



## Malaysian think tank among recipients of tobacco industry's donations, says UK paper

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Malaysia's Institute for Democracy and Economic Affairs (Ideas) are among free-market think tanks globally that have received donations from tobacco companies and had opposed measures to curb smoking such as higher cigarette taxes, reports by UK daily *Guardian* has found.

*The Guardian* highlighted Ideas' statements and work in objecting to the Malaysian government's 2017 proposal to impose a hike in cigarette tax, in the latter's bid to cut down on the death toll of over 27,200 Malaysians annually from smoking.

Malaysia's then deputy health minister Datuk Seri Dr Hilmi Yahaya had in March 2017 spoke of plans to increase the price of a pack of cigarettes from RM17 to RM21.50, with *Guardian* noting that experts had backed taxes as a proven measure to reduce smoking and smoking-related health problems and deaths.

But the-then Ideas executive director Wan Saiful Wan Jan had reportedly opposed the idea, saying that the proposed solution of higher taxes was "wrong because it will only encourage illegal activities without reducing the number of smokers", with the argument that "one out of every two packs" of cigarettes in Malaysia is smuggled and a tax hike would boost the illicit trade.

*The Guardian* noted that the Malaysian government withdrew its proposal for higher cigarette taxes after 10 days, but said Ideas continued to speak up for months against the idea by issuing statements, opinion pieces and two reports which used tobacco firm-funded data to say taxes would intensify illegal trade.

The newspaper cited South-east Asia Tobacco Control Alliance's senior policy adviser Mary Assunta as commenting on Ideas' work: "The obvious question is: Why the sudden keen interest in tobacco control?"

"[It] coincides with when it started receiving funds from transnational tobacco companies," she was quoted as saying.

Assunta noted Ideas' status as a high-profile think tank in Malaysia when arguing that its selection by the tobacco companies to front their position is similar to the latter's strategy in other countries.

“A 2014 Philip Morris International (PMI) strategy to counter the WHO Framework Convention on Tobacco Control states it should find ‘allies that cannot be ignored’, and Ideas fits this criterion in Malaysia,” she said, referring to a major tobacco firm’s strategy.

### **More links?**

*The Guardian* highlighted that tobacco companies had also in 2017 opposed the idea of higher cigarette taxes in Malaysia, citing the smuggling of illicit cigarettes that would cause the government to lose out on tax revenue.

The newspaper pointed out that the tobacco industry had funded two separate findings that supported its stand of high smuggling rates of cigarettes in Malaysia, with Nielsen stating a 57.1 per cent in smuggling rates and consultancy firm Oxford Economics saying that 52.3 per cent of cigarettes here were smuggled.

*The Guardian* noted that Nielsen’s spokesman has said it was unable to share the report and referred the newspaper to the Confederation of Malaysian Tobacco Manufacturers when it tried to obtain the report, while also highlighting that a Swiss-based PMI affiliate called Philip Morris International Management had paid for Oxford Economics’ report.

In response to *The Guardian*’s query of Ideas’ citing of the tobacco industry-funded Nielsen and Oxford Economics reports in its statements, the think tank replied: “We did not consider this of relevance.”

The UK paper pointed out that a 2016 estimate by market research company Euromonitor International said tobacco smuggling in Malaysia was closer to 35 per cent.

*The Guardian* highlighted that the writer of an Ideas report is a senior fellow at US-based free-market think tank Cato Institute, which has received funds from tobacco companies and objected to regulating tobacco.

The newspaper said another report by Ideas on the matter used data from another US-based free-market think tank which took tobacco companies’ funds, Mackinac Center, noting that the US government had said the latter’s estimates contained some “systemic bias” and were “likely overstating tax evasion”.

In its response to *The Guardian*, Ideas was quoted saying that there are multiple approaches to reduce public health harms, including controls.

“Ideas has taken this view that government control measures alone cannot reduce tobacco usage and has encouraged to consider harm reduction approach,” it was quoted as saying, also noting that it believes “we need to align with the private sector to end smoking”.

### **Who donated to Ideas?**

Citing Ideas’ own financial disclosures, *The Guardian* said the think tank accepted funds from Philip Morris Singapore and Philip Morris Malaysia and that such funds from the Philip Morris International affiliates were during the 2015-2017 period, as well as funds from Japan Tobacco International in 2015 and 2017.

*The Guardian* said British American Tobacco replied that it had given donations to Ideas, but did not state which years the donations were made.

## **What does Ideas say?**

Ideas was quoted as telling *The Guardian* that the think tank follows “a strict policy of editorial independence, which is a part of our contracts with all donors”, and that “no donations influence our research and analytical outputs” because of the policy.

Ideas also said it publishes its annual financial records on its website, noting: “Ideas is perhaps the only civil society organisation in Malaysia which maintains this level of transparency. In these financial records, the names of tobacco firms are clearly mentioned and we have never denied this.”

In a reply section in *The Guardian*’s database of such free-market think tanks which took money from tobacco firms, Ideas said it advocates against the sale of duty-free cigarettes in Malaysia, while also saying: “It is incorrect to say that we attribute smuggling to taxes alone.”

## **And what do the tobacco firms say?**

In its examination of free-market think tanks worldwide, *The Guardian* said it found that at least 53 of them received donations from big tobacco firms, while 25 had opposed taxes on cigarettes.

It also said at least 30 free-market think tanks — including Ideas — were among the 47 think tanks who sent a letter in 2016 to the World Health Organisation to oppose the idea of plain packaging for cigarettes, and that Ideas had signed a second letter to the WHO in 2018 to again oppose plain packaging.

In response to *The Guardian*, tobacco firm PMI said it will continue to work with carefully selected organisations globally who share its “desire to promote policies that produce meaningful public health improvements”, adding that it was “ridiculous” to imply that support for an organisation would result in the latter acting in a way that they would have otherwise fundamentally oppose.

“Claims that our contributions to organisations committed to advancing positive change in public health create a conflict of interest cannot withstand any reasonable scrutiny, are irrational, and wrong. Ideas are not for sale,” the company was quoted as saying.

Japan Tobacco International told *The Guardian* that various groups globally shared the company’s views that any “untested and unproven” regulation — regardless of whether it is linked to tobacco — could have “seriously negative knock-on effects”.

“It is clear to everyone that there are health risks associated with smoking — we are fully transparent about this. And, as such, it is important that tobacco products are regulated,” it was quoted as saying.

British American Tobacco (BAT) was quoted as saying that it backs “like-minded organisations on issues that are important to our business and our consumers”.

BAT head of corporate affairs Simon Cleverly was also quoted as saying: “We support evidence-based regulation that is consultative in its development, delivers its policy aims, factors in potential unintended consequences, and respects our legal rights as a legal business selling a legal product.

“We believe publicly elected officials should be allowed to hear all sides of any debate when formulating policy and should be trusted to make informed decisions once they have heard and considered all the arguments.”