

LC Paper No. CB(2)2884/05-06(01)



PHILIP MORRIS
ASIA LIMITED

July 26, 2006

Hon Andrew Cheng Kar-foo

Chairman

Bills Committee on Smoking (Public Health) (Amendment) Bill 2005

Legislative Council Building

8 Jackson Road

Central

Hong Kong

Dear Chairman Cheng,

I am writing in response to your letter dated 21 July 2006 and your request for further clarification regarding our views on "grandfathering with notation".

We do not think the proposed "grandfather" approach is appropriate because it has the potential to create confusion among consumers, the government and manufacturers. An example of consumer confusion could include consumers not fully understanding that there is no difference between the health consequences of smoking brands that carry descriptors and those that do not.

As we have stated before, we think that the best way to address the concern that some consumers may perceive "light" or "mild" cigarettes as less harmful is to provide additional information on packs. This approach is currently followed in both Mexico and Japan.

However, if upon further deliberation the government chooses to revert to its original proposal to ban the use of descriptors, as many governments around the world have done so, we strongly believe that the ban should apply to all brands, both current and future, with no exceptions or grandfathering.

If further clarification is required, please feel free to contact me.

Yours sincerely,

Tammy Chan
General Manager
Hong Kong & Macau

23/F, Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
Tel: (852) 2825 1600 Fax: (852) 2911 9991