The Hungarian Tobacco Blitz #1.
The Hungarian Tobacco Blitz #1.
A little heritage...
• Two of my grandparents and one of my six aunts and uncles died in TB
• TB we called Morbus Hungaricus
• My parents’ generation eliminated it...
• The new Morbus Hungaricus is lung cancer
• Now it was my generation’s term... If I had one chance... I knew I had only one chance...
A little heritage...
The Blitz Milestones

Dr. Tamás Heintz
Milestones

• **8 m to D-Day:** Government mandate starts: 31.05.2010.
• **D-Day: Parliamentary retreat:** 09.02.2011.
• **+4 Days:** draft on legal check up: 13.02.2011.
• **+13 Days:** Government clears draft: 22.02.2011.
• **+16 Days:** Announcement at a press conference, draft goes to Parliament: 25.02.2011. 17 MPs sign (16+1),
• **+19 Days:** Internal debate in Parliamentary Fraction
• **+20 Days:** General debate in Parliament closed, support ensured
• **+27 Days:** Public duel with CD 8-9.03.2011.
• **+35 Days:** 2011.03.16. Detailed debate closed, support ensured, urgency vote fails by a small margin (75% needed), 1.5 month break
• **+76 Days:** final vote on 26 April 2011, with 84.1 % majority (271y; 37n; 14a)
Reflection

Prime Minister Orbán’s commitment had critical importance
  - Centralised governance, 2/3 parliamentary majority

Internal team
  - Small, experienced, enthusiastic, committed for the cause
  - Loyal and able conspirators, no info leak on advanced preparations
  - National Chief Medical Officer had a chain smoker husband

Fraction:
  - Divided and uncertain between values and political interests
  - Hospitality sector supporters (tourism, restaurants) - Local pub sector and local public opinion
  - However, they were willing to believe as positive PR impact unfolded
  - Parliament President Kövér made an unexpected personal intervention & response - finishing the escalating debate
  - Contingency: terraces, already existing cigar rooms

Internally more organised, but improvised and abruptive lobbying
Lobby group infiltration of state administration - based on economic crisis intimidation
  • Deepest period of world economic crisis

National Tax and Customs Administration of Hungary (NTCA- NAV)
  • Decreased tax revenue (excise tax, VAT) - chain smoking president
    • Economic burden of disease (more cost)

Ministry for National Economy
  • Potential loss of jobs (hospitality sectors - restaurants, tourism)
    • 30,000 vs 3,000 workers
    • Seasonal jobs
  • Potential increase of budget deficit (sharp line of 3% - sovereignty at stake)
    • Workers in the hospitality sector - sick leave, disablement

Ministry of Agriculture
  • Agricultural job loss
    • 30,000 vs 3,000 workers - artificial employment for lobby purposes
    • Need for more sophisticated, added value jobs anyway
  • National tobacco type vs. foreign - will have importance at EU non-smoking directive
  • Reduced Income: Hospitality & Tourism sector
    • UK and Ireland example: Initial reduction followed by economic growth
Opinions and Acceptance

- Vote maximising behaviour from all opposition parties (socialist, far right, environmentalists)
  - Personal liberty and anti discrimination arguments (even from far right)
  - Demand for negotiation, playing for time (far right)
  - E Cigarette emerged (far right)
- Long travels, trains, airports, local hospitality sector reasoning
- Industry lobbying had limited visibility among opposition
  - contingency: terraces, already existing cigar rooms
- 84,1% victory (271y; 37n; 14a)(3 non, 2a, 1n); 60% of smokers supported the bill
Tobacco Industry

- Airport "Smoke-chambers"
- Relatively fast capitulation: the blitz & the parliament shortcut caught them in their sleep
- Atlantic Wall vs. Normandy

War luck

- Opening press conference
- Unexpectedly vocal press and public support made slim PR efforts surprisingly effective - accusations
- Counter intuitive effects of internal duel with CD
Burdens

EU

- Smoking is the biggest avoidable health risk in the European Union
- 94% of smokers start smoking before 25 years of age
- 50% of smokers die too early, 14 years earlier than non-smokers, as an average
- Annual public health expenditure spent on the treatment of the six main smoking related diseases is estimated around 25.3 billion EUR
- Years lost due to smoking make up 517 billion EUR each year

HUngary

- In 2010, 20,470 deaths could be attributed to smoking, accounting for 1/6 (16%) of total mortality, leading charts of lung cancer mortality in Europe
- SHS caused cca 2,500 - 3,000 deaths so some 25,000 people died of smoking that year
- For males, nearly 1/4 (23%) while for females nearly 1/10 (9%) of mortality could be related to smoking
- As an average, smoker males shortened their life with at least 16,
- while smoker females with at least 19 years
- 2/3 of the loss was observed in the economically most active period of life, between the ages of 35 and 65
**Burdens**

**EU**

- Smoking is the biggest avoidable health risk in the European Union
- 94% of smokers start smoking before 25 years of age
- 50% of smokers die too early, 14 years earlier than non-smokers, as an average
- Annual public health expenditure spent on the treatment of the six main smoking related diseases is estimated around 25.3 billion EUR
- Years lost due to smoking make up 517 billion EUR each year

**HUNGARY**

- In 2010, 20,470 deaths could be attributed to smoking, accounting for 1/6 (16%) of total mortality, leading charts of lung cancer mortality in Europe
- Hungary records 3,500–5,000 deaths per year, 23,000 people die before quitting that
smoking related diseases is estimated around 25.3 billion EUR
• Years lost due to smoking make up 517 billion EUR each year

HUNGARY

• In 2010, 20,470 deaths could be attributed to smoking, accounting for 1/6 (16%) of total mortality, leading charts of lung cancer mortality in Europe
• SHS caused cca 2,500 - 3,000 deaths so some 23,000 people died of smoking that year
• For males, nearly 1/4 (23%) while for females nearly 1/10 (9%) of mortality could be related to smoking
• As an average, smoker males shortened their life with at least 16,
• while smoker females with at least 19 years
• 2/3 of the loss was observed in the economically most active period of life, between the ages of 35 and 65
Ischemic heart disease mortality, 2013 and change 1990-2013

29% smokes - age groups: w 29-27-7 m 42-35-18
Cancer mortality, 2013

Regulation

- As of 1 January 2012, as a general rule, there is a total ban on smoking in all enclosed public places (workplace, restaurant, schools, hospitals, bus stops, railway stations, sports facilities etc. with the exception of prisons, closed psychiatric wards and certain chemical plants
  - FCTC Article 8 – Protection from exposure to tobacco smoke
- Between 1 January-31 March 2012 a tolerance period was offered - no penalties just warning period
- As of 1 January 2013, the compulsory use of combined pictorial health warnings on packaging of tobacco products has been introduced
  - (FCTC Article 11 – Packaging and labeling of tobacco products)
- Strict regulation on the retail sales of tobacco products has been introduced
  - There are some 6,045 licensed retailers all over the country, reduced from 40,000
  - (FCTC Article 16 – Sales to and by minors)
- Hungary received the World No Tobacco Day Award of the WHO in 2013, in appreciation of its efforts to fight the tobacco epidemic!
The Blitz Milestones

Dr. Tamás Heintz
Folklore vs Fact
Folklore vs Fact
Intimidation vs Reality

2011 vs. 2013-14
“The turnover of hospitality units might decrease by 2/3”
“Bars and restaurants will bankrupt soon”
"WHEN WOLVES WORRY ABOUT SHEEP'S HEALTH STATUS..." TOBACCO INDUSTRY WORRIED FOR TAX REVENUES
vs.

2013-14
“TOURISM COMPLETED A YEAR OF RECORDS”
“The majority of smokers support ban”
2014 March: „Third Place for Hungarian Hotels“
“Hungarian hotels on the winners’ stand”
ConSumption

Tobacco Consumption in Hungary, 2004-2014

Market Transformation
Tobacco Consumption in Hungary, 2006-2014

![Bar chart showing tobacco consumption by type in Hungary from 2006 to 2014. The chart displays data for cigarette, fine cut + other tobacco, and cigar, cigarillo categories.](image)
Market Transformation

![Market Transformation Chart](chart.png)
Tobacco Control Scale

Hungary is the country which made the greatest progress (2010 ranking: 27 vs. 2013 ranking: 11)

Hungary reduced and licensed tobacco retailers, introduced comprehensive smoke free legislation, pictorial health warnings and a display ban
The Tobacco Control Scale 2013 in Europe

Luk Joossens Martin Raw

A report of the Association of European Cancer Leagues

<table>
<thead>
<tr>
<th>2013 ranking (2010 ranking)</th>
<th>Country</th>
<th>Price (30)</th>
<th>Public place bans (22)</th>
<th>Public info. campaign spending (15)</th>
<th>Advertising bans (13)</th>
<th>Health warnings (10)</th>
<th>Treat ment (10)</th>
<th>Total (100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (1)</td>
<td>UK</td>
<td>27</td>
<td>21</td>
<td>3</td>
<td>10</td>
<td>4</td>
<td>9</td>
<td>74</td>
</tr>
<tr>
<td>2 (2)</td>
<td>Ireland</td>
<td>24</td>
<td>21</td>
<td>1</td>
<td>12</td>
<td>5</td>
<td>7</td>
<td>70</td>
</tr>
<tr>
<td>3 (4)</td>
<td>Iceland</td>
<td>20</td>
<td>17</td>
<td>12</td>
<td>12</td>
<td>4</td>
<td>1</td>
<td>66</td>
</tr>
<tr>
<td>4 (3)</td>
<td>Norway</td>
<td>20</td>
<td>17</td>
<td>3</td>
<td>12</td>
<td>4</td>
<td>5</td>
<td>61</td>
</tr>
<tr>
<td>5 (4)</td>
<td>Turkey</td>
<td>21</td>
<td>19</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>57</td>
</tr>
<tr>
<td>6 (6)</td>
<td>France</td>
<td>20</td>
<td>17</td>
<td>1</td>
<td>9</td>
<td>4</td>
<td>6</td>
<td>57</td>
</tr>
<tr>
<td>7 (13)</td>
<td>Spain</td>
<td>15</td>
<td>21</td>
<td>1</td>
<td>9</td>
<td>4</td>
<td>6</td>
<td>56</td>
</tr>
<tr>
<td>8 (70)</td>
<td>Malta</td>
<td>17</td>
<td>18</td>
<td>10</td>
<td>4</td>
<td>7</td>
<td></td>
<td>56</td>
</tr>
<tr>
<td>9 (7)</td>
<td>Finland</td>
<td>15</td>
<td>17</td>
<td>3</td>
<td>12</td>
<td>2</td>
<td>6</td>
<td>55</td>
</tr>
<tr>
<td>10 (new)</td>
<td>Ukraine</td>
<td>20</td>
<td>17</td>
<td>12</td>
<td>4</td>
<td></td>
<td></td>
<td>53</td>
</tr>
<tr>
<td>11 (9)</td>
<td>Sweden</td>
<td>17</td>
<td>15</td>
<td>10</td>
<td>1</td>
<td>5</td>
<td></td>
<td>48</td>
</tr>
<tr>
<td>11 (27)</td>
<td>Hungary</td>
<td>15</td>
<td>13</td>
<td>11</td>
<td>3</td>
<td>6</td>
<td></td>
<td>48</td>
</tr>
<tr>
<td>13 (13)</td>
<td>Netherlands</td>
<td>16</td>
<td>13</td>
<td>1</td>
<td>9</td>
<td>1</td>
<td>7</td>
<td>47</td>
</tr>
<tr>
<td>15 (12)</td>
<td>Belgium</td>
<td>14</td>
<td>13</td>
<td>2</td>
<td>8</td>
<td>4</td>
<td>6</td>
<td>47</td>
</tr>
<tr>
<td>15 (13)</td>
<td>Italy</td>
<td>15</td>
<td>15</td>
<td>2</td>
<td>8</td>
<td>1</td>
<td>5</td>
<td>46</td>
</tr>
<tr>
<td>15 (24)</td>
<td>Denmark</td>
<td>15</td>
<td>11</td>
<td>2</td>
<td>8</td>
<td>4</td>
<td>6</td>
<td>46</td>
</tr>
<tr>
<td>18 (11)</td>
<td>Bulgaria</td>
<td>18</td>
<td>15</td>
<td>10</td>
<td>1</td>
<td>2</td>
<td></td>
<td>46</td>
</tr>
<tr>
<td>19 (16)</td>
<td>Romania</td>
<td>19</td>
<td>7</td>
<td>8</td>
<td>3</td>
<td>7</td>
<td></td>
<td>44</td>
</tr>
<tr>
<td>20 (17)</td>
<td>Slovenia</td>
<td>12</td>
<td>15</td>
<td>9</td>
<td>1</td>
<td>6</td>
<td></td>
<td>43</td>
</tr>
<tr>
<td>20 (19)</td>
<td>Estonia</td>
<td>14</td>
<td>12</td>
<td>10</td>
<td>1</td>
<td>6</td>
<td></td>
<td>43</td>
</tr>
<tr>
<td>20 (19)</td>
<td>Poland</td>
<td>14</td>
<td>11</td>
<td>9</td>
<td>1</td>
<td>8</td>
<td></td>
<td>43</td>
</tr>
<tr>
<td>23 (new)</td>
<td>Serbia</td>
<td>18</td>
<td>11</td>
<td>9</td>
<td>1</td>
<td>8</td>
<td></td>
<td>42</td>
</tr>
<tr>
<td>24 (17)</td>
<td>Latvia</td>
<td>14</td>
<td>14</td>
<td>8</td>
<td>3</td>
<td>2</td>
<td></td>
<td>41</td>
</tr>
<tr>
<td>24 (19)</td>
<td>Portugal</td>
<td>14</td>
<td>11</td>
<td>8</td>
<td>1</td>
<td>7</td>
<td></td>
<td>41</td>
</tr>
<tr>
<td>26 (new)</td>
<td>Croatia</td>
<td>14</td>
<td>12</td>
<td>11</td>
<td>1</td>
<td>2</td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>27 (22)</td>
<td>Slovakia</td>
<td>13</td>
<td>10</td>
<td>9</td>
<td>1</td>
<td>6</td>
<td></td>
<td>39</td>
</tr>
<tr>
<td>28 (29)</td>
<td>Luxembourg</td>
<td>5</td>
<td>15</td>
<td>9</td>
<td>1</td>
<td>7</td>
<td></td>
<td>37</td>
</tr>
<tr>
<td>29 (22)</td>
<td>Lithuania</td>
<td>12</td>
<td>12</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td></td>
<td>35</td>
</tr>
<tr>
<td>29 (30)</td>
<td>Greece</td>
<td>15</td>
<td>7</td>
<td>6</td>
<td>1</td>
<td>6</td>
<td></td>
<td>35</td>
</tr>
<tr>
<td>31 (27)</td>
<td>Czech Rep.</td>
<td>12</td>
<td>9</td>
<td>8</td>
<td>1</td>
<td>4</td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>32 (24)</td>
<td>Cyprus</td>
<td>15</td>
<td>7</td>
<td>10</td>
<td>1</td>
<td></td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>33 (26)</td>
<td>Germany</td>
<td>14</td>
<td>11</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>34 (30)</td>
<td>Austria</td>
<td>11</td>
<td>8</td>
<td>7</td>
<td>1</td>
<td>4</td>
<td></td>
<td>31</td>
</tr>
</tbody>
</table>
Sovereignity in Health
Successful Introduction

Public health and sustainability crisis, sovereign decisions of statesmen and parliament

Improved in-door air quality
Decrease in passive smoking
Major decrease in the proportion of smokers
Increased incomes of hospitality units and accommodation service providers
Public support - number of voters

Expected decrease in tobacco related morbidity, mortality and economic burden
Expected decrease in tobacco related social burden
Tobacco Blitz

2

Merchandising

The award also covered the restriction of merchandising

- Significant reduction in tobacco retailers
- 50% tax advantage for fine cut tobacco
- Tobacco shop near to the Hungarian Austrian Border

3

E-cigarettes

When lobby arguments fire back or "The hat-trick" of making e-cigarettes medication

- The argument was that it is needed to cure cigarette addiction
- Then let's make nikotin a medication
- It worked until EU Court sold out - remember it is a common market
- Since 2015 eCigarette is regulated as any other tobacco product in Hungary
The award also covered the restriction of merchandising

- Significant reduction in tobacco retailers
- 50% tax advantage for fine cut tobacco
- Tobacco shop near to the Hungarian Austrian Border
The award also covered the restriction of merchandising

- Significant reduction in tobacco retailers
- 50% tax advantage for fine cut tobacco
- Tobacco shop near to the Hungarian Austrian Border
65% higher turnover
Total manufactured cigarette consumption in Austria

<table>
<thead>
<tr>
<th>BILLION CIGARETTES</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2013-14 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal domestic sales (LDS)</td>
<td>13.39</td>
<td>13.54</td>
<td>13.09</td>
<td>12.96</td>
<td>13.04</td>
<td>12.90</td>
<td>(1%)</td>
</tr>
<tr>
<td>Outflows</td>
<td>-0.27</td>
<td>-0.45</td>
<td>-0.38</td>
<td>-0.31</td>
<td>-0.75</td>
<td>-0.38</td>
<td>(50%)</td>
</tr>
<tr>
<td>Legal domestic consumption (LDC)</td>
<td>13.12</td>
<td>13.09</td>
<td>12.72</td>
<td>12.65</td>
<td>12.29</td>
<td>12.52</td>
<td>2%</td>
</tr>
<tr>
<td>Non-domestic legal (ND(L))</td>
<td>1.25</td>
<td>1.15</td>
<td>1.43</td>
<td>1.25</td>
<td>1.69</td>
<td>2.11</td>
<td>25%</td>
</tr>
<tr>
<td>Counterfeit and contraband (C&amp;C)</td>
<td>1.34</td>
<td>1.41</td>
<td>1.85</td>
<td>1.50</td>
<td>0.95</td>
<td>0.35</td>
<td>(63%)</td>
</tr>
<tr>
<td>Total non-domestic</td>
<td>2.59</td>
<td>2.56</td>
<td>3.28</td>
<td>2.76</td>
<td>2.64</td>
<td>2.46</td>
<td>(7%)</td>
</tr>
<tr>
<td>Total consumption</td>
<td>15.71</td>
<td>15.65</td>
<td>16.00</td>
<td>15.41</td>
<td>14.92</td>
<td>14.97</td>
<td>0%</td>
</tr>
</tbody>
</table>

I can tell the amount of your excise duty and VAT income loss.
The award also covered the restriction of merchandising

- Significant reduction in tobacco retailers
- 50% tax advantage for fine cut tobacco
- Tobacco shop near to the Hungarian Austrian Border
When lobby arguments fire back or "The hat-trick" of making e-cigarettes medication

- The argument was that it is needed to cure cigarette addiction
- Then let's make nikotin a medication
- It worked until EU Court sold out - remember it is a common market
- Since 2015 eCigarette is regulated as any other tobacco product in Hungary
Other public health regulations 2010-14

- Public health tax - taxing added sugar and salt (coke and chips)
- Increasing the excise tax of tobacco and alcohol (despite black market intimidation)
- Earmarked taxes for salary raise of doctors and nurses
- Trans-fat ban
- Compulsory HPV vaccination
- Fast track designer drug tracing
- Final pilot for cervical and colorectal screening introduction
• Public health tax - taxing added sugar and salt (coke and chips)
• Increasing the excise tax of tobacco and alkohol (despite black market intimidation)
• Earmarked taxes for salary raise of doctors and nurses
• Trans-fat ban
• Compulsory HPV vaccination
• Fast track designer drug tracing
• Final pilot for cervical and colorectal screening introduction