

DFWC requests WHO Illicit Trade Protocol adjustment

The duty free industry is often the target of extra-and intra-governmental organizations and regulations; most recently this is the case with the World Health Organization (WHO), which has developed an “Illicit Trade Protocol” (ITP) with respect to the tobacco industry.

This protocol, which has 62 country parties and is ratified by 81 countries, expressly assumes that the duty free and travel retail industry contributes to the spread and sale of illicit tobacco products, as is stated in Article 13.2 of the ITP, which calls for “an evidence-based study to assess the extent to which Duty Free contributes to illicit trade.”

As this statement and thus the ITP expresses the assumption that the duty free/travel retail industry is at fault and only questions the degree to which it is at fault, it sullies the study before it has even begun. Therefore, according to the Duty Free World Council (DFWC) this study as currently set threatens the duty free/travel retail’s ability to legitimately sell tobacco.

As the association’s ITP presentation states: “The purpose of the Protocol is to reduce illicit trade in tobacco products. It should not be a vehicle for the WHO to achieve other policy objectives such as limiting the availability of legal Duty Free tobacco sales to international travelers.”

The irony is that duty free/travel retail is an especially safe and secure channel, and it is this that the DFWC wishes the chance to prove.

The DFWC therefore appeals to all members globally to contact their government representatives to request that the ITP be postponed, allowing the opportunity for concerns to be addressed. The DFWC would like the chance to show the WHO that the duty free industry itself is threatened by illicit trade.

The DFWC and the industry do not object to the research; rather, as threatened participants they fully support it. However, they request that these factors be taken into strong consideration before the study is begun:

- The study should only take place after adequate time is given for planned changes to the industry to take place following entry into force of the Protocol.
- The study must include and welcome participation by the industry and industry expertise. A lack of knowledge of our highly controlled and transparent industry could lead to findings and policy outcomes that are unfair, unnecessary, and onerous on law-abiding, responsible retailers and stakeholders.
- The study should not be initiated before the travel sector has had the opportunity to recover from the effects of COVID-19 and resume normal activity. Any study that is commenced before this time will result in an incomplete and inaccurate sector snapshot at best.
- This research is the opportunity for WHO to get the most comprehensive picture of the Duty Free supply chain. It is critical that WHO works with Duty Free stakeholders to prepare the protocol’s research roadmap. We welcome a transparent process, and are ready to share any relevant industry insights with the WHO, as we have been doing so with national customs authorities for the past decades.