

**CORPORATE AFFAIRS**  
**1996 / 1997**

**THE NETHERLANDS**

**October 15th, 1996**

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## ***Agenda***

- **Political situation**
- **Smoking in The Netherlands**
- **General objectives**
- **General strategies**
- **Key issues: status and actions**
  - ✓ Excise
  - ✓ Ad Code
  - ✓ Cigs/RYO
  - ✓ Market & consumer restrictions

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## *Political situation*

### **Heading for second purple cabinet (1998)**

- **Purple cabinet:**
  - ✓ Strong and popular coalition
  
- **Opposition:**
  - ✓ Either small or weak
  
- **1997 Budget:**
  - ✓ The Netherlands will meet EMU-criteria
  
- **Smoking policy:**
  - ✓ Anti smoking
  - ✓ Key issue: Juvenile smoking

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## *Smoking in The Netherlands*

***The Dutch resent government interference, the public debate is more and more balanced***

- **General public:**
  - ✓ Tolerance/no government interference
  
- **Anti's:**
  - ✓ Call for higher taxes and Ad Ban
  - ✓ Get more campaign funds although campaigns are not effective
  - ✓ Face for the first time opposition: Phase III and social cost study
  
- **SRG:**
  - ✓ Growing: 50.000 members
  - ✓ Now an important media player
  - ✓ Achieved results (tax, workplace, KLM/Martinair)

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## ***General Strategies***

- **Strengthen and expand strategic alliances**
- **Intensify (direct/indirect) lobbying activities**
- **Use scientific research to differentiate facts from fiction**
- **Position Philip Morris as market leader, big investor and job provider**
- **Intensify and increase press contacts**
- **Use momentum of Dutch presidency EU**
- **Deal with Juvenile issue**

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## ***General Objectives***

- **Prevent (further) excise increases**
- **Keep code alive**
  - ✓ Keep Holland in blocking minority
  - ✓ Get next code in 1999
- **Balance Cigs/RYO**
  - ✓ Tax
  - ✓ Tar/nic levels
  - ✓ Tax ceiling
- **Prevent further market/consumer restrictions**
  - ✓ Workplace
  - ✓ Horeca

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## ***Preventing excise increases***

***If MP's vote in line with spokespersons statements:  
majority against increase***

### **Actual situation**

- **Cabinet decision**
  - ✓ 50 Cents for Cigs/RYO
  
- **Parliament debate**
  - ✓ In favour: D66/PvdA/green left/small religious parties (77 votes)
  - ✓ Against: VVD/CDA/elderly parties/socialist party (73 votes)
  
- **Voting in parliament**
  - ✓ In week 42 / week 43

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## ***Preventing excise increase***

***If politics persist on price increase:  
develop alternatives***

- **Boost lobbying efforts (direct/indirect) to secure a majority to vote against an excise increase**
  
- **If worse comes to worse**
  - ✓ Present alternative scenario's of industry price increase to "friendly MP's"
  
- **Rational**
  - ✓ We argue the impact of excise/price increase on Juvenile smoking so we can not present this before voting
  - ✓ If parliament persists, we can suggest a commercial price increase, keeping the excise level on 57%

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*Keep code alive/keep Holland in blocking minority*

**Government in favour of current code**

## **Actual situation**

- **Government's position**
  - ✓ Happy with the code
  - ✓ The introduction of a committee reviewing ads before placement will further boost the effectiveness of the code
  - ✓ If the industry continues to respect the code: no need for legal steps after 1999
  - ✓ Introduction of a legal minimum selling age
  - ✓ Holland will remain in blocking minority, will discuss EU-recommendation with Flynn at health council meeting (November 22, 1996)
  
- **Discussion points parliament**
  - ✓ "Kiddy" packs
  - ✓ Legal selling age

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***Keep code alive/keep Holland in blocking minority***

***We have to prove that current ad code works***

## **Action plan**

- **Establish Ad Code Review Committee**
  - ✓ Identify and educate experts
  - ✓ Develop acceptable procedures
  - ✓ Avoid conflicts with Ad Code Committee
- **Maintain NMA marketing meetings to discuss if campaigns are in line with code**
- **Start NMA communications program to lobby audiences and press on Code related issues**
- **Launch youth access program in conjunction with retail/vending industry**

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*Keep code alive/keep Holland in blocking minority*

***We have to prove that additional restrictions make no sense***

- **Initiate (scientific) research on impact of Ad Ban and use in lobby/press contacts**
- **Mobilize allies to fight Ad ban initiatives: VNO, NCW, Publishers etc.**
  - ✓ Look for opportunities to work with the alcohol industry
- **Lobby to ensure Dutch presidency calls for referral of the Commission ad ban proposal from the Health Council to the internal market authorities**

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## *Balancing Cigs / RYO*

***RYO faces more and more pressure***

- **Increasing attention in the press and parliament for the “cheaper and more unhealthy” RYO. However: Cigs/RYO not high on political agenda**
- **Parliament will vote on 50 cents/pack increase Cigs/RYO. If this is accepted, Cigs will be further discriminated versus RYO**

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## ***Balancing Cigs / RYO***

### ***PM wants a stake of the 15 billion RYO-market***

- **Demonstrate market distortions**
- **Flag Stivoro letter on RYO-excise (Juvenile argument)**
- **Kill fake Coresta report on tar/nic levels presented by RYO-industry**
- **Use methodology of food inspectorate for validation**
- **Introduction PM-RYO ?**

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## ***Preventing further market/consumer restrictions***

### ***Mobilize and offer solutions***

## **Action Plan General**

- **SRG**
  - ✓ Develop mission with SRG-Board
  - ✓ Develop action plan / priorities that add value
  
- **Health Issues**
  - ✓ Monitor IARC/indoor air quality guidelines
  - ✓ Include ETS related issues in presentations/plant visits etc.
  - ✓ Finalize IARC preparedness policy

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## *Preventing further market/consumer restrictions*

### **Mobilize and offer solutions**

## **Action Plan General**

- **Launch of NMA campaign**
  - ✓ Keep control of NMA/Info bureau
  - ✓ Launch of new version of NMA Courtesy campaign
  
- **Youth access program**
  - ✓ Develop/launch Information programs (Dutch AAA program)
  - ✓ In conjunction with Horeca, retail and vending industry
  
- **Continue communications program on Phase III**
  - ✓ Indepth evaluation PMH/PMCS
  - ✓ Continue interviews and speeches on Phase III
  - ✓ Phase III in communications casebook
  - ✓ Decide on Phase IV

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## ***Preventing further market/consumer restrictions***

### ***Mobilize and offer solutions***

## **Action Plan Workplace**

- **Develop and introduce workplace guidelines in conjunction with VNO/NCW**
  
- **Lobby to prevent legal smoking bans in private sector.**  
**Key messages to Government:**
  - ✓ **Current labour legislation provides framework**
  - ✓ **Dialogue between social partners is the best solution**

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***Preventing further market/consumer restrictions***

***Mobilize and offer solutions***

**Action Plan Horeca**

- **Intensify strategic alliance with Royal Horeca Nederland and mobilize them when appropriate**
- **Introduce and further expand Courtesy of Choice program in Horeca sector**

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***Position PM as market leader, big investor and job provider***

- **Further boost press contacts**
- **Get more political ROI of sponsor programs**
- **Continue/expand Project Info program**
- **Organize plant visits for key audiences**
- **Trainee programs for MP's**
- **Speaker platforms: present at universities and seminars**
- **Implement consistent corporate identity**

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