Ad 2. Annual meeting with PMI

The Chair opened the meeting and welcomed PMI represented by . PMI gave a powerpoint presentation on current trends in illicit trade in tobacco products from an industry perspective and implementation of the EU/PMI Anti-Contraband and Anti-Counterfeit Agreement.

asked PMI to explain their training programme to staff on compliance with the Agreement. PMI stated that they had a full educational platform with web-based training on compliance rules and how to fight against the illicit trade. PMI confirmed that the web-based training was rolled out to senior management down to analysts.

asked for PMI’s views on cigarette machinery as this was a growing area of concern. PMI advised that they destroy unused or obsolete machines. PMI suggested that counterfeit cigarette making machinery and spare parts from China was a growing problem.

asked if PMI had developed a software tool to identify suspicious containers. PMI replied that a profile tool did exist a few years ago and they hoped to develop the platform further particularly in free zones.

asked whether they could have access to the tool. PMI replied that it was not an EU tool, but that they worked together with shipping companies.

asked whether PMI supplied bulk tobacco to third parties including any "Cheap White" producers. PMI replied that they do supply some bulk tobacco to third parties, however not in significant volumes and ensures that any supply is commensurate with local production demand. 

asked why the incidence of counterfeit PMI brands was so high. PMI replied that the issue of counterfeiting of their products has been diminishing, according to the Project Sun report. PMI said that Marlboro was the major premium brand and also the main source of counterfeiting. PMI also considered that the controls that they had introduced on their supply chain made it less likely for genuine product to fall into the illicit market and therefore there was more counterfeit of their product compared with other tobacco manufacturers.

PMI informed that they run T&T to first customer in 121 countries. They plan to track and trace their whole production to pack level in 3 years’ time.