scientific Symposium Smoking and Development of Cardiovascular Diseases and Comorbid Conditions Smoking as a factor for the development of cardiovascular diseases and comorbid conditions. The role of smokeless alternatives in reducing risk. Second Scientific Conference - Comorbidity in CVD, ARBILIS, 18-20.06.2021 https://bg-cardio-foundation.com/wp-content/uploads/2021/05/Programa_Comorbidnosti.pdf

¹⁰³ Third Scientific and Practical Conference Prevention, Diagnosis and Therapy in Young and Adult Age. Smokeless products can reduce the incidence of atherosclerosis and thrombosis <https://www.posoki.com/d-r-prokopova-bezdimnite-produkti-mogat-da-namalyat-zabolevaemostta-ot-ateroskleroza-i-tromboza>

¹⁰⁴ Nicotine hunger has trapped nearly half of smokers in Bulgaria for more than 20 years. <https://www.bgonair.bg/a/36-sutreshen-blok/204524-kardiolog-bezdimnite-izdeliya-sadarzhat-tolkova-nikotin-kolkoto-i-tsigarite>

¹⁰⁵ Dr. Rada Prokopova: Smokeless products reduce atherosclerosis, have an effect on COPD <http://skener.news/2020/09/15/%D0%B4-%D1%80-%D1%80%D0%B0%D0%B4%D0%B0-%D0%BF%D1%80%D0%BE%D0%BA%D0%BE%D0%BF%D0%BE%D0%B2%D0%B0-%D0%B1%D0%B5%D0%B7%D0%B4%D0%B8%D0%BC%D0%BD%D0%B8%D1%82%D0%B5-%D0%BF%D1%80%D0%BE%D0%B4%D1%83%D0%BA%D1%82/>

¹⁰⁶ International Association for Smoking Control and Harm Reduction <https://npo.bg/%d0%bd%d0%be%d0%b2%d0%b0-%d0%bc%d0%b5%d0%b6%d0%b4%d1%83%d0%bd%d0%b0%d1%80%0%be%d0%b4%d0%bd%d0%b0-%d0%b0%d1%81%d0%be%d1%86%d0%b8%d0%b0%d1%86%d0%b8%d1%8f-%d1%89%d0%b5-%d1%80%d0%b0%d0%b1%d0%be%d1%82/>

These doctors are also exposed to the idea that new HTPs and e-cigarettes help better quit smoking and remain blind and deaf to WHO's proven warnings that this is TI's long-held insidious strategy to open the front door. for smoking "of new young people - future smokers".^{107,108,109}

It is quite logical to expect that by going to their practices, hospitals, wards, they will pass this „valuable“ knowledge to colleagues and patients. Thus, the myths spread around the world by the tobacco industry and relayed by our specialists and media intermediaries become a belief for the ordinary Bulgarian doctor and his patient.

In the section „Specific cases - cases 4 and 5“ we will present the result of the action on the „recipients“ and the consequences of this impact on the population of Bulgaria.

¹⁰⁷ Tobacco - Key facts <https://www.who.int/news-room/fact-sheets/detail/tobacco>

¹⁰⁸ WHO report on the global tobacco epidemic 2019: offer help to quit tobacco use [WHO report on the global tobacco epidemic 2019: offer help to quit tobacco use](#)

¹⁰⁹ WHO global report on trends in prevalence of tobacco use 2000-2025, third edition [WHO global report on trends in prevalence of tobacco use 2000-2025, third edition](#)

SPECIFIC CASES

In this chapter we will follow five cases in which the result of the interaction between tobacco companies and their intermediaries is clearly outlined, which influences the actions of certain „recipients“ and is realized mainly in changing policies and manipulating public opinion.

1. Discussion on increasing the excise tax on heated tobacco products, 2018

This case reveals how, under the influence of the tobacco industry and its funded organizations, changes have taken place in tobacco legislation.

A little background.

In July 2017, a publication was published on the website „Investor.bg“ under the title „Economists want Bulgaria to include smokeless cigarettes in tax laws.“¹¹⁰ The article refers to a statement by IME economists:

“Bulgaria needs to update the fiscal framework for tobacco products given the emergence of alternative smokeless cigarettes, and in the short term the rate for them to be zero - this is recommended in a report by economists from Institute of Market Economics.”

These arguments are presented in the IME Position published on 12.07.2017: New excise framework for innovative „heated“ tobacco products.¹¹¹ The Position states that:

*“Based on the potential for **harm reduction** from these heated products compared to regular cigarettes and taking into account the practices in many other EU Member States, it is necessary to supplement the Law on Excise Duties and Tax Warehouses with new provisions to cover new heated tobacco products. To this end, it is necessary to adopt a specific definition of these products, an appropriate tax base and an initial excise tax rate.*

Their opinion is that:

¹¹⁰ Economists want Bulgaria to include smokeless cigarettes in tax laws, <https://www.investor.bg/biudjet-i-finansi/333/a/ikonomisti-iskat-bylgariia-da-vkliuchi-cigarite-bez-dim-v-danychnite-zakoni-242903/>

¹¹¹ Position: New excise framework for innovative "heated" tobacco products, <https://ime.bg/bg/articles/poziciya-nova-akcizna-ramka-za-inovativnite-nagrevaemi-tyutyunevi-izdeliya/>

*“Given that these products are yet to enter the Bulgarian market, the initial tax burden should be as low as possible, on the one hand, to test the market and, on the other hand, to stimulate the entry of **less harmful alternatives to cigarettes**. Given the fact that future harmonization of the excise duty on heated tobacco products in the EU is forthcoming after 2018, the most pragmatic approach for Bulgaria is to set a **zero tax rate for heated tobacco** products in the short term.”*

As a result, in 2017 the Law on Excise Duties and Tax Warehouses was supplemented with a definition of a heated tobacco product (Art. 12a), determining the tax base for excise duty based on the amount of tobacco contained in the product measured in kilograms (art. 29, para. 3) and excise rate in the amount of BGN 152 per kilogram (art. 38, para. 2). The adopted changes in the law come into force on January 1, 2018. Although not zero, the excise rate is relatively low. With 20 cigarettes in one box, with a weight of 6.1 grams per pack and a price of BGN 5.50 per pack, it is BGN 0.93. For comparison, if the excise rate for conventional cigarettes is applied to these heated tobacco products, then the amount of excise duty should be BGN 3.54 per pack.

The opinion and recommendations of the IME have been accepted, which is the reason why the senior economist of the Institute for Market Economics Petar Ganev shares in the article „The drama with heats in more detail“¹¹²:

*„Exactly one year ago, the IME actively participated in the process of adopting the excise framework for heated products. The case then was that these products contained tobacco (unlike e-cigarettes), which automatically made them an excise product. **The lack of an excise framework for them practically led to the impossibility for them to enter the country and block the market.** Then we proposed a detailed excise framework to meet European practice.”*

The article further emphasizes the agreement on the texts proposed by the IME experts, laid down in the amendments to the law: *“This is the practice in almost all of Europe, and it was accepted by full consensus by all participants (MEPs and external observers) in the discussions in the Committee on Budgets.”*

Suddenly, on June 29, 2018, a large group of MPs (64 MPs) from the ruling party GERB introduced a bill amending the Law on Excise Duties and Tax Warehouses in order to increase budget revenues. They proposed a change in the tax rate on heated tobacco products in view of the increase in their market share. The main changes are to be related to the equalization of the excise duty on heated tobacco products with that of cigarettes in order to prevent losses for the budget. The tax base for excise duty on a heated tobacco product is to be changed from the amount of tobacco contained in the product, measured in kilograms, to the number of cigarettes, as is with packs of cigarettes.

¹¹² IME: The drama with HEETs in more detail, <https://www.investor.bg/analizi/85/a/ipi-dramata-s-hiitove-v-poveche-detaili-264249/>

The Ministry of Finance supported the bill, „because a change in the excise tax rate on heated tobacco products is expected to have a positive budgetary effect.“¹¹³

On July 3, 2018, IME economist Petar Ganev commented on Facebook on Parliament's intention to raise the excise tax on heats in the middle of the year as a blow to innovation and an incentive for smuggling.¹¹⁴

The bill submitted to the Parliament provokes a heated debate on July 10, 2018 on the Bulgarian National Radio with the participation of Tihomir Bezlov from CSD, Petar Ganev from IME and Pavel Antonov from the Smoke-free Life Coalition on „Will access to smokeless cigarettes be restricted and are they a better alternative?“¹¹⁵

From the Report of the Committee on Budget and Finance to the 44th National Assembly¹¹⁶ after a sitting held on July 12, 2018, it is clear that the meeting was attended by representatives of industry organizations. As the transcripts¹¹⁷ of the committee meeting has not been published, it is not possible to say exactly which organizations have expressed which opinions. The Report of the commission states: „The organizations in the field disagree with the bill, given the drastic increase in the excise tax on heated tobacco products compared to their taxation in other EU countries. They also point out that the excise tax system on conventional cigarettes (by pieces) is not applicable to these tobacco products. They are available in different forms - pieces, tubes, capsules or fine-cut tobacco for heating, where the common consumable is tobacco and in this sense they believe that the tax base should be the weight of the tobacco mixture. Any other tax base would disturb the equality of different types of heated tobacco products and lead to circumvention of tax legislation. „

From the 15th page of the Annual Technical and Financial Report¹¹⁸ of the National Patient Organization for 2018 it is clear that the organization has submitted an opinion to the Committee on Budget and Finance at first reading of the same bill and their opinion is similar to that of IME:

“The proposed change will increase the price only of smokeless tobacco products, for which recent studies show that they have a reduced content of harmful substances and would reduce the damage to the health of the Bulgarian nation.

The increase in the price of these products will make them available only to a small

¹¹³ Opinion of the Ministry of Finance on amendment act to the Law on Excise Duties and Tax Warehouses, № 854-01-60/29.06.2018 <https://www.parliament.bg/bg/parliamentarycommittees/2576/standpoint/8565>

¹¹⁴ Petar Ganev: There is no such excise burden on smokeless cigarettes in Europe <https://www.investor.bg/biudjet-i-finansi/333/a/petyr-ganev-takava-akcizna-tejest-na-bezdimni-cigari-v-evropa-niama-264020/>

¹¹⁵ Will access to smokeless cigarettes be restricted and are they a better alternative? <https://bnr.bg/play/post/100993897/cigarite>

¹¹⁶ Report of the Committee on Budget and Finance <https://www.parliament.bg/bg/parliamentarycommittees/2576/reports/8601>

¹¹⁷ The transcripts were requested in a letter to the Speaker of Parliament under the Access to Information Act, but so far there has been no response.

¹¹⁸ Statement, NPO, <https://npo.bg/wp-content/uploads/2019/10/Otchet-za-2018.pdf>

*part of Bulgarian citizens - those with high incomes, which will lead to the return of smokers to more harmful cigarettes. In practice, the proposed bill will make **less harmful products inaccessible** to Bulgarian citizens and will encourage the use - of proven harmful products - traditional cigarettes, which are one of the main causes of morbidity and death of Bulgarian patients, and the allocation of huge budgets for social significant diseases, oncological and other diseases."*

Dr. Hasardjiev, chairman of NPO, widely disseminated the same statement in the media, defending together with the representatives of the tobacco industry their claims.¹¹⁹

Both statements fully support the PMI thesis, widely advertised in various articles and interviews, using them as their front groups in promoting the „harm reduction“ of heated tobacco products. Thus, together with the representatives of the parliamentary group „United Patriots“ they managed to change the original proposal, and finally the report from the meeting of the Committee on Budget and Finance ends as follows:

“As a result of the discussion, members point out that its further discussion should take into account the comments of the branch organizations and make changes to the bill by reducing the proposed increase in the excise duty on heated tobacco products from 100 percent to 40 percent of the excise duty on cigarettes, in order to the increase to be carried out more gradually.”

From the transcript of the plenary session¹²⁰ held on July 18, 2018, it is clear that the main opponents of the original proposal are MPs from the opposition BSP (Bulgaria Socialist Party) for Bulgaria. They argue that there is a violation of the Public Finance Act and that the proposed changes cannot take effect on October 1, but from the beginning of next year, and that there should be a differentiated approach, as *„over 150 types of toxic substances are not released and therefore **smokeless cigarettes are less harmful.**”* One of the main criticisms is that the changes were proposed only six months after the lower rate was adopted and that the estimates of budget revenues at the time were misleading and wrong. During the discussion, they came to open accusations: *„Isn't what you're doing right now in favor of conventional, ordinary cigarette manufacturers? Is there no pressure on you from them?”*

Proponents of the excise duty equalization bill zealously defend their position, citing the WHO¹²¹: *„The World Health Organization clearly and unequivocally says that they are harmful and should be taxed in this way,”* as well as *„So far there is no evidence of independent scientific sources to prove that heated tobacco products are less harmful to others than conventional cigarettes.”* They even accuse the opposition

¹¹⁹ BG ON AIR, (1':16") <https://www.bgonair.bg/a/108-video/156512-po-visok-aktsiz-za-bezdimnite-tsigari-iskat-upravlyavashite>

¹²⁰ <https://www.parliament.bg/bg/plenaryst/ns/55/ID/6285>

¹²¹ WHO Report on the Global Tobacco Epidemic 2019, p.52-53 <https://www.who.int/publications/i/item/9789241516204>

that: *“There has been a long and wide-ranging thesis here, which slightly coincides with the thesis of the manufacturers of such tobacco products that, you see, they were less harmful.”*¹²²

The other opposition parliamentary group, the MRF (Movement for Rights and Freedom), which mainly represents and defends the interests of tobacco producers in Bulgaria, also does not support the bill, arguing that *„a change in tax rates should be made from the beginning of next year.”*

During the discussion in the parliament it became clear that the partner in the ruling coalition also does not agree with the increase in the excise rate, which was the reason for the meeting of the Committee on Budget and Finance to oppose and demand a review and reduction of the excise tax. rate:

“The MPs from IMRO specifically opposed the initial proposal for 100% excise duty on (heated tobacco) cigarettes and as a result of our rather bright position, a debate was reached, which adopted a compromise approach. The reason for our resistance and the reason we adopted this approach is, after all, our conviction that even if there is little chance that these cigarettes are less harmful to smokers and those around smokers, let us not forget that we must support this chance to give preference in the name of health at the expense of fiscal revenues. It was unacceptable for us to have a sharp rise in the price of this type of product, which would take them out of the market in practice before we have proven or not their lesser harmfulness.”

The opinion of the coalition partner provoked the Prime Minister Boyko Borissov to say on July 4, 2018¹²³ that he would ask GERB to withdraw the bill on smokeless cigarettes: *“With the adoption of the bill the budget would have earned at least BGN 30 million more, which now will go into the pockets of the manufacturers of these devices. If those who criticize the bill, including the Patriots, want us to withdraw it, so be it.”*

The petitioners did not withdraw the bill, but under the influence of the Prime Minister, the coalition partner, pressure from industry organizations, the opinions of the IME, the National Patients' Organization, etc., and the opposition, adopted a compromise, which radically changed the original proposals. They renounced the submitted texts, as a result of which the excise rate for heated tobacco products was increased from BGN 152 to BGN 233 per kilogram, which represents about 40% of the excise rate on cigarettes.¹²⁴

During the second reading in the plenary hall, the texts were adopted without discussion (only two statements from the opposition, according to which the changes should not come into force on October 1, but from the beginning of next

¹²² Ibid

¹²³ Boyko Borissov will ask GERB to withdraw the bill on smokeless cigarettes <https://www.investor.bg/biudjet-i-finansi/333/a/boiko-borisov-shte-poiska-gerb-da-iztegli-zakonoproekta-za-bezdimnite-cigari-264104/>

¹²⁴ The National Assembly adopted at first reading the increase in the excise duty on smokeless cigarettes <https://www.investor.bg/biudjet-i-finansi/333/a/ns-prie-na-pyrvo-chetene-povishenieto-na-akciza-za-bezdimnite-cigari--264890/>

2019). The whole case is presented in Table № 1 (See Appendices).

This case shows how an intention of MPs, which would help curb smoking, was thwarted and led to a 180-degree change under the influence of front groups of the tobacco industry, industry organizations, the Institute for Market Economics, the National Patient Organization and political parties.

2. Discussion of a proposal for the Council of Ministers to establish a National Council for Coordination of the Implementation of the WHO Framework Convention on Tobacco Control in the Republic of Bulgaria

By order of the Minister of Health of 27.01.2021 an interdepartmental working group of 17 experts was established, which aims to prepare a draft Decree of the Council of Ministers establishing a **National Council for Coordination of the Implementation of the Framework Convention for the Control of WHO tobacco** (DCoM) in the Republic of Bulgaria.

This proposal is based on analytical observations¹²⁵ of difficulties and a clear lack of coordination between the various agencies and control bodies, covering different areas of implementation and implementation of the FCTC. The establishment of a working group by the Ministry of Health is a long-awaited step to overcome the weaknesses and institutional weaknesses for effective tobacco control and is supported by the Smoke-Free Life Coalition and the WHO Office in Bulgaria.

The working group includes experts from the Ministry of Health, the Ministry of Foreign Affairs, the Ministry of Justice, the Ministry of Finance, the Ministry of Agriculture, the Ministry of Environment and Water, the Ministry of Education and Science, the Customs Agency, the General Directorate "Police", the Consumer Protection Commission, the National Association of Municipalities, the Institute of Tobacco and Tobacco Products, the Smoke-Free Life Coalition and Smoke-Free Bulgaria Association. The Ministry of Economy refuses to participate in the working group, it would be joining the final stage - interdepartmental coordination.

For the purposes of the study, the opinions of individual experts from the ministries (Table 2, Appendix 3) and those of some of the officially signed opinions of the ministries (Table 3, Appendix 4) will be compared with that of the law firm Boyanov & Co. (BCLF) We accept the latter as a representative of the tobacco industry, as they themselves state in their opinion "*...from our work for tobacco companies we know that.....*"¹²⁶

In this case, we accept the hypothesis that mostly experts from the Ministry of

¹²⁵ Missing C - Review of sponsorship by the tobacco industry in Bulgaria. Report by BlueLink Foundation, 2019. https://www.bluelink.net/files/attachments/missing-s_report_2019.pdf

¹²⁶ Statement of Boyanov & Co, published on Strategy.bg.

Finance, Customs Agency, Ministry of Agriculture and the Institute of Tobacco and Tobacco Products can be influenced by the tobacco industry. No connection or interaction can be established between the statements of the other experts and the tobacco industry.

The common opinion of the experts is that they oppose the establishment of a National Council. According to them, each department fulfills its obligations under the relevant legislation, the Framework Convention on Tobacco Control applies in Bulgaria and it is not necessary to have another coordinating body, all the requirements of European legislation apply. These allegations coincide with the allegations of the Law Firm.

Another important point is the overlap of the opinion of the cited institutions with that of BCLF that the Council should include representatives of legitimate branch organizations in the sector of tobacco production and processing, as they are „*the affected side*“. The working group explained in detail the requirement of Art. 5.3 of the FCTC. As a result, this recommendation was dropped from the official statement of the Ministries of Finance and Agriculture, remaining only in the statement of the Ministry of Economy, which did not participate in the working group.

It is noteworthy that the expert from the Ministry of Finance makes very good use of the opinion of the think tank Institute for Market Economics (see „Intermediaries“, IME). In its first opinion, it reiterated the institute’s thesis that any change in tax policy leading to higher tobacco prices would have a negative effect on illicit trade in tobacco products, which would hamper the achievement of the set goal of reducing smoking. .

In its second opinion, the MoF expert has a very direct reference to the IME study:

“Regarding the specific arguments, the colleagues from the Ministry of Health can get acquainted with the research conducted by the Institute for Market Economy (IME)¹²⁷ on the price elasticity and affordability of tobacco products in Bulgaria in the framework of the common European policy (2007-2018), where The direct link between the increase in excise rates, the reduction in the purchasing power of the population and the increase in the illicit trade in tobacco products has been examined. „

The opinion of the representative of the Customs Agency contains a very definite statement:

“The impact assessment does not reflect the way in which the work of the National Council will affect the tobacco industry and tobacco producers. You should keep in mind that the tobacco industry contributes to the budget more than half of the excise revenues and a significant part of the VAT revenues.”

¹²⁷ IME, Study of the price elasticity and affordability of tobacco products in Bulgaria within the framework of the common European excise policy (2007-2018) https://ime.bg/var/images/Affordability_tobacco_IME_19.pdf

The Customs Agency concludes in a slightly more optimistic statement:

“We would support instruments and methods derived from the FCTC to combat the illicit distribution of tobacco products, as long as they are effective and fully comply with European and national legislation in this area and will not impose an excessive burden on customs administrations and legal economic operators. When the legislative procedure for ratification of the Protocol to the FCTC is launched, we would cooperate with our expertise and experience based on the application of local and European legislation.”

It is precisely this legislative procedure connected to the Protocol that is one of the main reasons for calling for the establishment of a National Council. For 10 years now, the responsibility has been passed between the Customs Agency, the Ministry of Finance and the Ministry of Health to prepare and launch the procedure.

Despite the differences in the statements of the individual ministries, the draft decree of the Council of Ministers was completed in June 2021. Along with the necessary supporting documents it was sent for interdepartmental coordination, a procedure required by the Rules of Procedure of the Council of Ministers and its administration.

All ministries participate in the interdepartmental coordination, 12 of them agree to the draft decree of the Council of Ministers without remarks. Only 5 ministries have remarks. Their opinions have been requested and provided under the Access to Public Information Act. The Ministry of Justice proposes that changes be made in connection with the functions of the ministry and the relations with other ministries, which is not the subject of our investigation.

The Ministries of Agriculture and Environment and Water strongly disagree with the draft Decree of the Council of Ministers, while the Ministry of Finance agrees with the remarks. The Ministry of Economy is not so categorical: *“It should be considered whether the proposal for an Advisory Board should be reconsidered.”*

Here, as in the statements of experts, the main thesis that overlap with those of the Law Firm are: questioning the necessity for a new structure to be created (Ministry of Agriculture, Ministry of Economy, Ministry of Environment and Water), point out that the obligations of ministries are specified in regulations, that the FCTC and European requirements are met and that there is no obstacle to the implementation of individual sectoral policies at present.

As mentioned above, only the Ministry of Economy continues to defend the need for the tobacco companies to participate in the Council: *“Representatives of branch organizations of tobacco and tobacco manufacturers and traders and persons processing tobacco.”*

In Bulgaria and especially in the Ministries of Economy and Finance the requirements of Art. 5.3 of the FCTC are ignored. Therefore, they oppose the text in the draft Decree of the Council of Ministers reading: *“Each nominee declares in writing independence from the tobacco industry”* with the argument that *„the lack of definition (of independence) can lead to unclear consequences.”*

The Ministry of Finance does not accept the following text of the draft Decree of the Council of Ministers as well: *„All ministries to counteract the intervention of the tobacco industry.”*

On July 14, 2021, the Ministry of Health published the draft decree of the Council of Ministers on the Public Consultation Portal [Strategy.bg](https://strategy.bg). Within the specified period, 4 statements of lawyers and law firms were published there, and for two of them their connection with the tobacco industry was established (See “Intermediaries - Lawyers of the industry”).

Based on the case, it can be seen that:

- ✓ The Ministry of Finance accepts and implements the thesis of the tobacco industry funded IME think tank, the cited report used as an argument being the one funded by PMI;
- ✓ The cited ministries are not familiar with and do not implement Art. 5.3 of the FCTC to prevent the interference of the tobacco industry and insist on the inclusion of representatives of the tobacco business in such a council;
- ✓ The coincidence in the opinions and the means of expression / phraseology in the opinions of most ministries with those of Boyanov & Co Law Firm, a representative of TI, is a clear example of the industry’s influence of policy through the use of intermediaries;
- ✓ The mentioned ministries put a sign of equality between the implementation of the FCTC and the European requirements, which is not really the case.

3. Smuggling and the myth that raising excise taxes will increase illegal trade

Smuggling and the illicit trade of tobacco products are among the levers that TI uses most successfully to manipulate government policies on excise duties on tobacco products.^{128,129,130}

Tobacco tax policy is a key element of every national tobacco control program that claims to be comprehensive and evidence-based. An increase in excise duty of at least 10% has been shown to lead to a 5% reduction in smoking, according to the World Health Organization (WHO). *"Raising tobacco taxes is the most cost-effective solution to reduce tobacco use in all its forms"*, say experts from the organization.¹³¹ They call on the parties to act to protect these policies from the commercial interests of the tobacco industry in defining and implementing their public health policies regarding tobacco control.¹³²

In stark contrast, TI and its allies use every means to suggest that raising excise duties on tobacco products increases illegal trade and smuggling, and, worse, ultimately reduces public revenues.¹³³ It is noteworthy that in this area TI is not ashamed to use not only „intermediaries“, but also to directly and actively participate in dialogue with those in power. Moreover, in many countries around the world, or at least where it is allowed, the tobacco industry is taking the initiative in the fight against smuggling. The industry finances projects, studies the level of illegal trade, regularly counts empty packs, openly communicates in front of the media with the most high-ranking and ruling figures in the country - prime ministers, heads of ministries, agencies, etc.

An example close to Bulgaria is The Syracuse International Institute for Criminal Justice and Human Rights.¹³⁴ In recent years, it has implemented two large-scale projects funded by PMI and PMI Impact.

In June 2019, the institute organized the first National Strategic Dialogue on Illicit Trade in Pristina (Kosovo). The three-day program includes top officials from the Ministry of Justice and the Ministry of Finance, the Kosovo Judicial Council, the

¹²⁸ What is known about tobacco industry efforts to influence tobacco tax? A systematic review of empirical studies <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3701860/>

¹²⁹ Krasovsky K. "The lobbying strategy is to keep excise as low as possible" - tobacco industry excise taxation policy in Ukraine <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2936872/>

¹³⁰ Change in tobacco excise policy in Bulgaria: the role of tobacco industry lobbying and smuggling <https://pubmed.ncbi.nlm.nih.gov/23143869/>

¹³¹ Raising Tax on Tobacco – What You Need To Know http://apps.who.int/iris/bitstream/handle/10665/112841/WHO_NMH_PND_14.2_eng.pdf?sequence=1

¹³² Preventing and Reducing Illicit Tobacco Trade <https://www.cdc.gov/tobacco/stateandcommunity/pdfs/illicit-trade-report-508.pdf>

¹³³ Ross H., Tesche J. Undermining Government Tax Policies Common strategies employed by the tobacco industry in response to tobacco tax increases https://tobacconomics.org/uploads/misc/2016/07/2016_Ross_Undermining-tax-policy-updated_EN_FINAL.pdf

¹³⁴ The Syracuse International Institute for Criminal Justice and Human Rights <https://www.siracusainstitute.org/app/research-projects/>

Kosovo Customs Service, the Kosovo Prosecutorial Council and a delegation of police officers involved in fighting organized crime.

The meeting is part of the two-year project “Strengthening the Fight against Illicit Trade in Southeast Europe” (or SEE-IMPACT), funded by PMI Impact, a global initiative of Philip Morris International to support projects to combat illicit trade and related crimes.¹³⁵ This is practically a fusion between the state and industry. The consequences of this partnership on tobacco tax policy is not difficult to guess. And this policy of PMI and the tobacco industry in general extends worldwide.

„The fight against illicit trade is in the DNA of PMI, and I am particularly happy that the PMI Impact Initiative enables organizations around the world to really contribute to tackling the illicit trade not only in tobacco but in many other sectors.“, says Alvis Justiniani, vice president of Philip Morris International for the Prevention of Illicit Trade.¹³⁶

The topic of smuggling is also a favorite for most Bulgarian institutes and think tanks, because its research is almost always related to funding from the tobacco industry. In our study, this was confirmed at IME, CLS, CSD and UNWE.¹³⁷

On October 3, 2017, a joint press conference at UNWE brought together representatives of CSD, IME and UNWE to mark the successful launch of three projects related to smuggling and trafficking. All three are funded by PMI Impact.¹³⁸ The institutions are „independent“ of the donor, but the reports of all three organizations convey the idea that one of the reasons for the increase in smuggling and the illicit trade in tobacco products is the increase in their excise duties. For this reason, all the mentioned think tanks recommend the state to maintain a stable excise policy and if for some reason an increase is needed (for example, the requirements of a European directive), this should be done smoothly and gradually so as not to shake the market. These conclusions contradict the research of many truly independent institutions on the relationship between prices, illicit trade, tobacco use, state budget revenues and health consequences.^{139,140}

At a meeting with Tihomir Bezlov from CSD, one of the best analysts of tobacco smuggling in Bulgaria, this thesis was strongly confirmed.

¹³⁵ National Strategic Dialogue on Illicit Trade in Pristina (Kosovo) <https://www.siracusainstitute.org/app/national-strategic-dialogue-on-illicit-trade-in-kosovo-pristina-june-25-27-2019/>

¹³⁶ Bulgarian project to combat illegal trade in PMI IMPACT, <https://webcafe.bg/business/1190880519-balgarski-proekt-za-borba-s-nelegalnata-targoviya-v-pmi-impact.html>

¹³⁷ Philip Morris International has announced the projects selected for funding from the PMI IMPACT initiative <https://www.cross.bg/turgoviya-impact-nezakonnata-1599550.html> <https://pmi-impact.com/Funding/firstfundinground>

¹³⁸ Press Conference about the Three Bulgarian Projects Won Funding by the PMI Impact Global Initiative <https://www.unwe.bg/en/news/12404/press-conference-about-the-three-bulgarian-projects-won-funding-by-the-pmi-impac.html>

¹³⁹ S. Dutta, The World Bank, *Confronting Illicit Tobacco Trade: A Global Review of Country Experiences*, technical report, 1 February 2019.

¹⁴⁰ L. Joossens, D. Merriman, H. Ross, M. Raw, *How eliminating the global illicit cigarette trade would increase tax revenue and save lives*, International Union Against Tuberculosis and Lung Disease, 2009.

This brings us to the main issues: Why doesn't the state fund such research? Why does the tobacco industry finance the study by collecting and analyzing empty cigarette packs and presenting the level of smuggling in Bulgaria? Why should the Prime Minister of Bulgaria sit next to the big tobacco companies when presenting the next study, when the credit for reducing smuggling goes to the Customs Agency, Border Police, Interior Ministry, NRA and other institutions?

In this whole whirlwind of research, projects, strategies, legal decisions and media events, it seems that the health aspect of the increase in excise duty and its impact on public health seems to be completely in the background or even disappearing from the agenda.

In an „Analysis of the Illicit Trade in Tobacco Products in the Bulgarian Media for the Period 2010-2019“¹⁴¹ Dr. Masha Gavrailova reviews 87 articles. The conclusion is that illegal trade depends primarily on the political will of the government and not on the level of excise duty. *„Under Borissov's second government, an unprecedented step was taken - 'putting under physical control' all Bulgarian tobacco factories - over the outgoing vehicles - trucks and cars, and hand luggage. Over the next six months, the Customs Agency and the Interior Ministry will have their own employees inside and around the cigarette factories. The consequence is a sharp decline in the illicit distribution of tobacco products and an increase in budget revenues from these products. The illegal cigarettes produced in Bulgaria are literally disappearing from the market, and the pressure is moving across the borders.“*¹⁴²

The year 2010 is memorable in terms of the increase in the excise duty on tobacco products in Bulgaria. The sharp increase - by more than 40%, in a period of very low purchasing power of the population, leads to sharp decline in consumption and according to a study of empty cigarette packs - to an increase in illicit trade.

This is being used by TI and its intermediaries - institutions and the media - to call on the state to stabilize the excise duty on tobacco products in the coming years.

According to WHO and World Bank expert Konstantin Krasovski, *„The main challenge for the future development of tobacco tax policy in Bulgaria is to overcome the misconception of the 2009-2010 reform as a failure.“*¹⁴³

„In 2009, Finance Minister Simeon Djankov said the increase in the cigarette tax was not aimed at increasing revenue: 'This is primarily a health measure. Bulgaria needs to drastically reduce smoking.' He later said that lower smoking prevalence was good for the economy. In 2013, Djankov was the author of an article in the Wall Street Journal,

¹⁴¹ Gavrailova M. "Analysis of the Illicit Trade in Tobacco Products in the Bulgarian Media for the Period 2010-2019." -

¹⁴² Bezlov T. Has smuggling disappeared? Why the growth of tobacco revenues in 2017 is the result of a slight increase in excise duty? https://www.capital.bg/politika_i_ikonomika/bulgaria/2018/03/23/3151730_izchezna_li_kontrabandata/

¹⁴³ Krasovski K. "The policy for tobacco taxation in Bulgaria in 2009-2010 - a great success, which is perceived as a failure" Report presented at the scientific-practical conference "Increasing excise duties on tobacco and related products and limiting their illegal trade, as part of policies to improve public health in Bulgaria", December 4, 2019. https://coalicia.bezdim.org/images/pdf/Tobacco_taxation_policy_in_Bulgaria_-_KRASOVSKI.pdf

according to which since the beginning of the transition to democracy, life expectancy in Bulgaria has increased by seven years due to doubling the health budget and a rapid decline in smoking. The tobacco taxation policy, which reduces smoking in Bulgaria in the coming years, will contribute to further increasing life expectancy in the country.¹⁴⁴ But his voice remained a lone voice in the wilderness.

According to Krasovski: *“The tobacco taxation policy in Bulgaria in 2009-2010 is very successful from the point of view of public health, as it contributes to health goals aimed at reducing tobacco consumption, in accordance with the obligations of the FCTC. In 2008-2011, the projected consumption of tobacco products in the country decreased by 35%.”*¹⁴⁵

Despite the large increase in excise duties, in the years after the reform there has been no increase in the volume of illegal trade in cigarettes (number of cigarettes) compared to the years before the reform.

In 2010, Interior Minister Tsvetan Tsvetanov hinted that *“after the increase in taxes since the beginning of the year, cigarette smuggling has increased and the inflow of excise revenues to the budget has fallen sharply, so the reduction in excise duties on cigarettes produced in Bulgaria can be added to the cabinet agenda...”*¹⁴⁶

Such misconceptions and statements of Bulgarian politicians are not an isolated case.

In 2015, the Minister of Finance Vladislav Goranov stated that the main task of the government is to avoid the situation from the beginning of 2010, when compliance with Bulgaria’s commitments to the EU and the increase in excise duty put pressure on tobacco consumption and directed much from consumption to smuggled goods. He explained that his *„only goal is to make tobacco products available to lower-income groups, while those who can and are less sensitive to price changes continue to smoke whatever cigarettes they want.”*¹⁴⁷

The same thesis was shared at a meeting with representatives of the Customs Agency: *“The increase in the excise duty on cigarettes should be planned and gradual!”*

A review of Bulgarian press reports by an international team (Skafida et al¹⁴⁸) shows that the tobacco industry’s arguments regarding taxation and smuggling are rarely questioned, and the public health benefits of increasing tobacco excise duties are not discussed and not properly evaluated.

¹⁴⁴ Ibid

¹⁴⁵ Ibid

¹⁴⁶ Ibid

¹⁴⁷ Ibid

¹⁴⁸ Skafida V. et al. Change in tobacco excise policy in Bulgaria: the role of tobacco industry lobbying and smuggling <https://pubmed.ncbi.nlm.nih.gov/23143869/>

This case clearly shows the vital and fruitful connection between the tobacco companies and their satellite organizations on the one hand and on the other - the Bulgarian think tanks, Bulgarian statesmen, politicians and the Bulgarian media.

The consequences are predictable and they do not benefit public health:

- ✓ Bulgaria has complied with the required minimum in accordance with the requirements of Council Directive 2011/64 / EU on the structure and rates of excise duty on manufactured tobacco;
- ✓ the share of illicit trade in the second quarter of 2021 is at a record low of 1.6%¹⁴⁹, but Bulgaria remains with the lowest excise duty and the lowest cigarette prices in the EU^{150,151,152};
- ✓ According to Eurostat data, Bulgaria has the highest growth in tobacco consumption in the EU (36% smokers, of which 29% - daily)¹⁵³;
- ✓ The Protocol to Eliminate Illicit Trade in Tobacco Products to the WHO Framework Convention on Tobacco Control has not yet been ratified.

Thus, the funding of projects and institutions by the tobacco industry has done its job, directly or indirectly. The goal of the industry to prevent tobacco tax increases in Bulgaria has been achieved.

4. Advocacy for heated tobacco products

The tobacco industry's tactics of manipulating the public have become world-famous with the phrase „Doubt is our product“.^{154,155} Discovered in an internal analysis of a British subsidiary of British American Tobacco in 1969, the quote revealed to the world the brutal anti-human nature of an industry that is well aware that it is selling death and is deliberately doing its best to prevent its victims.

Little has changed to this day. Despite the huge resources and scope of the industry to purposefully undermine the scientific and public consensus against smoking, more and more countries have chosen to save people over its profits.

¹⁴⁹ Bulgaria continues to be among the leaders in the EU in low consumption of illegal cigarettes <https://3e-news.net/bg/a/view/27053/bylgarja-prodyljava-da-e-sred-liderite-v-es-po-nisko-potreblenie-na-nelegalni-cigari>

¹⁵⁰ Eurostat: Food, Tobacco Cheapest in Bulgaria [Eurostat: Food, Tobacco Cheapest in Bulgaria - Novinite.com - Sofia News Agency](https://www.eurostat.ec.europa.eu/it/view/main?geo=BG&lang=en)

¹⁵¹ IME, Study of the price elasticity and affordability of tobacco products in Bulgaria within the framework of the common European excise policy (2007-2018) https://ime.bg/var/images/Affordability_tobacco_IME_19.pdf

¹⁵² Tobacco Harm Reduction: A Review of Regulatory Frameworks and Innovation https://ekipbg.com/wp-content/uploads/2020/06/THR_Bulgaria_Regulation_Analysis_BG_Full_Cover.pdf

¹⁵³ Smoking of tobacco products by sex, age and educational attainment level, 2019 https://ec.europa.eu/eurostat/databrowser/view/hlth_ehis_sk1e/default/table?lang=en

¹⁵⁴ PROCTOR R. Golden Holocaust, p. 289, Brown & Williamson, 1969,

¹⁵⁵ “Doubt is our product” – fascinating memo on the tobacco industry's PR strategy <https://kevinhabits.com/doubt-is-our-product-fascinating-memo-on-the-tobacco-industrys-pr-strategy/>

Denial of tobacco damage has become pointless and increasingly ridiculous. Thus, tobacco communication strategists came to their last desperate move: to acknowledge the harm of their own product and to throw themselves into the fight against smoking with a single goal - to continue selling tobacco addiction and death to people.

All that was needed was one thing: a non-smoking tobacco product! And the machine for manipulation, misinformation and mistrust to continue to work at full capacity.

In recent years, the tobacco giants have performed before our eyes a jewelry marketing ploy. Although a huge share of the industry's revenue continues to come from traditional smelly and murderous cigarettes, its public image in more developed and responsible for human health countries is aggressively associated with the so-called. smokeless products. There is hardly anyone who has not seen the shiny high-tech devices, with space design and universal advertising - there are almost no billboards, shops, retail space and commercial media and social networking content in which they are missing.

At least in Bulgaria they are everywhere, thanks to the proverbially weak ability of the state to implement its laws, including the recommendations of the FCTC. But there is another reason: tobacco companies spare no expense to implement their long-standing strategy of manipulating and misleading society and politicians. This time, however, they have raised the stakes - they want not only to continue selling death, but also to launch their new products as part of the „problem solution“ and the efforts of states to overcome smoking!

Heated tobacco products have been entering the Bulgarian market since 2017. This is the time when the local tobacco industry, after privatization, is gradually starting to leave the scene and open a place for new foreign players. At the same time, in Bulgaria there is no strong regulation in terms of advertising, taxes and restrictions on the use of new products, which is why the doors for their entry are wide open. However, there is a need for additional support, which is immediately available.

One of the prominent defenders of heated tobacco products in Bulgaria is the National Patient Organization. We have already presented it in the chapter „Intermediaries“ - „National Patient Organization“.

The letter of the NPO to Minister Ananiev (MH) from June 2018 speaks about *“the proven new nicotine-containing products, which can have the potential to reduce the burden of non-communicable diseases”* and the introduction of *“innovative technologies for better choices”* (*“... manufacturers of consumer goods associated with risk factors for NCDs to adopt business practices that promote innovations for better choices.” OP17*)

The Ministry of Health does not include these proposals in its final proposal, but it is noteworthy that literally the same idea and the same phraseology is found in the proposal of the Institute for Market Economics (IME) - one of the think tanks - intermediaries on the same Political Declaration - „... *to encourage investment in innovations that leverage on stimulating healthier lifestyles through better products / choices.*“ OP17.

Both organizations receive funding from PMI and defend the interests of the company and its new products in good faith. This is one of the few cases where proposals in the spirit of the industry are not accepted.

Almost at the same time, the NPO sent to the Committee on Budget and Finance in the National Assembly its statement on a bill amending the Excise Duties and Tax Warehouses Act (№854-01-60 / 20.06.2018). The increase in the excise duty of heated tobacco products is not to the liking of TI and the NPO conscientiously performs its function as a defender of this cause. This time the joint efforts of the industry and other organizations succeed and the excise tax is increased insignificantly, which we mentioned in the first specific case.

In 2020, a National Representative Survey on the Perception and Use of Tobacco and Related Products was published.

It was funded by NPO and with additional partial funding from Philip Morris Bulgaria Ltd¹⁵⁶. It is realized by the independent agency Kantar - Bulgaria, part of the global group for marketing research, consulting and information Kantar.¹⁵⁷ In recent years, it has been a regular contractor for major studies funded by tobacco giants such as JTI, BAT. In 2018, the agency conducted a study in 13 countries - „Worldwide State of Smoking Survey“^{158,159}, funded by the Smoke Free World Foundation¹⁶⁰, established and funded entirely by Philip Morris International.

Bulgaria is not the only country in which an aggressive campaign is being waged to gain the trust of the scientific community - on the one hand, and to change public attitudes in favor of the rebranded tobacco industry - on the other. In June 2019, a partnership was established in Kazakhstan between Philip Morris International and researchers from the country's most reputable medical institutes to conduct research on heated tobacco products. Thanks to the combined efforts of truly independent scientists and civil society organizations, this partnership

¹⁵⁶ NPO, Annual Technical and Financial Report, c.21 https://npo.bg/wp-content/uploads/2020/12/2019_Annual-Report_NPO.pdf

¹⁵⁷ Tobacco Tactics - Kantar <https://tobaccotactics.org/wiki/kantar/>

¹⁵⁸ Worldwide State of Smoking Survey. A baseline of the global state of tobacco harm reduction https://web.archive.org/web/20180513210259/https://amadashboards.com/kp/eu_smokefree/

¹⁵⁹ A new global survey points to key issues, needs and gaps in fight to end smoking <https://web.archive.org/web/20180517004415/https://www.smokefreeworld.org/newsroom/new-global-survey-points-key-issues-needs-and-gaps-fight-end-smoking>

¹⁶⁰ Foundation for a Smoke Free World <https://www.smokefreeworld.org/>

and research did not materialize.¹⁶¹ In our country, however, the partnership with Philip Morris Bulgaria and related funding is well received, contrary to the recommendations of the FCTC.

The study was done professionally, but it is noteworthy that from the Introduction to the Conclusion the emphasis is mainly on heated tobacco products and e-cigarettes. It has been suggested that *„many public health experts, research institutes and government bodies around the world claim that these products have a different risk profile than existing traditional smoking tobacco products (mainly cigarettes)“*. (p.3,5,18)

In the form of *„serious concern“* and *„serious worry“*, the authors of the study in their Conclusion share that *„... there is an urgent need for concrete measures and linking health policies with research and innovation. Traditional measures to protect public health, such as regulatory bans and tax measures, have already been fully implemented, but they are not producing the expected satisfactory results. Health policies must also include new approaches and steps aimed at achieving a short-term and long-term response to public health challenges. In other words, forward-looking policies are needed, as using only traditional means to overcome risk factors does not help to find a solution to the growing incidence of morbidity among the population“* (p. 19) These are the words that the tobacco industry repeats many times and in various forms, following its strategy of undermining the authority of the global health community, which fights against smoking - in particular the WHO FCTC.

„Those who can't give up cigarettes should look for an alternative, such as a less harmful smokeless product. This recommendation is based on the fact that more and more data and official opinions of public health institutions with an excellent reputation¹⁶² on the different nature of smokeless products compared to smoking products are emerging. This distinction should serve as a starting point for the development of modern public health policies, especially given that there is scientific evidence of lower concentrations of harmful substances in non-combustible products compared to combustible products and in a situation where long-term control measures of tobacco do not contribute much to the decline in smoking in the country.“ (p.19)

Here, the researchers of the study deliberately but very delicately mislead readers by suggesting that HTPs are not only different, innovative, leading to a clean and smokeless future, but that they are approved by many higher authorities, including the Agency for Control of US Food and Drug Administration (FDA).

In fact, the FDA issues two types of documents in the *„modified risk tobacco“*

¹⁶¹ React - STOP <https://exposetobacco.org/react/>

¹⁶² The US Food and Drug Administration (FDA), the Public Health England Agency (PHE), the UK Toxicology Committee (COT), the Federal Institute for Risk Assessment (BfR), the National Institute of Public Health and Environment (RIVM) of the Netherlands, the Korean Food and Drug Administration (MFDS), the Department of Health and Environment of the Japan Institute of Public Health, etc. It is worth noting the latest decision of the FDA Heated Tobacco to obtain the status of a Modified Risk Tobacco Product (TIMP), which definitely paves the way for this category of products, striking a balance between scientific evidence and tobacco control. " - These are the sources cited in the study.

category. One (exposure modification) order shows that the products emit less harmful substances or put the one who uses them less exposed. The other („risk modification“ order) shows that HTPs „significantly reduce the harm and risk of smoking-related diseases, both for the individual who uses them and for society as a whole.“¹⁶³

The FDA has issued an iQOS document for an “exposure modification” order due to the release of reduced amounts of some harmful and potentially harmful chemicals in the use of iQOS compared to conventional cigarettes. However, despite all efforts, PMI did not receive a „risk modification“ order. On the contrary, the FDA explicitly emphasizes that „these products are not safe or“ approved „by the FDA.“¹⁶⁴

In this regard, the WHO reiterated that „the reduced impact of certain harmful chemicals in the use of heated tobacco products does not make these products harmless, nor does it lead to a reduced risk to human health. In fact, some toxins are present in aerosols of heated tobacco products in higher concentrations than in conventional cigarette smoke, and there are additional toxins that are not present in conventional cigarette smoke. The health effects of exposure to these toxins are unknown.“¹⁶⁵

But the NGO study has its goals and sets them out in conclusion:

„Bulgaria has every reason to implement public health strategies based on reducing the risk associated with non-communicable chronic diseases, with a focus on preventing the use of tobacco and related products among young people, and at the same time to offer solutions to the problem with a high level of smoking, clearly presenting information on the different levels of harmfulness of new products compared to conventional smoking products in order to encourage current smokers to quit smoking and those who cannot quit to switch to smokeless alternatives. “ (p.20)

„In order to monitor developments and changes in behavior and attitudes, the NPO declares its intention to continue regular monitoring (if possible every 2-3 years) and invites all stakeholders to contribute and join the initiative.“ (p.19)

Of course, such a promising interaction will include those who have contributed the most - the creators of „less harmful smokeless products“, and this will be necessary out of purely financial necessity. The state has proven many times in recent years that it does not allocate funds for such research.

The study is widely presented in the central media and enables the chairman of

¹⁶³ FDA <https://www.fda.gov/media/139796/download>

¹⁶⁴ FDA News <https://www.fda.gov/news-events/press-announcements/fda-authorizes-marketing-iqos-tobacco-heating-system-reduced-exposure-information>

¹⁶⁵ WHO on Heated tobacco products <https://www.who.int/news-room/detail/27-07-2020-who-statement-on-heated-tobacco-products-and-the-us-fda-decision-regarding-iqos>

the NPO, Dr. Hasardjiev, to advertise and promote freely heated tobacco products, including through his personal example as a consumer.

In a morning broadcast on BNT (Bulgarian National Television) just a week after the NGO study was published, he said that „*the FDA has recently come out with a very positive conclusion about new heated products that they can be a far safer alternative to conventional cigarettes. With this in mind the consumption of these smokeless products in Bulgaria, at the expense of traditional ones, is not enough.*”¹⁶⁶. These words remain without comment.

The Smoke-Free Life Coalition responded immediately with a letter to the director general of the National television, as well as to the Electronic Media Council, the Consumer Protection Commission, the Ethics Commission of the National Self-Regulation Council and the Journalistic Ethics Commission. No reply was received, nor was the right of reply granted.

The lack of a ban on advertising, promotion and sponsorship allows TI, through various institutions, people and groups, to be able to promote and present to the public a false picture of its products.

As mentioned in the Intermediaries chapter, NGOs have consolidated their international authority as advocates for new smokeless tobacco products through their participation in the International Association for Tobacco Control and Harm Reduction (SCOHRE).¹⁶⁷

„*We are convinced that smoking control strategies need to be reformulated to include ways to reduce harm through potentially lower risk products, in addition to traditional measures to stop smoking and prevent smoking,*” is stated in a declaration of the Association.

„*This is a completely new, revolutionary concept - the idea is to help smokers who can't quit by offering them another way to get nicotine, but at reduced risk. I believe that patients should have the right to receive all the information they need to make their choice. We must stop not offering them less sparing options,*” said the chairman of the NPO when discussing the concept of harm reduction during the establishment of the Association.¹⁶⁸

In his presentation, as a spokesman for the Fourth Scientific Meeting of the International Association for Smoking Control and Harm Reduction in 2021 on

¹⁶⁶ Dr. Hasardjiev: Our healthcare system is still not ready to meet a huge influx of people. The day begins, BNT, 11.08.2020 <https://bnt.bg/news/d-r-hasardjiev-zdravnata-ni-sistema-prodalzhaba-da-ne-bade-gotova-da-posreshntne-ogromen-napliv-ot-hora-v268412-280666news.html>

¹⁶⁷ NPO is one of the founders of a new international association for tobacco control and harm reduction <https://npo.bg/%d0%bd%d0%be%d0%b2%d0%b0-%d0%bc%d0%b5%d0%b6%d0%b4%d1%83%d0%bd%d0%b0%d1%80%d0%be%d0%b4%d0%bd%d0%b0-%d0%b0%d1%81%d0%be%d1%86%d0%b8%d0%b0%d1%86%d0%b8%d1%8f-%d1%89%d0%b5-%d1%80%d0%b0%d0%b1%d0%be%d1%82/>

¹⁶⁸ Нова асоциация ще се бори за намаляване на вредата от тютюнопушенето <https://dnes.dir.bg/obshtestvo/nova-asotsiatsiya-shte-se-bori-za-namalyavane-na-vredata-ot-tyutyunopusheneto>

„Harm Reduction: New Products, Research and Policies“, Dr. Hasardzhiev again gave a very positive assessment of the heated tobacco products.^{169,170,171}

Another prominent advocate of heated tobacco products and e-cigarettes is the company Arbilis and its associates. Many of the health conferences organized by the company, as well as its health publications, are financially supported by PMI. Paid publications, interviews, presentations, research sessions convince young and older professionals in various fields of medicine - in favor of switching to new tobacco products. Detailed information about Arbilis is offered in the chapter „Intermediaries“.

Here we must mention the articles, interviews and health conferences of „Capital“, articles in the newspaper „24 hours“, „Trud (Labor)“, „Maritsa“, „Economy“ magazine, „Manager“ magazine, Framar, Forbes Bulgaria, OffNews, HiNews, Skener.news, Eva, The Woman Today, Darik Radio programs and many other interested media (see “Media - Intermediaries” They become disseminators of biased, incomplete and deliberately misleading information about heated tobacco products, accessible to the whole population, and forming their attitudes towards these products.

The strong motivation and commitment of some doctors and medical specialists is impressive. In recent years, when the total ban on smoking in public places was canceled (2010), then repeatedly attacked, when civil society fought against tobacco advertising and needed a lot of support from experts, they were not part of this movement. Today, concerned about their patients, they are offered HTPs or e-cigarettes. Arguments are presented, citing many foreign “leading scientific experts” and luminaries, but they do not rely on the requirements, analyses, conclusions and measures proposed by the WHO and its FCTC is never considered or discussed.¹⁷²

Scientific reports on the impact of these new products on young people have never been officially discussed in recent years.¹⁷³ Despite this obvious lack of objectivity, this type of communication is extremely well received by the media.

It is worrying that the opening of Health conferences (Arbilis, Capital) is usually attended by ministers or deputy Ministers of Health, Chairmen of Parliament’s Committee on Health. In this way the participation of tobacco companies and their products in the health sphere is legitimized and its activity is normalized.

An analysis of young people’s attitudes towards HTPs, conducted in 2021 by the

¹⁶⁹ SCOHRE - International scientific Association of independent experts on Smoking Control & Harm Reduction <https://www.scohre.org/>

¹⁷⁰ 4th Scientific Summit on Tobacco Harm Reduction: Novel products, Research & Policy, Speakers <https://www.nosmokesummit.org/speakers/>

¹⁷¹ Stanimir Hasardzhiev - Ethics & people’s rights <https://www.youtube.com/watch?v=iUGa9Z787Hw&t=92s>

¹⁷² WHO report on the global tobacco epidemic 2019, p.52-59 <https://www.who.int/publications/i/item/9789241516204>

¹⁷³ Ibid

Smoke-Free Life Coalition, shows that: *“Attractive vision of devices and different tastes are attributes that attract young people who just started smoking. They offer variety, trying something new, a fun experience. Combined health warnings are missing. The new technology, which is presented as the ‘future of tobacco products’, also attracts young people who are a little more mature, who are aware of the harms of standard tobacco products and are looking for alternatives that seem less harmful.*

*These products also attract young people with the opportunity to be used indoors in public places and at parties, with the lack of bad smell and the beautiful smoke they produce. Nearly one-fifth of respondents find hookahs and heated tobacco products safer - an understanding actively promoted by the industry, despite the lack of evidence. Apart from the popular perception that they are being aggressively imposed by the industry, the main complaint about the use of heated tobacco products is the problems with the gums that consumers are developing.”*¹⁷⁴ It should be noted that while in 2017 heated tobacco products have been used by only 1% of the population, in 2020 they are already 9%.¹⁷⁵

As a result of the active action of TI on the one hand and the intermediaries sponsored by them: media, organizations, think tanks - on the other hand, there is an active inaction - on the part of the state:

- ✓ The Ministry of Health does not initiate and the Parliament does not decide to equalize the excise duty of heated tobacco products with cigarettes;
- ✓ their use in closed public places is not prohibited;
- ✓ with their modern vision, in practice, these products become fully accessible, advertised and desirable for young people;
- ✓ moreover, they are widely advertised among the medical community, which is henceforth becoming an active promoter of these products.

Thus in Bulgaria the tobacco industry, without much effort, but with consistent and aggressive actions, mainly through sponsorship and funding, achieves its goals without the state offering any resistance in defense of its population.

¹⁷⁴ Unhealthy connection: Analytical report on the attitude of young people towards the use of tobacco products. p.55-56 <https://www.coalicia.bezdim.org/images/pdf/tobacco-and-young-people-report-2021.pdf>

¹⁷⁵ 59 percent of adults in our country use some kind of tobacco products
<https://www.zdrave.net/%D0%9D%D0%BE%D0%B2%D0%B8%D0%BD%D0%B8/59-%D0%BD%D0%B0-%D1%81%D1%82%D0%BE-%D0%BE%D1%82-%D0%BF%D1%8A%D0%BB%D0%BD%D0%BE%D0%BB%D0%B5%D1%82%D0%BD%D0%B8%D1%82%D0%B5-%D1%83-%D0%BD%D0%B0%D1%81-%D1%83%D0%BF%D0%BE%D1%82%D1%80%D0%B5%D0%B1%D1%8F%D0%B2%D0%B0%D1%82-%D0%BD%D1%8F%D0%BA%D0%B0%D0%BA%D1%8A%D0%B2-%D0%B2%D0%B8%D0%B4-%D1%82%D1%8E%D1%82%D1%8E%D0%BD%D0%B5%D0%B2%D0%B8-%D0%B8%D0%B7%D0%B4%D0%B5%D0%BB%D0%B8%D1%8F/n14116>

5.Improving the image of the tobacco industry

One of the main goals of the tobacco industry is to improve its image to society, as well as to those in power, who can provide convenient policies and regulations. Some of the successful techniques used by the industry will be introduced here.

Grants and project financing - UNWE

During the period 2017-2019, UNWE implemented a research project *“Contraband and Counterfeit Risk Identification (Business Process Analysis and Spatial Aspect), 2017-2019”*, funded by the PMI Impact Initiative.

The events presenting the results of this project, as well as the materials and courses organized on this basis spread the logo of the PMI Impact Initiative and information about its highly humanitarian activities among thousands of government officials, local and international experts and students. Through the Internet, this reaches an unprecedented number of people, which builds the image of PMI as a responsible, stable partner caring for the future.

At a meeting with the Rector of the University Prof. Dimitar Dimitrov, we received a copy of the report of UNWE on this project - *„Contraband and Counterfeit Risk Identification - Final Report”*, in English, as well as the project guide - *“Handbook on Contraband and Counterfeit Risk Identification”*, 120 pages, in English.

On the cover of the developed information and training materials it is noted that they were prepared under a project funded by the PMI Impact Initiative. There is an accompanying text (Disclaimer) that *“the opinions expressed in this publication are those of the authors. The views, thoughts and opinions expressed in the text belong solely to the authors and not to their employers, organizations, committees or other groups of people.”* The project involves 23 specialists, lecturers and two students from UNWE.

Already in the first paragraph of the Introduction there is an explanatory text that presents the PMI Impact Initiative as a *„Global Initiative in support of society, the private sector and the National Patient Organization to develop and implement projects against trafficking and other similar crimes. The initiative was created in 2016 by Philip Morris International (PMI). ”* The following is the e-mail address <https://www.pmi-impact.com/> Special thanks are also expressed to Ms. Madalena Occhetta - Project Coordinator at PMI Impact.

The last paragraph of the Report ends with a *„Special Gratitude to the PMI Impact Initiative, as a global initiative to support society, the private sector and NGOs to develop and implement projects against trafficking and other similar criminal acts, such as money laundering and organized crime. It empowers our research work and encourages us to continue to work for the benefit of society.”*

The project aims to conduct an in-depth study of the problem of illicit trade in tobacco products and to disseminate the results among professionals at home and abroad, among those in power, as well as among students. The biggest contribution of the project is the creation of a new, unique system for measuring illegal trade, a result of the implementation of the statistical model.

All developed materials are at a high professional level and contain valuable analyses and recommendations. They do not harshly express TI's messages that illicit trade is stimulated mainly by rising excise duties and tobacco prices. This is mentioned almost unnoticed as one of the reasons for the increase in illegal trade, but leaves in the mind of the reader a sense of authenticity and credibility. There is also no open resistance or criticism of the FCTC and the Protocol on Illicit Trade, which are mentioned in detail, but doubts about sufficient efficiency and appropriateness of the measures set out in these international health documents are unobtrusively suggested.

The work on the project was presented at two Round tables - June 11-15, 2018 and May 27-31, 2019. Experts from (Business Process Analysis BPA), (Process Mining, Structural Equation Modeling SEM), (GIS), lawyers were present, as well as representatives of International Initiatives to Combat the Illicit Trade in Tobacco Products from Italy, the Netherlands, Austria, Serbia, Switzerland, as well as experts from the University of National and World Economy.

Opening the first Round table - deputy Minister of the Interior Milko Berner - describes the project as *„extremely ambitious, important not only for Bulgaria and the European Union, but globally.“* Also present are Deputy Minister of Agriculture, Food and Forestry - Dr. Tsvetan Dimitrov, President of the Bulgarian Association of Tobacco Producers and the European Association of Tobacco Producers - Tsvetan Filev, representatives of the Customs Agency, international experts from other universities and institutes.

The second Round table discussions are attended by the Deputy Chairman of the Parliamentary Committee on Internal Security and Public Order - Valentin Radev, the Chairman of the Parliamentary Committee on Monitoring the Revenue Agencies and Combating the Parallel Economy and Combating the Parallel Economy And Smuggling - Emil Dimitrov, Deputy Minister of Interior - Stefan Balabanov, representatives of the Ministry of Defense, the Ministry of Finance, the National Revenue Agency, the Customs Agency, the State Agency for National Security, other state institutions, representatives of the tobacco industry industry, etc. foreign guests.

According to Emil Dimitrov - *„Developing projects of this kind can be of great benefit to society.“*

During the second round table, training was held for professionals and students

on the fight against illicit trade and counterfeiting of tobacco products. It was attended by representatives of the Customs Agency, the National Revenue Agency, the General Directorate for Combating Organized Crime in Bulgaria, the Ministry of Interior, the Center for Law Enforcement in Southeast Europe Enforcement Center (SELECT), College of Business Economics, Entrepreneurship in Belgrade, as well as more than 1000 students from the Department of National and Regional Security and it is decided to include this course in the regular training program of students at UNWE.

The project has developed three sets of training materials for experts, administrative staff, representatives of various institutions and organizations interested in smuggling, as well as for students:

- ✓ Learning package 1 - How to analyze the illicit tobacco trade
- ✓ Learning package 2 - How to measure the illicit trade
- ✓ Learning package 3 - Legal Framework for combating the illicit trade

In October 2018, an International Meeting on Combating Tobacco Smuggling and Related Criminal Acts was held to present the results of the project. Guests from South Africa, Serbia, Lithuania and many European institutions are present. There were also experts from the National Association of Tobacco Producers, the Ministry of Agriculture and other civil servants.

On May 12, 2019, a master class was held for students and doctoral students at the University of National and World Economy. Also present were representatives of the Ministry of Interior, experts from Bulgarian institutions involved in illegal trade, lawyers and customs experts, tax experts. Training materials were distributed to all of them, which were later uploaded on the UNWE website for students studying.

In the following years, several trainings for experts were held in Sofia and in the country.

At the end of each stage of the project a press conference was held with the participation of media: Capital Weekly Newspaper, Manager Magazine, Kmeta Newspaper, Bulgarian National Radio, Bulgarian News Agency, actualno.com, news.bg, economic.bg, bgnews.host, novini247 .com, focus-news.net, unwe.bg, e-dnrs.org and others.

The conclusion of the management of UNWE is that the project is a very good success and therefore new applicants should be attracted to work together in the field of illicit trade with tobacco products.

Thus, through financial assistance for projects of Bulgarian think tanks, the tobacco industry strengthens its position and improves its image among a wide range of people in Bulgaria.

“Fun summer, caring autumn” - Corporate social responsibility

Another very successful technique of the tobacco industry to improve its image, even among its opponents, is using a corporate social responsibility (CSR).

As mentioned in the chapter „Intermediaries“, the program „Fun summer, caring autumn“ is an example of such activities of Philip Morris Bulgaria Ltd. In order to study the impact on the local government and the population, 14 settlements in two districts - Silistra, Haskovo and Blagoevgrad, included in the program, were visited. We talked to mayors, school principals, teachers, doctors, and citizens.

The main objectives of the visits were:

- ✓ Clarify the degree of approval - the extent to which the program has increased the prestige of TI and the approval of the program by local people / stakeholders, as the industry uses this type of sponsorship projects to improve its image and sales - directly and indirectly;
- ✓ clarification of information, facts, data, circumstances related to the actions of TI, with special attention to possible discrepancies between the official versions of the campaigns circulated by the media and their actual implementation. Such clarification is necessary because this kind of projects have mainly advertising value and their purpose is to improve the image of TI, and their real value in terms of formal results is negligible.

The findings of these visits can be summarized as follows:

- ✓ some of the mayors of the settlements even do not know about the program at all;
- ✓ those mayors who heard were mainly familiar with the examinations by the medical specialists, as they were obliged to provide premises for the examinations and to inform the people;
- ✓ school principals are familiar with the program in detail, as they had to ensure the dissemination of information, make lists of interested children, provide a room and a teacher on duty during classes, and feed the children;
- ✓ in some cases, posters provided by BCause with the PMB logo were used to inform parents and students;
- ✓ both the mayors and the directors contacted only representatives of the BCause Foundation, the contracts were concluded with the foundation, as it was paid directly to the service providers and the money did not go through the mayors;

- ✓ very few mayors and directors know that the funds for the program are provided by the PMB, but promise to consider it next time;
- ✓ those interviewed were not pressured by the PMB;
- ✓ most of them are willing to accept funds from the tobacco industry, based on the principle: „If they give us money, why not take it!“, „If it is for the health of people and children - we will take it!“
- ✓ in the visited settlements people live in poverty, there is no entertainment for children in the summer;
- ✓ many tobacco was grown in the settlements visited years ago, but due to the sharp decline in purchase prices and difficulties in buying, there are now few families left who continue to grow tobacco. However, the program continues to be targeted at tobacco-producing regions¹⁷⁶;
- ✓ all school principals and parents speak positively about the program. It works very well for children and is something very different. The young trainers who come to the village have a different approach and organize innovative trainings for the local children. They are all adamant that there was no talk of cigarettes or smoking during the classes;
- ✓ the elderly are also happy because the doctors' visit such remote places, don't bring anyone back, the examinations are free for them. They do not know who gives the money for these examinations, they think that they are organized by the mayor of the village or the municipality;
- ✓ no billboards or other advertising materials of the PMB have been found in the visited settlements, but at all final events of the program there are presentations with the logo of the PMB. Representatives of industry or the National Tobacco Growers' Association are often present;
- ✓ the most satisfied with the BCause program and its Rinker subsidiary - "Academy for Local Entrepreneurs" are the young people who receive business training and financial support for their business. In the last 4 years, 250 participants have passed through the Academy, 14 business projects have been supported with BGN 99,000 and mentoring. For 2022 new BGN 30,000 have been allocated.

As a result of the findings of the site visits, the following conclusions can be drawn:

- ✓ children, the elderly, parents, some mayors and school principals do not know who is funding the program, so it does not have a significant impact on the image of the PMB among them;

¹⁷⁶ The Academy for Local Entrepreneurs gives a chance to start a small business in places
<https://www.youtube.com/watch?v=sBqtsHDY9xM>

- ✓ the recipients of the services have not interacted with the PMB, except for the courses for young entrepreneurs, where there is additional, direct funding from the PMB;
- ✓ in some places contact has been established only by the intermediary - BCause Foundation and very rarely with representatives of PMB or the National Association of Tobacco Producers, when they were present at the opening or closing of the program;
- ✓ at all the presentations, printed materials, publications, videos, presentations related to the program, there is the logo of PMB;
- ✓ worrying is the statement by some school principals that even if they know that the funding organization is from the tobacco industry, they will not refuse to receive these funds;
- ✓ positive feedback on medical examinations and student activities during the summer confirms that there is a real need but they must be funded by the state or municipalities, as are the beliefs of the people interviewed;
- ✓ the most serious is the influence of the tobacco industry on young entrepreneurs, who are financially supported and mentored by the PMB. As a bonus, the company also provides for the purchase of their products on the occasion of various holidays and occasions, which is an additional incentive and support for young businessmen. Thus, they are won as loyal friends and supporters of the industry forever. Any attempt to talk to them about the harm caused by tobacco products goes unanswered.

And so from all the meetings and conversations we understand that the BCause Foundation does not seek to conduct large-scale information campaigns, including for the funding organization, in front of the final „beneficiaries“, i.e. people who actually benefit from it, with one exception - young entrepreneurs.

The promotion of the program is actually done through the media. Philip Morris Bulgaria uses the campaign to polish its image in national and media terms, and the people in the settlements in question are just a means to achieve it. Moreover, the PMB and the BCause Foundation are well aware that local people appreciate even the smallest of things and make use of that in their strategy.

The campaign is officially aimed at settlements where there is tobacco production, or at least it is advertised. However, the study found that these settlements, where it takes place, have long been less involved in tobacco growing, because the value of their work is greatly reduced by companies that buy their products at humiliatingly low prices, especially compared to the work that they put in.

But the media is roaring: „This program provides an opportunity to develop and invest in the quality of life of local communities.“ „The Fun Summer, Caring Autumn program makes life in tobacco-producing regions happier!“ - These are some of the messages launched by the media also funded by this program.¹⁷⁷ The Bulgarian Chamber of Commerce also praises the PMB for its social responsibility.¹⁷⁸

Thus, the program, funded by PMB „Fun Summer, Caring Autumn“, becomes a great pretext for the tobacco company to show the public its „benevolent“ image. The funds invested in this campaign are insignificant compared to the profits that PMB receives and will receive as a result of its improved image. Hypocrisy is very well disguised, but the law also allows for the implementation of corporate social responsibility by the tobacco industry and so - for its widespread advertising.

In conclusion, this fifth case shows that by sponsoring events, organizations, institutions, through corporate social responsibility, tobacco companies are gaining even more popularity and building authority in society. The actions of „sources“, „intermediaries“ and „recipients“ ultimately improve the image of the industry and enable it to restore the shaky trust in it, which inevitably leads to more influence, power and money.

¹⁷⁷ Fun Summer, Caring Autumn Program <https://www.youtube.com/watch?v=HApAGK41umg>

¹⁷⁸ Bulgarian Chamber of Commerce <https://www.bia-bg.com/magazine/view/26913/>

CONCLUSION

The present study, based on an analysis of publicly available information, interviews with participants and documents, establishes and documents the operation of a mechanism through which the messages and interests of the tobacco industry reach decision makers and distort health policies in its favor. Bringing out this mechanism is the main goal of this work. It examines and sheds light on the relationship between the tobacco industry, its intermediaries and its recipients in government structures.

The main source of the studied messages is the tobacco industry. It is the only industry in the world whose products kill almost half of its consumers. Every year, nearly 8 million people die prematurely from chronic non-communicable diseases directly or indirectly related to smoking. It is proven to be among most dangerous risk factors for health. At the same time, smoking has become a socially accepted addiction. Nearly 1.3 billion of the world's population smokes, and the number is replenishing with each passing year.¹⁷⁹

The tobacco industry is among the richest industries in the world and continues to strive for more. It can afford to buy institutions, organizations, law firms, politicians, celebrities, scientists, researchers, doctors, the media. It creates its own subsidiary „independent“ research units, centers, foundations, programs, its own lobby front groups and front people. To continue to profit, the tobacco industry operates in two main directions: influencing those in power and manipulating public opinion.

The main messages of the industry today that we came across include:

- ✓ denial of regulations to reduce tobacco use, especially the WHO FCTC;
- ✓ challenging the effectiveness of the measures provided for under the Convention;
- ✓ building a humane socially acceptable image of the industry;
- ✓ resistance to increase in excise duties on its products; and
- ✓ claim that some of its new smokeless products somehow reduce harm, and are therefore a better alternative to traditional tobacco products.

¹⁷⁹ WHO, Tobacco <https://www.who.int/news-room/fact-sheets/detail/tobacco>

According to independent scientific sources and the WHO, there is no evidence that these claims are true. But launching them in society, the media, and especially among policymakers on smoking cessation policies is a priority tactic of the industry.

To find out how it works, we researched possible intermediaries of tobacco messages to government institutions. These are organizations, companies and individuals which, on the one hand:

- ✓ Receive funding, grants and donations from the tobacco industry - a practice explicitly defined as inadmissible sponsorship of the guidelines for the implementation of the FCTC;

And on the other:

- ✓ Communicate recommendations and active messages that coincide with the narratives of the tobacco industry or serve its interests by influencing the formation of policies to reduce smoking or polish its public image.

As possible intermediaries of tobacco messages, we first identified several law firms that have submitted opinions in favor of the narratives of the industry during the public discussion of a new coordination structure proposed by the Ministry of Health for the implementation of the FCTC. For two of them - Boyanov & Co and Stoychev, Boykov and partners - there is evidence that they are employed by tobacco companies.

Other organizations reportedly broadcasting industry-friendly messages to government agencies include the National Patients' Organization, Arbilis for health conferences and medical journals. At least two think tanks funded by the tobacco industry have actively influenced the state to mitigate and prevent measures aimed at reducing smoking: the Institute for Market Economics and the Center for the Study of Democracy. Other research or scientific institutions are also recipients of funding from tobacco companies, but there is no evidence that they have intervened in policy-making - e.g. University of National and World Economy and Center for Liberal Strategies.

A separate subject of research is a long-term charity program of the BCause Foundation in the tobacco-producing regions of the country. The fact that it is financed entirely by the tobacco giant Philip Morris Bulgaria casts a shadow over its otherwise fruitful realization and its success builds a positive socially tolerable image of the company. It is against this effect that the measures recommended by the FCTC against tobacco sponsorship are directed.

Many media also play a key mediating role. Some circumvent the restrictions

on tobacco advertising and sponsorship by adopting sponsored content that promotes industry interests and messages. In some cases, content is not marked as sponsored and is published as part of the editorial - for example in the newspapers „24 Chasa“ and „Trud“. A publication with claims of impeccable journalistic ethics, such as the “Capital” newspaper, accepts sponsorship from a tobacco company for events and provides its website and content for its messages.

The final recipients of these messages are institutions and individuals who formulate or implement tobacco control policies. Among them are MPs, ministries and other government agencies and bodies. Of course, different groups of society are exposed to the communication narratives of the industry transmitted in this way. Among them are the elderly and young people, pupils, students, specialists, scientists and experts, as well as doctors and medical specialists.

The analysis is based on several specific cases described in detail. They include:

1. Discussion on increasing the excise tax on heated tobacco products, 2018.
2. Proposal for the establishment of a National Council for the Coordination of the Implementation of the WHO Framework Convention on Tobacco Control, 2021.
3. Debate over smuggling and tariffs that raising excise taxes increases illegal trade.
4. Advocacy for heated tobacco products.
5. Improving the image of the tobacco industry - for example through accepted grants and project funding or by presenting achievements in the field of corporate and social responsibility.

Of course, the five tobacco sponsorship cases we are looking at are a drop in the ocean of creativity of the industry which, through charity, grant schemes and corporate social responsibility, achieves its goals and refreshes its image.

The analysis shows that in the absence of clear vision and correct priorities on the part of the state, and in the absence of any efforts on its part to protect its population from the influence of the tobacco industry by introducing a proper regulatory framework, preventing the expansion of its market with young new recruits and increasing profits of the industry is a mission quite possible.

Bulgaria ranks first in the EU in terms of tobacco consumption.¹⁸⁰ Our girls also lead the European charts. Almost 10% of the state’s revenue comes from taxes and

¹⁸⁰ Smoking of tobacco products by sex, age and educational attainment level, 2019 https://ec.europa.eu/eurostat/databrowser/view/hlth_ehis_sk1e/default/table?lang=en

excise duties on tobacco products (perhaps only in Luxembourg and China is this higher). We lead European and world rankings for heart disease, stroke, cancer. We have high mortality and insufficient life expectancy.

In view of all this, it is high time the state made a change in its tobacco control policies. For comprehensive implementation of Bulgaria's commitments under the FCTC, for effective implementation of European and national legislation and for achievement of the UN Sustainable Development Goals, the following recommendations for further actions and steps are required:

1. Clarification and full implementation of Article 5.3 of the FCTC to prevent the interference of tobacco companies in the formulation of tobacco control policies.
2. Interaction and coordination between the various state bodies and institutions of the government for the implementation of the FCTC and the practical overcoming of tobacco dependence in society and all its consequences for human health and well-being.
3. Complete elimination of tobacco advertising and promotion of the tobacco industry in society, including through sponsored media content.
4. Effective restriction of all forms of sponsorship by tobacco companies and their intermediaries, including by eliminating opportunities to improve their image through grants, charity, corporate and social responsibility, etc.
5. Strict application and observance of smoking bans in public places, expansion of the scope and control bodies.
6. Increasing the excise duty on tobacco and related products, including heated, electronic, hookah and other alternative products;
7. Active health education, prevention and building a public culture that discourages and excludes tobacco use.

Civil society in Bulgaria has been pointing this out for more than 10 years.

APPENDIX 1

LETTER OF THE NATIONAL PATIENT ORGANIZATION TO THE MINISTER OF HEALTH KIRIL ANANIEV



Изх.№1418/21.06.2018 г.

До: г-н Кирил Ананиев
Министър на здравеопазването

Относно: **Проект на Политическа декларация от третата среща на високо ниво на Генералната асамблея във връзка с превенция и контрол на незаразните заболявания**

Уважаеми г-н Ананиев,

Обръщаме се към Вас от името на Националната пациентска организация, която пази

ing for its universal ratification. Continue to implement tobacco control measures without any tobacco industry interference, taking into account the fundamental and irreconcilable conflict of interest between the tobacco industry and public health;

Предложение на НПО за изменение на ОР11:

Accelerate the implementation of WHO Framework Convention on Tobacco control by its States parties, while calling for its universal ratification. Continue to implement tobacco control measures, supplemented by independent research and evaluation of the role of proven novel nicotine containing products that may have the potential to reduce the burden of non-communicable diseases, without any tobacco industry interference, taking into account the fundamental and irrevocable conflict of interest between the tobacco industry and public health.

3. Настоящ вариант ОР17:

Engage with the private sector, taking into account national health priorities and objectives, on how it can contribute to national NCD responses to reach SDG target 3.4, as well

APPENDIX 2

TABLE 1 - CHRONOLOGY OF THE ADOPTION OF THE AMENDMENTS TO THE EXCISE DUTIES AND TAX WAREHOUSES ACT IN 2018

Date	What is happening	Action	The result
July 12, 2017	IME's position: A new excise framework is needed for innovative heated tobacco products.	The IME offers a zero excise tax rate on new heated tobacco products.	The Committee on Budget and Finance is considering the idea.
November 2017	The Committee on Budget and Finance is discussing changes in the Law on Excise Duties and Tax Warehouses.	A change in the excise rate of heated tobacco products is proposed.	Parliament adopts an excise rate on heated tobacco products of BGN 152 per kilogram. With 20 cigarettes in one box (6.1 g) and a price of BGN 5.50, the excise tax is BGN 0.93 per box. If the excise duty is equal to that of cigarettes, it should be 3.54 per box.
June 29, 2018	Menda Stoyanova and 64 MPs from GERB submit a bill № 854-01-60 / 29.06.2018 amending and supplementing the Law on Excise Duties and Tax Warehouses.	They offer equalization of the excise duty on heated tobacco products with that of cigarettes. The tax base for determining the specific excise duty should be the quantity of pieces.	
July 4, 2018	Under pressure from coalition partners, Prime Minister Boyko Borissov has announced he will withdraw the bill.		
July 12, 2018	The Committee on Budget and Finance is considering at first reading a bill № 854-01-60 / 29.06.2018 amending the Law on Excise Duties and Tax Warehouses.	The branch organizations disagree with the bill, given the drastic increase in the excise tax on heated tobacco products compared to their taxation in other EU countries. The opinions of the IME and NPOs also disagree with the bill.	The Commission expresses its general support for the bill, but points out that its further discussion should take into account the comments of industry organizations and make changes to the bill by reducing the proposed increase in excise duty on heated tobacco products from 100 per cent to 40 the percentage of excise duty on cigarettes in order to increase it more smoothly.

Date	What is happening	Action	The result
July 17, 2018	July 17, 2018 The Commission for Monitoring of Revenue Agencies and Combating the Gray Economy and Smuggling is considering at first reading a bill № 854-01-60 / 29.06.2018 amending the Law on Excise Duties and Tax Warehouses	The branch organizations disagree with the bill, given the drastic increase in the excise tax on heated tobacco products compared to their taxation in other EU countries.	Voting in the Commission: With 10 votes in favor, 8 against and 0 abstentions, the Commission proposes to the National Assembly to adopt the bill at the first vote (from 29.06.2018).
July 18, 2018	Plenary session of the Parliament for the first reading of the bill № 854-01-60 / 29.06.2018 for amendment and supplement of the Law on Excise Duties and Tax Warehouses.	Speeches in the hall: In support of the bill - GERB Against: BSP, United Patriots, MRF	164 MPs voted: for 101, against 63, there were no abstentions. Proposal № 854-01-60 / 29.06.2018 is accepted.
July 19, 2018	Between the first and second reading, 3 deputies from GERB and 6 deputies from PG United Patriots propose a new bill № 854-04-127 / 19.07.2018 to amend the Law on Excise Duties and Tax Warehouses.	It is proposed to eliminate the alignment of the excise duty on heated tobacco products with that of cigarettes. The excise rate for heated tobacco products from BGN 152 / kg to become BGN 233 per kilogram.	The proposal is being discussed in committees.
July 26, 2018	Plenary session of the Parliament for the second reading of the bill amending the Law on Excise Duties and Tax Warehouses.		The proposal of July 19, 2018 was accepted. The excise duty on heated tobacco products becomes about 40% of the excise duty on cigarettes.

APPENDIX 3

TABLE 2 - OPINIONS OF EXPERTS FROM THE MINISTRIES OF DCOM (DRAFT OF THE COUNCIL OF MINISTERS)

Law firm Boyanov & Co.	Ministry of Finance (MF)	Tobacco and Tobacco Products Institute (TTPI)	Ministry of Agriculture	Customs Agency
The draft Decree of the Council of Ministers (DCoM) should not be adopted by the Government.	We do not understand the need of establishment a National Council. The main functions of the Council should be focused primarily on liaison between the various departments.	We do not see an urgent or immediate necessity of a National Council		
There is no specific legal basis for establishment of the Council.				We do not know of any example in the EU - setting up a FCTC Coordination Council - as a common practice.
Establishment of a Council to supervise control bodies is a violation of national law.				
It will not contribute to a more effective fight against smoking and illicit trade, but will be an additional redundant body.				Such measures have been introduced into national law and the National Council could not contribute to its „coordination“ or to the implementation of these measures, as law enforcement is within the powers and responsibilities of state and administrative bodies.

Law firm Boyanov & Co.	Ministry of Finance (MF)	Tobacco and Tobacco Products Institute (TTPI)	Ministry of Agriculture	Customs Agency
The FCTC does not require the establishment of such bodies.				We are not aware that there is a legal basis in our legal framework, as well as in the Framework Convention on Tobacco Control itself, or that the establishment of such a council is urgent and a priority.
The Council will not be an effective control mechanism.		The Council cannot have equal or greater powers than the institutions included in it, most of which are ministries.		
The functions are already laid down in national law and is pointless to set up a Council.	All institutions responsible at the national level have their individual responsibilities, regulated in the applicable normative acts. In our opinion, engaging a high-level administrative resource with activities that have already met international requirements is not justified.	The Bulgarian legal framework provides clear responsibilities of all departments for the implementation of European legislation.		The responsibilities between the ministries and the departments are clearly distributed and set in the respective normative acts.
Participation in such a Council would only take time and divert the participants from their direct functions.				
Bulgaria applies the FCTC		The individual texts of the FCTC are enshrined in the EU legal framework, and the EU, as a party to the FCTC, has implemented the provisions of the Convention.		Regarding the implementation of the measures under the FCTC, we believe that Bulgaria implements most of them as appropriate.

Law firm Boyanov & Co.	Ministry of Finance (MF)	Tobacco and Tobacco Products Institute (TTPI)	Ministry of Agriculture	Customs Agency
Bulgaria implements European acts in the field of tobacco control.		Bulgaria strictly and as a matter of priority follows the implementation of European requirements.		
There is strong state regulation in all activities in the field of production and trade in tobacco products.				The Customs Agency has already implemented the set measures through the existing systems, the European Track & Trace system and the national tobacco tracking systems.
Bulgaria has not acceded to the Protocol, but the EU has already done this.				
Bulgaria applies the necessary measures set out in the Protocol.				
If the Council excludes representatives of the legally operating tobacco industry, the principle of providing equal legal conditions for economic activity and protection of legal investments is violated.		Replace NGOs with „all Interested parties“.	„As well as representatives of legitimate branch organizations in the tobacco production and processing sector“ should be added after „non-governmental organizations“. After the text „Representatives of non-governmental organizations; health and medical establishments may participate in the meetings with the right of advisory vote“ must be added: „and branch organizations in the tobacco sector“, etc. „And at least three representatives of non-governmental organizations“ should be replaced by „representatives of interested parties from non-governmental organizations“.	The project for the Council of Ministers lacks representation of the affected businesses.

Law firm Boyanov & Co.	Ministry of Finance (MF)	Tobacco and Tobacco Products Institute (TTPI)	Ministry of Agriculture	Customs Agency
	<p>Council opinions should be of a recommendatory rather than mandatory nature. Otherwise, creating an opportunity for the Council to intervene in determining the country's tax policy will lead to breaking the balance between effective taxation in favor of public health and budget revenues.</p>			<p>The impact assessment does not reflect the way in which the work of the National Council will affect the tobacco industry and tobacco producers. You should keep in mind that the tobacco industry contributes to the budget more than half of the excise revenues and a significant part of the VAT revenues.</p>
	<p>Any change in the tax policy leading to an increase in the prices of tobacco products would have a negative effect on their illegal trade, which would hinder the achievement of the set goal of reducing smoking.</p>			
	<p>Establishment of such a national body is not included in the Government's Program.</p>			
	<p>The Council functions should be limited to a coordinating body and a liaison between the departments.</p>			

Law firm Boyanov & Co.	Ministry of Finance (MF)	Tobacco and Tobacco Products Institute (TTPI)	Ministry of Agriculture	Customs Agency
	<p>Isn't it more appropriate to create a civic council at the National Council, in which non-governmental organizations, external experts, etc. should take part?</p>			
	<p>We oppose the proposal to specify in the Council of Ministers the responsibilities of individual ministries and departments, insofar as they are mostly related to sectoral policies, which are regulated at the legal level.</p>			
	<p>We consider it inappropriate to propose a text related to the commitment of „all ministries to counteract the interference of the tobacco industry in public health decision-making“.</p>			

APPENDIX 4

TABLE 3 - OFFICIAL POSITIONS OF THE MINISTRIES OF THE COUNCIL OF MINISTERS ON DRAFT OF THE COUNCIL OF MINISTERS

Law Firm Boyanov & Co.	Ministry of Finance (MF)	Ministry of Economy (ME)	Ministry of Agriculture (MA)	Ministry of Environment and Water (MoEW)
The draft Decree of the Council of Ministers (DCoM) should not be adopted by the Government.	Agrees on the project with remarks.	It should be taken into consideration whether the proposal for an Advisory Board should be reconsidered.	Does not agree on the Draft of the Council of Ministers (DCoM).	Does not agree on the Draft of the Council of Ministers (DCoM).
There is no specific legal basis for the establishment of a Council.				
The establishment of a Council to supervise control bodies is a violation of national law.				
It will not contribute to a more effective fight against smoking and the illicit trade, but will be an additional unnecessary body.				We do not believe that there is a need to establish a Council. The Council of Ministers may play a coordinating role.
The FCTC does not require the establishment of such bodies.				
The Council will not be an effective control mechanism.				
The functions have already been enshrined in national law and there is no need of establishing a Council.		The Council shall be imposed with powers conferred by existing normative acts.	It is not appropriate to create a new structure.	The specific responsibilities of the individual institutions have already been outlined in the relevant normative acts. They should not be subject to a special national council.
Participation in such a Council would only take time and divert the participants from their direct functions.			The Council will commit significant administrative capacity and resources.	

Law Firm Boyanov & Co.	Ministry of Finance (MF)	Ministry of Economy (ME)	Ministry of Agriculture (MA)	Ministry of Environment and Water (MoEW)
Bulgaria implements the FCTC.		As a result of the ratification of the FCTC, Bulgaria has fulfilled its obligations. The EU is a party to the Convention - Bulgarian legislation fully implements the measures set out in the FCTC.		
Bulgaria implements European acts in the field of tobacco control.		Bulgaria has fully implemented the European legislation on tobacco control in the national legislation.		Bulgaria is implementing Directive 2019/904 to reduce the impact of certain plastic products on the environment. All the requirements of the European acts for tobacco products have been transposed into Bulgarian legislation.
There is strong state regulation in all activities in the area of production and trade in tobacco products.				
Bulgaria has not acceded to the Protocol, but the EU has done it.				
Bulgaria applies the necessary measures set out in the Protocol.			The measures not introduced so far, may be introduced without the establishment of a new structure.	
If the Council excludes representatives of the legally operating tobacco industry, the principle of providing equal legal conditions for economic activity and protection of legal investments is violated.		The council should be attended by representatives of branch organizations of producers and traders of tobacco and tobacco products and of persons engaged in industrial processing of tobacco.		

Law Firm Boyanov & Co.	Ministry of Finance (MF)	Ministry of Economy (ME)	Ministry of Agriculture (MA)	Ministry of Environment and Water (MoEW)
	<p>The Council should not make proposals for the development of normative acts and express opinions on normative acts, but should only be a coordinating and linking body.</p>	<p>„To monitor and evaluate state policy“ should be left aside of the Council’s functions, as well as „to collect, analyze and spread information from ministries“.</p>	<p>The mechanisms for the implementation of the Convention, laid down in the existing normative acts, are a sufficient guarantee for its implementation, and the additional goals can be achieved by amending the respective normative act.</p>	
	<p>Council members should not declare independence from the tobacco industry.</p>	<p>Delete the text, „Everyone proposed declares independence from the tobacco industry in writing.“ The lack of a definition could lead to unclear consequences.</p>		
	<p>The proposal „that all ministries should counteract the interference of the tobacco industry“ is not clear.</p>			
		<p>The main function of the Council is to coordinate the responsibilities of the individual departments, and they are not clearly distinguished.</p>		
		<p>Remove the requirement „Non-governmental organizations should have at least 5 years of experience in the implementation of activities to reduce smoking“.</p>		
				<p>There is no obstacle to the implementation of individual sectoral policies at the moment.</p>

