



# **BANGLADESH**

## **TOBACCO INDUSTRY**

### **INTERFERENCE INDEX**

Report on Implementation of FCTC Article 5.3

2018  
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**TOBACCO INDUSTRY**  
**INTERFERENCE INDEX**

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PROGGA Knowledge for Progress

**BANGLADESH**  
TOBACCO INDUSTRY INTERFERENCE INDEX  
2018



# 2018 Bangladesh Tobacco Industry Interference Index

## Report on Implementation of FCTC Article 5.3

### Cover Design and Layout

Razib Roy

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The Tobacco Industry Interference Index is a global index conceptualized and initiated by the Southeast Asia Tobacco Control Alliance (SEATCA) to promote the implementation of Article 5.3 of the WHO Framework Convention on Tobacco Control. We would like to thank Dr. Mary Assunta, Senior Policy Advisor of SEATCA, for extending participation of the survey to Bangladesh and for the technical assistance in the preparation in this report. We also wish to extend our thanks to Vandana Shah and Dr. Md. Shariful Alam with Campaign for Tobacco-Free Kids and Anti-Tobacco Media Alliance (ATMA) for their support and advice.

### About PROGGA

PROGGA started its journey in 2008 with the idea of ‘Knowledge for Progress’. It is a Bangladeshi non-profit organization for research, advocacy, and capacity building. ‘Media for Tobacco Control’ is one of the key initiatives of PROGGA. The initiative, with support from the Campaign for Tobacco Free Kids (CTFK), aims at strengthening the role of mass media in creating public awareness to protect Bangladeshi citizens from the damages of tobacco and inviting attention of the policy makers to do the needful. PROGGA also works with Anti-Tobacco Media Alliance (ATMA) for tobacco control advocacy. ATMA primarily aims at ensuring effective role of media in building a tobacco-free Bangladesh. There are around 400 ATMA members in different chapters like Rajshahi, Chittagong, Sylhet, Khulna, Barisal and Rangpur in line with the central ATMA in Dhaka. PROGGA has been working as the secretariat of ATMA.

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Email: [progga.bd@gmail.com](mailto:progga.bd@gmail.com)

Website: [www.progga.org](http://www.progga.org)



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# INTRODUCTION

Bangladesh ratified the WHO Framework Convention on Tobacco Control (FCTC) in 2004 and passed a tobacco control law in 2005 based on the Framework. The Ministry of Health and Family Welfare is conducting a number of tobacco control activities along with implementing the obligations under the FCTC. However, 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. In January 2016, at the South Asian Speakers' Summit on Achieving Sustainable Development Goals (SDGs), the Prime Minister announced a long-term goal for a tobacco-free Bangladesh by 2040. This goal will be frustrated if the current situation of tobacco industry interference persists.

“In setting and implementing their public health policies with respect to tobacco control, Parties shall act to protect these policies from commercial and other vested interests of the tobacco industry in accordance with national law.”

*FCTC Article 5.3: Tobacco Industry Interference*

In 2008, the government of Bangladesh adopted the FCTC Article 5.3 Guidelines<sup>1</sup> which provides specific measures to protect the government from tobacco industry interference. Although almost a decade has already been passed, the policies based on the Guidelines is yet to be formulated. As a result, different policies and initiatives regarding tobacco control has remained unprotected before the interference of the industry. PROGGA has conducted this study to focus on the importance of formulating a policy based on FCTC Article 5.3 to keep the tobacco control measures safe and protected from the interference of tobacco companies. The study aims at assessing how the government has responded to interference from the tobacco industry and what action has the government taken to deal with the instances of interference

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<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).

in the last two years (2016 and 2017). The questionnaire used in this study is developed by the Southeast Asia Tobacco Control Alliance (SEATCA) based on the specific recommendations from the Article 5.3 Guidelines.<sup>2</sup> Information has been collected in the light of 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. In some question, the score is 1 if the answer is No, and 5 if the answer is Yes. The lower the score is, the better compliance with FCTC Article 5.3 it suggests. Overall, the government has performed poorly in implementing Article 5.3 guidelines. As this is the first report of its kind for Bangladesh, it is the baseline from which improvements must be made.

## SUMMARY FINDINGS

### Industry participation in policy development

While the Ministry of Health and Family Welfare and the National Board of Revenue (NBR) proceed to implement tobacco control measures, the tobacco industry conducts interference through a pro-tobacco think tank organization and the Ministry of Agriculture. The Finance Ministry was influenced by recommendations from the tobacco industry and reduced the proposed tax on bidi from 35% to 30% in the 2017-2018 budget. The Ministry of Agriculture's Pricing Advisory Committee consults with the tobacco companies about tobacco leaf pricing policies. The government, however, fully implements recommendation 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 with it.

### Tobacco Industry Related CSR Activities

Contrary to the FCTC Article 5.3 guidelines, government officials are actively engaging in tobacco industry related CSR (corporate social responsibility)

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<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>.

programmes. For example, the Agriculture Secretary, Labour Secretary and Additional Secretary of Finance Division are members of British American Tobacco CSR Committee and participated in its activities.

## Benefits to the Tobacco Industry

Although the Smoking and Tobacco Products Usage (Control) Rule 2015 requires pictorial health warnings to be printed on top 50% of tobacco packs, the tobacco industry benefitted by receiving permission to print the warnings on the less effective lower half of the packs. Through a 2016 Govt. circular, British American Tobacco Bangladesh (BATB) has obtained working conditions which are more beneficial to its productions, and can give considerably lower salaries to workers and deny them their benefits required by the Bangladesh Labour Act 2006.

The National Board of Revenue (NBR) has approved a 25% tax waiver on export of tobacco products by factories located in the Export Processing Zones (EPZ). Although the government has banned subsidized fertilisers to be used for tobacco farming in 2010, areas such as Bandarban still continue to use them. The government has retained VAT exemption facilities for unprocessed tobacco in the budget for FY 2017-2018.

## Unnecessary interaction with the tobacco industry

While paying taxes is a legal requirement, tobacco companies are unnecessarily awarded for merely complying with the law. Award ceremonies bring high level government officials, such as the Finance Minister and Industries Minister, into unnecessary direct contact with tobacco industry executives. While tobacco use causes deaths and numerous diseases among hundreds of thousands of Bangladeshi citizens, high level government officials are handing out awards of excellence to tobacco companies.

## Transparency measures

Tobacco industry executives met the Finance Minister and other high officials from the Ministry after finalization of the FY 2017-2018 budget. Importantly, this was a close-door meeting and neither its contents nor the outcome were made publicly available. Recommendation 5.3 of the Guidelines

requires rules for the disclosure or registration of the tobacco industry entities, affiliated organizations and individuals acting on their behalf, including lobbyists. However, such a registration of industry representatives and lobbyists does not exist.

### Conflict of interest

Several high level government officials also hold positions in British American Tobacco Bangladesh (BATB). Since the government owns 10.85% shares in BATB, these officials are in conflict to advance tobacco control agenda while simultaneously promoting the tobacco business. Public health suffers severely as a result.

### Preventive measures

Although the guidelines provide various preventive measures, the government has not put most of these measures in place to protect itself from industry interference. There is no procedure for disclosing the records of interaction with the industry. The government has not adopted a code of conduct for officials when dealing with the tobacco industry. There is also no specific policy to prohibit acceptance of contributions and gifts from the tobacco industry. However, the government does require the tobacco industry to submit monthly revenue statement and monthly statements of health surcharge deposits according to the requirements under the Health Development Surcharge (Collection and Payment) Rules 2017.

## LIMITATIONS OF STUDY

This survey is based on information available only on the public domain. It is probably not comprehensive in providing all the information, particularly for questions on benefits given to the tobacco industry (Q6, Q7) and transparency (Q11, Q12). Further research is needed for a better corroboration of this information.





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**DETAILED FINDINGS**



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## I. Tobacco Industry Participation in Policy Development

Indicator	0	1	2	3	4	5
1. The government <sup>3</sup> accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry <sup>4</sup> in setting or implementing public health policies in relation to tobacco control <sup>5</sup> . ( <i>Rec 3.1</i> )					✓	

### 2016

- The Prime Minister has declared a tobacco-free Bangladesh by 2040.<sup>6</sup> To reach the goal, the Health Ministry has formulated a draft ‘Tobacco Farming Control Policy’<sup>7</sup> where the Ministry of Agriculture is one of the key implementing stakeholders. According to a media report<sup>8</sup>, the Agriculture Ministry issued a proposal to reduce the existing 10% export duty on tobacco leaf to the National Board of Revenue (NBR). The decision to issue the letter was made after requests from representatives of the tobacco company at the ‘Agriculture Pricing Advisory Committee’ meeting of 2015-16 about the determination of minimum price for tobacco leaf held on March 13, 2016, chaired by the Agriculture Secretary. Though the meeting was intended to discuss the minimum price of tobacco, the areas of discussion were expanded to the ways of

<sup>3</sup> The term “government” refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority.

<sup>4</sup> The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

<sup>5</sup> “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour.

<sup>6</sup> Bangladesh Prime Minister speech at the closing session of South Asian Speakers’ Summit on Achieving SDGs, Dhaka, 31 January 2016, [http://pmo.portal.gov.bd/sites/default/files/files/pmo.portal.gov.bd/pm\\_speech/821de1a1\\_2b6e\\_4e9b\\_9ec9\\_ab68fa65778f/SA\\_speakers\\_summit\\_310116\\_eng%20\(1\).pdf](http://pmo.portal.gov.bd/sites/default/files/files/pmo.portal.gov.bd/pm_speech/821de1a1_2b6e_4e9b_9ec9_ab68fa65778f/SA_speakers_summit_310116_eng%20(1).pdf) [Accessed 09 January 2018].

<sup>7</sup> Bangladesh Prime Minister speech at the closing session of South Asian Speakers’ Summit on Achieving SDGs, Dhaka, 31 January 2016, [http://pmo.portal.gov.bd/sites/default/files/files/pmo.portal.gov.bd/pm\\_speech/821de1a1\\_2b6e\\_4e9b\\_9ec9\\_ab68fa65778f/SA\\_speakers\\_summit\\_310116\\_eng%20\(1\).pdf](http://pmo.portal.gov.bd/sites/default/files/files/pmo.portal.gov.bd/pm_speech/821de1a1_2b6e_4e9b_9ec9_ab68fa65778f/SA_speakers_summit_310116_eng%20(1).pdf) [Accessed 09 January 2018].

<sup>8</sup> Agriculture Ministry against PM’s Tobacco Free Bangladesh. 29 January 2017, The Banglanews24.com <http://www.banglanews24.com/economics-business/news/bd/550779.details>.

increasing tobacco export, increasing tobacco production, training tobacco growers, possible ways to expand assistance of the existing tobacco companies, etc. The meeting was attended by British American Tobacco Bangladesh (BATB) representatives, Dhaka Tobacco Industry (DTI) representatives, and representatives from relevant ministries/ organizations among others. However, the NBR did not accept the proposal; instead it increased the export duty of tobacco from 10% to 25% in the current budget for FY 2017-18<sup>9</sup>.

- The NBR, the central authority for tax administration in Bangladesh, has received recommendations<sup>10</sup> on tobacco tax (i.e. tax on low-priced cigarette, bidi and other tobacco-based items) for the FY 2016-17 national budget from a pro-tobacco think tank organization, which has a track record to conduct study<sup>11</sup> for BATB. It must be noted that the Bangladesh government has about 10.85% share<sup>12</sup> in BATB. Finally, the NBR was influenced by the pro-tobacco organization's recommendation and did not impose notable tax on premium brand cigarettes, produced mainly by the multinational tobacco company BATB<sup>13</sup>.
- The Ministry of Law favoured the tobacco industry by allowing companies to print GHW on the lower 50% of tobacco packs instead of the upper half according to the law<sup>14</sup>.

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<sup>9</sup> 2.5% surcharge on tobacco products. 1 June 2017, Daily Dhaka Tribune <http://www.dhakatribune.com/business/economy/2017/06/01/govt-impose-surcharge-tobacco/>.

<sup>10</sup> Supplementary duty should go in phases: PRI calls for raising tax on tobacco products. 27 April 2016, The Daily Star <http://www.thedailystar.net/business/supplementary-duty-should-go-phases-1215181>

<sup>11</sup> Tobacco Cultivation: An Assessment of Socio-Economic and Environmental Impacts. 2012, Policy Research Institute (PRI) [http://www.swedwatch.org/wp-content/uploads/2016/12/appendix\\_-\\_j\\_pri\\_socio-economic-environmental\\_impact\\_study.pdf](http://www.swedwatch.org/wp-content/uploads/2016/12/appendix_-_j_pri_socio-economic-environmental_impact_study.pdf) [Accessed 09 January 2018]

<sup>12</sup> Annual Report 2016, BAT Bangladesh, [http://www.batbangladesh.com/group/sites/BAT\\_9T5FQ2.nsf/vw-PagesWebLive/DOAKQF5C/\\$FILE/2016\\_Annual\\_Report.pdf?openelement](http://www.batbangladesh.com/group/sites/BAT_9T5FQ2.nsf/vw-PagesWebLive/DOAKQF5C/$FILE/2016_Annual_Report.pdf?openelement) [Accessed on 10 January 2018]

<sup>13</sup> Tobacco tax to benefit multinationals: Low-end products get costlier. 3 June 2016, The Daily Star <http://www.thedailystar.net/frontpage/tobacco-tax-benefit-multinationals-1233772>

<sup>14</sup> Anti-tobacco groups react angrily to law ministry's reported decision on pictorial warning. 14 March 2016, bdnews24.com <https://bdnews24.com/health/2016/03/14/anti-tobacco-groups-react-angrily-to-law-ministrys-reported-decision-on-pictorial-warning>

## 2017

- The budget for FY 2017-18 divided low segment cigarette price slab into ‘local brand’ and ‘international brand’ and sets higher tax and price<sup>15</sup> for international brand cigarettes which are produced by BATB. According to a media report<sup>16</sup>, to retain the price as low as the local brands, BATB lobbied the NBR through high level policy makers, including the Prime Minister’s Finance Adviser who sent a Demi-Official (DO) letter to Finance Minister. The Finance Minister forwarded the DO letter to the NBR with a note to hear BATB on the matter. BATB met two times with the NBR to discuss the issue but the parties failed to reach any decision. On 7 June 2017, BATB managed to meet with the Finance Minister and discussed its request, where the NBR Chairman was directed to be present.
- According to media reports<sup>17,18</sup>, BATB deployed the British High Commissioner to Bangladesh to negotiate tax evasion worth BDT 19.24 billion out of the court. BATB has evaded tax (VAT and SD) worth Tk. 19.24 billion by providing false price declaration of two cigarette brands i.e. Bristol and Pilot during FY 2009-10 to 2012-13. Once this fraudulence was identified, the NBR issued a demand notice to deposit the money in the government exchequer. Challenging the NBR’s claim, BATB filed a case in the High Court (HC) but lost and was ordered to pay the money. Then BATB lobbied the British High Commissioner in Bangladesh, Ms. Alison Blake, to negotiate an out-of-court settlement to avoid paying the money to the government treasury. On August 06, 2017, Ms. Alison Blake wrote a letter to the Finance Minister requesting a meeting to negotiate this issue. In the letter, the British High Commissioner wrote, “Writing about the long pending British American

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<sup>15</sup> Bad news for multinational cigarette makers. 2 June 2017, The Daily Independent <http://www.theindependentbd.com/arcprint/details/97439/2017-06-02>

<sup>16</sup> NBR in pressure after imposing higher price on international brand cigarettes. 7 June 2017, The Daily Bonikbarta <http://bonikbarta.net/bangla/news/2017-06-07/120065/বদিশী-ব্র্যান্ডের-সিগারেটে-বিশেষ-মূল্য-বসিয়ে-চাপ-এনবআর/>

<sup>17</sup> BATB dodges tax Tk. 19.24bn-British High Commissioner tries negotiating out of Court. 19 August 2017, The Daily Kaler Kantho <http://www.kalerkantho.com/print-edition/first-page/2017/08/19/533484>

<sup>18</sup> British diplomat lobbied on behalf of big tobacco. 9 September 2017, The Guardian <https://www.theguardian.com/uk-news/2017/sep/09/british-diplomat-lobbied-big-tobacco-bat-bangladesh-unpaid-vat>

Tobacco Bangladesh (BATB) issue, and we have discussed the issue earlier several times. I am hopeful that your office is friendly in solving the matter.”

- According to a media report, the Bangladesh Cigarettes Manufacturers Association (BCMA) submitted its proposals to the NBR regarding tobacco tax for the budget for FY 2017-18.<sup>19</sup>

Indicator	0	1	2	3	4	5
2. The government accepts, supports or endorses policies or legislation drafted by or in collaboration with the tobacco industry. ( <i>Rec 3.4</i> )				✓		

## 2016

- In contrast to the Prime Minister Sheikh Hasina’s directive to simplify and formulate effective tobacco taxation policy<sup>20</sup>, the State Minister for Fisheries and Livestock sent a DO letter to the Finance Minister on May 18, 2016, requesting not to impose tax on the bidi industry<sup>21</sup>. In the DO letter, he strongly recommended the Finance Minister to annul the 4th slab of cigarettes, the advance income tax on bidi and to keep the supplementary duty of bidi to a minimal level. However, the Finance Minister did not accept his proposal and instead raised the tax and price of bidi in the budget for FY 2016-17<sup>22</sup>.
- The Member of Parliament of Nilphamari-4 sent a DO letter to the Finance Minister on June 04, 2016, requesting to reduce tax on the

<sup>19</sup> Indecision to tax tobacco products. 14 May 2017, The Daily Jugantor <https://www.jugantor.com/news-archive/economics/2017/05/14/124446/>।তামাক-পণ্য-করারে।প-নয়ি-সদিখানতহীনতা.

<sup>20</sup> Bangladesh Prime Minister speech at the closing session of South Asian Speakers’ Summit on Achieving SDGs, Dhaka, 31 January 2016, [http://pmo.portal.gov.bd/sites/default/files/files/pmo.portal.gov.bd/pm\\_speech/821de1a1\\_2b6e\\_4e9b\\_9ec9\\_ab68fa65778f/SA\\_speakers\\_summit\\_310116\\_eng%20\(1\).pdf](http://pmo.portal.gov.bd/sites/default/files/files/pmo.portal.gov.bd/pm_speech/821de1a1_2b6e_4e9b_9ec9_ab68fa65778f/SA_speakers_summit_310116_eng%20(1).pdf) [Accessed 09 January 2018].

<sup>21</sup> State Minister send DO letter in favor of tobacco company. 31 May 2016, Bangla Tribune <http://www.banglatribune.com/national/news/109561/>।তামাক-কোম্পানির-পক্ষে-পরতমিন্তরীর-ডিও-লটার.

<sup>22</sup> Bidi, cigarette prices to rise. 2 June 2016, The Daily Ittefaq. <http://www.clickittefaq.com/bidi-cigarette-prices-to-rise/>.

bidi industry in the proposed budget for FY 2016-17.<sup>23</sup> He also recommended the Finance Minister to reduce tax on bidi to protect the interest of the bidi workers. However, the Finance Minister did not accept his proposal and instead raised price and tax on bidi in the budget for FY 2016-17.

- Bangladesh Bidi Factory Owners' Association (BBFOA) met the NBR as part of pre-budget meeting through the grouping of 'small industries' on March 30, 2016.<sup>24</sup> During the pre-budget meeting, the BBFOA urged the NBR to consider four particular issues marking the National Budget of 2016-17 fiscal years. The issues are - reducing the tax rate on bidi, removing the fourth slab on cigarettes or to decide BDT 5 for each of the cigarette sticks, settling the minimum cigarette tax to 70% following the FCTC article 6, and eventually to end the imposed advance income tax from bidi industry.

## 2017

- The Prime Minister Sheikh Hasina declared to make the state tobacco-free by 2040 and also prescribed for a simple and effective tobacco taxation policy. In response, according to a media report, around fifty (50) Members of Parliament (MPs) sent a Demi-Official (DO) letter to the NBR Chairman requesting him not to impose tax on bidi in the budget for FY 2017-18.<sup>25</sup> In the DO letter, the MPs also requested to withdraw the existing 10% income tax on bidi industry. Finally, the Finance Minister was influenced and reduced the proposed<sup>26</sup> price of bidi per 25 stick pack from BDT 18.75 to BDT 12.50 and supplementary duty (SD) from 35% to 30% in the final FY 2017-18 budget<sup>27</sup>.

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<sup>23</sup> MP issues DO letter for bidi tax cut. June 2016, Tobacco Industry Watch BD E-Newsletter <http://www.tobaccoindustrywatchbd.org/newsletter/page/2/e/279>.

<sup>24</sup> Bidi factory owners' move to mislead NBR. April 2016, Tobacco Industry Watch BD E-Newsletter <http://www.tobaccoindustrywatchbd.org/newsletter/page/3/e/260>.

<sup>25</sup> Indecision to tax tobacco products. 14 May 2017, The Daily Jugantor <https://www.jugantor.com/news-archive/economics/2017/05/14/124446/তামাক-পণ্য-করারে-প-নয়-সিদ্ধান্তহীনতা>.

<sup>26</sup> General Order. National Board of Revenue (NBR), 1 June 2017. <http://nbr.gov.bd/uploads/general-orders/VATOrder1718-08.pdf>.

<sup>27</sup> General Order. National Board of Revenue (NBR), 1 July 2017 <http://nbr.gov.bd/uploads/general-orders/VATOrder1718-16.pdf>.

- In response to the demand of Bangladesh Cigarette Manufacturer's Association (BCMA)<sup>28</sup>, the NBR sent a letter to the Ministry of Health requesting to provide an additional one year to tobacco companies to implement the required Graphic Health Warning (GHW) on the top half of the cigarettes' packets on 24 August 2017. The excuse behind this request was that they needed more time to get their equipment ready for pasting stamps and band-rolls required in the new method.<sup>29</sup> The Ministry of Health did not allow the longer time, but the BCMA filed a writ petition in the high court and the court granted a stay on the revised Public Notice (4th July 2017) of NTCC for six months from the date 12 November 2017 (i.e. up to May 2018).
- The NBR held a pre-budget meeting with Bangladesh Cigarettes Manufacturers Association (BCMA) on 13 April 2017 and received recommendations for the FY 2017-18 budget.<sup>30</sup> Finally, the budget for FY 2017-18 showed that the NBR was indeed influenced by the BCMA recommendations as the budget did not reduce the number of cigarette tiers which was recommended by the anti-tobacco group for a long time. Instead, the number of tiers was increased by splitting the low-tier cigarettes into local and international<sup>31</sup>.

NBR sent a letter to the Ministry of Health requesting to provide an additional one year to tobacco companies to implement the required Graphical Health Warning (GHW) on the top half of the cigarettes' packets.

<sup>28</sup> Tobacco industry dillydally to obey high court order, GHW implementation from 19 September uncertain. 06 September 2017, The Daily Sangbad <http://mini.thesangbad.net/news/lastpage/হাইকোর্টের%20অনুশাসনে%20মানেত%20তামাক%20ককাম্পাডপেন%20গডডমডস-6794/>.

<sup>29</sup> Use of GHW on cigarette packets-NBR seeks more time from Health Ministry. 12 September 2017, The Daily Asian Age <http://dailyasianage.com/news/85060/nbr-seeks-more-time-from-health-ministry>.

<sup>30</sup> Cigarette company wants balanced tax in bidi-cigarette. 14 April 2017, The Daily Bonik Barta <http://bonikbarta.net/bangla/news/2017-04-14/113781/বড়ি-ও-সিগারেটে-কর-সমন্বয়-চায়-সিগারেট-কম্পানিগুলো/>.

<sup>31</sup> Tobacco tax structures made complicated. 11 June 2017, The Daily Sun <http://www.daily-sun.com/arcprint/details/232935/Tobacco-tax-structures-made-complicated/2017-06-11>.

Indicator	0	1	2	3	4	5
3. The government allows/invites the tobacco industry to sit in government interagency/multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8) 1 Never 5 Yes						✓

## 2016

- Tobacco companies (i.e. BAT Bangladesh, Dhaka Tobacco Industry, Abul Khair Tobacco, Nasir Tobacco, Global Leaf Tobacco) are members of the Agriculture Pricing Advisory Committee under the Agriculture Ministry and are invited to the Committee meetings regularly.<sup>32</sup> This committee determines the tobacco leaf price every year.
- As part of the budget-making process, every year before the budget, the NBR holds pre-budget discussion meetings with different stakeholders including the Bangladesh Cigarette Manufacturers Association (BCMA) and for 2016, the meeting was held on 24 April.<sup>33</sup> While the NBR may meet with the tobacco industry, however it is under no obligation to accept its recommendations.

## 2017

- The NBR has allowed cigarette companies (i.e. BCMA, BATB, Dhaka Tobacco Industry, Abul Khair Tobacco) in a meeting on GHW implementation in relation to band roll/ stamp placement on 10 August 2017 at Revenue Board Office, Dhaka.<sup>34</sup> The meeting was also attended by the representative of Law Ministry, Health Ministry and the National Tobacco Control Cell (NTCC). But according to FCTC Article 5.3, the

<sup>32</sup> Agriculture Ministry against PM's Tobacco Free Bangladesh. 29 January 2017, The Banglanews.24.com <http://www.banglanews24.com/economics-business/news/bd/550779.details>.

<sup>33</sup> Public Health on Top. March 2016, Tobacco Industry Watch BD E-Newsletter <http://www.tobaccoindustrywatchbd.org/newsletter/page/1/e/259>.

<sup>34</sup> Use of GHW on cigarette packets-NBR seeks more time from Health Ministry. 12 September 2017, The Daily Asian Age <http://dailyasianage.com/news/85060/nbr-seeks-more-time-from-health-ministry>.



government must protect its public health policy and tobacco control implementation from undue influence of the tobacco industry.

Indicator	0	1	2	3	4	5
4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG) <sup>35</sup> (Rec 4.9 & 8.3)	✓					

- No such incident was found.

## 2. Tobacco Industry Related CSR Activities

Indicator	0	1	2	3	4	5
5. A. The government agencies or its officials endorses, supports, forms partnerships with or participates in so-called CSR activities organized by the tobacco industry. (Rec 6.2)						
B. The government (its agencies and officials) receives contributions <sup>36</sup> (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)						✓

### 2016

- The BAT Global Annual Report 2016 states, “Also in 2016, 39 people tragically lost their lives in a fire at the factory of a third-party packaging supplier in Bangladesh. The Government of Bangladesh has been leading the compensation process and, working closely with them, we have voluntarily agreed to contribute to their fund.”<sup>37</sup>

<sup>35</sup> [http://www.who.int/fctc/cop/cop7/COP7\\_LoPDelegatesList.pdf?ua=1](http://www.who.int/fctc/cop/cop7/COP7_LoPDelegatesList.pdf?ua=1).

<sup>36</sup> Political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions.

<sup>37</sup> Global Annual Report 2016, BAT, [http://www.bat.com/group/sites/uk\\_9d9kcy.nsf/vwPagesWebLive/-DO9DCL3B/\\$FILE/medMDAKAJCS.pdf?openelement](http://www.bat.com/group/sites/uk_9d9kcy.nsf/vwPagesWebLive/-DO9DCL3B/$FILE/medMDAKAJCS.pdf?openelement) [Accessed on 17 January 2018], PP. 16.

- The Secretary of Agriculture is the Chairman of BATB's Board on CSR Committee. Additionally, the Secretary of Labour and the Additional Secretary of Finance are the Member of BATB's CSR Committee.<sup>38</sup>
- On 2 August 2016, BATB deposited a cheque for BDT 6 crore and 57 lacs to the State Minister of Labour and Employment for the Bangladesh Labour Welfare Foundation Fund (BLWFF). According to the Labour Act 2006 (amendment 2013), each company has to deposit 1% of its net profit to the BLWF.<sup>39</sup>
- BATB sponsored an Iftar party on June 20, 2016 in Lalmonirhat which was attended by the Deputy Commissioner (DC) of the district and other officials of the Department of Agriculture. The event was organized at the Zilla Parishad auditorium while the arrangements were made by the district's agriculture office.<sup>40</sup>

## 2017

- On 13 September 2017, BATB deposited BDT 6 crore 93 lacs to the Bangladesh Labour Welfare Foundation Fund (BLWFF).<sup>41</sup> The money was deposited through the Labour Secretary.

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BATB deposited a cheque for BDT 6 crore and 57 lacs to the State Minister of Labour and Employment for the Bangladesh Labour Welfare Foundation Fund.

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<sup>38</sup> Annual Report 2016, BAT Bangladesh, [http://www.batbangladesh.com/group/sites/BAT\\_9T5FQ2.nsf/vw-PagesWebLive/DOAKQF5C/\\$FILE/2016\\_Annual\\_Report.pdf?openelement](http://www.batbangladesh.com/group/sites/BAT_9T5FQ2.nsf/vw-PagesWebLive/DOAKQF5C/$FILE/2016_Annual_Report.pdf?openelement) [Accessed on 10 January 2018].

<sup>39</sup> Two company deposit BDT 10 crore to labour welfare fund. 2 August 2016, The Report 24 <http://bangla.thereport24.com/article/164007/index.html>.

<sup>40</sup> Government high officials attended iftar party of tobacco company in Lalmonirhat. 21 June 2016, weekly-janajani [http://weeklyjanajani.blogspot.com/2016/06/blog-post\\_78.html](http://weeklyjanajani.blogspot.com/2016/06/blog-post_78.html).

<sup>41</sup> BATB deposit BDT 7 crore labour welfare fund. 12 September 2017, bdnews24.com <https://bangla.bdnews24.com/business/article1363278.bdnews>.

### 3. Benefits to the Tobacco Industry

Indicator	0	1	2	3	4	5
6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) ( <i>Rec 7.1</i> )						✓

#### 2016

- The Smoking and Tobacco Products Usage (Control) Rules 2015 has allowed one (01) year<sup>42</sup> from the date of rules formulation (19 March 2015) to tobacco companies for GHW implementation. But just before the implementation deadline, on 16 March 2016, the NTCC, under the Ministry of Health and Family Welfare, issued a temporary permission to print GHW on the lower half of the packs. Then on 4 July 2017, the NTCC issued a revised order to print GHW on the upper half of tobacco packs from 19 September 2017. But, following the review petition by BCMA, the High Court postponed the 4 July 2017 order for six months, from 12 November 2017.
- The Law Ministry granted the tobacco industry's request by allowing them to print GHW on the lower 50% of tobacco packs instead of the upper part as required in the law.<sup>43</sup>

#### 2017

- On 4 July 2017, the government ordered tobacco companies in Bangladesh to print graphic health warnings on the upper half of tobacco packs from Sep 19, 2017 changing the earlier order. The earlier order

<sup>42</sup> Smoking and Tobacco Products Usage (Control) Rule 2015. <https://www.tobaccocontrolaws.org/files/live/Bangladesh/Bangladesh%20-%20TC%20Rules%202015.pdf>

<sup>43</sup> Anti-tobacco groups react angrily to law ministry's reported decision on pictorial warning. 14 March 2016, bdnews24.com <https://bdnews24.com/health/2016/03/14/anti-tobacco-groups-react-angrily-to-law-ministrys-reported-decision-on-pictorial-warning>

issued on 16 March 2016 provided a temporary permission to print the GHW on the lower half after interference from Bangladesh Cigarette Manufacturers' Association (BCMA).<sup>44</sup> Finally, following the review petition by BCMA the High Court postponed the 4 July 2017 order till May, 2018.

- The budget for FY 2017-18 has set BDT 35 as the price of 10 sticks of low-brand cigarettes for international companies with effect from 01 July 2017. However, the international cigarette company BATB fixed its price at only BDT 27 like local cigarette companies due to the absence of a Statutory Regulatory Order (SRO).<sup>45</sup> Note that when the budget was approved in the parliament on 29 June 2017, the Finance Minister instructed the issuance of a Statutory Regulatory Order (SRO) after passage of the budget for FY 2017-18<sup>46</sup> as BATB raised questions about the taxation process relating to cigarette but till now it has not been issued. This has benefited the tobacco companies by buying time and delaying implementation.

Indicator	0	1	2	3	4	5
7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry ( <i>Rec 7.3</i> )						✓

## 2016

- The Ministry of Labour and Manpower has made Sections 100, 102, 104, 105 and 114 (1) flexible for BATB based on some conditions. A circular has also been issued for public interest on September 06, 2016. Though the labour law allows workers to work for 48 hours in a week but BATB,

<sup>44</sup> Bangladesh changes graphic health warning rules in tobacco packs. 06 July 2017, bdnews24.com <https://bdnews24.com/health/2017/07/06/bangladesh-changes-graphic-health-warning-rules-in-tobacco-packs>.

<sup>45</sup> LTU serves demand notices on big shots to pay VAT arrears. 26 October 2017, The Daily Financial Express <http://thefinancialexpress.com.bd/economy/bangladesh/ltu-serves-demand-notices-on-big-shots-to-pay-vat-arrears-1508990259>.

<sup>46</sup> JS passes Finance Bill. 29 June 2017, The Daily Financial Express <http://today.thefinancialexpress.com.bd/public/first-page/js-passes-finance-bill>.

with the support of the circular, can compel its workers to work for 60 hours a week. Besides, the company has been exempted from the obligation of section 104 that refers to complimentary weekly leave (if any staff is deprived of the weekly holiday, then such type of leaves will be provided), and section 114 (1) (the rule of closing the factory for one and half day a week). Instead, the company will provide a single day holiday to each of its staffs. At the same time, the company has been relieved from the obligation of applying maximum 10-work hours in a day, including one full hour for lunch and rest in the day. Moreover, the circular also relieved BATB from the obligation of providing double wages<sup>1</sup> to the staffs who will work willingly for extra hours. The circular, after the authorization of the Labor Ministry, based on the Bangladesh Labor Law, 2006 Section 324 Sub Section (1) and Sub Section (2), adds that the flexibility on BATB will be effective for six months (25 September, 2016–17 March, 2017).<sup>47</sup>

## 2017

- The National Board of Revenue (NBR) has approved a 25 percent tax waiver on export of tobacco products by factories located in the country's Export Processing Zones (EPZs). The customs department issued a Statutory Regulatory Order (SRO) dated August 27, 2017 in this regard which takes retrospective effect from July 1, 2017.<sup>48</sup> NBR has withdrawn the export duty after two months of increasing the tobacco export tax to 25 percent from 10 percent in the current FY budget 2017-18. NBR's move is an incentive to the tobacco industry encouraging its business to grow, and this goes against the government's target to make the country tobacco-free by 2040. This incentive will increase tobacco production which may adversely affect the country's food security.
- The government has banned subsidized fertilizer to be used in tobacco farming since 2010.<sup>49</sup> Despite the ban, subsidized fertilizer is being used

<sup>47</sup> Labor law relaxed for BATB: Staffs to work 60hrs/ week than 48hrs. 18 October 2016, Bangla Tribune <http://www.banglatribune.com/business/news/149365/> জনস্বার্থে - ব্রিটিশ-আমেরিকান-টে, বাকসে-শ্রমকিদরে.

<sup>48</sup> NBR exempts EPZ factories from 25pc tobacco export tax. 8 September 2017, The Financial Express <http://thefinancialexpress.com.bd/print/nbr-exempts-epz-factories-from-25pc-tobacco-export-tax-1504856011>.

<sup>49</sup> Tobacco farmers will not get subsidized fertilizer in the next season. 17 April 2010, The Daily Jugantor.

for tobacco farming instead of paddy and winter crops in Bandarban district, and significant arable land in Roangchharhi, Alikadam, Lama, Ruma and Naikkhongchharhi areas have used subsidized fertilizer to cultivate tobacco in the district<sup>50</sup>.

- The government has retained the VAT exemption for unprocessed tobacco in the budget for FY 2017-18.<sup>51</sup>

#### 4. Unnecessary Interaction with the Tobacco Industry

Indicator	0	1	2	3	4	5
8. Top level government officials (such as President/ Prime Minister or Minister <sup>52</sup> ) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. ( <i>Rec 2.1</i> )						✓

#### 2016

- BATB's Battle of Minds Grand Finale 2016 was attended by the Dhaka North City Corporation (DNCC) Mayor on 24 October 2016.<sup>53</sup>

Despite the ban, subsidized fertilizer is being used for tobacco growing instead of paddy and winter crops in Bandarban district

<sup>50</sup> Subsidized fertilizer for food crops used in tobacco farming, 23 December 2017, Bangla Tribune <http://www.banglatribune.com/country/news/275571/ফসল-জমরি-কথা-বলে-বশে-সার-এনে-তামাক-চাষ>.

<sup>51</sup> Dual policy for tobacco: unprocessed tobacco stays VAT-exemption. 23 June 2017, The Daily Star <http://www.thedailystar.net/frontpage/dual-policy-tobacco-1424143>.

<sup>52</sup> Include immediate members of the families of the high level officials.

<sup>53</sup> BATTLE OF MINDS 2016- Setting the standard in talent quests. 06 November 2016, The Daily Star <http://www.thedailystar.net/next-step/battle-minds-2016-1309186>.

- On 26 November 2016, the Institute of Cost and Management Accountants of Bangladesh (ICMAB), an autonomous government body under the Commerce Ministry, awarded BATB for its good governance, accountability and transparent corporate culture in the production sector. The Finance Minister handed over the awards at a ceremony in the Pan Pacific Sonargaon Hotel in Dhaka.<sup>54</sup>
- On 24 November 2016, the owner of smokeless tobacco (jarda) factory, Kaus Chemical, Mr. Kaus Mia, was awarded by the NBR for being the highest income tax payer in the country. Mr. Kaus Mia received the award from the Finance Minister, the Industries Minister, and the NBR Chairman.<sup>55</sup> Paying taxes is a legal requirement. However, tobacco companies are unnecessarily awarded for merely complying with the law.
- On 28 December 2016, the Institute of Chartered Secretaries of Bangladesh (ICSB), a statutory body under the Commerce Ministry, awarded BATB for the third time in a row for securing first place in ‘ICSB National Award for Corporate Governance Excellence-2015’ in Manufacturing Companies Category and for practicing good governance. The Prime Minister’s Finance Adviser handed over the awards at the Pan Pacific Sonargaon Hotel in Dhaka. A former NBR Chairman and a former Finance Adviser to the Caretaker Government were present at the occasion.<sup>56</sup>
- On 26 November 2016, BATB was awarded the ‘Tax Payer Card’ by the NBR as a recognition for being the highest tax payer company in the country. BATB Chairman received a framed tax card from the Finance Minister on the occasion at the NBR Bhaban in Agragaon, Dhaka. NBR Chairman was present at the event among others.<sup>57</sup>

<sup>54</sup> ICMAB Organized Best Corporate Award-2015. 09 November 2016, thepages.com.bd <http://www.thepages.com.bd/2016/11/09/icmab-organized-best-corporate-award-2015/>.

<sup>55</sup> Number of taxpayers to reach 20 lakh this year: Muhith. 24 November 2016, The Daily New Age <http://www.newagebd.net/article/3488/number-of-taxpayers-to-reach-20-lakh-this-year-muhith>.

<sup>56</sup> BATB awarded for corporate governance. 28 December 2016, JagoneWS24.com <https://www.jagoneWS24.com/en/business/news/14677>.

<sup>57</sup> BATB gets Tax Payer Card. 26 November 2016, bdreports24.com <http://www.bdreports24.com/batb-gets-tax-payer-card/>.

## 2017

- On 16 August 2017, the Minister of Road Transport & Bridges distributed festival gifts before Eid to local people in the Feni district, which was provided by Akij Bidi Factory Limited<sup>58</sup>.
- On 08 November 2017, the NBR honoured 84 families from across the country, including smokeless tobacco factory (jarda) owner Mr. Kaus Mia and his family, by recognising them as Kar Bahadur Paribar (i.e. tax icon families) for paying noteworthy income tax. Mr. Kaus Mia received an award from the State Minister of Finance and Planning and the NBR Chairman.<sup>59</sup>
- The BAT Bangladesh team met with the Honorable Speaker of Bangladesh National Parliament on 22 October 2017.<sup>60</sup> Parliament Member of Jessore- 03 was also present on the occasion.<sup>61</sup>
- BATB's Battle of Minds Grand Finale 2017 was attended by the State Minister of Power, Energy and Mineral Resources and the Parliament Member of Kustia- 03 on 6 December 2017.<sup>62</sup>
- BATB has been awarded 'Dream Company to Work for' at 'South Asian Business Excellence Award 2017'. BATB received the award from ICT State Minister in a gala event in a city hotel in the capital on 29 October 2017.<sup>63</sup>

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<sup>58</sup> Road transport Minister distribute gift of Akij Biri Factory Limited. [https://scontent-sit4-1.xx.fb-cdn.net/v/t31.0-8/21055873\\_2042299315998652\\_902810733309611654\\_o.jpg?oh=7bc0d309bd765eda74b794fe7da3680d&co=5B24FB31](https://scontent-sit4-1.xx.fb-cdn.net/v/t31.0-8/21055873_2042299315998652_902810733309611654_o.jpg?oh=7bc0d309bd765eda74b794fe7da3680d&co=5B24FB31) [Accessed on 1 February 2018].

<sup>59</sup> 84 families honoured as Kar Bahadur. 8 November 2017, The Daily Sun <http://www.daily-sun.com/post/267331/84-families-honoured-as-Kar-Bahadur->.

<sup>60</sup> <https://www.facebook.com/raisul.chowdhury/posts/10214346784772166>.

<sup>61</sup> <https://www.facebook.com/photo.php?fbid=10214636427489734&set=ecnf.1394052827&type=3&theater>.

<sup>62</sup> BUET wins 'Battle of Minds-2017' award. 9 December 2017, The Daily Financial Express <http://today-thefinancialexpress.com.bd/print/buet-wins-battle-of-minds-2017-award-1512749475>.

<sup>63</sup> British American Tobacco Bangladesh awarded 'Dream company to work for'. 31 October 2017, The Daily Sun <http://www.daily-sun.com/post/265297/British-American-Tobacco-Bangladesh-awarded-%E2%80%98Dream-company-to-work-for%E2%80%99>.



- The Institute of Chartered Secretaries of Bangladesh (ICSB) selected BATB for “Corporate Governance Excellence Award 2017” for its best practice in governance, highest standard of reporting and transparency in disclosure of financials in the 2016 Annual Report.<sup>64</sup> BATB received the award from the Commerce Minister in a program on 30 November 2017.<sup>65</sup>
- On 27 November 2017, the Institute of Chartered Accountants of Bangladesh (ICAB) awarded BATB for the best presented annual reports in 2016.<sup>66</sup> The Finance Minister and the Commerce Minister presented the awards at the Pan Pacific Sonargaon Hotel in Dhaka.<sup>67</sup>
- On 13 November 2017, BATB was awarded by the NBR for being the highest income tax payer in the country under the “Manufacturing-Others” category.<sup>68</sup> BATB Chairman and Managing Director received a framed tax card on behalf of BATB from the State Minister for Finance and Planning on the occasion, at the NBR building in Agragon, Dhaka. The Chairman of the Parliamentary Standing Committee on the Finance Ministry and the NBR Chairman were present at the event, among others.

NBR honoured smokeless tobacco factory owner Mr. Kaus Mia and his family, by recognising them as Kar Bahadur Paribar (i.e. tax icon families) for paying noteworthy income tax.

<sup>64</sup> BATB honoured ICSB award. 02 December 2017, Rising Bd <http://www.risingbd.com/english/BATB-honored-ICSB-award/49794>.

<sup>65</sup> 22 company received ICSB Award. 01 December 2017, The Daily Samakal <http://samakal.com/todays-print-edition/tp-industry-trade/article/171215>.

<sup>66</sup> BATB received ICAB award. 27 November 2017, Arthosuchak <http://www.arthosuchak.com/archives/393376/আইসিএবিঅ্যাওয়ার্ড-পলে-ব/>.

<sup>67</sup> ICAB awards 28 for best presented annual reports. 26 November 2017, The Daily Star <http://www.thedailystar.net/business/icab-awards-28-best-presented-annual-reports-1496482>.

<sup>68</sup> BATB awarded for being highest income tax payer in Bangladesh. 13 November 2017, The Daily Dhaka Tribune <http://www.dhakatribune.com/business/2017/11/13/batb-highest-income-tax/>.

Indicator	0	1	2	3	4	5
9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities). (Rec 4.3)					✓	

## 2016

- BATB Annual Report 2016: “The illicit trade is a significant threat to the Government revenue growth. Through advocacy from the tobacco industry and the initiatives of the Government on enforcement, the situation of illicit trade is not grave yet.”<sup>69</sup>

## 2017

- The Bangladesh Customs Intelligence and Investigation Directorate (CIID) received fund from the Bangladesh Cigarette Manufacturers Association (BCMA) to observe Cigarette Smuggling Prevention Week.<sup>70</sup> The Director General of CIID has admitted the fact in a newspaper interview.<sup>71</sup> Because of the exposure of the event and subsequent media stories, the CIID finally stopped the initiative.

Indicator	0	1	2	3	4	5
10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1)				✓		

<sup>69</sup> Annual Report 2016, BAT Bangladesh, [http://www.batbangladesh.com/group/sites/BAT\\_9T5FQ2.nsf/vw-PagesWebLive/DOAKQF5C/\\$FILE/2016\\_Annual\\_Report.pdf?openelement](http://www.batbangladesh.com/group/sites/BAT_9T5FQ2.nsf/vw-PagesWebLive/DOAKQF5C/$FILE/2016_Annual_Report.pdf?openelement) [Accessed on 10 January 2018], PP. 18.

<sup>70</sup> ‘Targeting Smuggled Cigarette’ campaign to protect cigarette smuggling. 28 April 2017, rising bd <http://risingbd.com/law-crime-news/223817>.

<sup>71</sup> Tobacco industry ploy to resist tobacco tax. 01 May 2017, The Daily Jugantor <https://www.jugantor.com/news-archive/industry-trade/2017/05/01/121722/print>

## 2016

- BATB has partnership with the Department of Agriculture Extension (DAE) which is an important government agency responsible for facilitating agricultural growth and development with offices in all 64 districts of the country. The BATB Annual Report 2016<sup>72</sup> said, “BAT Bangladesh organized two 10-days ToT (Training of Trainers) for its Leaf Field Officers with the technical support from IFMC project of Department of Agricultural Extension (DAE) and 48 officers have successfully completed the training on the components of integrated farm management. The jointly certified (DAE & BATB) IFMC graduate trainers of BATB have started to train the field technicians and farmers on the practical approaches of integrated farm management.”

## 2017

- BATB’s partnership with the Department of Agriculture Extension (DAE) continued in 2017. According to the BATB website<sup>73</sup>, BATB has introduced Integrated Pest Management (IPM) Clubs and Farmers’ Field Schools (FFS) in collaboration with the Department of Agriculture Extension to educate their farmers about the adoption of Good Agriculture Practices. BATB claimed that through the 53 IPM clubs it established, 53 FFS sessions have been completed. According to media reports<sup>74,75</sup>, in July 2017, BATB won the Asia Responsible Entrepreneurship Award for its community project - Integrated Pest Management (IPM) Club educating farmers on sustainable agriculture which has been running jointly with the DAE since 2005. Such a partnership with BATB runs contrary to Article 5.3.

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<sup>72</sup> Annual Report 2016, BAT Bangladesh, [http://www.batbangladesh.com/group/sites/BAT\\_9T5FQ2.nsf/vwPagesWebLive/DOAKQF5C/\\$FILE/2016\\_Annual\\_Report.pdf?openelement](http://www.batbangladesh.com/group/sites/BAT_9T5FQ2.nsf/vwPagesWebLive/DOAKQF5C/$FILE/2016_Annual_Report.pdf?openelement) [Accessed on 10 January 2018], PP. 106.

<sup>73</sup> [http://www.batbangladesh.com/group/sites/BAT\\_9T5FQ2.nsf/vwPagesWebLive/DO9T5KJU?opendocument](http://www.batbangladesh.com/group/sites/BAT_9T5FQ2.nsf/vwPagesWebLive/DO9T5KJU?opendocument) [Accessed on 13 January 2018].

<sup>74</sup> BATB wins Asia Responsible Entrepreneurship Award. 12 July 2017, The Daily Independent <http://www.theindependentbd.com/arcprint/details/103502/2017-07-12>.

<sup>75</sup> BATB wins Asia Responsible Entrepreneurship Award. 10 July 2017, The Daily Manabzamin <http://www.mzamin.com/article.php?mzamin=73327&cat=10/এশিয়া-রসেপনসবিল-এনটারপ্ৰনোরশপি-অ্যাওয়ার্ড-পলে-১-বিত্রিবি>.

## 5. Transparency Measures

Indicator	0	1	2	3	4	5
11. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)				✓		

### 2017

- Before the announcement of the budget for FY 2017-18, a delegation from British American Tobacco Bangladesh (BATB) met the State Minister of Finance and Planning at his Secretariat Office, Dhaka on 11 April 2017. The delegation included BATB's Chairman, Managing Director, Head of Legal and External Affairs, and Commercial Affairs Manager. There is no public documentation on this, but this info was revealed through a journalist of the Anti-Tobacco Media Alliance (ATMA) who met with the State Minister for an interview.
- On 30 July 2017, the owners and managing directors of 13 tobacco companies met in a closed-door meeting with the Finance Minister at the conference room of the Finance Ministry.<sup>76</sup> The meeting was also attended by the Minister for Commerce, the NBR Chairman and other high government officials of the Finance Ministry. But none of the meeting agenda or contents were disclosed.

Indicator	0	1	2	3	4	5
12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists. (Rec. 5.3)						✓

- Rules for the disclosure or registration of tobacco industry entities, affiliated organizations/individuals/lobbyists do not exist.

<sup>76</sup> No political pressure to reduce tobacco product price. 30 July 2017, Bangla Tribune <http://www.banglatribune.com/business/news/228699/তামাক-পণ্যের-দাম-কমাত-রাজনৈতিক-চাপ-নাই>.

## 6. Conflict of Interest

Indicator	0	1	2	3	4	5
13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. ( <i>Rec 4.11</i> ) 1 Never 5 Yes						✓

- The government does not prohibit contributions from the tobacco industry.

Indicator	0	1	2	3	4	5
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General). ( <i>Rec 4.4</i> )					✓	

- According to the BATB website, the former Senior Secretary of the Ministry of Industries of Government of Bangladesh is a Non-Executive Director of BATB.<sup>77</sup>
- According to the BATB website, the former Managing Director of Investment Corporation of Bangladesh (ICB) is a Non-Executive Director of BATB.<sup>78</sup>
- According to the BATB website, the former Senior Secretary of the Ministry of Industries of Government of Bangladesh is an Independent Director of BATB.<sup>79</sup>

<sup>77</sup> BAT Bangladesh Website, [http://www.batbangladesh.com/group/sites/BAT\\_9T5FQ2.nsf/vwPagesWebLive/DOA53LZ4?opendocument](http://www.batbangladesh.com/group/sites/BAT_9T5FQ2.nsf/vwPagesWebLive/DOA53LZ4?opendocument) [Accessed on 17 January 2018].

<sup>78</sup> BAT Bangladesh Website, [http://www.batbangladesh.com/group/sites/BAT\\_9T5FQ2.nsf/vwPagesWebLive/DOA53LZ4?opendocument](http://www.batbangladesh.com/group/sites/BAT_9T5FQ2.nsf/vwPagesWebLive/DOA53LZ4?opendocument) [Accessed on 17 January 2018].

<sup>79</sup> BAT Bangladesh Website, [http://www.batbangladesh.com/group/sites/BAT\\_9T5FQ2.nsf/vwPagesWebLive/DOA53LZ4?opendocument](http://www.batbangladesh.com/group/sites/BAT_9T5FQ2.nsf/vwPagesWebLive/DOA53LZ4?opendocument) [Accessed on 17 January 2018].

Indicator	0	1	2	3	4	5
15. Current government officials and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)					✓	

- Currently, the Bangladesh government has about 10.85% share<sup>80</sup> in BATB. As such BATB has appointed the following three government officials, still in office, to its Board of Directors. According to the BATB website<sup>81</sup>, the Secretary of the Ministry of Labour and Employment, GoB is an Independent Director of BATB. The Additional Secretary of the Ministry of Finance, GoB is a Non-Executive Director of BATB. The Secretary of the Ministry of Agriculture, GoB is an Independent Director of BATB.

## 7. Preventive Measures

1. Yes, 2. Yes but partial only, 3. Policy/ Program being developed 4. Committed to develop such a policy/ program 5. None

Indicator	0	1	2	3	4	5
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)					✓	

- There is no procedure in place for disclosing the records of the interaction with tobacco industry in particular but in general under the

Currently, the Bangladesh government has about 10.85% share in British American Tobacco Bangladesh.

<sup>80</sup> Annual Report 2016, BAT Bangladesh, [http://www.batbangladesh.com/group/sites/BAT\\_9T5FQ2.nsf/vw-PagesWebLive/DOAKQF5C/\\$FILE/2016\\_Annual\\_Report.pdf?openelement](http://www.batbangladesh.com/group/sites/BAT_9T5FQ2.nsf/vw-PagesWebLive/DOAKQF5C/$FILE/2016_Annual_Report.pdf?openelement) [Accessed on 10 January 2018].

<sup>81</sup> BAT Bangladesh Website, [http://www.batbangladesh.com/group/sites/BAT\\_9T5FQ2.nsf/vw-PagesWebLive/DOA53LZ4?opendocument](http://www.batbangladesh.com/group/sites/BAT_9T5FQ2.nsf/vw-PagesWebLive/DOA53LZ4?opendocument) [Accessed on 17 January 2018].

Right to Information Act, 2009 there is a provision to get information by submitting application.

Indicator	0	1	2	3	4	5
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2)					✓	

- The government has not yet formulated or adopted a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. However, the National Tobacco Control Cell (NTCC) has a plan to formulate a policy/code-of-conduct in line with FCTC article 5.3.

Indicator	0	1	2	3	4	5
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (Rec 5.2)			✓			

- The government requires the tobacco industry to submit monthly revenue statements (company wise) only. These statements have to be provided as per the form KHA and GA of National Board of Revenue<sup>82</sup>.
- In addition to this, tobacco companies have to submit monthly statements of health surcharge deposit, according to the form attached with the “Health Development Surcharge (Collection and Payment) Rules 2017”.<sup>83</sup>

<sup>82</sup> General Order. National Board of Revenue (NBR), 1 June 2017 <http://nbr.gov.bd/uploads/general-orders/-VATOrder1718-07.pdf> (p 5, 6) [Accessed on 17 January 2018]

<sup>83</sup> Notification. National Board of Revenue (NBR), 20 June 2017 [http://www.dpp.gov.bd/upload\\_file/ga-zettes/21890\\_94859.pdf](http://www.dpp.gov.bd/upload_file/ga-zettes/21890_94859.pdf)

Indicator	0	1	2	3	4	5
19. The government has a program/ system/ plan to consistently <sup>84</sup> raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)					✓	

- The National Tobacco Control Cell (NTCC) of the Ministry of Health and Family Welfare (MoHFW) has taken a 2-year program (2018-2019) on tobacco control where the FCTC Article 5.3 is a component. Under the component, the NTCC will prepare a Policy/Code of Conduct in line with FCTC Article 5.3 for the government officials. There is no information available in the public domain on this but the information regarding the program was revealed during a coordination meeting of the NTCC with NGOs held in December 2017. The NTCC representative shared the information during his presentation at the meeting.

Indicator	0	1	2	3	4	5
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (Rec 3.4)					✓	

- The government has no specific policy to disallow the acceptance of contributions/ gifts from the tobacco industry. However, General Orders and anti-corruption laws exist and this should apply overall.

<sup>84</sup> For purposes of this question, “consistently” means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.



# 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 Health and Family Welfare Ministry should undertake awareness raising of non-health sectors, particularly in vulnerable ministries such as Finance Ministry, Industries Ministry and Agriculture Ministry about Article 5.3 obligations.
2. The government must disclose all interactions with the tobacco industry and its representatives.
3. 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.
4. The government must remove all incentives provided to the tobacco industry including the exemption of export duty and VAT. Implement the ban on the use of subsidized fertiliser for tobacco growing.
5. The government must expedite the adoption of a code of conduct for all officials in dealing with the tobacco industry.





**BANGLADESH  
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