

MEDIA INFORMATION

For immediate release

JTI looks forward to full implementation of Anti-Agricultural Economic Sabotage Law

Manila, Philippines, June 02, 2024 – JTI Philippines today lauded the ratification by the Senate and House of Representatives of the Bicameral Conference Committee Report on the Anti-Agricultural Economic Sabotage bill classifying tobacco smuggling, together with other agricultural products, as economic sabotage that carries severe sanctions.

The two chambers ratified the reconciled version of the bills on May 22, 2024, before Congress adjourned sine die. It will now be transmitted to the Office of the President for the signature of President Ferdinand Marcos Jr.

The bill provides, among others, that smuggling tobacco and cigarettes worth at least P3 million shall be considered as economic sabotage, a non-bailable offense.

JTI General Manager John Freda said the imminent enactment of the bill will send a strong message to smugglers and their accomplices of the government's serious commitment to address the worsening problem of illicit trade in tobacco.

"Once the law is ready for full implementation by the mandated agencies, the government has an additional potent weapon in its arsenal to wage war against smuggling syndicates," Freda said.

He added: "We are looking forward to its full implementation. The crime of tobacco smuggling is indeed an act of economic sabotage because, put simply, it robs the nation's coffers. Not only does it deprive government of much needed tax revenues but illegal trade cheats everyone: society, consumers and legitimate businesses."

He noted that illicit tobacco trade in the Philippines is growing at alarming levels, posing a significant threat to the nation's economy including its agricultural sector.

Estimates from Congress and the Bureau of Internal Revenue (BIR) put the foregone losses from illicit tobacco trade between P60 billion and P100 billion a year.

Freda pointed out that cigarette smuggling is a complex problem and not the victimless crime it is perceived to be since it impacts a raft of industries, sectors, agencies and livelihoods – from

agriculture, tobacco farmers, tobacco-growing LGUs, retailers and consumers, to law enforcement units and revenue collection agencies.

Furthermore, he said, proceeds from illegal tobacco sales often finance much larger criminal activities such as corruption, the smuggling of drugs and weapons, human trafficking and terrorism.

Freda likewise congratulated Sen. Cynthia Villar and Rep. Wilfrido Mark Enverga, chairpersons of the Senate and House committees on agriculture, respectively, for successfully shepherding the proposed measure in the committee level to the bicameral conference panel.

Under the proposed law, tobacco smuggling as economic sabotage carries the stiffer and heftier penalties of life imprisonment and a fine of thrice the value of the agricultural and fishery products subject of the crime.

The bill repeals the Anti-Agricultural Smuggling Act of 2016 with tobacco – either in its raw or finished form – joining rice, sugar, corn, pork, poultry, garlic, onion, carrots, fish and "cruciferous vegetables" on the 'economic sabotage' list.

The Senate version was principally authored by Villar while the House bill was jointly filed by Reps. Ferdinand Alexander "Sandro" Marcos and Margarita Ignacia B. Nograles.

JTI Philippines had previously called for stiffer sanctions against cigarette smuggling, which has become more rampant – even at the height of the COVID-19 pandemic – and despite intensified law enforcement actions.

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About JTI in the Philippines:

JTI in the Philippines is a global tobacco company with close to 40 branch offices across the country. It is the distributor of international brands Winston, Camel, Mevius, LD, and local brands Mighty and Marvels. New to its Philippine portfolio is its smoke-free, vapor-free nicotine product, Nordic Spirit, which is a leading brand of nicotine pouches. With its market headquarters and a global business services center in Taguig City alongside its manufacturing facility in Malvar, Batangas, the company employs close to 5,500 people and has been awarded Top Employer for the third consecutive year. Furthermore, the company is now in receipt of EY's Global Equality Standard (GES) certificate for equality, diversity and inclusion excellence. For more information, visit www.jti.com/asia/philippines.

About JTI:

JTI is a leading international tobacco and vaping company selling its products in more than 130 countries. It is the global owner of both Winston, the number two cigarette brand in the world, and Camel, outside the USA. Other global brands include MEVIUS and LD. JTI is also a major player in the international vaping market with its heated tobacco brand, Ploom, and e-cigarette brand, Logic. Headquartered in Geneva, Switzerland, the Company employs about 46,000 people and was awarded Global Top Employer for the tenth consecutive year in 2024. JTI is a member of the JT Group of Companies. For more information, visit www.jti.com.