

From: "James Middleton"

To:

Cc:

Date: Sunday, July 30, 2017 01:41PM

Subject: Altria shares plunge after FDA releases road map to curb tobacco-related deaths.pdf

History: → This message has been forwarded.

When can we expect equivalent or better proactive action from Hong Kong Government ?

Add

Minimum pack prices like UK

Political will

Onus on licensees to enforce the anti-smoking laws or lose their operating licences

Tripling TCO patrol and enforcement ability

Allocating excise tax to anti tobacco measures instead of white elephant concrete developments

Annual tobacco tax increase in excess of inflation (never applied here)

Double the current level of tobacco taxation with agreed and mandated annual increases

Ban on patio smoking

The FCTC mandates Government officials 'declare and divest' tobacco shareholdings - when will this happen ?

When is Govt intending to prevent its MPFA Trustees from unethical investments

Full adoption of FCTC requirements into Hong Kong legislation

Plain packaging

Make buying age of tobacco 21 years (frontal lobe development decision making)

License tobacco retailers

Prevent legislators with tobacco interests from attending meetings on tobacco legislation

Under FCTC force declaration of tobacco company donations to political parties and tobacco front groups

Attachments:

Altria shares plunge after FDA releases road map to curb tobacco-related deaths.pdf

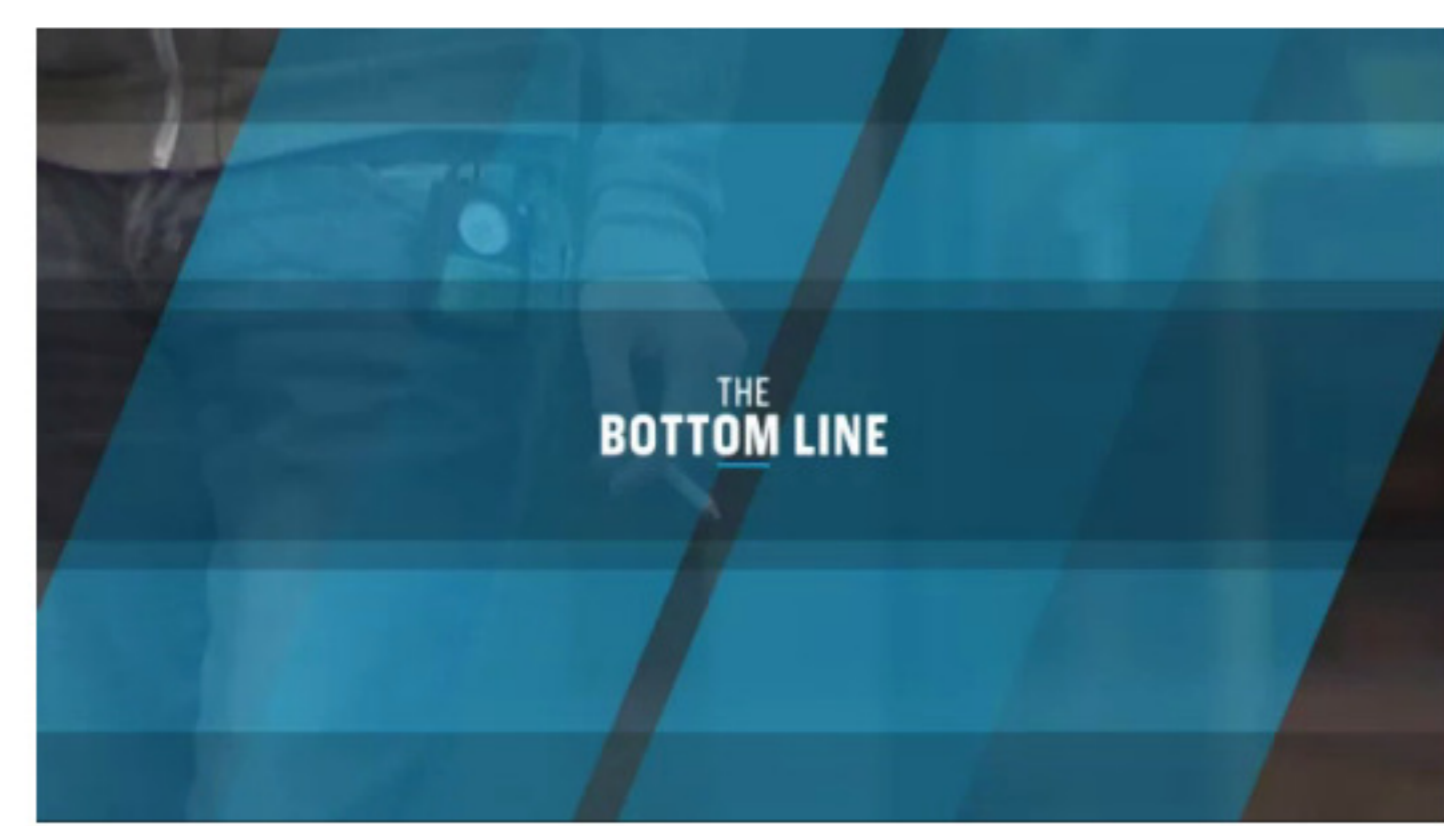
TOBACCO

Altria shares plunge after FDA releases road map to curb tobacco-related deaths



- The FDA on Friday said it's seeking to lower nicotine in cigarettes to non-addictive levels.
- Shares of Altria Group, British American Tobacco and Vector Group, among other tobacco-related stocks, were all seen falling on the news.
- The FDA said it plans to begin a dialogue "shortly" surrounding lowering nicotine levels by way of "achievable product standards."

Lauren Thomas | @laurentthomasx3
Friday, 28 Jul 2017 | 4:35 PM ET



The Food and Drug Administration **on Friday announced** a plan for tobacco and nicotine regulation, which seeks to lower nicotine in cigarettes to non-addictive levels.

This would be just the first step in a sweeping review of the tobacco industry's regulations by the agency, with the goal of encouraging the development of new products that are less dangerous than cigarettes. The **FDA** has also said it will consider the role of menthol and other flavors in tobacco products.

The statement by the FDA largely came as a surprise and will likely face much resistance from tobacco companies, which are already facing a declining consumer base for their products.

Shares of **Altria Group**, maker of Marlboro and Parliament brands through its Philip Morris USA unit, plunged more than 10 percent after the FDA's announcement. **British American Tobacco**, which owns brands such as Camel, Lucky Strike and Newport, fell nearly 9 percent. **Vector Group**, which sells Liggett Select, Eve and other cigarette brands, saw its stock decline more than 4 percent.

Shares of **Philip Morris International**, which sells Marlboro and other brands outside the U.S., also dropped nearly 3 percent on the news. **Imperial Brands**, formerly known as Imperial Tobacco Group, fell 6 percent.

FDA Commissioner Scott Gottlieb called the amount of death and disease attributable to tobacco "overwhelming." Cigarettes are "the only legal consumer product that, when used as intended, will kill half of all long-term users," he said in a statement.

"Envisioning a world where cigarettes would no longer create or sustain addiction, and where adults who still need or want nicotine could get it from alternative and less harmful sources, needs to be the cornerstone of our efforts — and we believe it's vital that we pursue this common ground."

The FDA said Friday that it plans to begin a "public dialogue" surrounding lowering nicotine levels by way of "achievable product standards." The agency added that it's prepared to issue guidance that will describe a new enforcement policy "shortly."

Altria said, in a statement, that it plans to be "fully engaged throughout the process."

"We think today's announcement is an important evolution in the [FDA's] approach to regulating tobacco products and a meaningful step forward in developing a comprehensive regulatory policy that acknowledges the continuum of risk," Altria said.

"The process outlined by the Commissioner today will allow all stakeholders the opportunity to participate in a science and evidence based regulatory framework which is transparent, predictable, and sustainable," the company added.

In an email, a British American Tobacco spokesperson told CNBC that the company's Reynolds American unit was "encouraged" by Gottlieb's comments.

"Dr. Gottlieb's comments regarding nicotine and menthol do not come as a surprise to us," the spokesperson said. "We are well prepared and look forward to participating in a thorough process to develop a comprehensive plan for tobacco and nicotine regulation."

"We believe future success will require transformative, innovative products and changing the conversation about tobacco harm reduction," the company added.

Gottlieb said the agency is planning to look at regulation to "render cigarettes minimally addictive."

The FDA said it also will consider an exemption for what it calls premium cigars, and will consider a delay in implementing new rules for reduced-risk offerings like e-cigarettes.



"We've longed believed the FDA would ultimately take a more comprehensive approach toward regulating nicotine as a natural next step," Wells Fargo analyst Bonnie Herzog said in a note to clients.

"Overall, while the market is viewing today's announcement as a 'negative' for cigarette manufacturers, we believe this could prove to be an opportunity over the long term for reduced risk products and, therefore, a positive for Altria/PM as they have a unique competitive advantage."

One concern remains that though the FDA seeks a balanced approach to avoid "unintended consequences," such as activity in the black market, this might not pan out as anticipated, Herzog said. It also increases the risk that a federally mandated ban on menthol cigarettes would be implemented, she added.

"Surely" this encourages a black market, Joseph Agnese, an analyst at research firm CFRA Research in New York, told CNBC's "Squawk Alley" on Friday. But this will also take awhile to go into any sort of effect, he said.

For now, "these actions are actually supportive of the future demand of e-cigarette products," Agnese said. And regulations would primarily impact younger smokers.

Notably, e-cigarettes and vaping devices that were on the market in August 2016 won't be subject to review until 2021 or 2022, depending on the type of product, the FDA said.

The Campaign for Tobacco-Free Kids, an anti-smoking group, said the plan has "great potential to save lives." However, they were critical of the delayed oversight of these newer tobacco products.

"There is no reason to allow these products to stay on the market while developing and implementing the comprehensive strategy Dr. Gottlieb outlined today," the group's president, Matthew Myers, said in a statement.

WATCH: FDA to seek cutting nicotine levels in cigarettes, causing tobacco stocks to tumble



Lauren Thomas
News Associate for CNBC

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Symbol	Price	Change	%Change
IMB	3315.50 ▼	-130.50	-3.79%
BATS	4960.00 ▼	-362.00	-6.80%
PM	118.51 ▲	0.32	0.27%
VGR	20.34 ▼	-1.00	-4.69%
MO	66.94 ▼	-7.02	-9.49%

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Business

FTSE 100 tobacco giant plunges as FDA announces plan to cut nicotine to non-addictive levels



2 Comments



British American Tobacco plunges following the FDA announcement

By Tom Rees
28 JULY 2017 • 5:31PM

Market report

A radical plan by the US drugs regulator to reduce nicotine in cigarettes to non-addictive levels saw shares in FTSE 100 tobacco giants **British American Tobacco** and **Imperial Brands** go up in smoke.

The US Food and Drug Administration's proposal to stub out the habit, which it says kills half of users, sparked a global tobacco sell-off as defensive stocks known for their steady earnings came under attack.

Heavily exposed to the US market through its stake in Reynolds, British American Tobacco crashed as much as 14pc before recovering to finish 362p lower at £49.60, a 6.8pc plunge, while less exposed Imperial slid 130.5p to £33.16.

"It's hard to overstate what this could mean for the companies affected. Non-addictive levels of nicotine would likely mean a lot fewer smokers and of those people who do still light up, smoking a lot less," argued ETX Capital market analyst Neil Wilson.

"This will blow a hole in their earnings and forces a fundamental re-evaluation of earnings."

Meanwhile, Smirnoff-maker **Diageo** bucked a stumbling wider market as analysts toasted to the world's largest distiller's turnaround tale and £1.5bn share buyback.

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Adding the company, also behind Johnnie Walker and Guinness, to its “outperform” list, Bernstein cited growing confidence in Diageo’s ability to deliver mid-single digit revenue growth from its portfolio of brands and the company’s over-deliverance on cost-savings for its ratings upgrade.

However, Liberum warned investors that some of Diageo’s “growth initiatives risk repeating the boom and bust extensions of yesteryear”.

While the FTSE 100 nursed an earnings season-induced hangover, Diageo finished among the top gainers for a second consecutive day, climbing 33.5p higher to £24.42, its highest ever share price.

Pharma giant **AstraZeneca** took a small step forwards, rising 3.6pc, as the dust settled from its huge 15pc slide on Thursday. The wider FTSE 100 index closed 74.64 points lower at 7368.37, a 1pc slump.

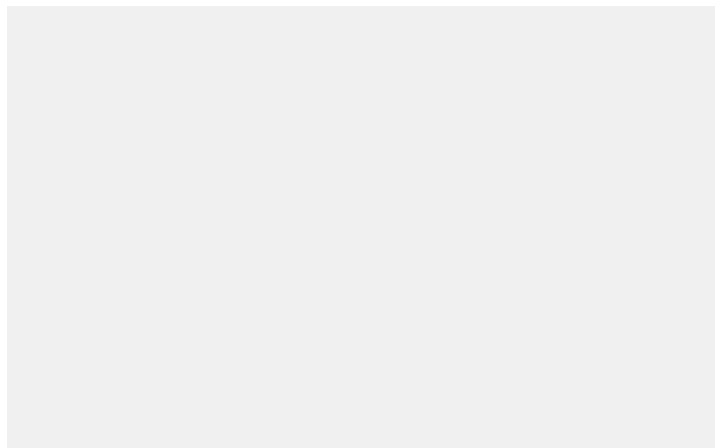
On the FTSE 250, **Just Eat** tumbled 34.5p to 636.5p after Barclays raised doubts over the takeaway pioneer’s plan to take on UberEats and Deliveroo and build relationships with chain eateries.

Analyst Gerardus Vos downgraded the stock to “equal weight”, arguing that cosying up to big restaurant brands could hurt second half profits and jeopardise Just Eat’s relationship with the small curry houses and chinese takeaways that made its name.

Finally, the family of owners behind fast fashion retailer **Quiz** cashed in on the company’s success to the tune of £92.1m after it listed on AIM with an additional £10.6m placed back in the Glasgow-based brand to bump up growth. Investors were quick to grab a slice of the action on Quiz’s debut following rivals ASOS and Boohoo.com’s runaway successes on the junior market. Quiz finished 29.4p higher than its admission price at 198.4p.

5:31pm

Markets wrap: Tobacco shares dumped as radical FDA plan looms over industry






Tobacco earnings are under threat from the FDA's proposals

Shares in the FTSE 100's two tobacco giants, British American Tobacco and Imperial Brands, have nosedived this afternoon after the FDA in the US proposed reducing nicotine in cigarettes to non-addictive levels.

Heavily-exposed to the US market, BAT plunged as much as 14pc in intraday trading before finishing 6.8pc down as investors pondered the impact of the plan on future earnings. The heavily weighting of the tobacco companies dragged down a FTSE 100 already firmly in the red for the day with pharma giant AstraZeneca rebounding 3.6pc following Thursday's sell-off.

The pound is 0.4pc higher against the dollar this afternoon as US GDP growth figures coming in broadly in line with markets expectations could't help the weakened greenback. It is currently trading at \$1.3120.

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Finally, if you nodded off this afternoon and couldn't dump your BAT shares quick enough, Mike Van Dulken, head of research at Accendo Markets, has these comforting words:

"This may be an over-reaction, however.

"Firstly, this is a plan to start a public dialogue focused on protecting children and reducing tobacco related disease and death.

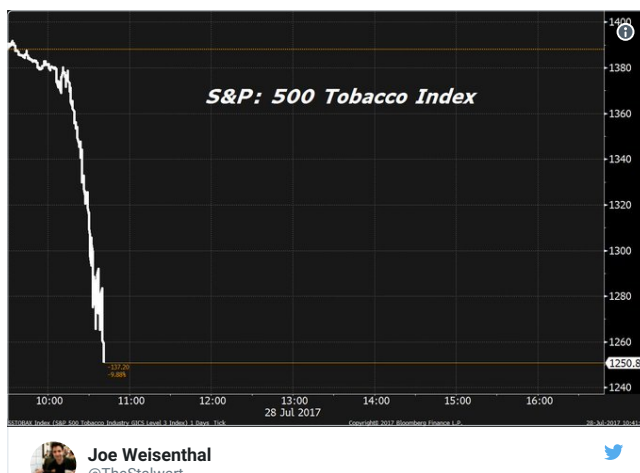
"Secondly, the fine print suggests balancing regulation of existing products with encouraging innovation for future less harmful options.

"Thirdly, there may be exemptions and delayed implementation of existing rules that offers some relief.

"Fourthly, it may require input from other bodies.

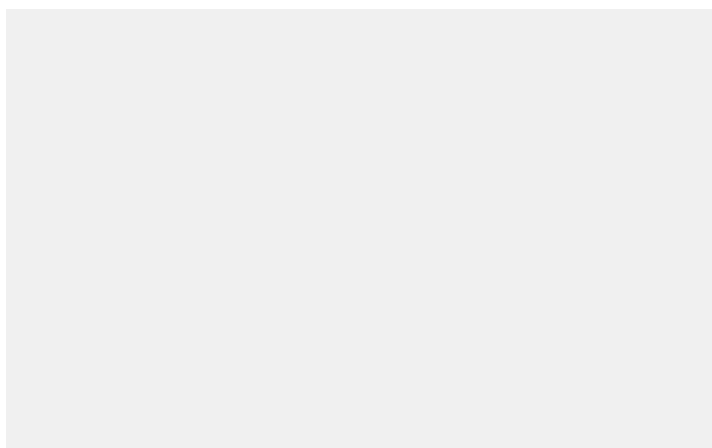
"Lastly, never underestimate the lobbying power of the mighty tobacco industry."

That's it for this week's markets coverage, we'll be back bright and early on Monday morning!



4:33pm **Brent crude caps strong week by breaking through \$52 per barrel barrier**

Brent crude has hit its highest level in two months as it remains on track for its best week this year. It is currently trading at \$52.50 per barrel after US stocks data showed a sharper drawdown than expected and OPEC pledged to step-up compliance .



Brent crude is on course for its best week of the year

4:08pm **FDA nicotine reduction plan reaction: Hard to overstate what this could mean**



This one's woken up the traders and analysts from their Friday afternoon slumper.

Here's ETX Capital senior market analyst Neil Wilson's take:

It's hard to overstate what this could mean for the companies affected: non-addictive levels of nicotine would likely mean a lot fewer smokers and of those people who do still light up, smoking a lot less. This will blow a hole in their earnings and forces a fundamental re-evaluation of earnings.

To be honest, I'm not sure the 8pc fall that British American Tobacco has faced today quite does justice to the long-term impact this could have on earnings.

4:00pm **FDA: Tobacco the only legal consumer product that will kill half of users**



Here's what the FDA Commissioner Scott Gottlieb said on the FDA's plan:

"The overwhelming amount of death and disease attributable to tobacco is caused by addiction to cigarettes – the only legal consumer product that, when used as intended, will kill half of all long-term users.

"Unless we change course, 5.6 million young people alive today will die prematurely later in life from tobacco use. Envisioning a world where cigarettes would no longer create or sustain addiction, and where adults who still need or want nicotine could get it from alternative and less harmful sources, needs to be the cornerstone of our efforts – and we believe it's vital that we pursue this common ground."

A quick sitrep on the tobacco stocks on the FTSE 100: British American Tobacco is now 8pc down while Imperial Brands is 6.5pc lower.

3:38pm **British American Tobacco shares tank 9pc as FDA looks to reduce nicotine to non-addictive levels**



British American Tobacco shares tank on FDA announcement

The big London-listed tobacco makers are tanking in reaction to the FDA's announcement.

British American Tobacco, with its huge exposure to the North American market, is down over 9pc and Imperial Brands has shed some 6.2pc.

The heavy weighting of BAT in particular will pull down the FTSE 100 even further into the red.

3:22pm **British American Tobacco shares nosedive as FDA signals that it will look to bring nicotine down to non-addictive levels**

Well this is quite something.

The FDA in the US has said in the last few moments that it is looking into reducing nicotine in cigarettes to non-addictive levels. If achieved it would be a hammer blow to the tobacco industry. British American Tobacco shares plunge as traders react.

"The overwhelming amount of death and disease attributable to tobacco is caused by addiction to cigarettes – the only legal consumer product that, when used as intended, will kill half of all long-term users," said FDA Commissioner Scott Gottlieb, M.D. "Unless we change course, 5.6 million young people alive today will die prematurely later in life from tobacco use. Envisioning a world where cigarettes would no longer create or sustain addiction, and where adults who still need or want nicotine could get it from alternative and less harmful sources, needs to be the cornerstone of our efforts – and we believe it's vital that we pursue this common ground."

The FDA plans to begin a public dialogue about lowering nicotine levels in combustible cigarettes to non-addictive levels through achievable product standards. The agency intends to issue an Advance Notice of Proposed Rulemaking (ANPRM) to seek input on the potential public health benefits and any possible adverse effects of lowering nicotine in cigarettes. Because almost 90 percent of adult smokers started smoking before the age of 18 and nearly 2,500 youth smoke their first cigarette every day in the U.S., lowering nicotine levels could decrease the likelihood that future generations become addicted to cigarettes and allow more currently addicted smokers to quit.

"Because nicotine lives at the core of both the problem and the solution to the question of addiction, addressing the addictive levels of nicotine in combustible cigarettes must be part of the FDA's strategy for addressing the devastating, addiction crisis that is threatening American families," said Commissioner Gottlieb. "Our approach to nicotine must be accompanied by a firm foundation of rules and standards for newly-regulated products. To be successful all of these steps must be done in concert and not in isolation."

3:07pm **Clipper Logistics warns of staff shortage as revenues and profits jump**



Clipper Logistics provides delivery services for some of the UK's biggest retailers

Clipper Logistics has warned of a shortage of staff to work in warehouses amid increasing demand for click and collect shopping services.

The company, which works with retailers to deliver goods from warehouses to stores, said after the vote to leave the European Union it had seen a decrease in the number of people available to work.

Tony Mannix, the company's chief executive, said the company has had "a bit of a challenge with people," attributing the fall to fewer overseas workers coming to the UK.

"What we're starting to see is the number of available agency staff is less than it was," Mr Mannix said.

[Read Rhiannon Bury's full report here](#)





2:52pm **US GDP reaction: Economy has improved in spite of lack of fiscal stimulus**

 **David Durand**
@SunAndStormInv

The slowing of the rate of acceleration of US GDP on that chart (see pr) means the #Fed may have a bit more time to hike rates.

1:47 PM - Jul 28, 2017

After an afternoon of choppy trade, the dollar is pretty much back where it started against the pound, 0.1pc down, but its drift lower against the euro is steadily continuing.

The dollar has now fallen 0.5pc against the euro today while Gold has risen to a six-week high after the GDP release and is trading at \$1265 per ounce.

Gold rises to a six-week high

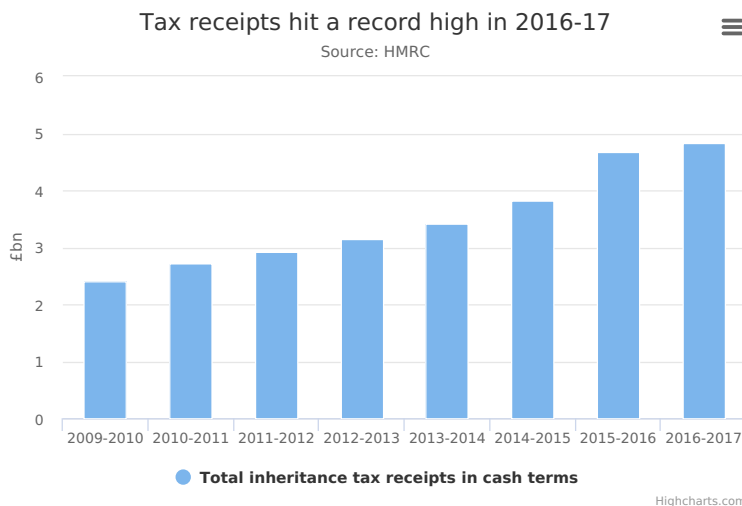
Chief investment officer at Close Brothers Nancy Curtin commented on today's US GDP data:

"The US economy has improved following a slow start to the year, in spite of a lack of fiscal stimulus so far from Trump's presidency. A strong performance in export and industrial sectors has been buoyed by weaker dollar, and we've seen a steady increase in earnings too.

"We're still some way from the President's 3%+ growth target, but the good news is this wasn't priced in by the market, so any additional tax relief or infrastructure spending could support markets into year end.

"Despite improving growth, wage inflation remains somewhat elusive, but the labour market remains reasonably strong, and we anticipate the Fed will proceed as planned with its slow and steady programme of interest rate normalisation."

2:27pm **Inheritance tax haul hits record high as house prices climb**



Families paid the taxman £4.84bn in inheritance tax last year, a record high as house prices and the stock market climbed.

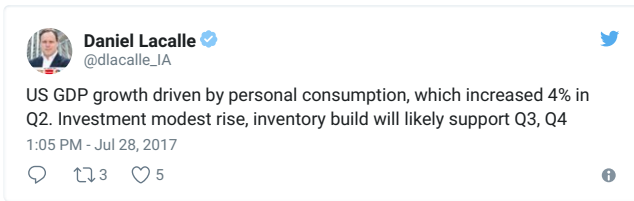
Tax payments increased by 4pc on the year as household wealth increased, HM Revenue and Customs said, but the level at which inheritance tax kicks in held steady at £325,000.

The government had only expected to bring in £4.7bn, so the rising number represents an extra windfall for the Treasury.

The pace of the increase, which does not account for inflation, has slowed - in the previous year an unusually high number of winter deaths helped drive up inheritance tax payments by 22pc - but remains on the upward trajectory the levy has followed since 2009-10.

[Read Tim Wallace's full report here](#)

2:12pm **US GDP reaction: Good but not good enough to rescue weak dollar**



Are today's figures enough to prompt the US Federal Reserve to believe that the economy is strong enough to handle monetary policy tightening?

Not according to Ranko Berich, head of market analysis at Monex Europe, and that's why the dollar remains stubbornly weak following today's release.

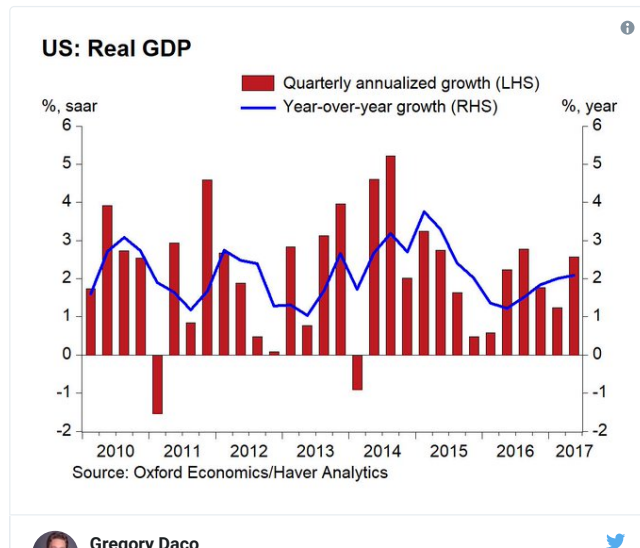
He added:

"The issue with today's figures isn't that they're particularly bad or even discouraging, but that they just don't provide any justification for a hawkish approach from the Fed.

"The US dollar strength we've seen over the last few years has been predicated on expectations of sustained or widening monetary policy divergence. With other G10 economies now performing relatively well, and various central banks edging towards normalisation, the impetus for USD strength is disappearing rapidly.

"It is likely to continue to do so while as the outlook for policy divergence narrow further."

2:00pm **US GDP reaction: This should convince the Fed that the real economy remains in good shape**



The US' 2.6pc annualised growth in the second quarter driven by a rebound in real consumption growth should convince the Federal Reserve that the real economy remains in good shape even as core inflation remains weak, Capital Economics US economist Andrew Hunter said on this afternoon's figures.

He added:

"Looking ahead, the strengthening labour market should continue to support real consumption growth, while the business surveys remain at a high level and suggest that investment will continue to recover.

"Accordingly, we still expect GDP growth of 2.5%-3.0% over the

rest of this year which, along with the declining unemployment rate, should leave the Fed on track to raise interest rates once more before year-end."



Viraj Patel
@VPatelFX

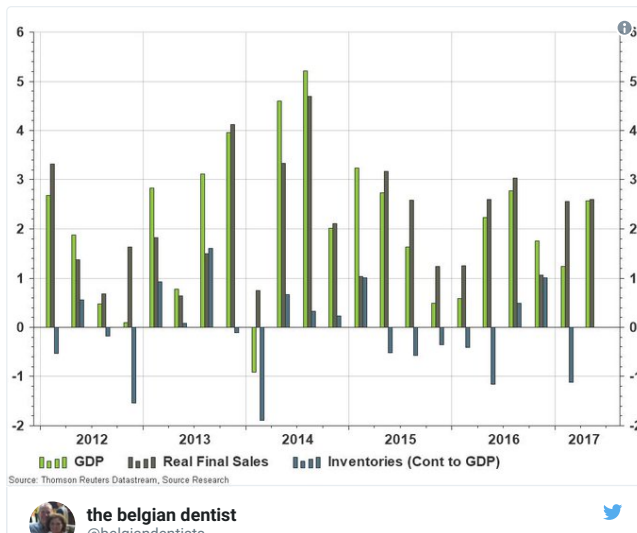


US 2Q #GDP miss 2.6% (cons: 2.7%) + downward 1Q revision + softer employment cost index = painful for #USD. Canada on the other hand \$CAD...

12:36 PM - Jul 28, 2017



1:47pm **Pound and euro retreat on dollar as market settles on GDP figures**

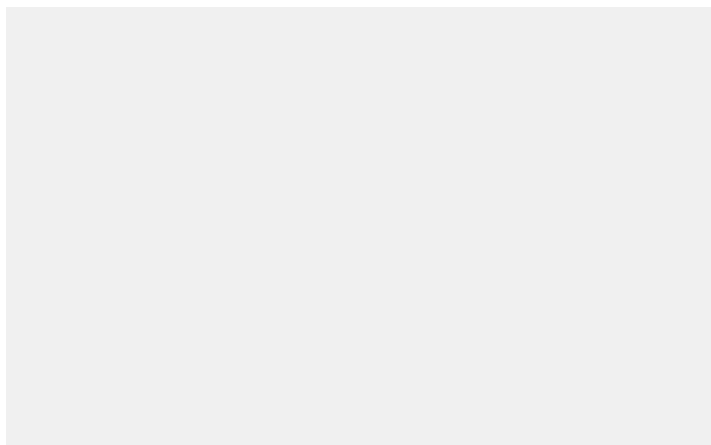


the belgian dentist
@belgiandentiste



The currency markets seem a little confused on this one. While the pound and euro spiked against the dollar immediately following the release, they have both retreated to around where they were pre-release after about five minutes or so.

Although Bloomberg's survey estimated growth of 2.8pc on an annualised basis, there was a bit of a spread in terms of estimates. Some are calling it a beat, some a miss. The currency markets seem to have settled on that it was broadly in line with expectations.



Pound spikes above \$1.31 immediately following the release but soon retreats

1:35pm **Pound spikes as US economy grows 2.6pc in the second quarter**

The pound has spiked above \$1.31 against the dollar after US GDP growth came in at 2.6pc on an annualised basis, missing Bloomberg's survey of economists' forecast of 2.8pc.

1:07pm **Office provider Workspace raises £200m to fund expansion**



Workspace has also launched a unit in China

Office provider Workspace has raised £200m through a private share placing as it looks to take advantage of changing working habits.

The firm, which has 69 office properties across London, raised the cash through eight UK and US institutional investors, adding to £100m that it raised last month.

Graham Clemett, chief financial officer at Workspace, said changes in the way people want to rent offices meant the firm felt it was “a good time to raise additional money”.

“People often ask about whether the Brexit vote has changed the way companies rent office space, but it is a more fundamental structural change in the market among both smaller and larger businesses,” he said.

He said more firms were looking for flexibility when renting office space, rather than wanting to commit to long-term leases.

While the money has not been allocated to a particular building or project, Mr Clemett said he was confident that the company would be able to use it to add to its portfolio in time.

[Read Rhiannon Bury's full report here](#)

12:38pm **Markets reaction: Fresh dollar weakness unwelcome for European equity markets**



Mining stocks have been hit by copper coming off this week's highs

Sentiment this morning has been dented by fresh dollar weakness "delivering more unwelcome pound and euro strength" to European equity markets, according to Accendo Markets head of research Mike Van Dulken. The pound has nudged up 0.2pc against the dollar today, trading at \$1.3090.

Copper coming off this week's highs to hit miners and the banking stocks edging down on Barclays' results have kept the FTSE 100 firmly

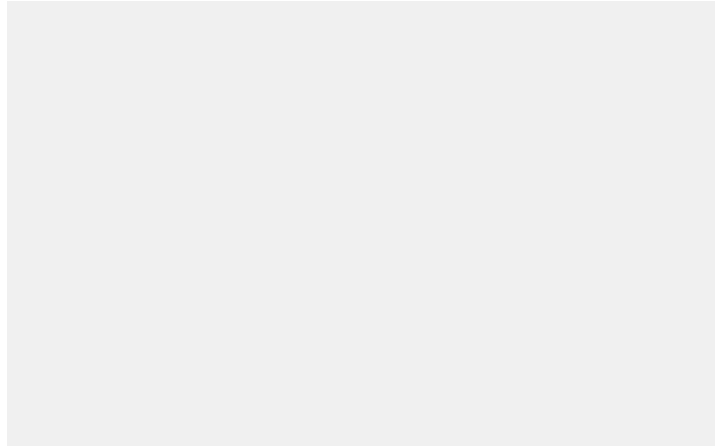
in the red, Mr Van Dulken added.

It doesn't look like its going to get any better over in the US this afternoon, according to Spreadex commentator Connor Campbell:

"This negativity looks set to infect the US open. The Dow Jones futures are pointing to a 45 point fall after the bell, taking the index away from yesterday's 21800-tickling levels.

"That admittedly could all change before the session starts, however, since investors are yet to get their first glimpse at the USA's second quarter GDP reading."

12:10pm **Lunchtime update: FTSE 100 dips below 7400 as BT shares dive**



Gavin Patterson's BT has been forced to pay £225m to avoid a court battle over the Italian accounting scandal

The pound's mid-morning advance on the dollar has tailed off and sterling is now heading towards flat territory against the greenback ahead of the US GDP figures due at 1.30pm (BST) .

The pound received a brief shot in the arm from the European Commission's Economic Sentiment Index, which showed a sharp rise in the UK's July reading.

Strong GDP figures from the eurozone have pushed the pound lower against the euro with France and Spain outstripping the UK's growth in the second quarter, expanding by 0.5pc and 0.9pc, respectively

The FTSE 100 has dipped below 7400 this morning with BT's 3.4pc slide after telling shareholders of a profits hit from the Italian accounting scandal weighing heaviest on the index.

Alcoholic drinks-maker Diageo is the strongest gainer for a second consecutive day with only four companies in positive territory on the blue-chip index. Heavier losses have been sustained on the continent, however, as the strong euro impacts the big European exporters.

Here's the current state of play in Europe:

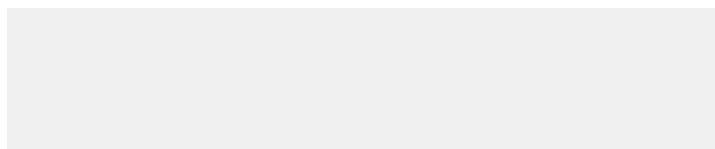
FTSE 100: -0.72pc

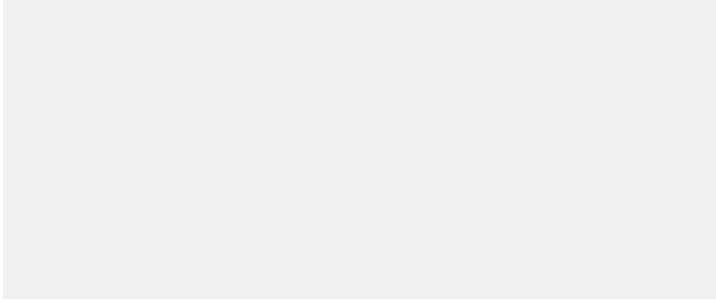
DAX: -0.70pc

CAC 40: -1.32pc

IBEX: -0.85pc

11:46am **Barclays sinks to a loss after selling chunk of Africa unit and taking £700m PPI hit**





Barclays chief executive Jes Staley said that restructuring of the business to focus on the UK and US is now complete

Barclays made a loss of £1.2bn in the first half of the year as its withdrawal from Africa and the ongoing payment protection insurance scandal knocked the lender's balance sheet.

It has set aside an extra £700m to meet compensation claims for mis-selling PPI, while it also reduced its stake in Barclays Africa to around 15pc.

The lender is pulling back from Africa as part of a restructuring plan that will see it focus on operations in the UK and US.

In the six months to the end of June, Barclays made an attributable loss of £1.2bn, compared to a profit of £1.1bn in the same period of the last year.

Not including costs related to the Africa business, the lender made a pre-tax profit of £2.3bn, up 13pc from £2.1bn.

Shares have dipped 0.3pc this morning.

[Read our report on Barclays' results here](#)

11:32am **British Airways-owner IAG one of many stocks in the red despite 14pc profits rise**



IAG shares have been on a rough ride recently as airlines warn of tougher outlook

The FTSE 100's deterioration this morning has largely halted but only five stocks have moved higher into positive territory.

One of the many languishing in the red is British Airways-owner IAG, whose shares have shed 1.5pc in today's session despite posting a 14pc increase in profits. The aviation giant said that the IT failure in May which caused travel misery for thousands of passengers cost it £58m.

Shares have taken a hit recently as multiple airlines including easyJet and Ryanair have warned of industry turbulence in the second half of the year.

Hargreaves Lansdown analyst Nicholas Hyett said that the company's focus on long haul flights means it doesn't have to cut prices to keep planes full and its profits should be less squeezed compared to low-cost

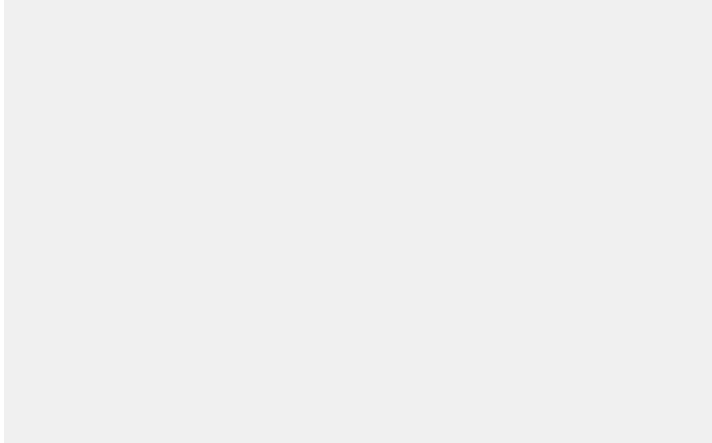
carriers.

He added:

"The result is that while rivals are seeing the gains from lower fuel prices frittered away in an aggressive price war, at IAG they're dropping through to the bottom line and profits are taking off.

"However, IAG's own capacity growth looks cautious rather than jubilant, and combined with a rapidly falling debt pile could suggest the group is buckling in for turbulence ahead."

11:06am **Rotork shares dive as engineer jettisons long-serving boss**



Peter France has left Rotork as margins shrink on oil price pressures

Engineer Rotork's shares dived more than 5pc after the sudden departure of its chief executive following a lacklustre performance from the FTSE 250 business.

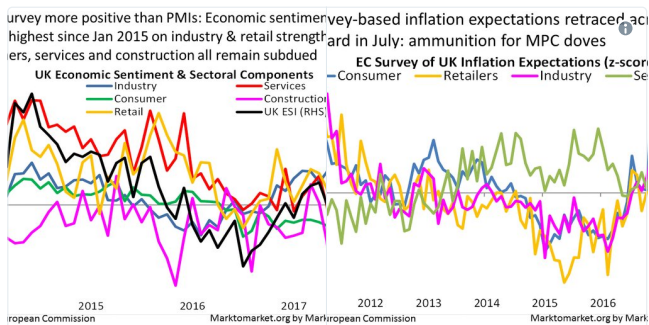
The manufacturer, which makes valve systems for companies in the oil, gas and energy industries, revealed that Peter France was leaving after eight years in charge with immediate effect.

In a statement announcing the move, Rotork said that his departure after a career spanning three decades came after "a period of reflection by the board, together with Peter, on the steps required to foster a return to higher growth and margin levels in what is likely to be a generally lower growth macro environment".

Actions to improve the company's performance include faster investment in new products and customer service while cutting costs.

[Read Alan Tovey's full report here](#)

10:53am **UK economic sentiment rises sharply in July**



markastley
@astleyeconomics



Despite bad #UK #consumer #confidence EC UK economic sentiment up to highest since Jan 2015 better than #PMI inflation #expectations down

UK economic sentiment rose sharply in July, according to the latest

reading from the European Commission's Economic Sentiment Index.

The UK's rise to 113.2 in July from 109.3 in June (100 represents the 1990-2016 average) helped lift the overall EU figure with sentiment in the eurozone region broadly unchanged.

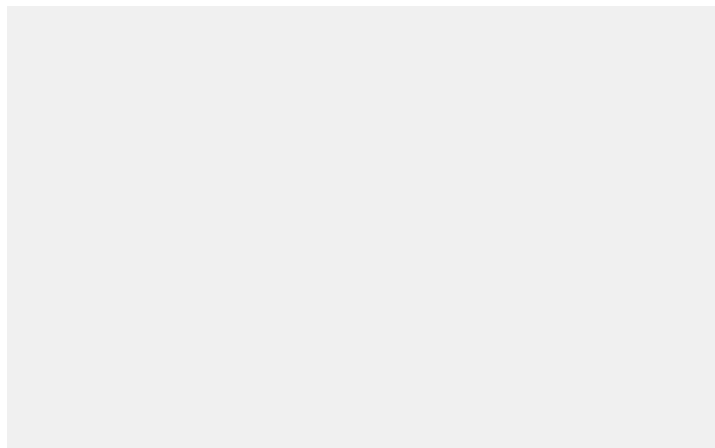
Capital Economics European economist Jack Allen said that the "small rise in the EC's measure of eurozone economic sentiment in July left the index pointing to a fairly sharp pick-up in GDP growth".

Pantheon Macro economist Samuel Tombs, however, said that the UK figures are stronger than the reality:

"Business confidence undeniably picked up in July, although the jump in the ESI overstates how much it improved. The sub-component for industry—where confidence has soared due to the weak pound—receives a 40% weight in the index despite only accounting for 15% of the economy.

"Our version of the ESI, which re-weights its components according to the composition of the U.K. economy, also rose in July, but it was only modestly above its long-run average and it has tracked sideways over the last year."

10:37am **Rightmove profits surge as it attracts record number of customers**



Despite concerns over the UK housing market, Rightmove posted record customer numbers

Online property portal Rightmove shrugged off concerns over the state of the housing market as customer numbers hit record levels and profits surged by nearly 10pc.

Rightmove said it enjoyed a 1pc jump in customer numbers, to an all-time high of 20,358, in the six months to the end of June.

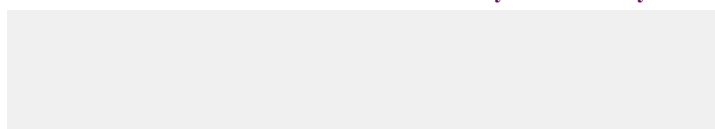
It said pre-tax profits rose 9pc in the first half of the year, up from £80.6m to £87.5m, while revenues were up 11pc to £120m.

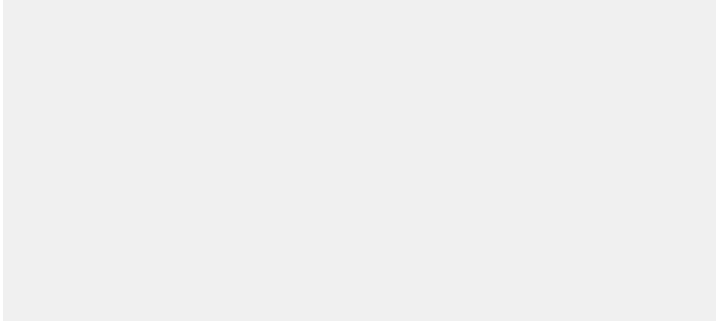
"Home hunters visited Rightmove a record 3,000 times a minute in the first half of 2017, turning to us first to search and research on the only place you can see almost the entire UK residential property market," said chief executive Peter Brooks-Johnson.

The spike in profits came despite an 8pc drop in housing transactions in the first half, against a tough comparison with 2016, when buyers rushed to move ahead of stamp duty changes.

[Read Sam Dean's full report here](#)

10:32am **US GDP data the focus for investors on the currency markets today**





John McCain was one of the Republican senators to vote down Donald Trump's healthcare bill

Now the eurozone GDP figures have dropped, the main focus in terms of economics data today for investors will be the US' own growth figures for the second quarter, which will be released at 1.30pm (BST). A strong reading could halt the pound's move higher against the dollar inspired by president Donald Trump's healthcare bill faltering in the Senate.

Growth is expected to come in at 2.5pc on an annualised basis and the US economy will have to pick-up somewhat in the second half of the year if it is going to meet Mr Trump's promise of 3pc growth.

IG market analyst Josh Mahony has provided this preview of the US data:

"Traders will be keeping a close eye on the latest US GDP reading in the afternoon, with markets expecting to see a marked improvement on the disappointing first quarter figure of 1.4%.

"Improvements across a number of recent economic data points are likely to see that figure rise somewhat, with a big jump in personal consumption (2.8% from 1.1%) one of the key drivers of these heightened expectations."

10:12am **Only a handful of stocks in positive territory this morning; Diageo leads FTSE 100 again**



Diageo shares have risen again as analysts praise the drinks maker's latest results

Smirnoff-maker Diageo leads a falling index for a second consecutive day as analysts provide their take on the company's surge in profits and £1.5bn share buyback. Shares are up 1.8pc early on with broker Bernstein upgrading the stock to "outperform" following its strong showing yesterday.

Pharma giant AstraZeneca has recovered 1.1pc following yesterday's huge 15pc plummet after it told shareholders that its flagship drug trial had suffered a setback. Small fry in terms of the £7bn wiped off its value in yesterday's session.

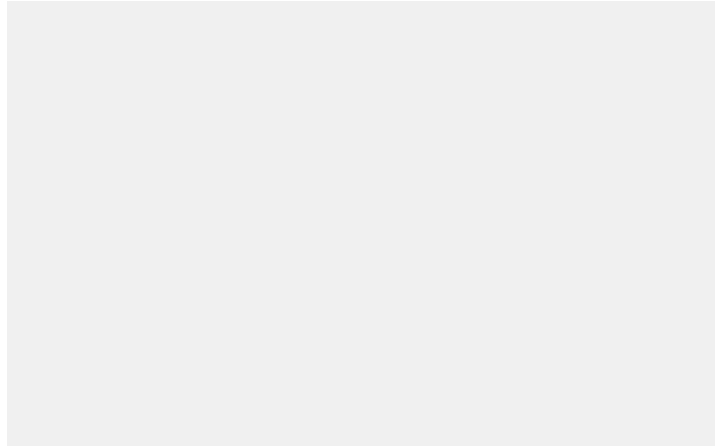
Barclays has nudged up 0.7pc this morning despite the bank setting

aside £700m more for PPI compensation claims and swinging to a £1.2bn loss in the first half of the year due to exit from Africa.

However, CMC Markets analyst Michael Hewson said the underlying results were actually slightly better than expected:

"Stripping out the one-off items the results showed that revenues in its investment bank were lower to the tune of 10%, and profits were even lower, however the underlying business numbers were still slightly better than analyst forecasts, once all the incidentals had been stripped out."

9:49am **Earnings reaction: Gloomy picture for BT unfair**



BT shares have plunged 4.4pc this morning

BT shares are 4.4pc down this morning, the worst on the FTSE 100, after the telecom giant told shareholders that pre-tax profit has taken a 40pc hit from the Italian accounting scandal and a £225m settlement to avoid a court battle with two of its biggest investors.

George Salmon, an analyst at Hargreaves Lansdown, commented that its unfair to paint an entirely gloomy picture for the company:

"BT has shaken off demands to fully separate the higher-margin Openreach division, and assuming there aren't any more skeletons in the closet, the cash flows from EE and the growing Consumer division are potentially attractive.

"Nonetheless, with BT fighting battles on several fronts, one could be forgiven for waiting for the dust to settle."

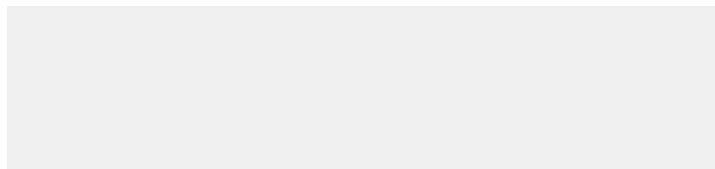
ETC Capital market analyst Neil Wilson was also reasonably optimistic on the outlook:

"Despite today's knock to the share price investors have been warming to BT again following the gigantic selloff in January, which wiped a fifth off its market cap.

"Spectrum position in respect to the forthcoming auction is important and with EE the group can now focus on building its position as a genuine quad-play provider.

"Subscribers are rising and they're spending more on average. Consumer revenues were up 7%, while those for EE rose 4%. As a quad-play provider it should be able to gain market share over time."

9:27am **European markets put on the back foot by late US tech sell-off**





Pub operator Michell & Butlers has fallen 6.4pc early on

The FTSE 100 has been spared much of the pain this morning with the CAC and DAX falling harder as a stronger euro weighs on stocks across the channel.

On the mid-cap FTSE 250 index, pub and restaurant operator Mitchell & Butlers has dived nearly 6.4pc to pare some its 21pc gain from yesterday while value manufacturer Rotork has fallen 4.9pc after announcing that its chief executive Peter France has resigned.

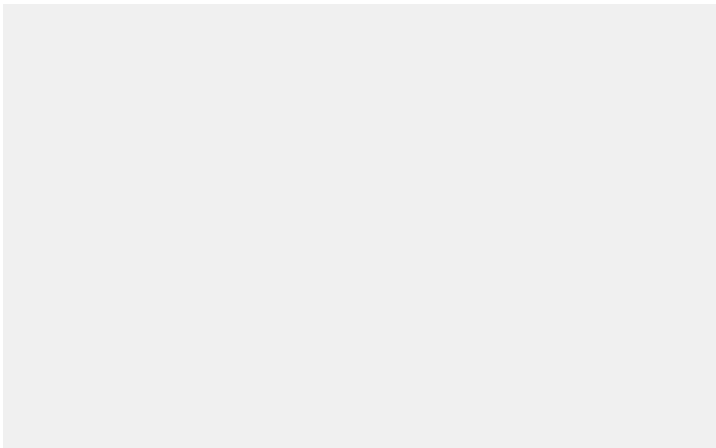
A late tech sell-off in the US has also soured investor sentiment in Europe this morning, according to CMC Markets analyst Michael Hewson.

He said on this morning's play:

"European markets look set to end the week on a softer note after a weak Asia session and some late profit taking in the tech sector heading into the US close, which saw both the S&P 500 and Nasdaq close lower on the day.

"We've seen a veritable earnings bonanza from the tech sector over the past week or so with Netflix, Alphabet and Facebook surprising to the upside, so hopes were high that Amazon would follow suit."

9:12am **BT forced to pay £255m to avoid court battle over Italian accounting scandal**



Chief executive Gavin Patterson said that the settlement with Deutsche Telekom and Orange was "clearly disappointing"

BT has been forced to pay £255m to avoid a court battle with Deutsche Telekom and Orange over the accounting scandal in Italy that has battered its finances.

The German and French telecoms giants are among BT's biggest shareholders, having accepted shares in part exchange for the mobile operator EE last year.

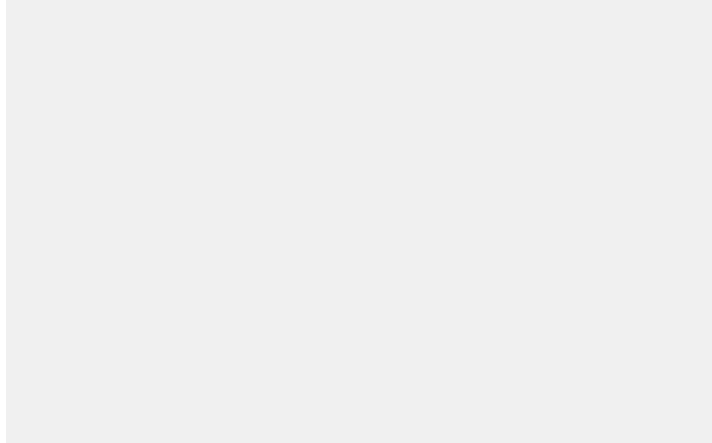
They watched on in January as revelations of complex fraud prompted a plunge in BT's share price. The fraud blew a £500m hole in BT's cash flow and caused a £571m write-down, triggering the company's worst ever day on the stock market.

The disaster could have been a basis for legal action by Deutsche Telekom and Orange under warranties included in the £12.5bn EE takeover agreement.

BT chief executive Gavin Patterson said the settlement with Deutsche Telekom and Orange was “clearly disappointing” but necessary to avoid legal action. Full-year financial guidance was not affected, Mr Patterson added.

[Read Christopher Williams' full report here](#)

9:06am **BT drags on the FTSE 100 early on; US markets lose momentum overnight**



Jeff Bezos was the world's richest man very briefly

The FTSE 100 has opened in the red with BT dragging on the index and Next paring yesterday's gains early on.

BT has sunk almost 3pc this morning on the blue-chip index as it tallied the cost of the Italian accounting scandal that hit the telecommunication company in January. It posted a 42pc drop in first quarter pre-tax profits with a settlement with investors Deutsche Telekom and Orange also hurting figures.

Overnight, US markets couldn't close at the record highs they peaked at in intraday trading as a tech sell-off pulled the Nasdaq and S&P 500 into negative territory.

Amazon founder Jeff Bezos' time as the richest man in the world looks to be short-lived after his company reported that profits were hit by rising spending. Mr Bezos overtook Bill Gates yesterday as Amazon shares rallied ahead of its results but they have fallen 4pc in after-hours trading following the results.

I wouldn't feel too sorry for him.




Chidi Okereke
@Chydee






When the whole world is congratulating Jeff Bezos for becoming the




8:48am **Eurozone recovery continues**

 **Geoffrey Minne**
@gminne

#Spain #GDP growth reached 0.9% QoQ in 2Q. Growth is expected to exceed the Eurozone average by more than 1ppt this year.

7:19 AM - Jul 28, 2017

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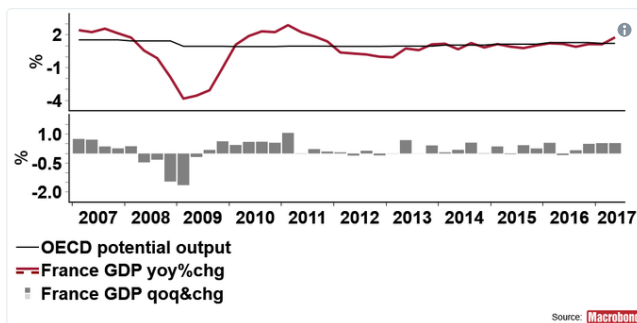
Spain's GDP figures, which were released shortly following France's data, adds to the narrative that the eurozone recovery is in full swing. Spain's economy grew by 0.9pc in the second quarter, its fastest growth in almost two years.


Austrian growth also nudged up to 0.8pc in the second quarter, from 0.7pc in the first.

Here's Capital Economics' European economist Jack Allen take on this morning's figures, which make up around a third of the eurozone's economy:

"Looking ahead, we don't think that quarterly euro-zone GDP growth of 0.7% or 0.8% will be sustained. The surveys for the beginning of Q3 are consistent with growth of about 0.6%.

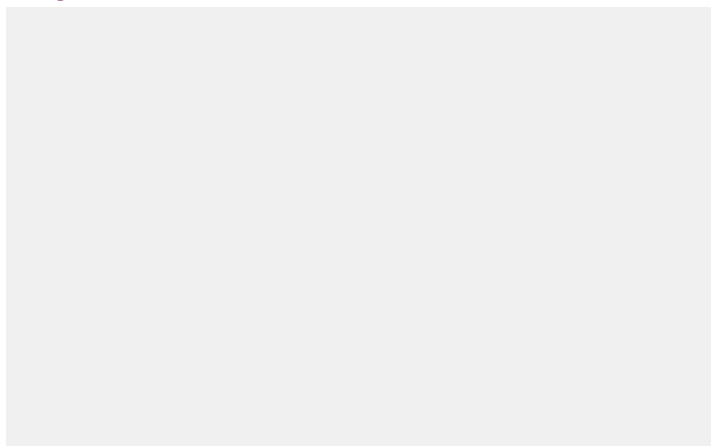
"But we remain optimistic about the outlook - we think that euro-zone GDP will expand by an above-consensus 2.2% this year and 2.0% in 2018."



 **Sylvia Walter**
@SylviaWalter13

Q2 GDP growth #laqrandonation sets the bar high! 0.5% quarterly growth

8:32am **Agenda: Pound falls against the euro as France and Spain post stronger GDP growth than UK**



French GDP growth in Emmanuel Macron's first quarter as president has beaten the UK's latest figures

Welcome to our live markets coverage.

Sterling is having mixed fortunes this morning with strong French and Spanish GDP figures and political inertia in Washington pulling the pound in different directions against the euro and the dollar.

Data released this morning from Europe showed that France's economy expanded by 0.5pc in the second quarter of the year, beating the UK's 0.3pc growth reported on Wednesday in Emmanuel Macron's first quarter as president. Spain's economy meanwhile grew by 0.9pc, a nudge up from 0.8pc in the first quarter.

The pound has fallen 0.3pc against the euro this morning and is trading at €1.1172.

The pound has, however, made a small move higher against the dollar as president Donald Trump's healthcare reforms floundered in the Senate with three Republicans voting against the bill. It is trading at \$1.3080 against the greenback this morning.

The corporate calendar is looking a little less hectic today following Super Thursday but we still have IAG, BT and Barclays reporting from the FTSE 100. British Airways-owner IAG has jumped to the top of the blue-chip scoreboard after reporting a surge in profits despite the major IT failure that caused travel chaos in May.

Interim results: UBM, International Consolidated Airlines Group, Rightmove, BT Group, Morgan Advanced Materials, UK Commercial Property Trust, IMI, Barclays, Aberforth Smaller Companies Trust

AGM: Amur Minerals Corporation, Red Leopard Holdings, Subex, Boxhill Technologies, Bellzone Mining

Trading statement: Lonmin

Economics: GFK consumer confidence (UK), Employment cost index q/q (US), Advance GDP q/q (US), Advance GDP price index q/q (US), Revised UoM inflation expectations (US), Revised UoM consumer sentiment (US), German preliminary CPI m/m (GER), German import prices (GER)



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29 Jul 2017, 6:00pm

Delivering the goods: why eating in never looked so good



27 Jul 2017, 2:28pm

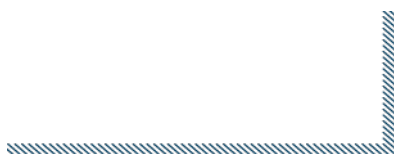
From the Walkie Talkie to the Cheesegrater: The UK's five biggest property deals



21 Jul 2017, 11:11am

The highest-paid Instagram influencers including one gets £14,000 p

Business latest



Many of the 'risks' being highlighted about Brexit are perceived risks, not real risks



The Treasury estimates that the impact of a hard Brexit on the cash call

29 Jul 2017, 7:38pm **CH2M to be snapped up by rival Jacobs in deal set to earn huge windfalls for executives**

29 Jul 2017, 7:37pm **BT's rural broadband deal 'to send bills soaring'**

29 Jul 2017, 7:30pm **Carillion embarks on offensive to reassure partners**

29 Jul 2017, 7:29pm **Bill freeze has chilling effect on British Gas**

29 Jul 2017, 7:29pm **No interest rate hike likely as fears for economy keep Bank of England on hold**

29 Jul 2017, 7:20pm **BP to shed further Sea assets in its drive to cut costs**

29 Jul 2017, 7:19pm **Rio Tinto set to reward investors with bumper returns**

29 Jul 2017, 7:19pm **Libor's US owners to fight UK plan to scrap the interest benchmark**

29 Jul 2017, 7:18pm **Perella Weinberg profits plunge as mega-deals dry up**



29 Jul 2017, 6:00pm **Delivering the goods: Why eating in never looked so good**

29 Jul 2017, 4:20pm **The Poldark legacy: How tin mining could return to Cornwall**

29 Jul 2017, 4:14pm **Do the drugs workers' faces make or break the moment**

29 Jul 2017, 4:11pm **Meet the woman who is protecting £13bn estate for Queen and country in 'the best job in property'**

29 Jul 2017, 3:40pm **Questor: Animal geneticist's risks too great to be a cash cow**

29 Jul 2017, 3:31pm **The electric jolt Big Oil**

Rediscovering the need for a meritocracy has never been more important

Ireland may fancy its chances outside the EU



News & Events

en Español

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FDA News Release

FDA announces comprehensive regulatory plan to shift trajectory of tobacco-related disease, death

Agency to pursue lowering nicotine in cigarettes to non-addictive levels and create more predictability in tobacco regulation

SHARE TWEET LINKEDIN PIN IT EMAIL PRINT

For Immediate Release July 28, 2017

Release

Español

The U.S. Food and Drug Administration today announced a new comprehensive plan for tobacco and nicotine regulation that will serve as a multi-year roadmap to better protect kids and significantly reduce tobacco-related disease and death.

Tobacco use remains the leading cause of preventable disease and death in the United States, causing more than 480,000 deaths every single year.

"The overwhelming amount of death and disease attributable to tobacco is caused by addiction to cigarettes – the only legal consumer product that, when used as intended, will kill half of all long-term users," said FDA Commissioner Scott Gottlieb, M.D.

The FDA plans to begin a public dialogue about lowering nicotine levels in combustible cigarettes to non-addictive levels through achievable product standards.

"Because nicotine lives at the core of both the problem and the solution to the question of addiction, addressing the addictive levels of nicotine in combustible cigarettes must be part of the FDA's strategy for addressing the devastating, addiction crisis that is threatening American families," said Commissioner Gottlieb.

The FDA is committed to encouraging innovations that have the potential to make a notable public health difference and inform policies and efforts that will best protect kids and help smokers quit cigarettes.

The agency plans to issue this guidance describing a new enforcement policy shortly. Under expected revised timelines, applications for newly-regulated combustible products, such as cigars, pipe tobacco and hookah tobacco, would be submitted by Aug. 8, 2021, and applications for non-combustible products such as ENDS or e-cigarettes would be submitted by Aug. 8, 2022.

Importantly, the anticipated new enforcement policy will not affect any current requirements for cigarettes and smokeless tobacco, only the newly-regulated tobacco products such as cigars and e-cigarettes.

In order to further explore how best to protect public health in the evolving tobacco marketplace, the agency also will seek input from the public on a variety of significant topics, including approaches to regulating kid-appealing flavors in e-cigarettes and cigars.

"This comprehensive plan and sweeping approach to tobacco and nicotine allows the FDA to apply the powerful tools given by Congress to achieve the most significant public health impact," said Mitch Zeller, J.D., director of the FDA's Center for Tobacco Products.

To complement these larger policy considerations, the FDA plans to issue foundational rules to make the product review process more efficient, predictable, and transparent for manufacturers, while upholding the agency's public health mission.

The FDA, an agency within the U.S. Department of Health and Human Services, promotes and protects the public health by, among other things, assuring the safety, effectiveness, and security of human and veterinary drugs, vaccines and other biological products for human use, and medical devices.

###

Page Last Updated: 07/28/2017

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Tobacco Products

en Español

Home > Tobacco Products > Public Health Education > Public Education Campaigns > The Real Cost Campaign

The Real Cost Campaign

The Real Cost: Campaign Resources

The Real Cost: Campaign Resources

Do you work directly with youth? Get involved!

Our goal is to keep "The Real Cost" campaign an authentic and effective youth tobacco prevention brand. "The Real Cost" campaign website and social channels are intended for the campaign target audience only -- youth ages 12-17. Organizations that work directly with youth can help extend the campaign in the following ways:

- Share free educational materials through [CTP's Exchange Lab](#), a free resource that allows you to digitally publish our tobacco-related content.
- Send teens to "The Real Cost" campaign website and social channels:
 - www.facebook.com/KnowTheRealCost
 - [@TheRealCost on Instagram](#)
 - <http://knowtherealcost.tumblr.com/>
 - ["The Real Cost" on YouTube](#)

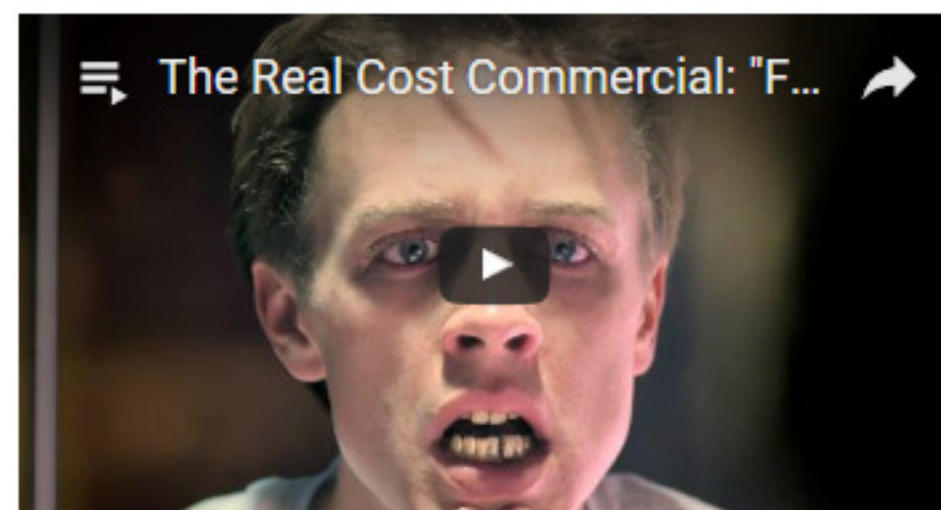
Don't work directly with youth? You can still help.

Public health advocates, educators, and anyone else who is interested in spreading the word about "The Real Cost" to adult audiences can use FDA's social media channels to engage with us around the campaign, including [@FDATobacco](#) on Twitter and www.facebook.com/FDA on Facebook.

You can also download and share our campaign fact sheets for adults:

Campaign Overview	Research & Evaluation
	

A Sampling of Real Cost Ads



View more "The Real Cost" ads on our YouTube Channel.

Page Last Updated: 04/14/2017

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What It Is

FDA's award-winning youth tobacco prevention campaign, "The Real Cost," aims to prevent susceptible youth from trying tobacco and keep experimenters from becoming regular tobacco users. Launched in 2014, initial campaign advertising focused on reaching the more than 10 million youth ages 12–17 in the United States who are either open to smoking or are already experimenting with cigarettes by challenging their "cost-free" mentality of tobacco use.^{1,2} In 2016, "The Real Cost" expanded its brand umbrella to include new advertising targeting rural male youth ages 12–17 who are at risk of smokeless tobacco use.

Why It's Important

Tobacco use is the leading preventable cause of disease, disability, and death in the United States, responsible for more than 480,000 deaths each year.³ But the consequences of tobacco use are not limited to adults. In fact, tobacco use is almost always initiated and established during adolescence. Every day in the United States, nearly 2,500 youth under age 18 smoke their first cigarette, and more than 1,300 youth use smokeless tobacco for the first time—highlighting a critical need for stronger, more targeted youth tobacco prevention efforts.⁴

Through "The Real Cost" campaign, FDA seeks to reduce the number of youth who experiment with tobacco and ultimately reduce the number of future tobacco users.

Who It Targets

"The Real Cost" campaign targets two subsets of at-risk youth ages 12–17—teens who are open to or already experimenting with cigarettes (i.e., have smoked fewer than 100 cigarettes in their lifetime), and rural male teens at risk for smokeless tobacco use. Key demographic and psychographic insights for each target audience are embodied through the campaign's at-risk personas, Nikki & Travis (see box).

MEET NIKKI



Living a chaotic life, Nikki (aged 12–17) struggles with her social and economic situation both at home (living in a suburban area with single parents who use tobacco at home) and at school (poor school environment and low academic achievement). Her stress about her personal situation, coupled with poor coping skills and a pessimistic outlook on life, makes Nikki a troubled kid. Nikki finds it hard to regulate her mood and is a sensation-seeking risk taker. Nikki smokes occasionally (<100 cigarettes, lifetime), as do her friends.

MEET TRAVIS



Travis (aged 12–17) lives in a small rural town. He has very strong bonds with his friends, family, and community, and is proud of his hometown. He has a close-knit group of friends that he's grown up with, and they hang out together a lot. His older brother and some of his friends dip, and he's considered trying it. He's into sports, girls, music, trucks, and gaming. He cares about school, fitting in, money, and his family. In his free time, he likes to fish, hunt, and play baseball with the guys. It's times like these that he's often exposed to dip.

What It Does

“The Real Cost” campaign was developed using evidence-based best practices and multiple phases of research to identify promising messages. The campaign is specifically designed to affect at-risk youth who experiment with tobacco but do not consider themselves users, do not believe they will become addicted, and are not particularly interested in the topic of tobacco. Campaign messages are intended to make the target audience acutely aware of the risks of tobacco use by highlighting consequences youth are concerned about, such as loss of control due to addiction, dangerous chemicals in tobacco products, and health effects like tooth loss and skin damage.

“The Real Cost” message areas include:

- **Loss of Control:** Reframes addiction as a loss of control to disrupt the beliefs of independence-seeking youth who currently think they will not get addicted or feel they can quit at any time.
- **Dangerous Chemicals:** Depicts the dangerous chemicals in tobacco and tobacco smoke to motivate youth to find out more about what’s in them and reconsider the harms of tobacco use.
- **Health Consequences:** Dramatizes the negative health consequences of tobacco use in a meaningful way to demonstrate that all tobacco use comes with a “cost” that is more than just financial.

How It Is Being Implemented

The campaign uses a multi-channel advertising approach that surrounds teens with “The Real Cost” messages. Through national and local media buys, the campaign advertising airs on traditional broadcast media channels such as TV and radio, as well as through a mix of other multimedia channels including web, cinema, print publications, and billboards. Daily engagement with youth via multiple social media platforms also helps broaden the campaign’s reach and creates spaces for teens to engage in peer-to-peer conversations about tobacco use in ways that are authentic to who they are.

A critical factor in reducing youth tobacco use is to produce and maintain effective levels of campaign awareness within the target population. The Centers for Disease Control and Prevention (CDC) indicates new tobacco prevention campaigns that reach 75 percent of the target audience within one year can expect to influence attitudes and create behavior change within two years if the time in-market is adequately sustained.

To achieve behavior change and improve public health, “The Real Cost” campaign has exceeded the benchmark of reach, frequency and time in-market recommended by CDC.



The campaign brand, “The Real Cost,” focuses on making youth hyper-aware of the cost that comes with every cigarette or dip to challenge their “cost-free” mentality. “The Real Cost” is designed to be candid, empowering, and respectful. It speaks directly to teens in a straightforward and authentic manner.



How It Is Evaluated

FDA hired an independent research firm, RTI, to conduct large, multi-year outcome evaluation studies to measure the campaign's success in changing tobacco-related attitudes, beliefs, and behaviors among youth. The first outcome evaluation study found that 89% of youth were aware of at least one campaign ad 7 months from launch, and "The Real Cost" positively influenced tobacco-related risk perceptions and beliefs specific to campaign messages after 15 months.^{5,6}

Most notably, final results from the first study indicate that exposure to "The Real Cost" from 2014–2016 was associated with a 30% decrease in the risk for smoking initiation, preventing an estimated 350,000 U.S. youth ages 11–18 from smoking.⁶ A separate outcome evaluation study specific to smokeless tobacco use is underway.

How You Can Get Involved

We recommend adults and stakeholder audiences use [CTP's Exchange Lab](#), a free resource library of tobacco-related digital content that can be easily syndicated on existing websites or other applications. Orders can also be placed for free printing and shipping of select materials.

FDA's goal is to keep "The Real Cost" campaign an authentic and effective youth tobacco prevention brand. Thus, "The Real Cost" campaign website and social channels are intended for teens. Stakeholders should use FDA's social media channels to engage with us around the campaign. Organizations that work directly with youth can help extend the campaign by encouraging teens to share campaign messages with their peers. Stakeholders who do not work directly with youth can share our resources with youth-focused organizations. For more information, please contact TheRealCost@fda.hhs.gov.

Last Updated March 2017
RC-11-R1

SOCIAL MEDIA CHANNELS FOR YOUTH

-  TheRealCost.gov
-  www.facebook.com/KnowTheRealCost
-  www.YouTube.com/KnowTheRealCost
-  [@KnowTheRealCost](https://twitter.com/KnowTheRealCost)
[#TheRealCost](https://twitter.com/TheRealCost)

SOCIAL MEDIA CHANNELS FOR STAKEHOLDERS

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-  www.YouTube.com/USFoodandDrugAdmin
-  [@FDATobacco](https://twitter.com/FDATobacco)
[#TobaccoFreeYouth](https://twitter.com/TobaccoFreeYouth)

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Sources:

- ¹ U.S. Census Bureau. *Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States: April 1, 2010 to July 1, 2014*. Washington, D.C.: U.S. Census Bureau, Population Division; 2015.
- ² Centers for Disease Control and Prevention (CDC), Food and Drug Administration (FDA). *Total At-risk Experimenters and Susceptible Non-trier Estimates: 2012 NYTS Dataset and Codebook*. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention. Updated October 1, 2015. http://www.cdc.gov/tobacco/data_statistics/surveys/nyts/. Accessed May 26, 2016.
- ³ U.S. Department of Health and Human Services (USDHHS). *The Health Consequences of Smoking—50 Years of Progress: A Report of the Surgeon General*. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health; 2014.
- ⁴ Substance Abuse and Mental Health Services Administration (SAMHSA). *Results from the 2015 National Survey on Drug Use and Health: Detailed Tables*. Rockville, MD: U.S. Department of Health and Human Services, SAMHSA, Center for Behavioral Health Statistics and Quality; 2016. <http://www.samhsa.gov/data/sites/default/files/NSDUH-DetTabs-2015/NSDUH-DetTabs-2015/NSDUH-DetTabs-2015.pdf>. Accessed September 9, 2016.
- ⁵ Duke J, Alexander T, Zhao X, et al. Youth's awareness of and reactions to The Real Cost national tobacco public education campaign. *PLoS ONE*. 2015;10(12):e0144827.
- ⁶ Farrelly MC, Duke JC, Nonnemaker J, et al. Association Between The Real Cost Media Campaign and Smoking Initiation Among Youths — United States, 2014–2016. *Morbidity and Mortality Weekly Report (MMWR)* 2017;66:47–50. DOI: <http://dx.doi.org/10.15585/mmwr.mm6602a2>.



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THE REAL COST: RESEARCH + EVALUATION

“The Real Cost” campaign is grounded in scientific research and uses evidence-based practices proven to reduce youth tobacco use.

FDA’s youth tobacco prevention campaign, “The Real Cost,” is based on a robust body of evidence that supports the use of mass media campaigns to prevent and reduce youth tobacco use. Some of this evidence is derived from state and national youth tobacco prevention campaigns as well as youth-focused health campaigns on topics other than tobacco. Campaign efforts are informed by recognized best practices for mass media campaigns, lessons learned from previous efforts to educate the public about tobacco, and FDA’s own research.

Formative Research

FDA conducted extensive research to develop effective outreach strategies and messaging to reach “The Real Cost” target audiences. These efforts included:

- Comprehensive literature reviews and target audience analyses to identify and refine our target audiences;
- Consultation with experts in tobacco public health education, marketing, and campaign development;
- Focus groups with members of each target audience to identify promising messages, and assess their perceptions of draft advertising concepts; and
- Testing of near-final TV advertisements with members of each target audience to measure perceived effectiveness, levels of engagement, and message comprehension, and to check for any unintended consequences.

Campaign Evaluation

FDA’s goal is to reduce the number of youth ages 12–17 who use cigarettes and smokeless tobacco.

FDA hired an independent research firm, RTI, to conduct large, multi-year outcome evaluation studies to measure the campaign’s success in changing tobacco-related attitudes, beliefs and behaviors among youth. The first outcome evaluation study found that 89% of youth were aware of at least one campaign ad 7 months from launch, and “The Real Cost” positively influenced tobacco-related risk perceptions and beliefs specific to campaign messages after 15 months.^{1,2} Most notably, final results from the first study indicate that exposure to “The Real Cost” from 2014–2016 was associated with a 30% decrease in the risk for smoking initiation, preventing an estimated 350,000 U.S. youth ages 11–18 from smoking.² A separate outcome evaluation study specific to smokeless tobacco use is underway.

AD COPY TESTING

Research results indicated the near-final TV advertisements provided understandable and engaging messages about the harms of tobacco use without potential unintended adverse or counterproductive message effects.

Testing indicated all the ads would likely lead to increased negative feelings about tobacco use, decreased intention to initiate, and increased intention to quit using tobacco products.

EVALUATION RESEARCH

Evaluation results will be used to assess changes in tobacco-related knowledge, attitudes, beliefs, intentions, and behaviors over time. The studies will focus on behavior change associated with cigarette use and behavioral intentions around the use of smokeless tobacco among youth ages 12–17.

Last Updated March 2017
RC-11-R1



**FOOD & DRUG
ADMINISTRATION**

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www.fda.gov/therealcost

Sources:

¹ Duke J, Alexander T, Zhao X, et al. Youth’s awareness of and reactions to The Real Cost national tobacco public education campaign. *PLoS ONE*. 2015;10(12):e0144827.

² Farrelly MC, Duke JC, Nonnemaker J, et al. Association Between The Real Cost Media Campaign and Smoking Initiation Among Youths — United States, 2014–2016. *Morbidity and Mortality Weekly Report (MMWR)* 2017;66:47–50. DOI: <http://dx.doi.org/10.15585/mmwr.mm6602a2>.



Smokeless

The Real Cost • 8/10 videos

- 1 The Real Cost Commercial: "Jeans" (:15s version) The Real Cost
- 2 The Real Cost Commercial: "Pounds" (:15s version) The Real Cost
- 3 The Real Cost Commercial: "Face of Dip" (:15s version) The Real Cost
- 4 The Real Cost Commercial: "Face of Dip" (:30s version) The Real Cost
- 5 The Real Cost Commercial: "Jeans" (:30s version) The Real Cost
- 6 The Real Cost Commercial: "Pounds" (:30s version) The Real Cost

The Real Cost Commercial: "Face of Dip" (:30s version)

The Real Cost

25K

3,804,397 views

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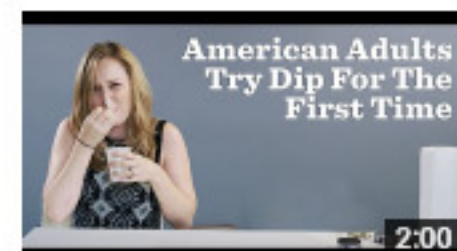
276 371

Published on Apr 19, 2016

Chances are the last things on your mind are mouth cancer and facial disfigurement. It's hard to believe it could all start with a can of dip.

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American adults try dip for the first time

IJR - Independent Journal Review 502,395 views



The Real Cost Commercial: "Jeans" (:30s version)

The Real Cost 2,806,935 views

The Real Cost Commercial: "Pounds" (:30s version)

The Real Cost 594,671 views

0:31

Anti- chewing tobacco commercial

Kolten Schulte 5,074 views

0:50

Public Information Film (PIF) Collection

magnusei

1,761 VIDEOS

Oral Cancer Survivor tells of Consequences of Smokeless Tobacco.

McCarl Dental Group 93,193 views

5:31

The Real Cost Commercial: "Your Skin"

USFoodandDrugAdmin 279,240 views

0:33

Don't Judge Challenge Compilation - #dontjudgechallenge | BEST

BEST VINES 168,817,594 views

11:47

The Real Cost Commercial: "Hacked" (:30)

The Real Cost 1,782,395 views

0:31

Best Funny Awareness Anti Smoking commercial

Watch Fun 689,341 views

4:56

The Real Cost Commercial: "Movie Date" (:30s version)

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0:31

The Real Cost Commercial: "Science Class"

The Real Cost 3,196,529 views

0:31

Side effects of dipping

Outlaw 995,520 views

25:19

Top 10 Commercials of 2016

Gabby The Clown 1,472,326 views

11:25

Outlaw Got Mouth Cancer

American Snuff 1,305 views

4:11

Classic us smokeless tobacco commercials

The Georgia Dipper 11,922 views

1:56

Confirmed! DIP DOES NOT CAUSE CANCER!

mudjug1 152,460 views

10:10

Health Tips for Dippers

hrfalcons22 33,530 views

12:59

People Try Dip & Chewing Tobacco for the First Time

Complex News 690,585 views

2:12

Top 10 Funniest Super Bowl Commercials of 2017 Extended (Best Superbowl Ads 2017)

Jake Browatzke 767,952 views

9:37

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Little Lungs in a Great Big World

The Real Cost • 1/5 videos



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- 3 Little Lungs in a Great Big World: Birthday
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- 4 Little Lungs in a Great Big World: Pool
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- 5 Little Lungs in a Great Big World: Bike
The Real Cost

Little Lungs in a Great Big World: Snowboard



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Published on Mar 15, 2017
Watch Little Lungs try to get some big air on the slopes.

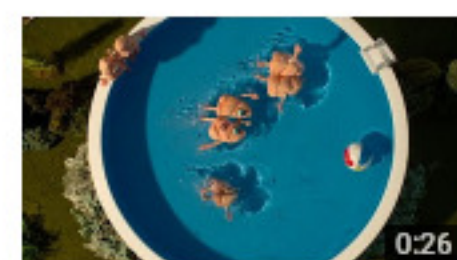
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Bad SpiderBaby DRIVING A CAR! w/ Paw Patrol Chase, Baby Spidergirl & Joker in Real Life ToyScouter 36,014,350 views



Little Lungs in a Great Big World: Pool The Real Cost 595,080 views

10 Most Dangerous Waters in the World

Interesting Facts 6,094,904 views

9:07

Little Lungs in a Great Big World: Birthday

The Real Cost 19,524,355 views

0:42

Try not to Laugh Challenge! - Disney Craziiness Compilation #4 !

Leo Koutakis 7,570,404 views

8:53

World's LARGEST SUPER SOAKER!! (not clickbait)

Mark Rober 2,914,590 views

9:08

5 KIDS YOU WON'T BELIEVE ACTUALLY EXIST

#Mind Warehouse 6,620,858 views

4:55

Little Lungs in a Great Big World: P.E.

The Real Cost 730,576 views

0:27

Learn Colors with Play Doh Doraemon Fruits & Vegetables Pineapple Eggplant pomegranate

Happy Funny Kids Toys Pretend Play 4,613,044 views

11:22

Pearson Brothers Winery films 15 ft white shark in 3 ft of water

Dale Pearson 4,565,947 views

8:23

Smoking vs Vaping

AsapSCIENCE 7,885,632 views

4:20

HD Mickey Mouse Babies Crying because of Grub in Belly! Finger Family Song Nursery Rhymes

Fun Kids Toon 23,357,792 views

10:06

Cutting Open Squishy Toys to See What is Inside - Pop the Pig, Poop, Banana

Fizzy Toy Show 2,138,115 views

16:48

ELSA needs to PEE! Spiderbaby Joker TOILET Prank Spiderman Superhero Clay Animation

SuperHero Freak Family 26,021,036 views

10:08

Little Lungs: Behind The Scenes

The Real Cost 23,738 views

1:09

The Loud House | Slice of Life | Nick

Nickelodeon 5,360,289 views

2:16

Slither.io In Real Life

Shutter Authority 25,448,433 views

1:57

Learn Colors with Mickey Mouse Clubhouse Paw Patrol Pop Up Toys | Fizzy Fun Toys

Fizzy Fun Toys 1,362,192 views

10:36

ANIME CRACK 2017 HD #3

Rustorwolf 407,029 views

10:26

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Stephen Sharer 3,701,325 views

11:50

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Little Lungs: Behind The Scenes
The Real Cost
3 weeks ago • 23,924 views
Behind the scenes with Little Lungs, who smoked as a teen and never grew to normal size... check out the making of the Great Big...
- The Real Cost uploaded a video 3 months ago

The Real Cost Commercial: "Delivery" :15
The Real Cost
3 months ago • 912,020 views
Not all surprises are fun. When you smoke, you could very well end up with an unexpected delivery you'll wish you could return
- The Real Cost uploaded a video 4 months ago

Little Lungs in a Great Big World: Birthday
The Real Cost
4 months ago • 19,551,327 views
It's Little Lungs' birthday, and the party is on fire!
- The Real Cost uploaded a video 4 months ago

Little Lungs in a Great Big World: Snowboard
The Real Cost
4 months ago • 5,858,539 views
Watch Little Lungs try to get some big air on the slopes.
- The Real Cost uploaded a video 4 months ago

Little Lungs in a Great Big World: P.E.
The Real Cost
4 months ago • 732,105 views
Uh oh -- it's rope climb day in P.E. class! Watch Little Lungs try to make it to the top.
- The Real Cost uploaded a video 4 months ago

Little Lungs in a Great Big World: Pool
The Real Cost
4 months ago • 595,977 views
Little Lungs and his friends spend the day at the pool, and then ...
- The Real Cost uploaded a video 4 months ago

Little Lungs in a Great Big World: Bike
The Real Cost
4 months ago • 365,464 views
See what happens when Little Lungs goes on a biking adventure with his friends. Hint: it didn't go so well
- The Real Cost created Little Lungs in a Great Big World 4 months ago

Little Lungs in a Great Big World
The Real Cost
Little Lungs in a Great Big World: Snowboard 0:42
Little Lungs in a Great Big World: P.E. 0:27
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- The Real Cost uploaded a video 5 months ago

The Real Cost Commercial: "Straw City" (:60)
The Real Cost
5 months ago • 41,618 views
Once upon a time, there was a Big Bad Wolf—but he smoked as a teen, stunting his lungs and ruining his perfect fairy-tale ending. ...
- The Real Cost uploaded a video 6 months ago

The Real Cost Commercial: "Delivery" (:30)
The Real Cost
6 months ago • 273,954 views
Not all surprises are fun. When you smoke, you could very well end up with an unexpected delivery you'll wish you could return
- The Real Cost uploaded a video 8 months ago

The Real Cost Commercial: "Hacked" (:30)
The Real Cost
8 months ago • 1,783,323 views
You light up and begin smoking a cigarette. Ten seconds later, nicotine reaches your brain. Before you know it, the reprogramm...
- The Real Cost uploaded a video 8 months ago

The Real Cost Commercial: "Hacked" (:15)
The Real Cost
8 months ago • 6,092,021 views
You light up and begin smoking a cigarette. Ten seconds later, nicotine reaches your brain. Before you know it, the reprogramm...
- The Real Cost uploaded a video 8 months ago

The Real Cost Commercial: "Straw City" (:30)
The Real Cost
8 months ago • 3,174,790 views
Once upon a time, there was a Big Bad Wolf—but he smoked as a teen, stunting his lungs and ruining his perfect fairy-tale ending. ...
- The Real Cost uploaded a video 8 months ago

The Real Cost Commercial - "Straw City" (:15)
The Real Cost
8 months ago • 14,821,879 views
Once upon a time, there was a Big Bad Wolf—but he smoked as a teen, stunting his lungs and ruining his perfect fairy-tale ending. ...
- The Real Cost uploaded and added to Smokeless 11 months ago

The Real Cost Commercial: "Football Practice" (:15s version)
The Real Cost
11 months ago • 16,253 views
Dip can take control and take your head out of the game.
- The Real Cost uploaded and added to Smokeless 11 months ago

The Real Cost Commercial: "Football Practice" (:30s version)
The Real Cost
11 months ago • 27,651 views
Dip can take control and take your head out of the game.
- The Real Cost uploaded and added to Smokeless 1 year ago

The Real Cost Commercial: "Movie Date" (:30s version)
The Real Cost
1 year ago • 50,032 views
Once dip takes control, it doesn't care what you might be missing out on.
- The Real Cost uploaded and added to Smokeless 1 year ago

The Real Cost Commercial: "Movie Date" (:15s version)
The Real Cost
1 year ago • 2,107,681 views
Once dip takes control, it doesn't care what you might be missing out on.
- The Real Cost uploaded a video 1 year ago

The Real Cost Commercial: "Jeans" (:15s version)
The Real Cost
1 year ago • 7,997,783 views
A can of dip can leave a mark on your jeans, but dip can also leave a more disfiguring mark on your face, in the form of mouth cancer.
- The Real Cost uploaded a video 1 year ago

The Real Cost Commercial: "Pounds" (:15s version)
The Real Cost
1 year ago • 6,574,233 views
Dip contains up to 30 cancer-causing chemicals. If you start dipping as a teenager, in 10 years you will have dipped about as ...
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Dip contains up to 30 cancer-causing chemicals. If you start dipping as a teenager, in 10 years you will have dipped about as ...
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The Real Cost Commercial: "Jeans" (:30s version)
The Real Cost
1 year ago • 2,813,298 views
A can of dip can leave a mark on your jeans, but dip can also leave a more disfiguring mark on your face, in the form of mouth cancer.
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The Real Cost Commercial: "Face of Dip" (:15s version)
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1 year ago • 7,320,081 views
Chances are the last things on your mind are mouth cancer and facial disfigurement. It's hard to believe it could all start with a can...
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The Real Cost Commercial: "Face of Dip" (:30s version)
The Real Cost
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Chances are the last things on your mind are mouth cancer and facial disfigurement. It's hard to believe it could all start with a can...
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The Real Cost Commercial: "Dance"
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1 year ago • 1,031,799 views
Cigarettes are a lot like bullies. They can boss you around, take you away from the fun, and even ruin your big night. Smoke just a few ...
- The Real Cost uploaded and added to Commercials 1 year ago

The Real Cost Commercial: "Dance"
The Real Cost
1 year ago • 1,505,160 views
Cigarettes are a lot like bullies. They can boss you around, take you away from the fun, and even ruin your big night. Smoke just a few ...
- The Real Cost uploaded a video 1 year ago

The Real Cost Commercials: "Science Class" (:15)
The Real Cost
1 year ago • 1,824,199 views
Any way you slice it, smoking is dangerous stuff. From the toxic mix of chemicals in every puff of cigarette smoke to the harm it ...
- The Real Cost uploaded a video 2 years ago

Creatures Pre-Roll
The Real Cost
2 years ago • 2,775,405 views
- The Real Cost uploaded and added to Commercials 2 years ago

The Real Cost Commercial: "Science Class"
The Real Cost
2 years ago • 3,196,596 views
Any way you slice it, smoking is dangerous stuff. From the toxic mix of chemicals in every puff of cigarette smoke to the harm it ...

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Smoking The Observer

Big tobacco 'manipulating cigarette prices' to thwart taxes on smoking

Premium brands subsidise the cheaper products to keep the habit affordable, study finds



Roll-your-own tobacco has remained relatively cheap over the years. Photograph: Alaa Badarneh/EPA

Jamie Doward

Sunday 30 July 2017 00.05 BST

Big tobacco companies have been manipulating the prices of cigarettes for more than a decade to undermine government attempts to deter people from smoking, research suggests.

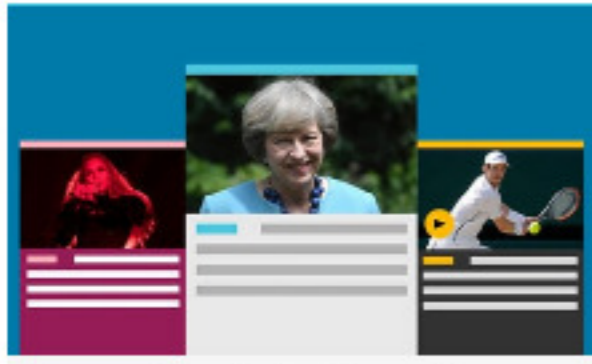
A study published in the journal *Nicotine & Tobacco Research* has found that the increasing availability of cheap tobacco has hampered public health efforts to discourage smoking, the leading cause of preventable death.

Scientists at King's College London and the University of Bath analysed data from more than 6,000 smokers to look at the price they paid for tobacco between 2002 and 2014.

They found that, by switching brands, smokers could buy tobacco in shops at the same prices they paid in 2002. The range between the cheapest and most expensive brands almost doubled over the 12 years. In 2002 it was 12p per cigarette but by 2014 this had increased to 23p. In 2014, the most expensive pack of 20 factory-made cigarettes cost about £10, whereas the cheapest pack cost only £5.33. "Our research suggests that tobacco companies are able to meet tax requirements and keep cheap products available by markedly increasing prices on premium brands," says the study's co-author, Rosemary Hiscock from the University of Bath's [Tobacco Control Research Group](#).

The practice is known as "over-shifting", whereby cigarette companies use their premium products to in effect subsidise cheaper alternatives.

The researchers argue that the widening gap between the cheapest and most expensive products is evidence that the industry deliberately introduced a wide variety of brands to meet smokers' declining budgets.



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The study also looks at the rising use of roll-your-own tobacco. The number smoking it almost doubled between 2002 and 2014 and it is particularly popular among younger people. The study found that the price increase in roll-your-own was lower than that for factory-made cigarettes. By 2014, the cheapest roll-your-own tobacco cost £1.63 for 10 grams, enough to make 20 cigarettes.

There were large increases in the tax on tobacco over the 12 years but the price of cigarettes rose only by an average of 10p per cigarette.

The researchers suggest their work provides evidence that marked tax increases have not resulted in price rises large enough to persuade smokers of the cheaper products to quit.

"Increasing tobacco prices is known to be one of the best deterrents to reduce smoking, but an increase in availability of cheaper products in conventional stores in response to this appears to be thwarting public health campaigns," said the study's lead author, Timea Partos of the addictions department at King's College London. [Correct](#)

"Policy-makers need to focus on regulating tobacco prices so that the tobacco industry is not able to undermine tax increases by offering such a wide range of cigarette prices."

The authors suggest that the price of all types of tobacco should be equally high so that smokers are discouraged from simply switching products to reduce costs.

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Maine Raises Smoking Age to 21 After Lawmakers Override Veto

By MATTHEW HAAG AUG. 2, 2017



A woman smoking an electronic cigarette in San Rafael, Calif., in 2015. Last year, California raised the smoking age to 21. Like Maine, the regulation applies to e-cigarettes. Justin Sullivan/Getty Images

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TAKE A NUMBER
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Maine will become the fourth state to raise the smoking age to 21 and will adopt stricter regulations on the sale of electronic cigarettes after lawmakers on Wednesday voted overwhelmingly to override the governor's

Senator Paul Davis, a Republican who wrote the bill, said the governor's remarks showed that he had missed the point of the legislation.

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"People who join the military don't have 15-year-old kids following them around and being impressed by their actions," Mr. Davis told reporters after the Senate's vote on Wednesday. "It's about the availability of cigarettes in schools."

Starting in July, anyone under 21 will not be allowed to buy tobacco products in the state, which will join California, Hawaii and New Jersey as the only states to raise the age limit to 21, from 18. Maine's new regulations will also apply to devices like e-cigarettes, which are popular among teenagers; hookah pipes; and smoking accessories.

In the last two decades, tobacco use among teenagers in Maine has dropped drastically, mirroring a similar decline across the country. But the state still ranks near the top for high schoolers who smoke cigarettes: In 2015, 11.2 percent of Maine high school students smoked, just above the national average of 10.8 percent, according to the most recent data from the Centers for Disease Control and Prevention.

Smoking is the leading cause of preventable death in the United States, accounting for about 20 percent of all deaths.

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JULY 30, 2017 / OPINION / HEALTH / LETTERS

State committees let tobacco industry meddle

By Phil Konigsberg

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New Jersey Gov. Chris Christie signed a law last Friday that will raise the statewide minimum age to purchase tobacco products, including electronic cigarettes, from 19 to 21, effective Jan. 1, 2018.

New York also had a golden opportunity to pass our own statewide Tobacco 21 law last month, after bills passed both the Assembly and Senate Health Committees. But "T21" was then held up by the Assembly Rules and Senate Finance Committees, respectively.

Several venues within the state of New York, including New York City, have passed local T21 bills, but the pressure by the tobacco industry once again showed up in Albany to prevent the statewide bill from reaching the full Assembly and Senate in the final week of the legislative session.

A Phillip Morris document, dated Jan. 21, 1986, explains why the tobacco industry is desperate to prevent the increasing trend of states raising the minimum purchase age to 21. The document proclaims: "Raising the legal minimum age for [a] cigarette purchaser to 21 could gut our key young adult market (17-20), where we sell about 25 billion cigarettes and enjoy a 70 percent market share."

A published 2001 report indicates that 90 percent of persons buying cigarettes for minors are in the 17-to-20-year-old age group. If the minimum age is raised to 21, then, there will be a paradigm shift of how teens, especially 16-to-19-year olds, get their cigarettes. Clearly, those who are age 21 are in different social circles and are either in their junior year of college or have been employed for three years and generally don't associate with 16-to-19-year olds. They are also wise enough by then not to buy cigarettes for younger people.

With the added impetus of our neighboring state soon implementing a T21 law, it is time that Albany finally gets this done during the next legislative session.

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Bay Terrace

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