

LEBANON

2020

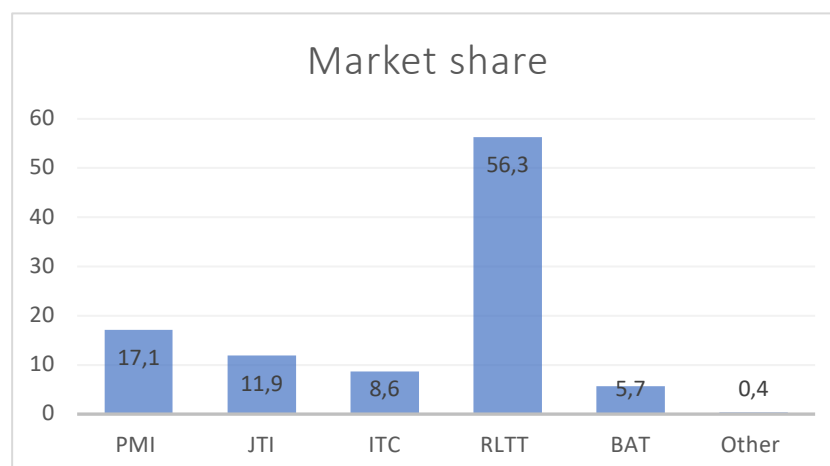
TOBACCO
INDUSTRY
INTERFERENCE
INDEX

Background and Introduction

The Framework Convention on Tobacco Control (FCTC) is an evidence-based treaty that includes a package of policies that ratifying countries must adopt to protect their citizens from the harms of tobacco use. Article 5.3 of the WHO FCTC requires parties to the agreement to take proactive measures to protect health policy from the vested interests of the tobacco industry ¹.

Lebanon ratified the FCTC in 2005, but up until 2011, tobacco control policies remained rudimentary and not evidence based. Beginning in 2009 and through 2011, a concerted advocacy campaign was undertaken by a variety of stakeholders with the aim of accelerating the process of adopting a strong tobacco control policy in line with the FCTC. This advocacy campaign was successful, and in August 2011, Law 174 passed the Lebanese Parliament with 126 positive votes and 2 abstentions. The provisions of Law 174 included: (1) a ban on smoking in all indoor public spaces, (2) a ban on advertisements, promotion and sponsorship and (3) larger text warnings with the possibility of pictorial warnings ².

As per the GlobalData 2018 report, in 2017 the Regie had 56.3% of the market share while four big tobacco companies' shared 43.3% of the market.



In 2018, the Regie was the fifth source of support for the state treasury. In 2019 it's revenues increase by 34% compared to 2018³.

This report reviews how the Lebanese government is implementing Article 5.3 guidelines to protect public health policies from the vested interest of tobacco industry. The questionnaire on Tobacco Industry Interference Index developed by the Southeast Asia Tobacco Control Alliance ⁴ will be implemented to covers the period between January 2019 and December 2019.

The collected data for the report is based on publicly available evidence. It should be noted that most of the reported activities are from the Regie Libanaise Des Tabacs Et Tombacs (Regie)

¹ 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

² Nakkash RT, Torossian L, El Hajj T, Khalil J, Afifi RA. The passage of tobacco control law 174 in Lebanon: reflections on the problem, policies and politics. Health policy and planning. 2018 Apr 4;33(5):633-44. <https://academic.oup.com/heapol/article/33/5/633/4960897>

³ <https://www.rltt.com.lb/Article/427/wazni-receives-the-2019-profits-from-the-regie-and/en>

⁴ 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; Tob Control <http://dx.doi.org/10.1136/tobaccocontrol-2014-051934>

page⁵, when the data was also reported in the news the reference is noted and data was cross checked for accuracy.

Summary of Findings

This is the second year that Lebanon participate in the tobacco interference index. As such the finding will aim at establishing a comparison between 2018 and 2019 government efforts to comply with the Article 5.3. In line with the Article 5.3 guidelines all activities conducted by the Regie monopoly were considered as tobacco industry activities impeding the implementation of tobacco control in Lebanon.

Since 2018, Lebanon witnessed no improvement on tobacco control. Rather some regressions took place such as regulation of e-cigarettes sale and drafting of a law on smuggling by the Regie supported by BAT. The ministry of public health is absent, “The National Tobacco program” webpage no longer exists. The MOPH claim that no fund is available to conduct activities related to Article 5.3. Nevertheless, many of the Article 5.3 principles can be implemented without a budget such as taking measure to limit interaction with tobacco, put in place procedures for disclosing the records of the interaction with the tobacco industry and its representatives, adopt or implement a code of conduct for public officials.

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Similar, to 2018 the Regie kept receiving support from senior government official. In particular from the speaker of the house known to have the Regie fall under his patronage as well as the full support from the minister of finance. The minister of finance accepted a draft law proposal prepared by the legal department of the Regie to consider smuggling as a misdemeanour. Earlier that year, the Regie signed an agreement with British American Tobacco (BAT) to produce Kent and Viceroy in Lebanon where the General Manager of the Middle East and Yemen , on behalf of BAT; said “At the level of governments, we are working with them to develop a legislative framework that protects consumers and economy alike,”. He stressed on the company's commitment to "support the efforts of the Lebanese government to combat illegal trade, especially as it affects the activities of companies legitimately licensed to operate within this sector." ⁶ Therefore, in addition to last year, this year’s agreement is a clear offer from BAT to support setting tobacco control public health policies in Lebanon.

2. INDUSTRY CSR ACTIVITIES

In 2016, the Regie launched its Sustainable Development plan the "Development Vision for a Brighter Tomorrow”. Since it has been conducting CSR activities in line with its set priorities. Consequently, this year activities consisted of sending a delegation from the administration team to Turkey to participate in an educational training program, conduct guidance session for hundreds the tobacco farmers, and training on women empowerment for the daughters of the tobacco farmers.

3. BENEFITS TO THE INDUSTRY

Similar to last year, the Minister of Finance opinions are the Regie’s opinion too. Following the Regie request, within less than a month, the Minister of Finance issues a decree 1/956;(Annex1) that

⁵ <https://www.rltt.com.lb>

⁶ <https://www.rltt.com.lb/Article/378/the-regie-signs-an-agreement-with-british-american/en>

regulate the price of e-cigarettes including heated tobacco product (IQOS) was issued. Seklaoui, had previously expressed his hope to locally produce e-cigarettes in Lebanon while signing an agreement with PMI back in 2018, however the e-cigarette was not legal yet in Lebanon.

By adopting the decree of legalising the sale of e-cigarettes, e-waterpipes and IQOS, Lebanon has regressed for a country that bans all form of e-cigarettes via the decree 1/207 back in 2013, to a country that regulate entry of e-cigarettes in 2015, vis the decree 1/877 to finally regulate its sale decree 1/956 and make it available in the Lebanese market.

Seklaoui, expressed his disagreement with increasing the price of tobacco stressing any increase is only in the favour of smugglers. In his turn, the MOF admitted that smuggling is causing heavy losses on the treasury each year⁷.

4. UNNECESSARY INTERACTION

Similar to last year, senior government official endorsed and/ or attended tobacco-related functions organized by the Regie. These activities consisted of inaugurating projects in villages supported by the Regie. In return, many municipalities delegations including deputy heads of municipalities visits Seklaoui to receive their financial grants part of the CSR plan of the Regie.

5. TRANSPARENCY

The situation did not change from 2018, There is still no procedure in place to ensure transparency when the government meets with the tobacco industry. There are no government rules for the disclosure or registration of tobacco industry entities.

CONFLICT OF INTEREST

The situation did not change from 2018, there is no publicly available data on senior retired official taking part of tobacco industry and the government does not have in place procedure to prohibit contributions from the tobacco industry. Although the second lady Randa Berri, does not hold a position in the tobacco business, however, she hosted an event at the headquarters of Regie in Hadath were daughter of tobacco farmers were certificates for participating in women empowerment training sessions.

PREVENTIVE MEASURES

The situation did not change from 2018. Lebanon does not have a plan for implementation of Article 5.3. There is no procedure in place to disclose the government's interaction with the tobacco industry. The government has not adopted or implemented a code of conduct for public officials in their dealings with the tobacco industry.

While the tobacco industry is required to submit information on tobacco production and manufacture for tax purpose, there is no requirement for the industry to submit other information such as market share, marketing expenditures, lobbying, philanthropy, and others. There is no publicly available information to show the government has a program or plan to consistently raise awareness on Article 5.3 Guidelines within its departments.

⁷ <https://www.dailystar.com.lb/Business/Local/2019/Jun-20/485682-regie-warns-against-raising-tobacco-prices.ashx>

Further, the National Tobacco Control tab under programs and projects on the MOPH website no longer exists, it was replaced by a tab “No Tobacco Control Program”. Unlike the previous page, the current page has no information.

Recommendations

In 2018, the Regie was the fifth source of support for the state treasury. In 2019 it’s revenues increase by 34% compared to 2018⁸.

The same recommendation as last year still hold. Although the Regie is a state-owned monopoly, however the Lebanese government needs to treat it like international tobacco industry. Thus, it should be more attentive and critical toward the involvement of the tobacco industry in policymaking.

1. In line with the FCTC, further effort should be set in place to enhance public health policies
2. Tobacco related CSR activities must be banned.
3. State-owned monopoly, the Regie, must be treated like any other tobacco company. Therefore, a law proposed by the Regie must not be accepted as this is a direct intervention in tobacco control policymaking, a “firewall” between the industry and tobacco control policy must be established.
4. There must be a procedure in place to disclose the records of government interaction with the tobacco industry. A code of conduct should be adopted by the government to guide officials when dealing with the tobacco industry. The MOPH, through its Tobacco Control Program could take the lead in writing those procedures.
5. The tobacco industry should be required to submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities
6. The government should work on raising awareness within its departments on policies related to FCTC Article 5.3. Similar activities could be coordinated between the MOPH through its National Tobacco Program, civil society and academia.

⁸ <https://www.rltt.com.lb/Article/427/wazni-receives-the-2019-profits-from-the-regie-and/en>

Results and Findings

	0	1	2	3	4	5
INDICATOR 1: Level of Industry Participation in Policy-Development						
1. The government ⁹ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry ¹⁰ in setting or implementing public health policies in relation to tobacco control ¹¹ (Rec 3.1)						
<p>On May 9, 2019, a delegation from the Regie visited the House Speaker Nabih Berri. Nassif Seklaoui, the Director General of La Régie Libanaise Des Tabacs Et Tombacs (Regie), reported that Berri was very considerate and passed on his reassurances to Regie staff and all public sector employees; pointing out this is a successful sector that assumes its responsibilities towards the treasury and the farmers¹².</p> <p>It is worth mentioning that it is well know that the Regie falls under the patronage of Berri, Speaker of the house¹³. Berri's public appearances are very rare. Nevertheless, in 2016 he Launched the Regie's Plan for Sustainable Development. He began his speech by praising the Regie saying "what I see here is a Development vision for a brighter tomorrow." In his speech, he spoke about the political deadlock in the country and said expressing his irritation of the situation "when a person gets angry, he would better grab a cigarette and turn towards tobacco."</p> <p>Further in the same speech he adds "<i>here's to the tobacco plants, the blue bead of Lebanon, or rather its green one because of the envious and evil eye of lurking Israel that has been and still is staring at Lebanon</i>".¹⁴</p> <p>Further, the Minister of Finance (MOF) Ali Hassan Khalil, a member of Amal Movement, the political party headed by Berri, does not miss an opportunity to praise the Regie. On January 17, 2019, he¹⁵ attended an honouring ceremony for the retired personnel at the Regie where he said the Regie has reached the position it has due to the efforts of its employees, and the support and confidence of the guardianship authority, represented by the Seklaoui. More, on June 18, 2019 during a meeting held at the Regie's Hadath Headquarter about the illegal trade, the MOF praised the work of the Regie and stated "today, we witness the Regie's success in transforming the exceptional conference held around a year ago into an event generating serious decisions through follow-up and persistence."¹⁶</p>						
2. The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)						
<p>Towards the end of May 2019, the newspapers reported on the government's intentions to increase the price of waterpipe by 1000 L.L. (0.6\$)^{17,18}; part of the government budget for 2019.</p>						

⁹ 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

¹⁰ The term, "tobacco industry" includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

¹¹ "Offer of assistance" may include draft legislation, technical input, recommendations, oversees study tour

¹² <https://www.rltt.com.lb/Article/381/speaker-berri-meets-regie-delegation-headed-by-eng/en>

¹³ <https://www.imlebanon.org/tv/jadeed-22/>

¹⁴ <https://www.rltt.com.lb/Article/125/berri-at-the-launching-ceremony-of-the-regies-plan/en>

¹⁵ <https://www.rltt.com.lb/Article/356/the-sectors-income-reached-lbp-628-billion-last-ye/en>

¹⁶ <https://www.rltt.com.lb/Article/385/khalil-from-the-regie-more-than-124-smuggling-pass/en>

¹⁷ <https://www.dailystar.com.lb/News/Lebanon-News/2019/May-30/484271-lebanese-simmer-with-anger-over-nargileh-tax.ashx>

¹⁸ <https://www.aljournhouria.com/ar/news/472439>

Accordingly, some MPs suggested the price need to be further increased. In response, on June 18 2018, during a meeting held at the Regie headquarter to discuss smuggling in the presence of the minister of finance, Seklaoui criticized the request of some MPs and asked "Is the goal to collapse the Regie? as happened in 1999 following the increase of customs duties, when we felt under a financial deficit for years as a result of this decision and the treasury's profits reached two billion dollars? The MP is well aware of that. "¹⁹

On December 9, 2019 the Regie legal department prepared a law proposal to consider smuggling as a misdemeanor. The draft was shared with the minister of finance. However, the government resigned before any further action takes place²⁰.

It should be noted that on April 23, 2019 the Regie signed an agreement with British American Tobacco (BAT) To produce Kent and Viceroy in Lebanon the General Manager of the Middle East and Yemen Wael Attari, on behalf of BAT; he said “*At the level of governments, we are working with them to develop a legislative framework that protects consumers and economy alike*,”. In the article he emphasized that BAT with the Regie to provide support the Lebanese government with their expertise “in the development of fair and logical laws that take into account national priorities and balance between financial, economic, health, and social policies’. Further he stressed on the company's commitment to "support the efforts of the Lebanese government to combat illegal trade, especially as it affects the activities of companies legitimately licensed to operate within this sector." ²¹

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)						
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Evidence to support your choice. If this is by law, cite the relevant legislation

No such activities took place in 2019.

However, the Regie suggested by the end of 2019 a general law addresses illicit trade (as stated in Q2). Nevertheless, based on past experience during many parliamentary deliberations the Regie and its allies from tobacco industry were the only non-parliamentarian attending those sessions intending to fine-tune the tobacco control law. ²² Therefore, there is a need in the future to stay alert and monitor this activity.

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) ²³ (Rec 4.9 & 8.3)						
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In line with the FCTC recommendation, [Rec 4.9 & 8.3] the government delegation to the COP or any of its related meetings does not include any representative from the tobacco industry.

¹⁹ <https://www.rlft.com.lb/Article/385/khalil-from-the-regie-more-than-124-smuggling-pass/en>
²⁰ <https://newspaper.annahar.com/article/1112884->
²¹ <https://www.rlft.com.lb/Article/378/the-regie-signs-an-agreement-with-british-american/en>
²² Nakkash, R.T., Torossian, L., El Hajj, T., Khalil, J. and Afifi, R.A., 2018. The passage of tobacco control law 174 in Lebanon: reflections on the problem, policies and politics. *Health policy and planning*, 33(5), pp.633-644.
²³ Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

	0	1	2	3	4	5
It should be noted that the delegation did not include a delegate from the MOH nor the Tobacco control focal point.						
INDICATOR 2: Industry CSR activities						
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 ²⁴ (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)						
6.2 PARTIES SHOULD NOT ENDORSE, SUPPORT, FORM PARTNERSHIPS WITH OR PARTICIPATE IN ACTIVITIES OF THE TOBACCO INDUSTRY DESCRIBED AS SOCIALLY RESPONSIBLE.						
6.4 PARTIES SHOULD NOT ALLOW ACCEPTANCE BY ANY BRANCH OF GOVERNMENT OR THE PUBLIC SECTOR OF POLITICAL, SOCIAL, FINANCIAL, EDUCATIONAL, COMMUNITY OR OTHER CONTRIBUTIONS FROM THE TOBACCO INDUSTRY OR FROM THOSE WORKING TO FURTHER ITS INTERESTS, EXCEPT FOR COMPENSATIONS DUE TO LEGAL SETTLEMENTS OR MANDATED BY LAW OR LEGALLY BINDING AND ENFORCEABLE AGREEMENTS.						
In 2016, the Regie Libanaise des Tabacs et Tombacs "launched its Sustainable Development" plan the "Development Vision for a Brighter Tomorrow". The keystone for a long-term plan, consist of promoting economic development, environment protection, fighting illicit trade & child labor, and improving the living of workers & farmers and the communities where they operate. ²⁵						

²⁴ political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

²⁵ <https://www.rltt.com.lb/Article/125/berri-at-the-launching-ceremony-of-the-regies-plan/en>

THE PYRAMID OF SUSTAINABLE DEVELOPMENT PRIORITIES

The Pyramid illustrates the priorities of the Sustainable Plan that will be implemented by the Regie during the next ten years. These priorities will target the environment, the economy and the community; respond to the needs of the Regie's stakeholders and serve the development of the local community.



FIGHTING TRADE
(Development of anti-smuggling policy)
مكافحة التجارة غير المشروعة
(وضع سياسة لمكافحة التهريب)

IMPLEMENTATION OF SUSTAINABLE AGRICULTURE
(Application of Good Agricultural Practices, Raising farmers' awareness)
تطبيق الزراعة المستدامة
(تطبيق الممارسات الزراعية الجيدة، زيادة وعي المزارعين)

FIGHTING CHILD LABOR
(Drafting a human rights policy, supporting the education of farmers' children)
مكافحة عمالة الأطفال
(صياغة سياسة حقوق الإنسان، دعم تعليم أبناء المزارعين)

CREATING A PRODUCTIVE WORK ENVIRONMENT
(Applying the Professional health and security system)
خلق بيئة عمل مثالية
(تطبيق نظام الصحة والسلامة المهنية)

IMPROVING PRIDUCT QUALITY
(ISO implementation, evaluation of suppliers and equipment efficiency, implementation of quality industry practices)
تحسين جودة المنتجات
(تطبيق ISO، تقييم الموردين وفعالية المعدات، تنفيذ ممارسات الجودة الصناعية)

DEVELOPING EMPLOYEES' SKILLS
(Training)
تطوير مهارات الموظفين
(التدريب وبناء قدرات)

REDUCING ENERGY CONSUMPTION
(water management, environment management system)
خفض استهلاك الطاقة
(إدارة المياه، نظام إدارة البيئة)

CONTRIBUTION IN ECONOMIC DEVELOPMENT
(Treasury revenues)
المساهمة في التنمية الاقتصادية
(دعم الخزينة)

WASTE MANAGEMENT
إدارة النفايات

SUPPORTING MUNICIPALITIES
(Development Projects)
دعم البلديات
(مشروع تنموي)

[Sustainable Development Report 2017-2018](#)

Thus, part of the CSR activities the following took place:

On July 10, 2019 the Regie publish on its page that a “delegation from the administration is heading to Turkey to participate in an educational training program as part of Regie’s project to enhance the capabilities of its employees in all fields”²⁶.

On March 7, 2019 a guidance session to hundreds of tobacco farmers. This took place within its constant efforts to help tobacco farmers improve the quality of their crops and to inform them of the best agricultural practices.²⁷

²⁶ <https://www.rltt.com.lb/Article/391/eng-seklaoui-meets-regie-delegation-heading-to-tur/en>

²⁷ <https://www.rltt.com.lb/Article/370/hundreds-of-tobacco-farmers-to-participate-in-regi/en>



Further the Regie conducted a series of training sessions on women empowerment to daughters of tobacco farmers in different areas of Lebanon. The sessions were organized by Regie in cooperation with Spring Board Program.^{28 29}

On the July 14, 2019 deputy Ezzeddine, representing of House Speaker Nabih Berri- also a member of Amal movement headed by the Speaker of House- participated in the inauguration of a basket-ball court in Tyr (city in the south of Lebanon); passed on the greetings of Speaker Berri, and praised through Eng. Seklaoui, all the projects implemented by Regie pointing out that they are all helpful for the communities of the region³⁰. Further, deputy Ezzeddine on February 14 visited Siklaoui along a delegation from Chehour (village in the South of Lebanon) municipality and on July she participated in the inauguration of the Archbishop of the Maronite Catholic church in Tyr^{31 32}.



²⁸ <https://www.rltt.com.lb/Article/369/regie-to-hold-certificate-ceremony-for-105-females/en>

²⁹ <https://www.rltt.com.lb/Article/364/regie-holds-workshop-in-qsaybeh-as-part-of-spring/en>

³⁰ <https://www.rltt.com.lb/Article/384/regie-inaugurates-basketball-court-in-tyr/en>

³¹ <https://www.rltt.com.lb/Article/392/engineer-seklaoui-inaugurates-church-hall-in-dibil/en>

³² <https://www.annahar.com/article/997218-سكلاوي-يرعى-حفل-افتتاح-قاعة-كنيسة-د->

Part of its CSR activities, the Regies provide financial grants of the municipalities in Lebanon³³. In return, many municipalities delegations including deputy head of municipality visits Seklaoui to receive their financial grants^{34 35 36 37}.

INDICATOR 3: Benefits to the Tobacco Industry

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) (Rec 7.1)						
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Lebanon ratified the FCTC in 2005, but it was not until 2011 that a tobacco control law was passed. Next, on December 11, 2013, a decree 1/207 was issued banning all sort of tobacco of importation or trading all sort of e-cigarettes or e-waterpipes. However, in 2015 a new decree 1/877 was issued on how to regulate the entry system of e-cigarettes or e-waterpipes. Following a request from the Regie dating November 7, 2019, the minister of Finance issues a new decree 1/956; that regulate the price of e-cigarettes including heated tobacco product (IQOS) was issued. The decree became effective as of November 28, 2019, after being published in the national gazette. (Annex 1)

Both products are legally sold in Lebanon by now, however tobacco industry are not abiding by the tobacco control policy of Lebanon. For example, IQOS booth is clearly violating the marketing Article 4 and chapter 5 of Law 174. (as per the below picture)



It is worth noting, that in 2017 while the Regie signed an agreement with PMI, Seklaoui expressed his hope to manufacture e-cigarettes in Lebanon in line with Philip Morris plan to reduce the dangers of smoking.³⁸

7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)						
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In 2017, Parliament’s general committee decided to add LL250 (0.17\$) on each cigarette pack and LL500 (0.33\$) on cigars. The aim was to increase taxes from 35 percent to 135 percent³⁹ however, during the legislative sessions, the Minister of Finance argued, in line with the Regie

³³ <https://www.rltt.com.lb/Article/404/regie-offers-financial-grants-to-different-municip/en>
³⁴ <https://www.rltt.com.lb/Article/371/al-bazouriyeh-municipality-receives-financial-grant/en>
³⁵ <https://www.rltt.com.lb/Article/365/engineer-seklaoui-receives-delegation-from-various/en>
³⁶ <https://www.rltt.com.lb/Article/357/regie-offers-financial-grants-to-a-number-of-municip/en>
³⁷ <https://www.rltt.com.lb/Article/354/regie-offers-financial-grant-for-henniye-municipal/en>
³⁸ <https://www.rltt.com.lb/Article/256/regie-signs-agreement-with-philip-morris-to-manufacture/en>
³⁹ <https://www.dailystar.com.lb/Business/Local/2017/Mar-23/398737-regie-says-raised-tobacco-prices-to-stop-illegal-merchant-gains.ashx>

claims⁴⁰, that this will lead to increase in smuggling.⁴¹ The Regie increased the prices of tobacco in anticipation of the government’s decision claiming their intend to control the market and protect the public money⁴². They argued that their action was approved by the MOF^{43 44}. The legal agenda⁴⁵ questioned this action and stated that this action does not serve the government revenue and is considered illegal.

Again, the same scenario took place in 2019. Upon discussion of government intend to increase the price of water pipe by 1000 L.L (0.6\$)⁴⁶⁴⁷ in May 2019. On June 2019, Siklaoui expressed his disagreement with the suggested increase and said

“I do not see any point in raising the prices of tobacco, cigarettes and cigars because this move would make matters worse for Lebanon and for our company,” as well as stressed that any increase is only in the favour of smugglers. He also warned that if prices are to be raises as suggests in the study by the American University of Beirut, smuggling rate could be doubled," he said. "The direct loss is now estimated at 100 million dollars, while the actual loss is estimated at 300 million dollars because smuggling deprives the state of supposed profits when prices of tobacco products cannot be raised."

In his turn, the MOF admitted that smuggling is causing heavy losses on the treasury each year.⁴⁸

It is worth noting that in response to Seklaoui discrediting the study by the American University of Beirut (AUB), the Tobacco Control Research group at AUB tried to publish a response in the same newspaper, the latter was reluctant to do so. However, after insisting the response was published but in a very discreet way.

INDICATOR 4: Forms of Unnecessary Interaction

8. Top level government officials (such as President/ Prime Minister or Minister ⁴⁹) 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)						
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2.1 PARTIES SHOULD INTERACT WITH THE TOBACCO INDUSTRY ONLY WHEN AND TO THE EXTENT STRICTLY NECESSARY TO ENABLE THEM TO EFFECTIVELY REGULATE THE TOBACCO INDUSTRY AND TOBACCO PRODUCTS.

On the 29th of February, a delegation from the Regie visited Prime Minister Hariri, inviting him to foster one of its CSR activities a photo exhibition about female tobacco farmers that coinciding with International Women’s Day. During the visit they underlined the Regie

⁴⁰ <https://www.rlft.com.lb/Article/219/some-merchants-took-advantage-in-order-to-make-ill/en>
⁴¹ <https://www.legal-agenda.com/article.php?id=3554>
⁴² <https://www.rlft.com.lb/Article/219/some-merchants-took-advantage-in-order-to-make-ill/en>
⁴³ <https://www.lebanese-forces.com/2017/03/22/seklawi/>
⁴⁴ <https://www.almodon.com/politics/2017/3/19/رفع-أسعار-السجائر-سبب-الرجي-والتجار>
⁴⁵ <https://www.legal-agenda.com/article.php?id=3554>
⁴⁶ <https://www.dailystar.com.lb/News/Lebanon-News/2019/May-30/484271-lebanese-simmer-with-anger-over-nargileh-tax.ashx>
⁴⁷ <https://www.aljournhouria.com/ar/news/472439>
⁴⁸ <https://www.dailystar.com.lb/Business/Local/2019/Jun-20/485682-regie-warns-against-raising-tobacco-prices.ashx>
⁴⁹ Includes immediate members of the families of the high-level officials

achievements, especially industrial and financial, along with the accomplishments within its sustainable development plan. In return, The PM praised the Regie’s accomplishments⁵⁰.



March 14, 2019, the Minister of Interior Raya El-Hassan, represented The PM Hariri for the photo exhibition event held by Regie. She stated the Regie “*is a model for institutions that we aspire to have at the public sector as it is an important source of revenue for the treasury.*” Adding that she sensed this success when she was with the Ministry of Finance.⁵¹

On the 16th of January, Deputy Hagop Terzian visited the headquarters of La Regie Libanaise Des Tabacs Et Tombacs, (with no clear reasons for this visit) he said although he is not a great supporter of Regie products, but he praised the achievements accomplished by the Regie and stressed the need for other national institutions that have a reasonable level of social responsibility and are able to operate in a manner similar to that of Regie by abiding by the mentality of the private sector. He also praised the efforts exerted by its Director General Engineer Nassif Seklaoui and all the working teams, pointing out that “*what they have achieved is a golden stamp in the records of Lebanon.*”⁵²

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)						
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On July 8, 2019 In cooperation with JIT, the Anti-Smuggling Section at La Regie Libanaise Des Tabacs Et Tombacs (Regie) held a workshop under the auspices of Director General Engineer Nassif Seklaoui. The workshop addressed combatting smuggling and counterfeit activities, in particular with respect to Lebanon.⁵³

⁵⁰ <http://pcm.gov.lb/arabic/subpg.aspx?pageid=12811>
⁵¹ <https://www.rltt.com.lb/Article/373/minister-raya-el-hassan-while-representing-pm-hari/en>
⁵² <https://www.rltt.com.lb/Article/355/mp-terzian-praises-role-of-regie-says-lebanon-need/en>
⁵³ <https://www.rltt.com.lb/Article/390/regie-holds-workshop-on-combatting-smuggling-and-c/en>



10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1)
 NOTE: This *must not* involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.

In 2018, The Regie signed an agreement with JTI and PMI to locally produce some of their tobacco brands. Similar to its agreement with the other tobacco companies, the Regie signed on April 23, 2019 a partnership agreement with British American Tobacco to produce Kent and Viceroy in Lebanon⁵⁴. The agreement consists of BAT supplying tobacco and other materials and provide technical supervision for the manufacturing. A pack of locally produced Kent cigarettes will have a retail price of LL2,500 (\$1.65), and Viceroy at LL1,500 (\$1).⁵⁵ By 2019, the Regie is producing 19 international tobacco brands in addition to 9 local brands.⁵⁶ Accordingly a stronger presence of international tobacco companies in Lebanon and much affordable tobacco product in the Lebanese market increases the tobacco business. For example, following the agreement with PMI, the price of the Red Marlboro decreased by 1000 L.L (0.6\$)⁵⁷.

On October 17, 2019 during the discussion of the 2019 budget, the cabinet suggested to add 2000L.L (1.32\$) to each imported cigarette pack, compared to 750 L.L (0.75\$) on local cigarettes. But the decision is to be applied over two stages. The reasons are to cut off the traders who have already started storing smoke, and to avoid smuggling.⁵⁸ Nevertheless, the draft budget was never finalized as the government resigned.

It is worth noting that the suggested decision of increasing tobacco price in stages will keep the price of some packs such as Red Marlboro, on par or cheaper than their initial price when they were not locally produced.

⁵⁴ <https://www.rlitt.com.lb/Article/378/the-regie-signs-an-agreement-with-british-american/en>

⁵⁵ <http://www.businessnews.com.lb/cms/Story/StoryDetails/7074/Regie-to-make-cigarettes-for-British-American-Tobacco>

⁵⁶ <https://bit.ly/3aXgFwQ>

⁵⁷ <https://www.lebanondebate.com/news/365274>

⁵⁸ <https://al-akhbar.com/Politics/277949>



INDICATOR 5: Transparency

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)

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Not standard practice by the government are in place or has been reported in the news

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)

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There are no government rules for the disclosure or registration of tobacco industry entities.

INDICATOR 6: Conflict of Interest

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)

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The government does not prohibit contributions from the tobacco industry.

14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)

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There is no publicly available information on this

15. Current government officials and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)

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Further, on March 18, Randa Berri, the wife of the House Speaker Berri, distributed certificates to 100 daughters of tobacco farmers participating in women empowerment workshops in South, North, and Bekaa. During the event, she underlines the necessity to “support and equip tobacco farming sector in Lebanon, which provides nearly 40,000 work opportunities for farmers, workers, employees and benefiting roughly 300,000 citizens”.⁵⁹ It is worth noting that Randa Berri, she has a been influential in the political arena thus public policies as well as owner and CEO of a construction company in charge of the most prominent construction projects in the south of Lebanon⁶⁰, as well as she run multiple NGOs,

⁵⁹ <https://www.rlft.com.lb/Article/374/randa-berri-we-can-notice-officials-good-will-towa/en>

⁶⁰ Brichs, F.I. ed., 2012. *Political regimes in the Arab World: Society and the exercise of power*. Routledge. page 231

	0	1	2	3	4	5
such as the Lebanese Welfare Association for the Handicapped. Further she is the first deputy of the Lebanese National Women’s Association.						
INDICATOR 7: Preventive Measures						
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 to disclose the records of government interaction with the tobacco industry.						
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 formulated, adopted or implemented a code of conduct for public officials in their dealings with the tobacco industry						
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. (5.2)						
While the tobacco industry is required to submit information on tobacco production C241[1] , content C242[1] and manufacture for tax purpose, however there is no requirement for the industry to submit other information such as market share, marketing expenditures, lobbying, philanthropy, and others.						
19. The government has a program / system/ plan to consistently ⁶¹ raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)						
<p>As noted in the previous report, there is no publicly available information to show the government has a program or plan to consistently raise awareness on Article 5.3 Guidelines within its departments. In fact, In the COP 8 report, the National Tobacco Control Focal Point Fadi Snan, has pointed that the national tobacco program do not have enough funding to carry on activities as most of the work is done at voluntary pro- bono basis (E3), C438; or lack of funding activities not carried B115.⁶²</p> <p>It should be noted that the National tobacco control program hosted on the website of the ministry of public health is no longer active to retrieve information ...</p> <p>A new tab under programs and projects is “No Tobacco Control Program”⁶³ all information related to Law 174, advocacy work and tobacco coalition are not available on the current page. Further most principles⁶⁴ of the Article 5.3 could be implemented and/or enforced without the need for a budget.</p>						

61 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.

62 : https://untobaccocontrol.org/impldb/wp-content/uploads/reports/lebanon_2016_report.pdf

63 <https://www.moph.gov.lb/en/Pages/2/3173/tobacco-program>

64 <https://www.who.int/fctc/publications/fctc-article-5-3-best-practices.pdf?ua=1>

	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. (3.4)						
There is no policy put in place to disallow the acceptance of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations.						
TOTAL						76

قرار رقم ١/٩٥٦
تاريخ ٢٠ تشرين الثاني ٢٠١٩
تحديد أسعار مبيع السجائر الالكترونية

إن وزير المالية،
بناء على المرسوم رقم 4340 تاريخ 2019/1/31 (تأليف الحكومة)،
بناء على المرسوم الإشتراعي رقم 151 تاريخ 1959/6/12 (تنظيم رقابة الدولة على إدارة حصر التبغ والتبناك).

بناء على كتاب إدارة حصر التبغ والتبناك رقم 5326 تاريخ 2019/11/7 وبعد أخذ رأي مدير المالية العام ورأي مفوض الحكومة لدى إدارة الحصر.

يقرر ما يأتي:

المادة الأولى: خلافاً لكل نص سابق يحدد سعر الصندوق «المعادل لصندوق سعة 500 علبة من السجائر العادية» تسليم رؤساء البيع، من مختلف أنواع السجائر الالكترونية المستوردة بما فيه كل الرسوم وقبل احتساب الضريبة على القيمة المضافة وبالدولار الأميركي، وفق المعادلة الآتية:

$$D+C + (A \times \text{سعر الشراء}) + (B \times \text{كلفة الشحن واصل المخزن})$$

المؤشر A: يساوي نسبة كلفة الشراء + نسبة الرسوم الجمركية والإستهلاك الداخلي + نسبة أرباح الإدارة

$$\text{المؤشر A} = 1.50 (100\% + 35\% + 15\%)$$

المؤشر B: زيادة نسبة مئوية معينة على كلفة الشحن من أجل تغطية النفقات غير المتوقعة.

$$\text{المؤشر B} = 1.2 (100\% + 20\%)$$

المؤشر C: يساوي نفقات الإدارة الفعلية بما فيها دعم المحصول مُقسمة على كمية المبيعات السنوية المُحققة

المؤشر C 92.32 دولار / الصندوق
يُعدل المؤشر C سنوياً إستناداً الى النفقات الفعلية وكمية المبيعات المُحققة
وبعد موافقة مفوض الحكومة

المؤشر D: تنفيذاً للمادة السادسة من القانون رقم 64 تاريخ 20/10/2017 والقاضية بزيادة 250 ليرة على سعر مبيع العلبة الى العموم.

$$\text{المؤشر D} = 69.68 \text{ دولار / الصندوق}$$

- يدور كسر الدولار الى دولار ومهما كانت قيمته

المادة الخامسة: - تحدد أسعار المبيع للعموم بالليرة اللبنانية وفق المعادلة الآتية:

$$\text{سعر تسليم رؤساء البيع} \times \text{سعر صرف الدولار الراجح} + \text{الضريبة على القيمة المضافة}$$

0.933

المادة السادسة: ينشر هذا القرار في الجريدة الرسمية ويعمل به فور صدوره.

٢٠ تشرين الثاني ٢٠١٩

وزير المالية
علي حسن خليل