

Myanmar

Overall score:

54

Summary of Findings

1. Industry participation in policy development

In April 2019, the Central Board of the Control of Smoking and Consumption of Tobacco Products (National Tobacco Control Board) was reconstituted by the government under the National Tobacco Control Law of 2006. The Union Minister of Health and Sports (MOHS) is the Chairman and Director (NCD) while the Department of Public Health acts as Secretary of the Board. The Board has not yet convened its first meeting. Although there are no representatives from the tobacco industry on the Board, the government usually considers proposals from the tobacco industry in setting or implementing public health policies in relation to tobacco control. In 2019, tobacco companies submitted proposals for tobacco tax reform to the Internal Revenue Department (IRD), Ministry of Planning and Finance (MOPF) and Parliamentarians. These offices acknowledged the receipt of the tobacco companies' proposals and indicated that suggestions will be included in the Union Tax Bill for consideration.

2. Industry CSR activities

A local cigarette company, Myanmar Kokang Company Ltd. (MMK Cigarette Factory), located in Muse, Northern Shan State, sponsored through its distributor, Hexa Power Company Ltd., a mini-marathon and a public walking event in Mandalay in December 2018 and January 2019.

Despite prohibitions on tobacco industry-sponsored CSR activities and tobacco advertising, promotions and sponsorships (TAPS) in the Control of Smoking and Consumption of Tobacco Product Law, Japan Tobacco International's (JTI) project to provide drinking water for refugees in Kayin State is still ongoing.

3. Benefits to the industry

For the second- and third-year implementation of pictorial health warnings (PHW), the second picture (rotation) should appear on cigarette packs from December 2017 to November 30, 2018, while the third picture should appear on tobacco products from December 2018 to November 30, 2019. To date, not all tobacco products carry the required pictures and old images on packs can still be found on the market. No government action is found to have been taken.

The Union Tax Law of 2019 gave a tax exemption to the tobacco industry for cheroots, cigars and raw tobacco if their annual product cost did not exceed MMK 20 million (kyats).

The government is open and welcoming to foreign investment including British American Tobacco (BAT) and JTI, and most recently known is Burma Tobacco Trading Co. for cigar production and tobacco growing.

4. Unnecessary interaction

There are no publicly available reports of government officials attending social functions of the tobacco industry. However, EUROCHAM Myanmar has an anti-illicit trade group that enlists BAT as a member. The objective of this group is to "coordinate regular consultation meetings between the group and the authorized government officials to develop a shared understanding of challenges and issues." In 2019, EUROCHAM teamed up with TRACIT, a Philip Morris International (PMI)-funded group, to continue addressing illicit trade issues in Myanmar.

5. Transparency

There is no mechanism or rule for disclosure of tobacco meetings with the tobacco industry. The MOHS is working on this now.

While the Special Commercial Tax law requires all facilities and distribution chains to register, it does not cover affiliated organizations and individuals acting on the tobacco industry's behalf/lobbyists.

6. Conflict of interest

The government does not prohibit contributions from the tobacco industry or any entity working to further its interests. While there are no publicly available records found, there are retired senior government officials who have joined the tobacco industry.

7. Preventive measures

The Ministry of Planning and Finance, Directorate of Investment and Company Administration issued an Anti-Corruption Code of Ethics which applies to all private companies and corporate bodies incorporated in Myanmar that make business deals with concerned government organizations, and companies or organizations in the private sector. However, the government does not require reports on market share, marketing expenditures, revenues or any other activity, including lobbying, philanthropy, political contributions and all other activities; nor are there specific guidelines compliant with the WHO Framework Convention on Tobacco Control (FCTC) Article 5.3 Guidelines for departments dealing with the tobacco industry, such as the Internal Revenue Department for tax collection.

In 2018, Myanmar's Anti-Corruption Commission issued a Notification (No. 14 /2018) concerning the need for all businesses to establish a strong business code of ethics to prevent corruption. The following fundamental principles have therefore been identified for private sector organizations to develop a strong business code of ethics as well as to establish appropriate internal control measures to prevent corruption: (a) Strong, effective policy and support from top-level management to fight corruption; (b) Risk assessment to effectively identify and evaluate exposure to corruption; (c) Enhanced and detailed measures for high-risk and vulnerable areas; (d) Application of anti-corruption measures to business partners; (e) Accurate books and accounting records; (f) Human resource management policies complementary to anti-corruption measures; (g) Establish trustworthy reporting mechanisms to report suspected corrupt behaviours; and (h) Periodic review and evaluation of anti-corruption prevention measures.

Recommendations

1. Enforcement of CSR and TAPS bans should be upheld in compliance with national laws.
2. The tobacco industry should be penalized for non-compliance with tobacco control laws, such as non-application of pictorial health warning on packs.
3. To promote transparency, there must be a procedure to guide all officials in their interaction with the tobacco industry and its representatives, based on WHO FCTC Article 5.3. Currently only the Ministry of Health and Sports has such guidance.
4. There must be a program to raise awareness on Article. 5.3 to guide all government departments, especially those with close dealings with tobacco industry.
5. The tobacco industry must be required to provide information about its business, including what it spends on marketing and philanthropy.