

Tobacco Industry Interference Index

Bangladesh

2019

Report on Implementation of FCTC Article 5.3

FCTC Article

5.3

Addressing the South Asian Speakers' Summit on Achieving Sustainable Development Goals (SDGs) in January 2016, the Prime Minister of Bangladesh announced the long-term goal for building a tobacco-free Bangladesh by 2040. However, three years have passed since and due to the current glacial pace in the developments of the country's tobacco control, the goal may never realize. The Ministry of Health and Family Welfare (MoHFW) is conducting a number of tobacco control activities along with implementing the obligations under the WHO FCTC, a treaty Bangladesh ratified in 2004. As a result, the prevalence of tobacco use among adults in the country decreased to 35.3 percent in 2017 from 43.5 in 2009.¹ This 18.5 percent relative reduction, as reported by GATS 2017, is undoubtedly a significant progress but not enough to build a tobacco-free country by 2040. In addition, the overall tobacco control activities of the country, in particular, the measures to reduce the demand for and supply of tobacco, are being thwarted and debilitated by the repeated interference of the tobacco industry.

In 2018, PROGGA (Knowledge for Progress) released the Tobacco Industry Interference Index, the first report of its kind in Bangladesh, with a view to assessing how the government was responding to the tobacco industry's tactics by using the FCTC Article 5.3 Guidelines.² The findings of the 2018 report was based on evidences covering 2016 and 2017 and showed a poor performance of the government, getting a score of 78. It indicates that different policies and initiatives regarding tobacco control have remained unprotected before the interference of the industry.

Bangladesh Tobacco Industry Interference Index 2019 hardly shows any improvement in the score, total 77, indicating that the country remains vulnerable to tobacco industry tactics to undermine efforts to protect public health. To make any real improvement of this deplorable situation, the government, at first, needs to divest its investment and partnership in tobacco business at the earliest possible. Since the government holds shares in a multinational tobacco company and six (06) members of the Board of Directors of the company were high government officials, the 2019 report observed that such extensive government involvement, last year, has facilitated widespread and unobstructed infiltration of tobacco industry in the state mechanism and made the tobacco control measures easy prey to the industry interference. Overall, adopting and implementing policies, in accordance with the FCTC Article 5.3 will play a positive role in improving the situation. The preparation of Tobacco Industry Interference Index is based on a model questionnaire developed by Southeast Asia Tobacco Control Alliance (SEATCA).³ Information is collected based on 20 questions, divided into seven categories and only from publicly available sources including govt. websites, reports published in mass media, reports and websites of tobacco companies. The scoring range for most questions is from 1 to 5. The lower the score is, the better compliance with FCTC Article 5.3 it suggests. The purpose that drives PROGGA to prepare and release TI Index report every year is to push for the FCTC-compliant government policies that can safeguard the tobacco control measures of the country from the growing interference of tobacco industry.

Industry Participation in Policy Development

Whenever the government proceeds to formulate and implement different tobacco control measures, the tobacco industry always finds newer ways to interfere. For example, the Bangladesh Bidi Owners' Association (BBOA) met the Finance Minister and Commerce Minister and submitted its proposals for the budget for the FY 2018-19 that included tax reduction and announcement of cottage industry status for bidi industry. The bidi price (non-filter) remained unchanged in the FY 2018-19 budget. The government, however, has fully implemented Recommendations 4.9 and 8.3 of the Article 5.3 Guidelines and no tobacco industry representative was in the government delegation to the FCTC COP and other meetings related to it.

Tobacco Industry Related CSR Activities

The active engagement of government officials in tobacco industry related CSR (corporate social responsibility) programmes was observed which is contrary to the FCTC Article 5.3 Guidelines. For example, Bangladesh Labour Welfare Foundation Fund (BLWFF), a body under the Ministry of Labour and Employment, continued to receive BATB's deposit which was BDT 8.82 crore in 2018. BATB representatives handed over the cheque to the then State Minister for Labour and Employment and the event was highly publicized.

Benefits to the Tobacco Industry

The government provided several benefits to the tobacco industry to expand their business. The government endorsed the world's third largest tobacco company, Japan Tobacco International (JTI) to conduct its business in Bangladesh through foreign direct investment (FDI) when it acquired the local company Akij Group's tobacco business for \$1.47 billion. In August 2018, at the deal signing ceremony, the Executive Chairman of Bangladesh Investment Development Authority (BIDA), the government agency responsible for encouraging and facilitating private investment, was present among others. The NBR also offered BATB tax relief worth more than BDT 2,000 crore through scrapping a special order. On 8 June 2018, NBR issued the order discarding

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a previous one issued on July 1, 2017, which had imposed additional taxes on low quality international-brand cigarettes. Moreover, under the tax measures included in finalized 2018-19 national budget, smokeless tobacco companies can now increase their profits by 118 per cent, compared to the profits they could have made under the tax measures proposed initially in the budget.

Unnecessary Interaction with the Tobacco Industry

There were numerous occasions of unnecessary interaction in 2018 between the tobacco industry and senior government officials. Most of such interaction with tobacco industry, particularly BATB, took place in award giving ceremonies, such as the “Most Female-Friendly Organisation” recognition at the Women Leadership Summit, where the International Affairs Adviser to the Prime Minister handed over the award; “Bangladesh Supply Chain Excellence Award” involving the Executive Chairman of the Bangladesh Investment Development Authority (BIDA) and the ICAB best presented annual reports handed over by the Finance Minister.

Transparency Measures

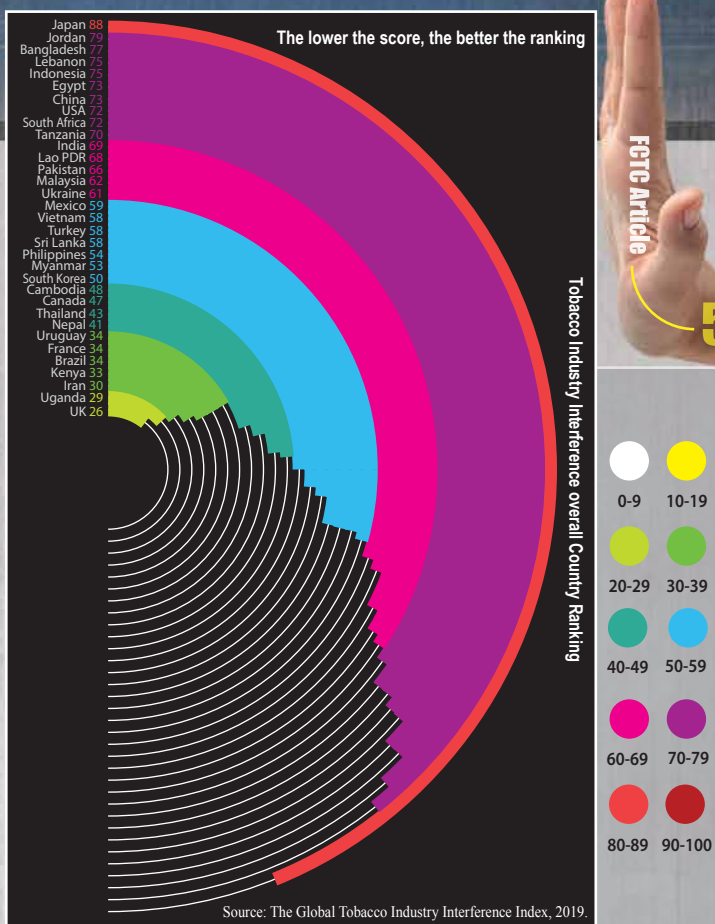
In February 2018, the NBR held a closed-door meeting to decide on the legal implementation of the graphic health warning (GHW) on tobacco packs. Bangladesh Cigarette Manufacturers’ Association (BCMA) and Security Printing Corporation Bangladesh Ltd were invited as stakeholders whereas the Ministry of Health, the lead administrative ministry of tobacco control, was astonishingly not invited in the meeting. Article 5.3 Guidelines requires the disclosure of agendas, contents, and proceedings of any meeting with tobacco industry representatives and the registration of the tobacco industry entities, affiliated organizations and individuals acting on their behalf, including lobbyists. However, such registration of industry representatives and lobbyists does not exist.

Conflict of Interest

The government, through different offices and bodies, owns 9.48% shares in BATB. Several high level government officials also hold positions in the company’s Board of Directors. Due to govt. shares and positions in Board of Directors, these officials, in fact, the government, are in direct conflict in advancing tobacco control while simultaneously promoting tobacco business. Public health suffers severely as a result.

Preventive Measures

Although the Article 5.3 Guidelines provide various preventive measures, the government is yet to put most of these measures in place to protect itself from industry interference. There is no procedure or policy for disclosing the records of interaction with the industry. In October 2018, the National Tobacco Control Cell (NTCC) of Ministry of Health and Family Welfare (MoHFW) formed an Article 5.3 Implementation Guideline Formulation Committee that consists of ten members from different sectors including civil society organizations working on tobacco control. The committee has already drafted two code-of-conducts, one for NTCC and another for all government officials working under different agencies. Both of these drafts are waiting for approval from the MoHFW. Under the Health Development Surcharge (Collection and Payment) Rules 2017, the government requires the tobacco industry to submit monthly revenue statement and monthly statement of health surcharge deposits. However, the companies are not required to submit information on their market share, marketing expenditures, revenues, philanthropy and political contributions.



Recommendations

The government must fully implement Article 5.3 Guidelines. Following measures should be undertaken immediately to fulfil the requirements of Article 5.3:

1. The government must divest its investment from tobacco companies within a specific period of time. Recommendation 7.2 of Article 5.3 states that countries that do not have a State-owned tobacco industry should not invest in the tobacco industry and related ventures. Tobacco companies take advantages of such investment and involvement and infiltrate government ministries to interfere in the formulation and implementation of tobacco control policies and measures.
2. The Health and Family Welfare Ministry should undertake awareness raising of non-health sectors, particularly in vulnerable ministries such as Finance Ministry, Industries Ministry and Commerce Ministry about Article 5.3 obligations.
3. The government must disclose all interactions with the tobacco industry and its representatives.
4. The government must halt all participation in award ceremonies involving the tobacco industry. Tobacco related CSR activities should be banned as required in the Article 5.3. To prevent conflict of interest, the government officials must terminate their positions in tobacco companies.
5. The government must remove all incentives provided to the tobacco industry including the exemption of export duty and VAT. The ban on the use of subsidized fertiliser for tobacco cultivation should be implemented effectively.
6. The government must not allow new foreign tobacco companies to invest in Bangladesh.
7. The government must expedite the adoption of a code of conduct for all officials in dealing with the tobacco industry.

¹ Global Adult Tobacco Survey (GATS), Bangladesh 2017. Available at: www.searo.who.int/bangladesh/gatsbangladesh2017fs14aug2018.pdf?ua=1

² Framework Convention on Tobacco Control, Guidelines for implementation of FCTC Article 5.3, Geneva 2008, [decision FCTC/COP3(7)]. Available at: www.who.int/fctc/treaty_instruments/Guidelines_Article_5_3_English.pdf?ua=1

³ Assunta, M., Dorotheo, E. U.. SEATCA Tobacco Industry Interference Index: a tool for measuring implementation of WHO Framework Convention on Tobacco Control Article 5.3. April 2015. Available at: tobaccocontrol.bmj.com/content/early/2015/04/23/tobaccocontrol-2014-051934