

THE UNION CONGRATULATES THE GOVERNMENT OF BRAZIL FOR ITS EFFORTS TO HOLD THE TOBACCO INDUSTRY LEGALLY LIABLE FOR THE HARMS IT CAUSES

Paris, 22 May 2019 – The International Union Against Tuberculosis and Lung Disease (The Union), today welcomed the filing of a lawsuit by the Government of Brazil against British American Tobacco (BAT) and Philip Morris International (PMI) aiming to recover the costs that were paid by the public health system (SUS) to treat all smoking-related illnesses over the previous five years.

Tobacco is the world's number one leading cause of preventable death accounting for 12.6 percent of annual deaths in Brazil. The health burden borne from tobacco use creates a significant strain on the Brazilian healthcare system, which already struggles to effectively respond to all of Brazil's health needs. Each year, 1.1 million Brazilians become sick due to causes attributable to tobacco, including heart disease, COPD, pneumonia, stroke, and cancers. Tobacco disease costs Brazil US \$17 billion/year in direct and indirect costs, while the industry only pays US\$ 3.5 billion in taxes. The healthcare analysis demonstrates that taxes paid by the tobacco companies do not even cover one third of the healthcare costs related to tobacco consumption.

The filing of this litigation by Brazil recognises the huge strain that tobacco puts on the healthcare system and is in compliance with the government's commitment to the Framework Convention on Tobacco Control (FCTC), the world's first international public health treaty negotiated under the auspices of the World Health Organization (WHO). Article 19 of the FCTC states that those committed to the framework shall consider taking legislative action or promoting their existing laws, where necessary, to deal with criminal and civil liability, including compensation where appropriate.

José Luis Castro, Executive Director of The Union, said, "Brazil is a clear example of how political commitment and multisectoral work ensure that the FCTC becomes a reality. For a long time, the tobacco industry have profited from Brazilian consumers, deceiving them about the health harms caused by tobacco. The companies must be held accountable and compensate those affected by their actions."

Courts in the US and Canada have already found tobacco companies to be liable for healthcare costs in previous cases. The Union hopes this step by Brazil will set a further precedent and a call to all countries in the Americas and indeed worldwide to sue tobacco companies without fear.

Gan Quan, Director of Tobacco Control at The Union, said, "Brazil has been a regional leader for tobacco control for over two decades and has achieved sustained drops in adult smoking rates, from 35 percent in 1989 to 10 percent in 2015. This litigation was the missing component in Brazil's tobacco control efforts - make the tobacco industry liable for the harms caused by tobacco."

Tobacco kills some 6 million people worldwide each year, both through direct consumption and exposure to second-hand smoke. At least 1 million of these deaths occur in the Americas.

The Union, through Bloomberg Philanthropies had funded several projects on tobacco control in Brazil since 2007.

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Contact: press@theunion.org

About The Union

The Union was founded in 1920 and is the world's first global health organisation. We are a global leader in ending TB, we fight the tobacco industry, and we solve key problems in treating major diseases. We use science to design the best treatments and policies for the most pressing public health challenges affecting people living in poverty around the world. The Unions members, staff and consultants operate in more than 150 countries and embody our core values of accountability, independence, quality and solidarity.

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