

# Bloomberg, Gates Team Up to Fight Smoking

## Michael Bloomberg is joining Microsoft co-founder Bill Gates in an effort to curb smoking in developing countries

by [Alison Damast](#)

Michael Bloomberg and [Bill Gates](#) are about to become two of the global tobacco industry's most formidable opponents. The billionaire duo plan to pump a combined \$500 million—including \$375 million in new funds—through 2013 to combat what public health officials have deemed a global tobacco epidemic.

The New York mayor and Microsoft ([MSFT](#)) co-founder said they are hoping to jumpstart a global movement to curb the use of tobacco among adults and teens in developing countries such as China, India, and Indonesia. With the help of partners such as the [World Health Organization](#) (WHO), they aim to help government officials and business leaders in low- and middle-income countries create tobacco control programs, raise tobacco taxes, ban advertising, and create smoke-free public spaces. "This partnership with Gates' foundation underscores how much the tide is truly turning against this epidemic," Bloomberg said at a July 23 news conference at *The New York Times* ([NYT](#)) headquarters. "This takes it to the next level."

The project is being launched just as Bloomberg is entering the twilight of his mayoral career. In recent months there has been a swirl of speculation on Bloomberg's future after his second term ends in December 2009. The mayor, a former smoker, has taken a fervent stand against smoking since entering office. In 2002, he waged a battle to ban smoking in New York City bars and restaurants. (In 1990, San Luis Obispo, Calif., became the first municipality with such a ban.) In recent years, two dozen states have followed New York's lead by banning smoking in restaurants and bars, with a handful of other countries following suit.

With slightly more than a year left in office, Bloomberg, who founded the financial data-service firm [Bloomberg](#), is beginning to set his sights on larger goals, said Mitchell Moss, a professor of urban policy and planning at New York University and an adviser to the mayor's first campaign. One of these is to be a "major player" on the global health front, Moss said. "Mike Bloomberg is going to be probably more important and more influential out of office than in office," Moss said. "Instead of trying to improve conditions in New York's five boroughs, he's going to be looking at the five continents of the world."

## The Gates Foundation's Heft

Bloomberg has managed to secure a powerful partner for his project, the [Bill & Melinda Gates Foundation](#). The Gates Foundation, one of the largest private foundations in the world, with assets of more than \$37 billion, will invest \$125 million over five years to fight tobacco use, including a \$24 million grant to Bloomberg's initiative. This is just the start of "many things" the two will work on together in coming years, Gates said. "Michael and I have somewhat similar world views and I'm excited that, at some point, he'll be putting more time into this because we need more voices on this issue," Gates said.

The investment by the Gates Foundation will complement the work currently being done by Bloomberg's private charity in the war against smoking. Bloomberg started an initiative called "Bloomberg's Effort to Reduce Tobacco Use" back in 2006, initially funneling \$125 million into the project. Over the next four years, Bloomberg will add an additional \$250 million to the campaign—for a total of \$375 million in contributions—with the ultimate goal of reducing smoking in the 15 low- and middle-income countries that harbor the majority of the world's smokers. The money will be distributed among five groups, including the WHO and the [Centers for Disease Control & Prevention](#).

Bloomberg's and Gates' efforts will only add more momentum to the escalating push by global health organizations to ban smoking and create smoking-cessation programs. The World Health Organization has gotten more than 150 countries to sign on to a new anti-tobacco treaty, the Framework Convention on Tobacco Control, which requires countries to implement a range of anti-smoking initiatives, but many governments that signed on don't have the funds to implement them. The move comes at a time when multinational tobacco companies are looking abroad, especially to the developing world, to counter declining U.S. sales. The global tobacco market is an increasingly lucrative one and is expected to have a value of \$464.4 billion by 2012, a 23% increase from 2007, according to market research firm [Datamonitor](#).

Tobacco consumption is soaring in countries like China and Indonesia, which have the highest smoking rates in Asia. China has more than 350 million smokers—a third of the world's total—and per capita consumption of cigarettes continues to rise. More than 5 million people die annually from tobacco-related illnesses, according to current WHO estimates. That number is expected to rise to 8.3 million annual deaths by 2030 and could approach 1 billion by the end of the 21st century.

## Increasingly Addicted

Meanwhile, tobacco companies are resorting to new means of getting around burdensome U.S. tobacco regulations. For example, in March, Phillip Morris International ([PM](#)) became a standalone company, breaking off from its former parent company and tobacco giant, New York-based Altria Group ([MO](#)). By becoming an independent entity, the company can streamline manufacturing and develop innovative smoking products for an increasingly addicted consumer base, tobacco experts say. Despite this threat, tobacco

control policies and laws remain a low priority for government officials in these countries, an attitude that Bloomberg and Gates are hoping to change. The countries housing the 3.9 billion people that live in low- and middle-income countries spend less than \$20 million per year on tobacco control but collect more than \$66 billion in tobacco taxes, according to the WHO.

Phillip Morris USA supports several of the initiatives Bloomberg and Gates addressed, including efforts to end smoking among teens and smoking-cessation campaigns, spokesman David Sutton said. However, the company does not agree with any plan to boost taxes on cigarettes in other countries, Sutton said.

A spokesman for R.J. Reynolds Tobacco ([RAI](#)), John Singleton, said he does not expect Bloomberg and Gates' announcement to have an adverse effect on the company, which does most of its marketing, distribution, and sales in the U.S. "We think what they're looking at doing will have very little impact on us as a company, as opposed to some other companies that have much more of an international presence," he said.

Some of Bloomberg's earlier efforts in the countries his charity is working with have already started to pay off. For example, cities such as Mexico City and Beijing are implementing smoke-free laws and regulations, while Uruguay and Turkey are in the process of implementing tobacco control laws. "If we could maintain the progress we made in the last couple of years, we'd be able to wipe out smoking in a decade," Bloomberg said. "The reality is we can't do that. We're picking low-hanging fruit."

As mayor, Bloomberg has worked with groups such as the [Rockefeller Foundation](#) on poverty initiatives and sustainability programs. Through his private philanthropy foundation, Bloomberg has partnered with a number of world health organizations and is likely to get more involved in these initiatives after he leaves office, says Peter Madonia, chief operating officer of the Rockefeller Foundation and Bloomberg's former chief of staff.

"He says he wants to run his philanthropy and give his money away, and I believe that's what he wants to do," says Madonia. "He's looking to create a paradigm to achieve maximum impact."