



# **EGYPT**

## **TOBACCO INDUSTRY INTERFERENCE INDEX 2019**

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### INDEX 2019

#### Background and Introduction

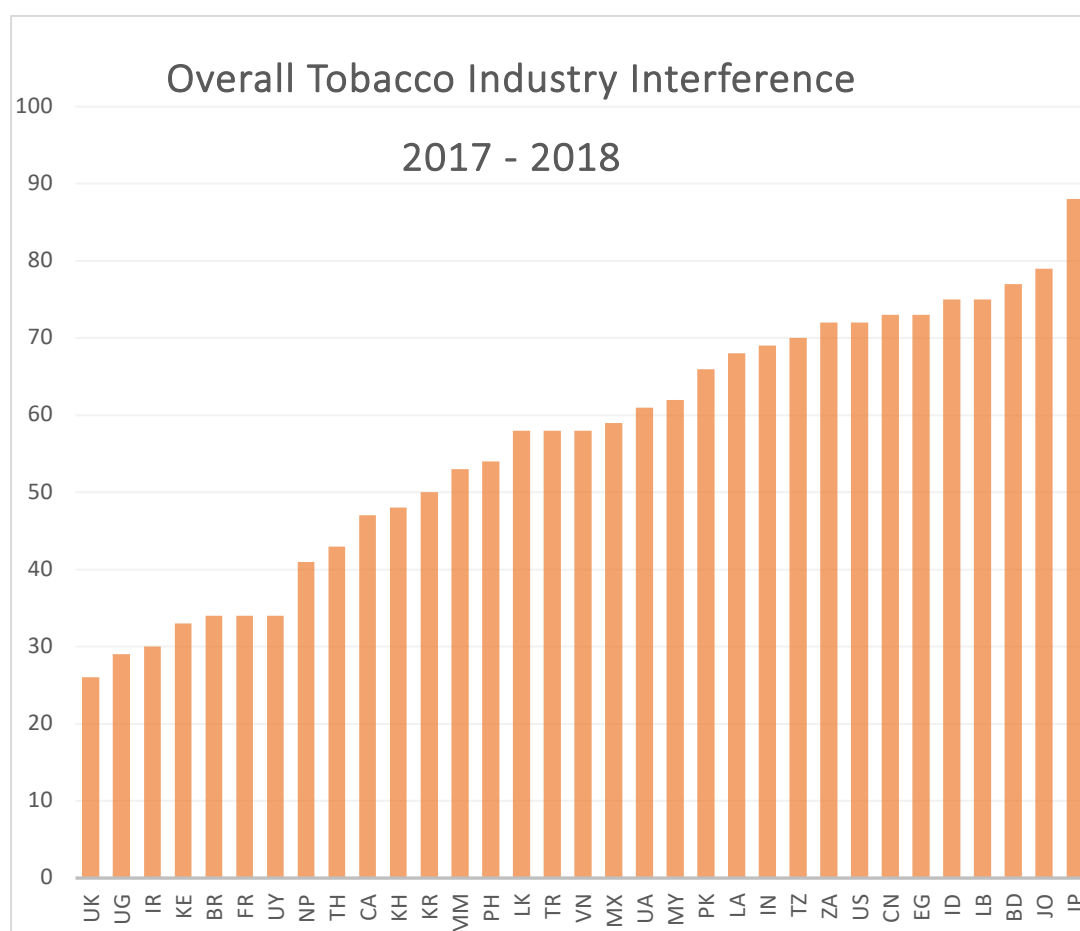
Egypt is committed to achieve Sustainable Development Goals (SDGs) by 2030 including those on tobacco control; SDG Target 3.4 (to reduce by one-third premature mortality from Non Communicable Diseases by 2030) and Target 3.A (to strengthen implementation of the WHO Framework Convention of Tobacco Control (FCTC)). Egypt was one of the very first signatories on the FCTC in 2003. The FCTC contains 38 articles, the main objective of which is to protect present and future generations from the devastating consequences of tobacco consumption and exposure to tobacco smoke. Article 5.3 of the FCTC requires all Parties, when setting their policies on tobacco control, to act to protect these policies from commercial interests of the tobacco industry (TI). However, the TI continuously works to delay and defeat tobacco control measures across the globe, in order to promote and protect the profitability of the tobacco business. The TI does this through various tactics that interfere in governments efforts to protect public health.

A Tobacco Industry Interference (TII) Index was created to assess how public health policies are protected from the industry's destructive efforts, and how governments have pushed back against this influence. This Index is based on publicly available evidence to support choice of scores and hence has limitations. The index score ranges from zero to 100 based on seven key areas.

The lower the score of the 'TII index, the lower the over-all level of interference, which promise well for the country.

Egypt participated in the first Global Tobacco Industry Interference Index to assess how well governments have implemented Article 5.3. among 33 countries and their respective governments' responses to these interferences for the period of January 2017 to December 2018.

The 33 countries are ranked according to total scores provided by civil society groups who prepared their respective country indices. Disaggregated scores for each country are provided in the following figure:-



The TII incidents were monitored in Egypt for this period and Egypt Overall TII score was 73

The report revealed that many strategies used by the industry and its allies to undermine advances in tobacco control. The diversity of these strategies demonstrates that the mission to hinder tobacco control is comprehensive and based on the broad objective of establishing the industry as ‘socially responsible’ and a ‘partner’ with government in tobacco control.

This report prepared by Cairo Association against Smoking, Tuberculosis and Lung diseases- Egypt (CASTLE) with technical and financial support of WHO office in Egypt

The current report monitored TII for the year 2019 following the same methodology used in the previous report

For the year 2019 Egypt Overall TII score was 61 ,while it was 73 in the previous report(2017-2018). The reasons for this decrease:

- Q1 On report of 2019 The government does not accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry in setting or implementing public health policies in relation to tobacco control with score of 0 while in the previous report score was 2 .

- Q6 The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law

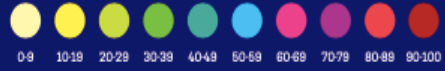
On 2019 report there is no proposed or pending policy at all with 0 score While in the previous report it was 1

- Q7 The government gives privileges, incentives, exemptions or benefits to the tobacco industry. The score is 1 in 2019 report while in the previous report was 4
- Q14. Retired senior government officials form part of the tobacco industry Score 0 on 2019 no information , while it was 5 in the previous report
- Q 15. Current government officials and relatives hold positions in the tobacco business including consultancy positions. Score 0 on 2019 No recent incidents identified , while it was 2 in the previous report

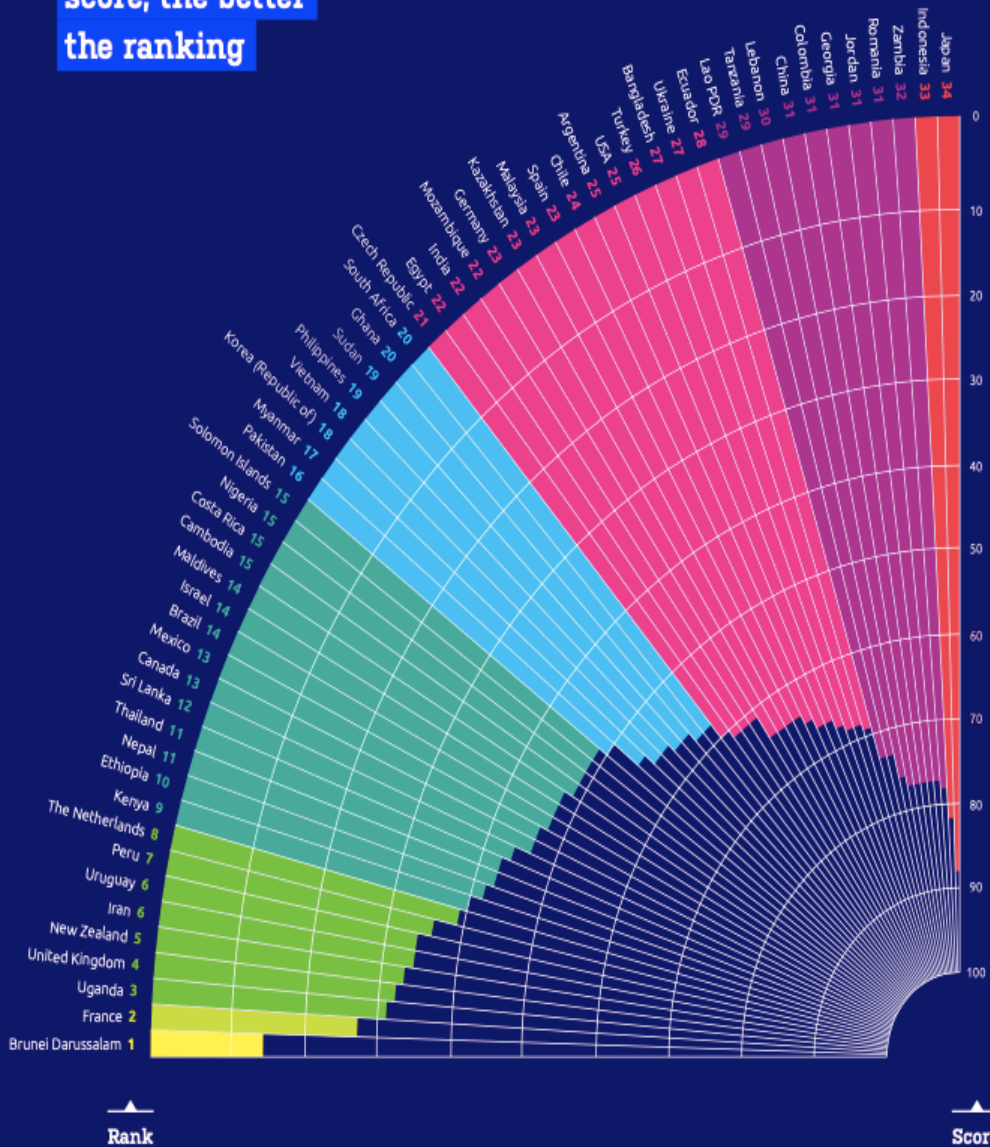
While this year report for Egypt has improved by 12 points compared to 2017-2018 report. While the score is better, however there is still room for more improvement. Especially for the tobacco related corporate social responsibility activities in the form of sponsorship and Article 5.3 recommends these activities to be denormalized, government officials must not endorse these activities.

Any interaction with the tobacco industry must be limited to only when strictly necessary and conducted in a transparent manner

**Figure 1: Tobacco Industry Interference overall country ranking**



**The lower the score, the better the ranking**



## Summary Findings

### 1. **INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT**

Philip Morris conducted meetings with the government to develop the specifications of the electronic cigarette product "IQOS". The Tobacco Division of the Federation of Industries develops specifications for the import of electronic smoking products.

Tobacco control department in the Ministry of Health confirmed no participation of tobacco companies in the conference of the Parties (COP8)

### 2. **INDUSTRY CSR ACTIVITIES**

High level government officials, including ministers, endorse tobacco related CSR activities. Philip Morris was honored for its role as having the best social responsibility initiative. At the provincial level, Governor of Giza in coordination with the Ministries of Manpower, and Youth and Sports, participated in a youth employment forum involving 125 private companies in the hall of Eastern Tobacco Company. Tobacco companies also contribute to government institutions and development projects. JTI for example presented 4 million pounds on community development projects in Egypt. The Eastern Company donated 3 million pounds to restore the National Cancer Institute.

While tobacco industry sponsored youth smoking prevention programs have shown to be not effective, Philip Morris continued to conduct awareness campaign to limit children's access to tobacco products (EGP 4m). Philip Morris engaged Daily News Egypt to witness the official launch of its campaign in Cairo.

### 3. **BENEFITS TO THE INDUSTRY**

International travellers can bring into Cairo duty free: 200 cigarettes or 25 cigars or 200g of tobacco.

Palm Fume Company (JTI) has its headquarters located in Shebin El-Koum Free Zone

### 4. **UNNECESSARY INTERACTION**

Senior officials continue to have engaged with the tobacco industry in situations that endorse and promote their business. The Minister of Manpower witnessed the signing of an agreement to provide financial benefits for 13700 workers in the "Eastern Tobacco Company". In another instance, An "Awareness of Labor Law" symposium was held at the headquarters of ElNakhla Tobacco (JTI) in El-Koum Free Zone in cooperation with the General Administration of Labor Inspection.

Tobacco companies refer to their continuous cooperation with the government. In February 2019, JTI signed a memorandum of understanding with the Egyptian Customs Authority to combat the illicit trade in tobacco products. According to JTI, signing this memorandum will support the cooperation that already exists between JTI and the Egyptian Customs Authority to address illicit trade.

In March 2013, PMI Egypt had signed a MOU with the Egyptian Customs Authority to exchange information on combating cigarette smuggling. This agreement is still valid now. In August 2019, PMI held a 3-day technical training course for customs officials in the governorates of Cairo, Alexandria and Port Said. According to PMI, the training course was part of continuous cooperation between the company and the customs authority to address smuggling of tobacco in the local market.



## 5. **TRANSPARENCY**

There are no laws to prevent dealing with tobacco companies. Considering Eastern Tobacco is a national company, interactions continue and the dealings are not made public.

There is no requirement of rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists.

## 6. **CONFLICT OF INTEREST**

There are no laws prohibiting contributions from the tobacco industry or any entity working to further its interests, however there is no requirement for disclosure. No incidents of government officials joining the tobacco industry upon their retirement.

## 7. **PREVENTIVE MEASURES**

The government has not 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.

The government has not 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. The government has not put in place a program to consistently raise awareness on Article 5.3.

## Recommendations

This year report for Egypt has improved by 12 points compared to 2019 report. While the score is better, however there is still room for more improvement. Any interaction with the tobacco industry must be limited to only when strictly necessary and conducted in a transparent manner

1. Denormalize activities described as “socially responsible” by the tobacco industry, including but not limited to activities described as “corporate social responsibility”. Government officials must not endorse these activities.
2. Establish measures to limit interactions with the tobacco industry and ensure the transparency of those interactions that do occur, when dealing with the tobacco industry should be accountable and transparent. Ensuring that these interactions are limited to what is strictly necessary and transparently disclosed
3. Not accept funds or help from the tobacco industry. Do Not support or endorse tobacco industry attempts to organize, promote, participate in or implement youth, public education or other initiatives that are directly or indirectly related to tobacco control

4. information provided by the tobacco industry be transparent and accurate , submit regular, truthful, complete and precise information on tobacco production, manufacture, market share, marketing expenditures, revenues or any other activity, including lobbying, philanthropy and political contributions,
5. The government must terminate all MOUs with the tobacco industry and ratify the Protocol to` Eliminate Illicit Trade in Tobacco Products to address smuggling problem more efficiently.
6. The Eastern Tobacco Co must be treated like any other tobacco business as indicated in Article 5.3.
7. Use social media to inform others of tobacco industry interference and share the opposition to it.

# Egypt: 2019 Tobacco Industry Interference Index

## Results and Findings

	0	1	2	3	4	5
<b>INDICATOR 1: Level of Industry Participation in Policy-Development</b>						
1. The government <sup>1</sup> accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry <sup>2</sup> in setting or implementing public health policies in relation to tobacco control <sup>3</sup> (Rec 3.1)	0					
No incident monitored						
2. The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)				3		
Philip Morris: Negotiation with the government to develop the specifications of the electronic cigarette product "IQOS" <sup>4</sup> The Tobacco Division of the Federation of Industries develops specifications for the import of electronic smoking products. <sup>5</sup>						
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)						5
The Ministry of Finance discussed with the Parliament the cigarette taxes with the participation of representatives of local and foreign cigarette companies. The representatives of local and foreign cigarette companies submitted their proposals to the Ministry of Finance. <sup>6</sup> Cigarette companies are considering upcoming price increases with the Ministry of Finance. A senior executive from the Eastern Tobacco Company <u>said they were</u> preparing to hold a meeting with representatives from the Ministry of Finance to present the company's view on the planned increases of the draft budget. <sup>7</sup>						
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) (Rec 4.9 & 8.3)		1				
No incident monitored.						

<sup>1</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>2</sup> The term, "tobacco industry" includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

<sup>3</sup> "Offer of assistance" may include draft legislation, technical input, recommendations, oversees study tour

<sup>4</sup><https://alborsaaneews.com/2019/05/13/1203498>

<sup>5</sup><https://www.elfagr.news/3734425>

<sup>6</sup><https://alborsaaneews.com/2019/05/21/1205966>

<sup>7</sup><https://www.arabfinance.com/ar/news/details/egypt-companies/479258>

	0	1	2	3	4	5
Tobacco control department in the MOH confirmed no participation of tobacco companies in the conference of the Parties (COP8). Participant lists to the COP confirmed this						
<b>INDICATOR 2: Industry CSR activities</b>						
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)						5
B. The government (its agencies and officials) receives contributions (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)						
<p>Giza Governor: Organizing a youth employment forum, in coordination with the Ministries of Manpower and Youth and Sports, with the participation of 125 private companies in the hall of Eastern Tobacco Company.<sup>8</sup></p> <p>Business Today honored Philip Morris, for the company's role as the best social responsibility initiative. Many ministers had participated in the event.<sup>9</sup></p> <p>The Eastern Company donates 3 million pounds to restore the National Cancer Institute.<sup>10</sup></p> <p>Training of 1122 young men and women in Upper Egypt within the “My Made in South Valley” initiative launched by Philip Morris designed for students of technical institutes.<sup>11</sup></p> <p>4 million pounds, the amount of “Japan Tobacco” spending on community development projects in Egypt.<sup>12</sup></p> <p>Philip Morris Misr launches EGP 4m awareness campaign to limit children’s access to tobacco products. Philip Morris engaged Daily News Egypt to witness the official launch of the campaign in Cairo.<sup>13</sup></p> <p>Philip Morris Egypt launched the 5th edition of the anti-smoking campaign which the company has been running annually since 2014. This program also target youth centers.<sup>14</sup></p> <p>Philip Morris Misr claimed to have spent EGP 12m in CSR projects in Egypt in 2019; EGP 8m for the “San3ety Ganoub El Wadi” programme and EGP4m for the entrepreneurs awareness program.</p>						
<b>INDICATOR 3: Benefits to the Tobacco Industry</b>						
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)	0					

<sup>8</sup><https://bit.ly/2z5b9uT>

<sup>9</sup><https://bit.ly/3fVIucr>

<sup>10</sup><https://bit.ly/2ycLaBu>

<sup>11</sup><https://bit.ly/2X7jiat>

<sup>12</sup><https://alborsaanews.com/2019/05/09/1202516>

<sup>13</sup><https://bit.ly/3bDPiIn>

<sup>14</sup><https://www.alamalmal.net/171717>

	0	1	2	3	4	5
(Rec 7.1)						
There is no proposed or pending policy at all						
7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)		1				
International travellers can bring into Cairo duty free: 200 cigarettes or 25 cigars or 200g of tobacco. <sup>15</sup> Palm Fume Company (JTI) has its headquarters located in Shebin El-Koum Free Zone. <sup>16</sup>						
<b>INDICATOR 4: Forms of Unnecessary Interaction</b>						
8. Top level government officials (such as President/ Prime Minister or Minister <sup>17</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. (Rec 2.1)				3		
The Minister of Manpower witnesses the signing of an agreement achieving financial benefits for 13700 workers in the "Eastern Tobacco Company". <sup>18</sup> An "Awareness of Labor Law" symposium was held at the headquarters of El Nakhla Tobacco (JTI) in El-Koum Free Zone in cooperation with the General Administration of Labor Inspection at the Ministry. <sup>19</sup>						
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)			2			
Philip Morris Egypt launches a campaign to combat youth smoking under 18 years old. <sup>20</sup> Philip Morris Egypt launches the 5th edition of the anti-smoking campaign. <sup>21</sup> Philip Morris International launches "A year without smoking" initiative. <sup>22</sup>						
10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1) <i>NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i>					4	

<sup>15</sup><https://www.worldtravelguide.net/guides/africa/egypt/money-duty-free/>

<sup>16</sup><https://www.dostor.org/2823399>

<sup>17</sup>Includes immediate members of the families of the high-level officials

<sup>18</sup><https://www.almasryalyoum.com/news/details/1441343>

<sup>19</sup><https://www.dostor.org/2823399>

<sup>20</sup><https://www.elfagr.news/3727836>

<sup>21</sup><https://www.alamalmal.net/171717>

<sup>22</sup><https://www.alamalmal.net/117886>



In February 2019, Japan Tobacco International (JTI) signed a memorandum of understanding with the Egyptian Customs Authority to combat the illicit trade in tobacco products. The agreement was signed by the Head of the Central Department for the Affairs of the President of the Egyptian Customs Authority, Chairman of the Board of Directors of JTI Company (Ayman Al-Abbasi) and JTI's Regional Director for Combating Illegal Trade in Tobacco Products. According to JTI, signing this memorandum will support the cooperation that already exists between JTI and the Egyptian Customs Authority to address illicit trade.<sup>23</sup>

Philip Morris: "Training course for customs officials to counter the illicit tobacco trade."<sup>24</sup>



Photo: Alborsaanews. Customs Authority, in cooperation with Philip Morris Egypt, held a 3-day technical training course for customs officials in the governorates of Cairo, Alexandria and Port Said

According to the Managing Director of Philip Morris Egypt and Levant the training course was part of continuous cooperation between the company and the customs authority to address smuggling of tobacco in the local market. An agreement was signed in March 2013 between the company and the Egyptian Customs Authority to exchange information on combating cigarette smuggling.

Egypt has not ratified the Protocol to Eliminate Illicit Trade in Tobacco Products.

## INDICATOR 5: Transparency

<sup>23</sup> [www.alborsagia.com/246251](http://www.alborsagia.com/246251),-المتابعة-لمكافحة-المصرية-الجمارك-المصرية-لمكافحة-التهريب-التجاري-غير-المشروع-لمنتجات-التبغ.html

<sup>24</sup> <https://alborsaanews.com/2019/08/19/1235782>

	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)						5
There are no laws to prevent dealing with tobacco companies, but considering that the Framework Convention on Tobacco Control is part of the Egyptian law after signing it, and accordingly, the Ministry of Health and Population is working to raise awareness of this with other ministries, bearing in mind that Eastern Tobacco is a national company.						
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)						5
There is no requirement of rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists.						
<b>INDICATOR 6: Conflict of Interest</b>						
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. (Rec 4.11)						5
There are no laws prohibiting contributions from the tobacco industry or any entity working to further its interests, however there is no requirement for disclosure.						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)	0					
No recent incidents identified						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)	0					
No recent incidents identified						
<b>INDICATOR 7: Preventive Measures</b>						
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)						5
The government has not 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.						
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)						5
The government has not 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.						
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture,			2			



	0	1	2	3	4	5
market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)						
Being partly state-owned company (55%) it should submit records on production, manufacture, market share, revenues. However expenses such as philanthropy and other activities are not collected.						
19. The government has a program / system/ plan to consistently <sup>25</sup> raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)						5
The government has not put in place a program to consistently raise awareness on Article 5.3						
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. (3.4)						5
The government has not put in place a policy to reject contributions/gifts from the TI and does not reject assistance and study visits.						
<b>TOTAL</b>					<b>61</b>	

<sup>25</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.

