

TABLE OF CONTENTS

ACKNOWLEDGMENTS.....	5
FUNDING	5
1. INTRODUCTION	6
1.1. The types of illicit trade in tobacco products in the EU	6
1.2. The EU Commission and illicit trade in tobacco products	7
1.3. The aim and structure of this study.....	7
2. THE HISTORY AND CONTENT OF THE FOUR INDUSTRY AGREEMENTS	9
2.1. The history.....	9
2.2. Key forward-looking provisions of the PMI Agreement	10
2.3. Other significant provisions and outcomes of the PMI Agreement.....	11
2.4. The subsequent Industry Agreements with JTI, BAT and ITL.....	12
2.5. The amendments to the PMI Agreement.....	13
3. BENEFITS OF THE FOUR INDUSTRY AGREEMENTS.....	14
3.1. The benefits to the EC and its Member States	14
3.2. The benefits to the four tobacco manufacturers	14
4. CRITICISMS OF THE FOUR AGREEMENTS.....	16
4.1. An introduction to the in-principle criticisms	16
4.2. The criticisms and the responses by the Commission.....	17
4.2.1. Criticism of co-operation with the tobacco industry	17
4.2.2. Criticisms of the agreements	17
4.2.3. Criticisms about transparency, accountability and oversight	18
4.2.4. Criticisms on the management of the agreements	19
4.2.5. Criticisms related to reliance on the tobacco manufacturers	19
4.2.6. Criticisms related to the alleged effect of the agreements on illicit trade in the EU	20
5. THE TECHNICAL ASSESSMENT OF THE PMI AGREEMENT BY THE COMMISSION.....	21
6. THE LEGAL RAMIFICATIONS OF ARTICLE 5.3 OF THE WHO FCTC	23
6.1. The Framework Convention on Tobacco Control (FCTC).....	24
6.1.1. The negotiating history of Article 5.3.....	24
6.1.2. Comment on the wording of FCTC Article 5.3.....	26
6.1.3. The development of the Article 5.3 Guidelines	27
6.1.4. A note on the legal status of FCTC Guidelines	27
6.1.5. The context in which the Article 5.3 Guidelines were adopted.....	29
6.1.6. FCTC Article 5.3 Guidelines as relevant to cooperation with the industry ..	29
6.1.7. The measures listed in the FCTC Article 5.3 Guidelines	30
6.1.8. The key questions relating to measures and recommendations.....	31
6.2. The Protocol to Eliminate Illicit Trade in Tobacco Products.....	32

6.2.1. The incorporation of FCTC Article 5.3 in the Illicit Trade Protocol	32
6.2.2. Other relevant references	33
6.2.3. The application of Article 5.3 to cooperation with the tobacco industry on control of illicit trade	35
7. THE POLITICAL RAMIFICATIONS OF ARTICLE 5.3 OF THE WHO FCTC	37
7.1. The nature of the FCTC being a so-called framework convention	37
7.2. The FCTC approach to Article 5.3 over time	39
7.3. The political impact of these developments in the area of illicit trade in tobacco products	43
8. THE STATUS AND TRENDS ON ILLICIT TRADE IN TOBACCO PRODUCTS IN THE EU	44
8.1. The accuracy of research on the overall levels of illicit trade	45
8.1.1. Data from the EU Commission on seizures of products from the four contracting tobacco companies	45
8.1.2. Data from the EU Commission on overall seizures	47
8.1.3. Data from the EU Commission on seizures of ‘cheap whites’ 2012-2014	47
8.1.4. Project Stella Data	48
8.2. The conclusions from the EU Commission on overall trends	50
8.3. The common ground of conclusions of EU Commission and Project Stella	51
8.4. Questions to be considered	52
9. THE IMPACT OF TPD 2014 ON CONTROL OF ILLICIT TRADE IN TOBACCO	53
9.1. The applicable provisions of the 2014 Tobacco Products Directive	53
9.2. The cooperation of the EU with the tobacco industry	57
9.3. The benefits potentially lost through the expiry and non-renewal of the Industry Agreements	58
9.4. The emerging picture in the new reality	61
10. THE OPTIMAL RELATIONSHIP BETWEEN THE EU AND THE INDUSTRY: RECOMMENDATIONS	62
11. CONCLUDING REMARKS	65
BIBLIOGRAPHY	66
Legal acts	66
Agreements	66
Case of law	67
List of EU official documents	67
List of WHO official documents	68
Other official information materials	71
Scientific publications	72
Netography	73
ABSTRACT	76