

TOBACCO INDUSTRY EFFORTS TO KEEP CIGARETTES AFFORDABLE: A CASE STUDY FROM HUNGARY

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SUMMARY

Objective: To review strategies of multinational tobacco companies aimed at keeping tobacco products affordable to smokers in Hungary and to provide background information on the Hungarian request for the delayed introduction of minimum European Union tobacco excise duty levels.

Method: Review of internal tobacco industry documents available on the World Wide Web, downloaded between 26 July 2001 and 31 October 2002.

Conclusions: Appropriate pricing strategies and lobbying for low tobacco tax policies were used by the tobacco industry in Hungary to keep cigarettes affordable to the public. During the 1990s and in the early 2000s transnational tobacco companies (TTCs) were still able to prevent substantial cigarette price rises, which would have been desirable for more effective control of Hungarian tobacco use. Strategies used by TTCs included the creation of new partnerships, use of supportive MPs, communication around tobacco tax issues and also the successful management of the differences in approaches used by individual companies regarding taxation of tobacco products. These resulted in the adoption of governmental policy aimed at delaying the introduction of the EU directive on the minimum tax levels of retail prices of cigarettes.

Key words: TTCs, internal tobacco industry documents, Hungary, taxation, price

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