

# Tobacco Industry Interference Index Bangladesh 2020

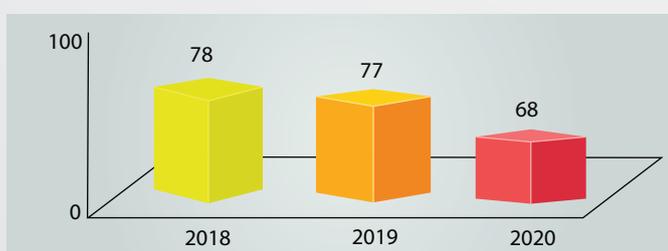
Report on Implementation of FCTC Article 5.3

## SUMMARY

The WHO Framework Convention on Tobacco Control (FCTC) binds signatory states to insulate their public health policies with respect to tobacco control from commercial and other vested interests of the tobacco industry, in accordance with national law. Bangladesh ratified the FCTC in 2004 and passed a tobacco control law in 2005 (later amended in 2013) based on the Framework.

Apart from FCTC obligation, Bangladesh has its own motivation to push for a public health policymaking, free from tobacco industry interference. In January 2016, the Prime Minister announced a long-term goal for a tobacco-free Bangladesh by 2040. However, four 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 prevalence of tobacco use among adults in the country decreased to 35.3 percent in 2017 from 43.5 in 2009, as per GATS 2017. 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, measures to reduce the demand for and supply of tobacco, are being thwarted and debilitated by the repeated interference of the tobacco industry.

Against this backdrop, PROGGA is now releasing the third TI Interference Index for Bangladesh covering incidents from January to December 2019. Considering the stagnant position of Bangladesh in the previous two Interference Indexes (78 in 2017 and 77 in 2018), the latest 2019 Tobacco Industry Interference Index shows improvement to some extent and hope for the future. The score for Bangladesh stands at 68 which was 77 in the previous year. This improvement owes to the firm



Lower score shows lower interference and better implementation of Article 5.3

”

**The tobacco epidemic is entirely man-made, and it can be turned around through the concerted efforts of governments and civil society.**

”

**Dr. Margaret Chan**

Former Director-General (2006-2017)  
World Health Organization (WHO)

commitment of MoHFW since it has not accommodated tobacco industry's unsolicited opinions on the draft National Tobacco Control Policy 2019. Besides, there was no new government collaboration with tobacco industry during the year 2019. However, the total score is still high despite the improvement which indicates that the country still remains vulnerable to tobacco industry tactics to undermine efforts to protect public health.

The Bangladesh Tobacco Industry Interference Index 2019 is a part of the Global Tobacco Industry Interference Index 2019, conceptualized and initiated by the Southeast Asia Tobacco Control Alliance (SEATCA) to promote the implementation of Article 5.3 of the WHO FCTC. The Index attempts to gauge how the government was responding to the tobacco industry's tactics by using the FCTC Article 5.3 Guidelines<sup>1</sup> based on the model questionnaire developed by SEATCA.<sup>2</sup> Information is collected 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 COVID-19 pandemic has also exposed how efficiently the industry can thwart any pro-public government response amid crisis situation. Utilizing the liaison formed due to government investment in British American Tobacco Bangladesh (BATB) and playing

<sup>1</sup> Framework Convention on Tobacco Control. Guidelines for implementation of FCTC Article 5.3, Geneva 2008, [decision FCTC/COP3(7)]  
[http://www.who.int/fctc/treaty\\_instruments/Guidelines\\_Article\\_5\\_3\\_English.pdf?ua=1](http://www.who.int/fctc/treaty_instruments/Guidelines_Article_5_3_English.pdf?ua=1)

<sup>2</sup> 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  
<http://tobaccocontrol.bmj.com/content/early/2015/04/23/tobaccocontrol-2014-051934>

the so-called ‘largest tax-payer’ card, two multinational companies<sup>3,4</sup> have managed to get the Ministry of Industries (MoI) issue letters ordering the local administrative bodies and law enforcement agencies to take step so that the tobacco business runs smoothly despite the countrywide shutdown. When the Ministry of Health and Family Welfare (MoHFW)<sup>5</sup> called for a temporary ban on tobacco production and sale and also

for the withdrawal of MoI letters, MoI was quick to turn down such request.<sup>6</sup> The mounting pressure on MoHFW forced the MoHFW to even withdraw its letter of request.<sup>7</sup> So, at this stage, ending tobacco industry interference is a must not only for building a tobacco-free Bangladesh but also for creating a competent policymaking environment that does not get immobilized by industry lobby at time of crisis.

## Result

### Bangladesh has an overall score of 68 points

#### ▶ INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

The government has not invited tobacco industry or its representatives to sit in government interagency/ advisory group body that sets public health policy. While the Ministry of Health and Family Welfare (MoHFW) has shown commitment to advance tobacco control, the Ministry of Finance, especially the National Board of Revenues (NBR), has been utilized by the tobacco industry as its conduit to influence policy. The Bangladesh Cigarette Manufacturers' Association (BCMA) sent letters to the Finance Minister opposing the proposed draft National Tobacco Control Policy 2019. Copies of the letter were also sent to high-level officials including Secretary of Department of Finance, Secretary of Health Services Department, MoHFW; Senior Secretary of Internal Resources Division and Chairman of National Board of Revenues. Following the request from the cigarette manufacturers association at a meeting in October 2019, the NBR requested the MoHFW to consider the industry's opinion before finalizing the National Tobacco Control Policy 2019.

#### ▶ INDUSTRY CSR ACTIVITIES

In continuation of previous years, on 25 September 2019, BAT Bangladesh donated a hefty sum of money to Bangladesh Labour Welfare Foundation. BATB representatives handed the cheque over to State Minister for Labour and Employment. The news and picture of the donation acceptance event was later publicized on the

Ministry's official Facebook page.

#### ▶ BENEFITS TO THE INDUSTRY

The existing 10% export duty on unmanufactured tobacco was withdrawn in the budget FY 2018-19. The National Board of Revenue (NBR) amended the VAT and Supplementary Duty Act 2012 and offered tax credit to tobacco companies from the budget FY 2018-19. The NBR reduced the supplementary duty on non-filter bidi from 35% to 30% by issuing a Statutory Regulatory Order (SRO) to accommodate the demands raised by the bidi industry.

The implementation of pictorial health warnings (PHW) on cigarette packs has been delayed since the High Court postponed the government order dated July 4, 2017, following the further review petition by Bangladesh Cigarette Manufacturers' Association. Implementation of PHW remains uncertain to this date.

#### ▶ UNNECESSARY INTERACTION

Compared to previous years, in 2019 the government did not enter into new collaborative agreements with the tobacco industry on enforcement or public education programs such as conducting raids on tobacco smuggling or enforcing rules on no sales to minors. However, the Ministry of Finance continued to hand out awards to tobacco entities. For example, the Minister of Finance awarded bidi companies for being top VAT payers

3 Ministry of Industry Order for BAT Bangladesh; 03 April 2020, [https://moind.gov.bd/sites/default/files/files/moind.portal.gov.bd/notices/a0a0de3f\\_7e11\\_4635\\_bb23\\_1e1e2636fe80/BAT%20Letter.pdf](https://moind.gov.bd/sites/default/files/files/moind.portal.gov.bd/notices/a0a0de3f_7e11_4635_bb23_1e1e2636fe80/BAT%20Letter.pdf) [Accessed on 06 June 2020]

4 Ministry of Industry Order for JTI Bangladesh; 05 April 2020,

[https://moind.gov.bd/sites/default/files/files/moind.portal.gov.bd/notices/b270dd1d\\_0435\\_4d09\\_8731\\_0ad7af087fbc/Letter%20United%20Dhaka%20Tobacco.pdf](https://moind.gov.bd/sites/default/files/files/moind.portal.gov.bd/notices/b270dd1d_0435_4d09_8731_0ad7af087fbc/Letter%20United%20Dhaka%20Tobacco.pdf) [Accessed on 06 June 2020]

5 Health ministry requests to halt tobacco production, sales; Daily Business Standard, 19 May 2020,

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/health-ministry-requests-halt-tobacco-production-sales> [Accessed on 06 June 2020]

6 Industries Ministry rejects tobacco ban proposal; Daily Dhaka Tribune, 20 May 2020,

<https://www.dhakatribune.com/bangladesh/2020/05/20/tobacco-ban-industries-ministry-quashes-health-division-s-proposal> [Accessed on 06 June 2020]

7 If tobacco production stopped, govt. lose revenue of Tk. 30,000 crore; Daily Jai Jai Din, 23 May 2020, <https://www.jaijaidinbd.com/todays-paper/last-page/100482/> [Accessed on 06 June 2020]

and smokeless tobacco companies for being top taxpayers on behalf of the NBR.

In November 2019, the Japanese Ambassador to Bangladesh in a bi-lateral meeting with the Industry Minister requested him to bring "rational" changes in the country's excise tax on tobacco based on the fact that Japan Tobacco generates large amounts of revenue for the government.

BATB's partnership with the Department of Agriculture Extension continued in 2019.

### ▶ TRANSPARENCY

In April 2019, the NBR held a pre-budget meeting with Bangladesh Cigarette Manufacturers Association. In October 2019, NBR conducted a meeting with tobacco company representatives as revenue collection from tobacco sector declines during July to August 2019 compared to previous year. However, details of these meetings are not disclosed.

### ▶ CONFLICT OF INTEREST

The newly retired former Managing Director of Investment Corporation of Bangladesh (ICB) took up the position of Non-Executive Director of BATB. The government continues to hold 9.61% investment in

BATB. There is no policy in place to prohibit contributions from the tobacco industry. However, in general, election candidates are required to disclose contributions received to bear election expense at the time of submitting nomination paper, according to section 44A of the Representation of the People Order, 1972.

### ▶ PREVENTIVE MEASURES

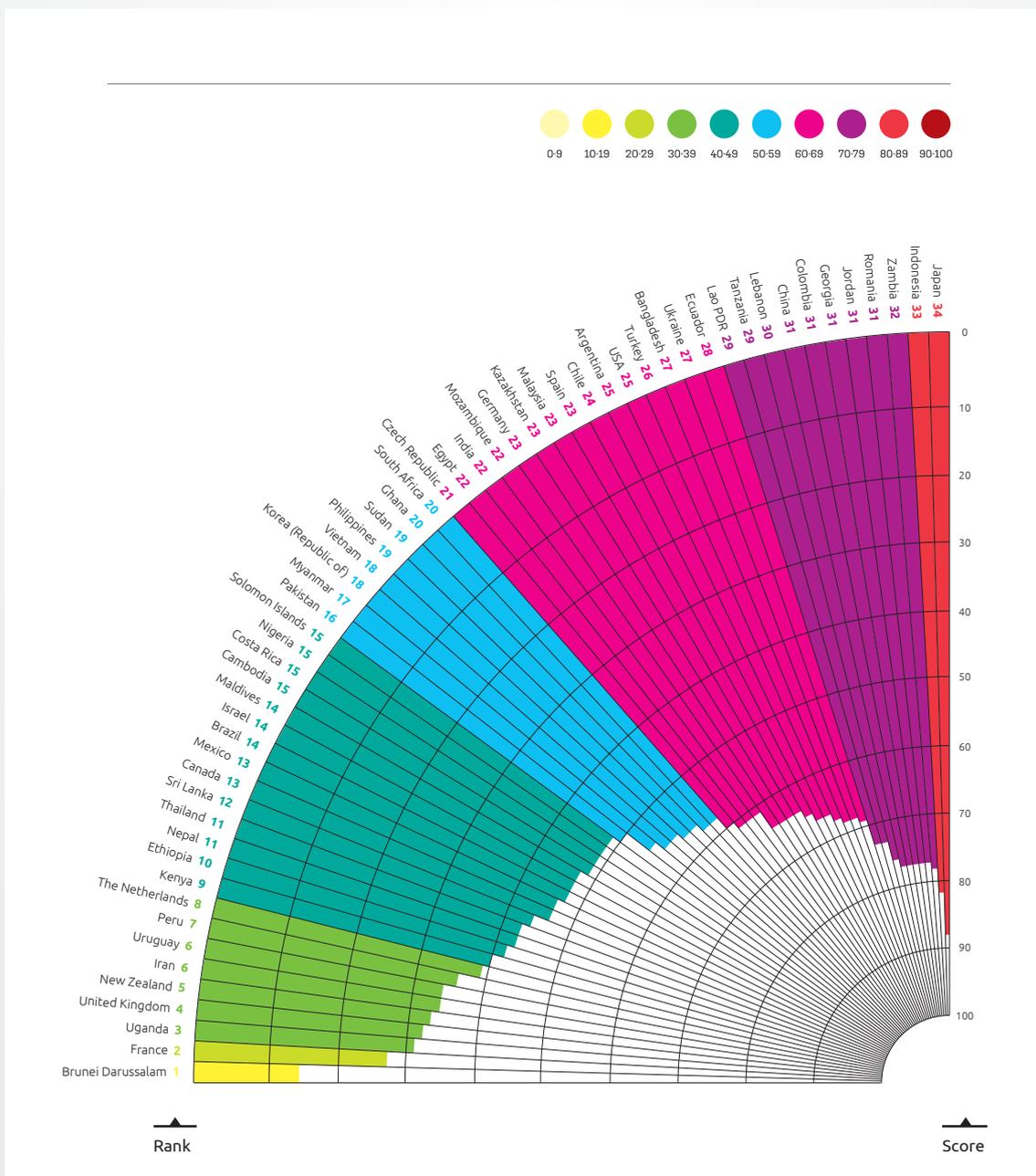
The government has made efforts towards preventive measures, leading to some progress. The National Tobacco Control Cell (NTCC) drafted two code-of-conducts based on Article 5.3, one for NTCC and another for all government officials. A meeting was conducted by NTCC with committee members to review the drafts on 22 January 2019. These codes, however, were yet to be finalized.

The government requires the tobacco industry to submit monthly revenue statements (company wise) only. These statements are submitted as a requirement under the National Board of Revenue. In addition, tobacco companies must submit monthly statements of health surcharge deposit, according to the form attached with the "Health Development Surcharge (Collection and Payment) Rules 2017". However, the tobacco 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 fulfill the requirements of Article 5.3:**

1. 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.
2. 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, government officials must terminate their positions in tobacco companies.
3. The government must formulate and implement a simple tobacco price and tax policy in line with the WHO FCTC Article 6 in order to reduce the demand for tobacco.
4. The government must divest its investment from tobacco companies within a specific period of time by 2022.
5. The government must disclose all interactions with the tobacco industry and its representatives.
6. The government must remove all incentives provided to the tobacco industry including the exemption of export duty and VAT in national budget. The ban on the use of subsidized fertiliser for tobacco cultivation should be implemented effectively.
7. The government must not allow new foreign tobacco companies to invest in Bangladesh.
8. The government must expedite the adoption of a code of conduct for all officials in dealing with the tobacco industry by 2021.



Source: The Global Tobacco Industry Interference Index 2020

### Bangladesh Tobacco Industry Interference Index 2020: Report on Implementation of FCTC Article 5.3, PROGGA

Bangladesh Tobacco Industry Interference Index, a country-level assessment of how public health policies are protected from the industry’s subversive efforts, and how the government has pushed back against this influence. This report is made possible with support from Bloomberg Philanthropies under the Stopping Tobacco Organizations and Products (STOP), and ThaiHealth Promotion Foundation. We acknowledge Mary Assunta for her technical advice in the preparation of this Index. The information from this report will form part of the Global Tobacco Industry Interference Index. The Tobacco Industry Interference Index was initiated by the South-East Asia Tobacco Control Alliance (SEATCA) as a regional report and with support from Bloomberg Philanthropies’ Stopping Tobacco Organizations and Products (STOP), is part of a global publication of the Global Centre for Good Governance in Tobacco Control (GGTC) at the School of Global Studies in Thammasat University.