

CAMBODIA

2021

TOBACCO  
INDUSTRY  
INTERFERENCE  
INDEX

## Introduction

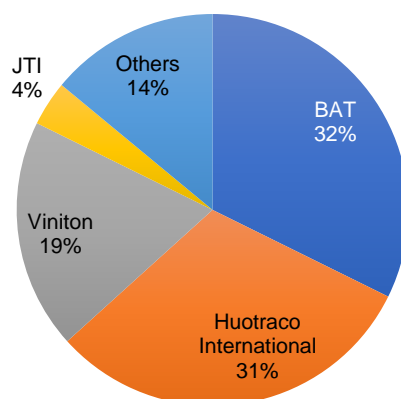
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This is a report on the implementation of WHO Framework Convention on Tobacco Control (FCTC) Article 5.3 in Cambodia. Overall, there was no improvement in the implementation compared to the report from 2020. The findings of the report show that changes are only minor.

This report uses the questionnaire developed by the Southeast Asia Tobacco Control Alliance (SEATCA) based on the WHO FCTC Article 5.3 Guidelines. Information used in this report is obtained from the public domain. A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country.

The overall score has remained unchanged at 49 points. One of the main problematic areas is unnecessary interaction with the tobacco industry where the Minister of Woman's Affairs met with the General Manager of JTI Cambodia praising the company for promoting gender equality.

### Main tobacco companies in Cambodia



In 2020, Cambodia exported less tobacco leaves, about 5.8 million kg and worth more than \$17 million, to nine (9) countries according to the Minister of Agriculture, Forestry and Fisheries.<sup>1</sup> Buyers of Cambodian dried tobacco leaves included Vietnam, Indonesia, Hungary, the United Arab Emirates, Belgium, South Africa, Greece, Singapore, and Germany. In 2020, land area cultivated for tobacco cultivation was 5,175 ha, of which 4,875 ha was harvested and produced 6,132 metric tons, representing a 1 per cent drop from 2019, ministry statistics show.

On 23 March 2021, the Ministry of Commerce confirmed that Vietnam extended its 3,000-tonne duty-free quota for Cambodian dried tobacco leaves for 2021 to meet market demand.<sup>2</sup> Cambodia exported 1,377 tons of dried tobacco leaves to Vietnam last year valued at \$4,197,500, down 34 per cent by volume from 2,098 tons in 2019, according to data from the ministry.

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<sup>1</sup> Thou Vireak. Tobacco exports trail off in 2020 The Phnom Penh Post.

<https://www.phnompenhpost.com/business/tobacco-exports-trail-2020>

<sup>2</sup> Thou Vireak. Vietnam renews duty free tobacco quota for 2021. The Phnom Penh Post. 23 March 2021.

<https://www.phnompenhpost.com/business/vietnam-renews-duty-free-tobacco-quota-2021>.

## Summary Findings

### 1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

The government does not accept offers of assistance from the tobacco industry, nor endorses any policies drafted by the industry, nor invite the industry to sit at meetings deciding on policy. The government needs to remain vigilant.

### 2. INDUSTRY CSR ACTIVITIES

CSR activities are not banned and remain a problem in Cambodia. They are mostly done by transnational tobacco companies, BAT and JTI. At the height of the COVID-19 pandemic, JTI was very active in organizing and promoting such CSR activities.

### 3. BENEFITS TO THE INDUSTRY

Government benefits are still given to the tobacco industry although these are not publicly known. One example – Ministry of Commerce’s announcement on the waiver of duties to tobacco leaves exported to Vietnam and exemption of import tax by the Vietnam government for registered farmers producing more than 3,000 tons. This exemption encourages tobacco growers to take advantage of the exemption. Another type of indirect benefit given to the tobacco industry is the government’s delay to implement tobacco control measures according to timelines.

### 4. UNNECESSARY INTERACTION

There was a meeting in February 2021 held between the Minister of Woman’s Affair with the General Manager of JTI Cambodia who praised the company for promoting gender equality.

### 5. TRANSPARENCY

There are no rules or procedure for disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf. This is the area the industry can use to misrepresent its meetings with various government departments.

### 6. CONFLICT OF INTEREST

Two incumbent senators are connected to the tobacco industry through (1) LYP Group, which owns the Hero King Co., LTD cigarette business and (2) [Anco Group of Companies](#), which imports international cigarette brand such as 555. 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.

### 7. PREVENTIVE MEASURES

A Sub-Decree on the Establishment and Functioning of the Committee for Tobacco Control was passed in 2017 which has incorporated principles of Article 5.3. There is no periodic submission of information from the tobacco industry about its business and what it spends on marketing and philanthropy. While the Ministry of Health has disseminated Article 5.3 to all members of National Tobacco Control Committee, there is no information whether there is a program to constantly raise awareness on policies related to Article 5.3.

On 17<sup>th</sup> Feb 2021 the Ministry of Education Youth and Sports banned all forms of partnership among educational facilities with the tobacco industry. The regulation was issued in response to the photo exhibition events of the Department of Media and Communication, Royal University of Phnom Penh (RUPP) which was sponsored by JTI.

## **Recommendations**

1. Since the tobacco has stepped up its CSR activities during the COVID-19 pandemic, such CSR activities must be banned.
2. In line with FCTC Article 5.3 guidelines, benefits currently given to the tobacco industry, such as the waiver of duties for export, must be stopped.
3. According to Article 5.3 guidelines, interaction with the tobacco industry should only be held when strictly necessary. This would prevent the tobacco industry from utilising meeting opportunities to promote its business. To promote transparency, there must be a procedure in place to prevent representatives of the tobacco industry to misrepresent its meetings with governments. While it is a positive move that the Ministry of Education Youth and Sports has banned all forms of partnership among educational facilities with the tobacco industry, it is not sustainable to go department by department. It is more efficient for a general guidance for all departments to stop partnership with the tobacco industry according to Article 5.3.
4. To prevent conflict of interest, individuals involved in tobacco business must not hold public office.
5. There must be a program to constantly raise awareness on policies related to Article 5.3 among government agencies. A code of conduct must be adopted to guide government officials when dealing with the tobacco industry. The tobacco industry must be required to provide information about its business, including what it spends on marketing and philanthropy.

## 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>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> (Rec 3.1)		1				
The government does not accept, support or endorse any offer for assistance by or in collaboration with the tobacco industry in setting or implementing public health policies in relation to tobacco control.						
2. The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)		1				
The government does not accept, support or endorse policies or legislation drafted by the tobacco industry.						
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				
There was no invitation to the tobacco industry to sit in the Tobacco Control Inter-Ministerial meetings and the FCTC Secretariat meetings organized by Ministry of Health, however remarks favoring the tobacco industry were made.						
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>6</sup> (Rec 4.9 & 8.3)		1				
The Cambodian delegation to the COP does not include any representative from the tobacco industry.						
<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)				3		

<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> Please annex a list since 2009 so that the respondent can quantify the frequency,  
<http://www.who.int/fctc/cop/en/>

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B. The government (its agencies and officials) receives contributions <sup>7</sup> (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)						

JTI partnered with the Phnom Penh Capital City to launch campaign against COVID-19, by handing over, on March 3rd 2021, two thermometers and alcohol sprayers and 4 anti-COVID-19 educational banners per market, to all 25 state markets around Phnom Penh<sup>8</sup>.



The Facebook of JTI Cambodia posted the photos of the General Manager of JTI Cambodia meeting with the Governor of Phnom Penh Capital Administration, for a handover ceremony at Phnom Penh Capital Hall.

March 25, 2021, JTI handed over fifty thermometers and alcohol dispensers to the Phnom Penh Department of Health so that people could use it when they visit health centers across the city.



Ref: <https://www.facebook.com/JTICambodia/photos/pcb.797697067518626/797690740852592/>

<sup>7</sup> political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

<sup>8</sup> Sokhom Khon (March 3, 2021). JTI បរិច្ចាគម៉ាស៊ីនវាស់កម្ដៅ និងអាហារ ជូនកម្លាំងជួរមុខប្រយុទ្ធនឹងជីកូវីដ-១៩. Kampuchea Thmey Daily. <https://www.kampuchearthmey.com/local-news/74056/>

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JTI Cambodia, in collaboration with the Department of Social Affairs, Veterans and Youth Rehabilitation of Phnom Penh, distributed clothes donated by the public and JTI staff, as well as distributed water filters, rice and canned food, in early October 2020<sup>9</sup>.

JTI Cambodia sponsored the Department of Media and Communication of the Royal University of Phnom Penh (RUPP) in the photo exhibition which conducted in 2020. The event was promoted on official website and Facebook Pages of DMC and JTI.

### 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)			2			
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The Rotation of the Pictorial Health Warning every two years set by the regulation was scheduled in Aug 2021, instead of 2020. PHW was implemented in 2016 and rotated to new PHW in 2018 and it was supposed to be rotated again 2020.

There was a delay of another year in 2020 in the adoption of the Joint Prakas between Ministry of Finance and Ministry of Health on how to implement the penalty (fine). However, in July 2018 the joint Prakas between the MOH and Ministry of Justice was signed to give credential to 490 tobacco control inspection officers. Since 2018 there were series of training for the inspection officers throughout the country.

7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)					4	
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Duty exemption for tobacco leaf export to Vietnam:

The duty-free exemption on tobacco came as part of a bilateral trade enhancement agreement signed in October 2016 that gave special preferential treatment for tobacco leaf exported from Cambodia to Vietnam<sup>10</sup>. The agreement was signed again in 26th Feb 2019. Under the deal, Cambodian tobacco producers could apply for license to export up to 3,000 tons of dried tobacco per year to Vietnam duty-free in 2019 and the same amount in 2020<sup>11</sup>.

### INDICATOR 4: Forms of Unnecessary Interaction

8. Top level government officials (such as President/ Prime Minister or Minister <sup>12</sup> ) meet with/ foster relations with the tobacco companies such as attending social functions and other events					4	
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<sup>9</sup> JTI Careers Cambodia (Oct 27, 2020). Community Wardrobe - JTI. JTI Careers Cambodia's Facebook Page. <https://www.facebook.com/JTICambodia/videos/806001973547915/>

<sup>10</sup> Sum Manet (Jan 4, 2017). Export licenses for Vietnam. Khmer Times. <https://www.khmertimeskh.com/63601/export-licenses-for-vietnam/>

<sup>11</sup> ARRANGEMENT ON BILATERAL TRADE ENHANCEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF CAMBODIA AND THE GOVERNMENT OF SOCIALIST REPUBLIC OF VIET NAM, dated 26<sup>th</sup> Feb 2019

<sup>12</sup> Includes immediate members of the families of the high-level officials

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sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)						
<p>H.E Ing Kantha Phavi, Minister of Woman's Affair allowed Mr. Roy Manalili, General Manager of JTI Cambodia, to pay a courtesy visit on 19<sup>th</sup> Feb 2021.<sup>13</sup></p> <p>In the meeting, the Minister praised JTI's efforts to and promote gender equality, especially women's rights in the workplace, as a contribution to promoting gender equality in Cambodia.</p> <p>JTI handed over alcohol spray and body thermometer to the Ministry of Woman's Affairs to combat with COVID-19.</p> <p>The meeting was picked up by media.<sup>14</sup></p>						
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)	0					
There is no evidence publicly available on this.						
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>	0					
There is no publicly available evidence on this.						
<b>INDICATOR 5: Transparency</b>						
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)			2			
There is still no procedure on disclosing meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. There was no progress.						
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
The government does not require rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf.						
<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						5

<sup>13</sup> JTI Careers Cambodia, (Feb 19, 2021). Courtesy Meeting With Ministry of Women's Affairs. JTI Careers Cambodia's Facebook Page. <https://www.facebook.com/JTICambodia/posts/778819916073008>

<sup>14</sup> JTI Careers Cambodia, (Feb 24, 2021). CNC TV Report on the Meeting Between JTI and Ministry of Women's Affair. JTI Careers Cambodia's Facebook Page. <https://www.facebook.com/JTICambodia/videos/209359810917563>



	0	1	2	3	4	5
political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11)						
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)	0					
No recently retired official joined the tobacco industry.						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)					4	
<p>H.E Oknha Ly Yong Phat is still currently a senator,<sup>15</sup> and he's also the president of LYP Group. There are a variety of businesses under L.Y.P. Group, including Hero King Co., LTD,<sup>16</sup> which deals with cigarettes, beverages and commodity products.</p> <p>H.E Oknha KOK Ann is currently a senator and also a Chairman of Anco Group of Companies, which imports international cigarette brand such as 555 and other products include Evian Water and Budweiser Beer.<sup>17</sup></p>						
<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
There is no procedure in place to disclose the records of the interaction (such as agenda, attendees, minutes and outcome) 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)			2			
<p>In 2017, a Sub-Decree on the Establishment and Functioning of the Committee for Tobacco Control was passed which has incorporated principles of Article 5.3:</p> <p><i>Article 3: CFTC's members shall be individuals not relating to the benefit of tobacco industries or companies, including but not limited to shareholders or beneficiaries from tobacco industries or companies.</i></p> <p><i>Article 7: CFTC shall cooperate with competent authorities, local authorities, civil society, and members of the private sector who are not involved with tobacco industries to promote the program for raising awareness on consequences of tobacco use.</i></p>						

<sup>15</sup> Thmey Thmey (Apr 23, 2018). Members of the Senate in the New Mandate. Thmey Thmey News. <https://thmeythmey.com/?page=detail&id=64029>

<sup>16</sup> L.Y.P. Group Co. Ltd. <http://www.lypgroup.com/trading-distribution.php>

<sup>17</sup> Anco Groups. <https://www.ancogroups.com/html/home.html>

	0	1	2	3	4	5
<p>Representatives from the 23 ministries and 24 representatives from provincial authorities have been nominated as members of the National Committee for Tobacco Control. The first meeting of the committee was conducted in June 2019.</p> <p>The Ministry of Education Youth and Sports, on 17<sup>th</sup> Feb 2021, banned all forms of partnership among educational facilities with Tobacco Industry. The regulation was issued in response to the photo exhibition events of DMC sponsored by JTI.<sup>18</sup></p>						
<p>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)</p>						5
<p>While the General Department of Tax may have information from the tobacco industry on production and sales, the government does not have a procedure requiring the tobacco industry to periodically submit other information such as marketing expenditures, revenues and any other activity, including philanthropy. No progress on this issue.</p>						
<p>19. The government has a program / system/ plan to consistently<sup>19</sup> raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)</p>			2			
<p>According to the latest report submitted to the COP, the Ministry of Health stated they disseminate Article 5.3 to all members of National Tobacco Control Committee. However, no details were provided on a program or system to constantly raise awareness on policies related to Article 5.3 as indicated in Recommendation 1.2 and 1.2. In the training curriculum of 490 Tobacco Control enforcement officers from 24 provinces and Phnom Penh city includes component on Article 5.3 (3-hour session) – signed by Minister of Health.</p> <p>In the meeting of the National Committee for Tobacco control, conducted in June 2019, article 5.3 was mentioned.</p>						
<p>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)</p>			2			
<p>On 20<sup>th</sup> Nov 2018, the Ministry of Education Youth and Sports issued an ordinance to all private and public educational facilities, banning CSR activities using words, signs, tobacco company or tobacco product logo that could encourage educational staff and learners to use tobacco products.</p>						
<b>TOTAL</b>						<b>49</b>

<sup>18</sup> Kingdom of Cambodia. Ministry of Education, Youth, and Sport No. 10 AYK.SNN: Circular On Ban of Use, Advertisement, Display and Sale of Tobacco, and Collaboration with Tobacco Industry. 2021 Feb 17.

<sup>19</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.

## ANNEX A: SOURCES OF INFORMATION

### TOBACCO INDUSTRY ACTIVITY

#### LOCAL TOBACCO COMPANIES

Top 5 Tobacco Companies/distributors	Market Share and Brands	Source
BAT	32%	
Huotraco International	31%	
Viniton Group	19%	
JTI	4%	
Others	14%	

#### NEWS SOURCES

Top 5 Newspaper/Dailies	Type (Print/Online)	URL
The Phnom Penh Post	Print and Online	<a href="https://www.phnompenhpost.com/">https://www.phnompenhpost.com/</a>
Khmer Times	Print and Online	<a href="https://www.khmertimeskh.com/">https://www.khmertimeskh.com/</a>
CNC TV	TV	<a href="https://www.cnc.com.kh/">https://www.cnc.com.kh/</a>
Koh Santepheap	Print and Online	<a href="https://kohsantepheapdaily.com.kh/">https://kohsantepheapdaily.com.kh/</a>
FMI02 Radio	Radio	NA

\*Note : Most of information was taken directly from the TI's websites and pages.