

Bangladesh

Overall score:

68

Summary of Findings

1. Industry participation in policy development

The government has not invited the tobacco industry or its representatives to sit on the government interagency/advisory group body that sets public health policy. While the Ministry of Health and Family Welfare (MoHFW) has shown commitment to advancing 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 the Secretary of Department of Finance, the Secretary of Health Services Department, the MoHFW, the Senior Secretary of Internal Resources Division and the Chairman of the National Board of Revenues. Following the request from the BCMA 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.

2. Industry CSR activities

On September 25, 2019, BAT Bangladesh donated a hefty sum of money to the Bangladesh Labour Welfare Foundation. BAT Bangladesh representatives handed the check over to the 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.

3. Benefits to the industry

The existing 10% export duty on unmanufactured tobacco was withdrawn in the budget FY 2018-19. The NBR amended the VAT and Supplementary Duty Act 2012 and offered tax credits 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 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.

4. Unnecessary interaction

Compared to previous years, 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 disallowing sales to minors. However, the Ministry of Finance continued to hand out awards to tobacco entities. The Minister of Finance awarded bidi companies for being top VAT payers and smokeless tobacco companies for being top taxpayers on behalf of the NBR.

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

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

5. Transparency

In April 2019, the NBR held a pre-budget meeting with the BCMA. In October 2019, the NBR conducted a meeting with tobacco industry representatives as revenue collection from the tobacco sector declined from July to August 2019 compared to the previous year. However, details of these meetings were not disclosed.

6. Conflict of interest

The newly-retired Managing Director of Investment Corporation of Bangladesh, Mr. Kazi Sanaul Hoq, took up the position of Non-Executive Director of BAT Bangladesh. The government continues to hold 9.61% investment in BAT Bangladesh. There is no policy in place to prohibit contributions from the tobacco industry. However, election candidates are required to disclose contributions received to bear election expense at the time of submitting nomination papers according to section 44A of the Representation of the People Order, 1972.

7. Preventive measures

The government has made efforts towards preventive measures, leading to some progress. The National Tobacco Control Cell (NTCC) drafted two codes of conduct based on WHO Framework Convention on Tobacco Control (FCTC) 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 January 22, 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 NBR. In addition, tobacco companies must submit monthly statements of health surcharge deposits, according to the form attached with the "Health Development Surcharge (Collection and Payment) Rules 2017." However, tobacco companies are not required to submit information on their market share, marketing expenditures, revenues, philanthropy or political contributions.

Recommendations

The following measures should be undertaken immediately to fulfill the requirements of WHO FCTC Article 5.3:

1. The MoHFW should undertake awareness-raising for non-health sectors about WHO FCTC Article 5.3 obligations.
2. Tobacco-related CSR activities must be banned.
3. The government must formulate a simple tobacco tax policy and increase tobacco prices to reduce demand for tobacco products.
4. The government must divest its investment from tobacco companies by 2022.
5. The government must remove all incentives provided to the tobacco industry including the exemption of export duty and VAT in the national budget.
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 interacting with the tobacco industry by 2021.