COVID-19 and PMI:
Slides from PMI’s AGM, 6th May 2020, reproduced with comments

Tobacco Control Research Group, University of Bath

bath@exposetobacco.org
@BathTR
The reality is outlined in this STOP press release, which notes: "two factory workers have died from COVID-19 and dozens of others tested positive at HM Sampoerna, a Philip Morris International affiliate in Indonesia."

According to reports in the Jakarta Post, at the factory which employs at least 500 people:

- 9 workers have been admitted to hospital
- 63 samples from 323 workers (20%) tested positive
- the factory only closed more than three weeks after a worker first reported a health and nearly two weeks after the patient died (approximately April 18)

### Supporting Our Employees and Communities Through the COVID-19 Pandemic

- Our main focus is the health and wellbeing of our employees, their families and the communities in which we operate
- Implemented policies and measures to protect, support and reassure employees
- Outstanding strength and spirit shown by all our people
Reality:

$30M is 0.09% of $30.7Bn – PMI's net revenue in 2019

Note PMI's focus on “Supporting hospitals” and “at risk populations” – the latter of course includes smokers and those with smoking related diseases (see [WHO statement](https://www.who.int)). This focus is consistent with the tobacco industry’s tactic of using philanthropy to distract from the harm it causes and buy favours where they are needed. See:

- [Corporate Philanthropy, Political Influence, and Health Policy](https://example.com)
- [Tobacco Tactics: COVID-19](https://example.com)
- [Tobacco Tactics: CSR Strategy](https://example.com)

Donations to “trade partners” may simply be a way of supporting their own supply chains

Note: photo by Greek Ministry of Health is likely intended to signal partnership, contrary to FCTC Article 5.3
What PMI is really worried about:

- Fewer new users for IQOS
- Less duty free sales
- Less profit and market share in Indonesia

Note terminology: “user acquisition rate” suggests NEW users. While the statement above this on “adult smokers” appears intended to suggest this is the audience, PMI’s targeting of young people has already been documented.
What PMI is really worried about:

- Consumption falling during the pandemic, especially in LMICs
  
i.e. PMI is worried about the very thing that needs to happen in order to reduce the risks from COVID – smokers giving up

Note there is a particular risk to PMI from downtrading given its premium brand portfolio

Read more here
Keeping factories going is clearly an imperative for PMI.

This may explain the infection rate in the factories in Indonesia noted above (slide 2), an issue PMI does not touch on anywhere in its AGM slides.
The **reality** is PMI may be at particular risk during this pandemic because it is arguably the least diversified transnational tobacco company (TTC) with the highest-risk product portfolio as we explain here.

It really only sells cigarettes and IQOS. *Independent analyses* suggest IQOS may be as harmful as smoking. PMI are therefore not well positioned as smokers look to reduce their health risks during the COVID-19 crisis.

Even a *survey* undertaken by PMI’s front group, the Foundation for a Smoke Free World, found large proportions of smokers had attempted quitting during lockdown (from 23% (UK) to 62% (India)).

**PMI’s statement:**

“Our business has historically proven remarkably resilient, and we believe we can deliver a solid performance under the current challenging circumstances.

Importantly, we remain confident in our structural mid-term growth prospects and, when these headwinds have passed, expect to resume growth consistent with our 2019-2021 compound annual ex-currency growth targets.

Crucially, our organization, liquidity and balance sheet are strong. We will continue to protect and support our employees, serve our consumers and reward our shareholders, which clearly includes our strong commitment to our dividend. We are convinced that we will emerge stronger from this crisis.”
It's Time to Shine the Light on the Tobacco Industry

STOP is a partnership between the Tobacco Control Research Group at the University of Bath, the Global Center for Good Governance in Tobacco Control, The Union’s Department of Tobacco Control, and Vital Strategies with funding from Bloomberg Philanthropies.

FUNDING:
STOP initiative which is funded by Bloomberg Philanthropies (www.Bloomberg.org).

The opinions expressed are those of the authors’ alone. The funders had no role in study design, data collection, analysis, decision to publish, or preparation of the output.