Tobacco industry commissioned reports on illicit tobacco trade in the Eastern Mediterranean Region: how accurate are they?

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Tobacco industry-commissioned reports on the illicit tobacco trade are one of the few data sources on the practice across Europe and Asia. The tobacco industry is now funding estimates of illicit trade in a number of countries in the World Health Organization (WHO) Eastern Mediterranean Region, specifically Egypt, Jordan and Lebanon. These estimates come from a recent report by Oxford Economics, which was funded by major transnational tobacco companies. Industry-funded studies of the illicit tobacco trade have been found to consistently fail to meet the standards of quality and transparency expected of peer-reviewed research. Moreover, the scale of the problem would appear exaggerated in order to aid the industry's efforts to oppose tobacco controls by arguing that such measures would actually increase illicit trade. A critical look at this new report suggests that this trend continues, while concerns remain over the reliability of the data and estimates claimed, stressing the need for independent research of the illicit tobacco trade in the Eastern Mediterranean Region.

While countries in the Eastern Mediterranean Region are seeing progress in the implementation of WHO MPOWER measures (*1*), WHO reports on smoking prevalence in the Region indicate it will not achieve its 30% relative prevalence reduction target (12.6%) by the year 2025 (*2*). Decreasing the affordability of cigarettes is recognized as the most effective means to reduce prevalence and help the Region achieve its target, but a major obstacle to this is the illicit tobacco trade, which increases accessibility and affordability of tobacco products. The practice has been a problem for a number of countries in the Region for decades, driven in large part by transnational tobacco companies having smuggled their own product into countries, including Jordan and Lebanon, from as early as the mid-1970s (*3,4*). However, the scale of the Region's current illicit tobacco trade is difficult to measure due to its illegality as well as data collection and analysis complexities. Transparent public data on the topic of illicit tobacco trade is limited, and in many countries it is non-existent (*5*).

It is within this context that the tobacco industry has become a major funder of data on illicit trade, often by commissioning reports that provide estimates of illicit trade in a geographical area. This practice is now occurring in the Eastern Mediterranean Region with a recent Oxford Economics report (*6*) providing estimates of illicit trade in Egypt, Jordan and Lebanon.

Tobacco companies have an incentive to misrepresent the size of the illicit tobacco trade, resulting in industry-funded research having been widely criticized for its unreliability and exaggeration of the scale of the illicit market (*7*). Tobacco companies regularly cite industry-funded reports about the illicit trade [yet fail to acknowledge the funding link, as seen in a recent Philip Morris International (PMI) interview (*8*)] as part of their efforts to oppose public health policy (*9*). As such, we have scrutinised the new Oxford Economics report to establish the reliability of its estimates of illicit trade.

In March 2020, global forecasting company Oxford Economics (*10*) released a report titled "Levant Illicit Tobacco 2019" (*6*), commissioned by British American Tobacco (BAT), Japan Tobacco International (JTI) and Philip Morris SA (a subsidiary of PMI). It examines the illicit cigarette market in Egypt, Jordan and Lebanon. The report, which is a business document and not peer-reviewed academic research, is concerning for several reasons.

As per the report's disclaimer, it was prepared "in accordance with specific terms of reference" agreed by Oxford Economics and the tobacco companies. These terms of reference are not disclosed and may have influenced how the report portrays the tobacco industry and its involvement in the illicit market.

Also of concern is Oxford Economics' existing tobacco industry ties, including a working relationship with PMI dating back to 2017 when PMI announced that Oxford Economics would receive funding from its PMI IMPACT initiative (*11,12*). Past Oxford Economics reports on illicit trade have been criticised by academics and nongovernmental organizations (NGOs) for their reliance on the industry for their data, for the methods of analysis used, and for the presentation of the reports appearing to mislead readers (*13,14*). Most recently, Oxford Economics' "Asia Illicit Tobacco Indicator 2017" report was critiqued in a report by the Southeast Asia Tobacco Control Alliance (*15*).

Many of the concerns raised over previous Oxford Economics reports hold true in the new report on the

Levant region. The choice of featured markets in the report is questionable and no justification is given in the report for the selection of countries mentioned. Despite the report's title referring to the Levant region, only three countries within this geographical area are featured in the analysis and no justification is provided for why other countries were left out. Since Egypt, Jordan and Lebanon have all experienced tax increases in recent years, these countries may have been chosen to help illustrate the industry narrative that increased taxes lead to increased illicit tobacco trade.

As with previous industry-commissioned reports on illicit tobacco trade (7), the primary data input for this report was highly susceptible to industry interference. To estimate levels of illicit tobacco trade, the report relies on empty pack surveys, where discarded cigarette packs are collected and then tested by tobacco companies to identify if the product is from their own supply chain. Allowing tobacco companies to determine this opens the data up to manipulation, since tobacco companies have a vested interest in under-reporting their own product on the illicit market. The report fails to disclose the known limitations of such surveys and does not provide sufficient detail for surveys to be replicated by independent researchers to validate the findings.

The report does acknowledge one flaw, albeit solely via a footnote on page 7. The authors indicate that only exports from the three featured countries to those same three countries are included in the analysis. This is problematic, as leaving out products that were legally exported from the three countries to other countries not featured in the report ultimately lowers the estimated total legal consumption of the three featured countries. This, in turn, makes the percentage of illicit cigarettes in the three countries larger than if all legal exports from those countries were captured, thus skewing the final figures.

Concerns over the accuracy of the report's estimations extend to the report's recommendations, as well. The policy recommendations come from the Transnational Alliance to Combat Illicit Trade (TRACIT), an NGO with extensive tobacco industry ties. Among other links to the industry, TRACIT has previously listed BAT, JTI and PMI as members on its website, with its current website still citing PMI as a member (*16*); however, none of TRACIT's partnerships with tobacco companies were mentioned in the report.

One of the report's recommendations is to "rationalize tax policy", which supports the tobacco industry's efforts to create a link between increased cigarette taxes and purported growth in illicit tobacco trade. Evidence indicates[16] that this depiction of the relationship between tax and illicit trade is over-simplified as countries with low cigarette taxes and prices often have larger illicit cigarette markets than countries with higher taxes and prices (17).

Therefore, the report, data and estimates would appear unreliable and highlights the urgent need for independent research on the illicit tobacco trade. With no comparable, independent alternatives, Oxford Economics reports are one of the only major sources of data on the illicit trade across Asia, and now the Eastern Mediterranean Region. More independent data are needed to provide accurate insight into the illicit tobacco trade and to verify findings in industry-funded reports.

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