

SECRET

Briefing Note for Mr. B.D. Branley

Tobacco Strategy Review Team - 17th September, 1990

R&D Priorities

The recent meeting of CAC Marketing Directors in Montreal sought to establish priorities for product-related research by:

1. the Fundamental Research Centre in Southampton, and
2. the Applied R&D Centres in the Operating Companies.

Based on these discussions, in my view the real Group key needs are:

- (i) Superior product smoking quality (particularly in relation to Philip Morris brands).
- (ii) High taste/flavour and satisfaction at low tar numbers, reflecting directions set by Regulators.
- (iii) Freedom to use additives and new processes, as regulatory pressures increase.
- (iv) Ability to control levels of minor constituents, which will increasingly become the subject of regulatory interest.

Seen from the FRC programme standpoint, there was unanimous support for our emerging Chemosensory projects in relation to (i) and there was a request from B&W to take a stronger co-ordinating lead in the Centre for our "Marlboro attack".

Greendot research also received 100% support in that it targets directly on (ii).

In terms of item (iii) the Tobacco Additives projects were 100% supported (with the exception of Canada who do not use additives).

Finally the Other Noxae projects at FRC which are directed to (iv), were fully supported by all except B&W. (B&W would support such work i.e. the control of minor constituents, only if seen in the context of smoke sensory enhancement - this can probably be accommodated).

Second order, but important, Group needs are:

- (v) Low sidestream products with good sensory characteristics.
- (vi) Ability to achieve low ignition potential.
- (vii) Monitoring developments in bio-assays.

All of these are suitably covered in the existing FRC programme. The next project

- (viii) Knowledge of the Science of leaf aging for economic/smoke improvement benefit

was proposed by the meeting for consideration by FRC.

The meeting saw no need for work aimed at "technological products" such as Premier; the Nova work at FRC, which had this long term aim but has important medium term benefits, will be integrated with Greendot.

ALH/SC
3rd September, 1990

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