

TOBACCO KEY ISSUES

Action in hand on the key issues for Tobacco and proposals for further action which should be taken by the Centre are summarised below.

1. The EC Single Market : Still being progressed by BATCo. who are due to produce a report following up on the initial proposals of the Europe Team, discussed by the CPC in September 1989.

Should this be added to the TSRT agenda?

2. Eastern Europe : Is primarily a BATCF responsibility but Brown & Williamson are also marketing in the area. BATCF are due to report directly to the CPC but this is also being monitored by the TSRT.
3. Other Markets : Thailand and Turkey are being pursued by BATCo. and Brown & Williamson and progress is being monitored by the TSRT.
4. International Brands : are the responsibility of the brand owners and progress is being monitored by the TSRT.

May need to be given further impetus, especially in respect of franchised sales and of lower-priced exports.

5. Market Information : We need to be clearer on the arrangements:-

(a) for collecting market and competitive information;

(b) for using this to initiate strategies, etc.

6. Regulation/Smoking Issues : We also need to be clearer on the arrangements for influencing regulators and the debate on smoking issues. Currently, the main responsibility on smoking issues is with BDB but influencing regulators is a joint BDB/LJP/UH responsibility.

It might be helpful for one person to be given an overall responsibility covering the whole Group.

7. R&D/Technology : A.L. Heard has a responsibility for co-ordinating Research worldwide but it is not clear who is responsible for monitoring our product and process technology relative to competitors and for identifying the priorities for action to upgrade this.

We need to prepare specific recommendations for tightening the grasp on this aspect of the Tobacco business.

RS/DJA
23rd February 1990

201828416