

TOBACCO CONTROL AND ILLICIT TRADE IN TOBACCO PRODUCTS IN PANAMA



OVERVIEW

Tobacco control is a priority for Panama. The country has not only established a strong tobacco control program at the national level, but also has collaborated at regional and global level with other Parties. These efforts made, have resulted in significant decreases in the prevalence of tobacco use among the entire population. Panama currently has the lowest prevalence of tobacco use in the region of the Americas, and some of the lowest rates in the world.² The prevalence of current tobacco use among adults is 6.4% overall (9.7% of men and 3.1% of women),¹ and 12.7% among youth (15.1% of boys and 10.2% of girls)⁶. Additionally, only 5.6% of Panamanian adults who worked indoors were exposed to secondhand smoke (7.4% for men, and 3.7% for women), and 12.4% of adults were exposed to secondhand smoke when visiting restaurants.¹

A HISTORY OF TOBACCO CONTROL IN PANAMA

Panama has prioritized tobacco regulation and control and their efforts are observed by their low rates of tobacco use. Since 1989, under the direction of the Ministry of Health, Panama has had a National Commission for the Study of Tobacco Use, which coordinated the implementation of the WHO Framework Convention on Tobacco Control (FCTC) in Panama and conducts analyses to evaluate legislative and international progress on tobacco and health.² Additionally, the country mandated the creation of the National Program for Smoking Prevention and Control which aims to establish mechanisms for sustainability in tobacco control and implementation of the FCTC.²

Panama was one of the first countries that ratified the FCTC, which entered into force in 2005.³ This was followed by Law 13[3] in 2008, which initiated the implementation of a series of important policies to reduce the prevalence of tobacco use in Panama.⁴ These policies were structured to impact the population on multiple levels including labeling of tobacco products, advertising bans, and policies to reduce second-hand smoking risks:

Protection from exposure to tobacco smoke:

Enacted a total ban on: “smoking in indoor work areas, in common areas of public and private buildings of commercial and domestic use, and in public places where people congregate, including public and private, open and closed sporting facilities”.²

Packaging and labeling of tobacco products:

Required pictorial health warnings, covering 50% of the front and back of the packaging of tobacco products. Labeling has proven to be quite successful. In a recent GATS survey, 76.9% of adults aged ≥ 15 years reported they noticed the health warnings, and four in 10 current smokers considered quitting smoking because of these warnings.¹

Ban on tobacco advertising, promotion, and sponsorship:

In 2008, Panama became the first country in the Region to enact a complete ban on all advertising, promotion, and sponsorship of tobacco products. This ban prohibits all forms of tobacco advertising, promotion, and sponsorship, including: “national media and billboard advertisements, commercials in international media originating outside the country, the distribution of products with tobacco brand logos, sponsorship of sports teams, promotional price discounting or product placement in television and motion pictures”.³ Advertising and marketing at the point of tobacco sale is also prohibited.³

Tobacco taxes:

In 2009, Panama reformed the Tax Code through Law 69 to increase excise tax on cigarettes from 32.5% to 100% of the consumer sale price declared by the domestic manufacturer or importer to the Ministry of Economy and Finance, with a minimum of 1.50 US dollars (USD) per pack of cigarettes or a minimum of 0.50 USD for cigars and other tobacco products.⁵ Additionally, 50% of tobacco taxes collected are earmarked for: “public health promotion, prevention, surveillance, and control of tobacco” in Panama (20% is allocated to the National Cancer Institute, 20% to the Ministry of Health, and 10% to the Customs Authority to combat smuggling).⁵ Part of these funds has been devoted to international collaboration, providing many training activities for other Parties in the Region.

ILLICIT TRADE IN PANAMA

The tobacco industry has portrayed Panama as having an enormous problem with illicit trade and has used this information to try to prevent other countries in the Region from advancing tobacco control legislation, especially in the area of tobacco taxes. In 2013, the Global Adult Tobacco Survey (GATS), a nationally representative household survey of adults ages 15 and older, which monitors global tobacco use found that 36.3% of current smokers surveyed had purchased illegal cigarettes.¹ This data indicates that additional measures must be taken to strengthen monitoring frameworks and enforce current regulations.

CONCLUSIONS

1. Panama is a regional and global leader in tobacco control. Their tobacco control initiatives, including: smoking bans in indoor public places and workplaces, large and graphic health warnings on tobacco products, comprehensive bans on tobacco advertising, promotion, and sponsorship, and increased tobacco taxes have proven highly effective, making Panama a strong example for neighboring countries to follow.
2. Panama is a good example of the effect that comprehensive tobacco control programs have on curbing the tobacco epidemic in a developing country.
3. While illicit trade is a problem in Panama, as in many other countries worldwide, this has not stopped the country from implementing its mandates under the FCTC with important health outcomes while taking steps in parallel to solve the illicit trade problem.
4. The illicit tobacco industry exaggerates the burden of illicit trade in order to attempt to stop the advances of tobacco control legislations.
5. Panama has played a leading role in tobacco control and has helped to shape the regional and global environment for tobacco control through efficient models for earmarking tax revenues, surveillance, and trainings.
6. Panama has helped to establish and strengthen tobacco control efforts and have influenced global decisions in regards to tobacco taxation and illicit trade through funding regional meetings and creating an environment for regional perspectives to be conveyed, meeting their objectives and obligations under Article 22 of the WHO FCTC.

1 Global Adult Tobacco Survey (GATS). Fact Sheet Panama. 2013.

2 Panama GATS Country Report (unpublished source)

3 Panama's ban on tobacco advertising protects people's health. 2013.

Available at: http://www.who.int/features/2013/panama_ban_tobacco/en/.

4 Campaign for Tobacco-Free Kids. Tobacco Control Laws. Country Details for Panama. Available at:

<http://www.tobaccocontrol.org/legislation/country/panama/summary>. Last updated 2014.

5 Panamá, A.N.d.I.R.d., *Ley N° 13 que adopta medidas para el control del tabaco y sus efectos nocivos en la salud.*, in *Gaceta Oficial N° 25966*. 2008, Panamá: Panamá. p. 2-6.

6 Global Youth Tobacco Survey (GYTS). Fact Sheet Panama. 2012.