

Formula One – driving up the smoking rate

Remember that press conference at INB-4? The World Health Organisation and the governing body of world motor racing embraced and agreed to phase out tobacco sponsorship by 2006. But now the Motorised Moguls of Formula One are threatening to renege on their agreement with WHO, supposedly because the European Union has decided tobacco sponsorship should be banned in the EU by July 2005. We examine four claims made by Max Mosley, President of the *Federation Internationale d'Automobile* (FIA) that supposedly justify this move.

Claim 1. That Formula One contracts are incompatible with the new EU directive. Mosley says:

"We've now got the teams with contracts to 2006 and an EU ban from July 2005. The only way they (the teams) can observe those contracts in 2006 is to reduce the number of Grands Prix in the EU to a point where the tobacco companies don't object."

This is wrong. Commercial contracts do not have supremacy over government legislation and any competent contract lawyer constructs the agreement to take account of such political risks. What if they had signed contracts for 20 years? Would the EU have to fit in around that too? Obviously not.

The FIA has been on notice that tobacco sponsorship bans are likely EU policy since 1997. The current round of contracts (known as the Concorde Agreement) was negotiated to come into effect in 2002. In March 1998 at the Melbourne Grand Prix, Max Mosley was able to say:

"The FIA could bring in a world-wide ban on tobacco advertising/sponsorship in the Formula One World Championship on expiry of the current Concorde Agreement between the FIA and the teams in 2002. Such a ban, which could take effect before the deadline set in the EC Directive, would apply to all Formula One Grands Prix, including those held outside the European Union. It would therefore provide a powerful supplement to the EC Directive.

As well as being another example of an empty promise by the FIA, this statement shows that they were expecting a sponsorship ban. The idea that they wrote these multi-million dollar contracts while knowing that legislation was likely but without 'force majeure' clauses that take account of legislative developments is laughable.

Claim 2. That teams will fight for continued tobacco sponsorship after 2005.

According to the BBC:

“Mosley said the EU ban could lead to pressure from teams for the FIA to continue with tobacco because the teams' contracts run to the end of 2006.

The second great scam is the blurring of team sponsorship and event sponsorship. Actually, most tobacco money goes into teams and all those sponsored by tobacco companies are based in Europe – and therefore have to stop tobacco sponsorship by 2005. So after 2005, the pressure from the teams will be against tobacco. The idea that Ferrari-Marlboro, BAR -Lucky Strike, McLaren-West, Renault-Mild 7 can just uproot and move out of the EU is absurd - it is impossible to move teams, which are often deeply embedded in specialised local automotive economies. How does that stop the rest of Formula One going tobacco-free in 2006? In fact, the ending of team sponsorship will make it more likely.

Claim 3. Tobacco sponsorship regulation in the EU is causing the *Grands Prix* to leave Europe.

The gradual move of Grands Prix from the EU into 'emerging markets' in Asia, Eastern Europe and the Middle East has strong commercial logic. It is little to do with tobacco and everything to do with TV audiences and global branding. Most of the movement of events from Europe would happen anyway. But the FIA is using this trend to try to lobby against public health measures in Europe. There are plenty of potential non-tobacco sponsors willing to sponsor events in Europe, but the problem is that there is only time for a limited number of races and going global means having fewer in Europe.

Claim 4. That global TV coverage will ensure the EU legislation will be 'a waste of time'.

According to the BBC...

“Mosley said the EU ban was a waste of time, because tobacco advertising would be beamed into Europe on television from the races where tobacco advertising is allowed.”

There are several flaws in this. First, the ban on European team sponsorships greatly reduces the tobacco visibility - even at events that are tobacco-sponsored. For example, Michael Schumacher will not be wearing a Marlboro logo on the winner's rostrum when Ferrari takes the 2005 Chinese Grand Prix sponsored by Marlboro. Furthermore, the new non-tobacco team sponsors may start to elbow tobacco companies out of event sponsorship outside the EU.

Formula One and its governing body think they are more powerful than any government. The arrogance of the FIA and its bogus arguments give a clear example of why the FCTC needs a complete global ban on tobacco advertising and sponsorship.