

EGYPT

**TOBACCO
INDUSTRY
INTERFERENCE
INDEX
2019**

Documentation of tobacco industry interference in Egypt during the period from 2017 to 2018

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

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Introduction

The burden of tobacco consumption rates in Egypt are among the highest in the Eastern Mediterranean Region and worldwide. Recent studies showed that almost one quarter (22.8%) of Egyptians are current tobacco users and almost half the adult Egyptian population are exposed to secondhand smoke at homes (48.9%). Tobacco is a well-known risk factor to major morbidities and premature death. Besides the deleterious health consequences of tobacco consumption, the economic impact of tobacco smoking on users, families and society are devastating. The high expenditures on tobacco consumption comes at the expense of other essential needs and useful activities such as education, health, nutrition, leisure and sports among others.

Egypt realized the huge burden of tobacco use problem, and thus took positive steps forward to combat the tobacco epidemic. Egypt was one of the very first signatories on the WHO Framework Convention of Tobacco Control (FCTC) in 2005. The FCTC contains 38 articles, the main objective of which is to protect present and future generations from the devastating health, social, environmental and economic consequences of tobacco consumption and exposure to tobacco smoke. These articles provide a framework for tobacco control measures to be implemented by the Parties at the national, regional and international levels in order to reduce continually and substantially the prevalence of tobacco use and exposure to tobacco smoke.

Article 5.3 of the FCTC requires all Parties, when setting and implementing their public health policies with respect to tobacco control, to “...act to protect these policies from commercial and other vested interests of the tobacco industry (TI) in accordance with national law”.

In 2008, Parties to the FCTC collectively agreed to guidelines describing their obligations in support of Article 5.3 implementation. The guidelines emphasize that Parties should implement measures to prevent tobacco industry interference (TII) in all branches of government that may have an interest in, or the capacity to affect, public health policies with respect to tobacco control.

As a fundamental step to implement FCTC in general and article 5.3 in particular in any country, governments should take steps to prevent the tobacco industry interfering with policy setting and law making in their countries. Thus, governments would need to assess and monitor tobacco industry activities in their countries and review the country's compliance with Article 5.3 of the FCTC and the guidelines developed to aid implementation of Article 5.3.

The aim of this report is to assess and monitor tobacco industry activities that interfere with the implementation of tobacco control activities in the country.

Goal and Objectives

The aim of this report is to assess and monitor TI activities that interfere with the implementation of tobacco control activities in the country.

Objectives:

- A. Map key tobacco industry stakeholders and their supporters:
 - Identify all tobacco companies active in the country. For the government-owned companies it is important to map out the government in charge of the tobacco industry and the decision-making and the reporting lines in place
 - Identify tobacco industry allies. These are agencies and individuals (e.g. front groups, lobbyists, consultancies, business, etc.) supporting the tobacco industry in the country
 - Outline the goals and modes of operation used by the above mentioned groups as well as their relationships and known allies

- B. Identify sources of information and plan for monitoring:
 - Copy of printed documents and links to online sources
 - Tobacco industry own materials, websites, publications, reports, internal tobacco industry documents from depositories and related research studies
 - Information on the tobacco industry from other sources (online or in print)
 - Identify how information that is less publicly available are sourced (e.g. data on who the industry is meeting with, what proposals they are making to government agencies)
 - Identify which agencies including government and civil society organizations can contribute data

- C. Identify and record TII strategies and tactics that were followed during the period from 2013-2018
 - Detailed description of each TII incident from the period 2013-2018
 - Design and fill out a monitoring template (designed according to the article 5.3 guideline) to record TII strategies

Background:

Tobacco control is a major challenge in Egypt, with 24.4% of the adults currently using tobacco products and 50% of Egyptian people exposed to secondhand smoke in their own homes. There are also increasing trends of young female uptake of tobacco, and an overall rise in shisha use. Tobacco is a driving force in the rising epidemic of chronic diseases in Egypt, such as lung disease, lung cancer, ischemic heart disease and stroke.

Egypt became a signatory to the WHO FCTC in 2005 and has since made several key achievements towards tobacco control, including the provision of pictorial health images on tobacco products and increases in tobacco taxation.

A tobacco ban on advertising has been implemented but indirect advertising is widespread through depictions of tobacco use in film and television drama. Moves have been made to provide smoke-free public environment but enforcement remains weak. WHO supports the implementation of effective tobacco control interventions in Egypt in line with best practice and evidence-based policies as outlined in the FCTC:

- Tobacco Advertising, Promotion, and Sponsorship

In Egypt, most forms of tobacco advertising and promotion are banned. The law does not specifically ban tobacco sponsorship, nor does it use the term tobacco sponsorship. However, some forms of tobacco sponsorship may be prohibited under the ban on advertising and promotion. Because the terms “tobacco advertising and promotion” and “tobacco sponsorship” are not defined, it is difficult to determine the exact scope of the ban.

- Tobacco Packaging and Labeling

Starting August 1, 2008 cigarette labels in Egypt began requiring pictorial health warnings for the effects of smoking: a dying man with an oxygen mask, a coughing child and a limp cigarette symbolizing impotence. The law requires two textual warnings that must be accompanied by a picture (of a heart, lung, or pregnancy) with additional relevant text. The picture and text should be rotated every six months. The warnings must occupy 50 percent of the front and back principal display areas.

The law prohibits the use of the terms “light,” “low tar” and “very low tar” on tobacco product packaging. However, the law does not prohibit the use of other misleading terms, descriptors, figures or other indicia that create an erroneous impression about the health effects of a tobacco product including a requirement that the quantity (figurative yield) of tar and nicotine be displayed on tobacco product packages. The law does not require a qualitative statement on constituents and emissions.

- Tobacco Control Legislation

Law No. 52 of 1981 Concerning the Prevention of the Adverse Effects of Tobacco provides the foundation upon which subsequent tobacco legislation rests. This principal law addresses, although briefly, smoke-free policies; advertising, promotion and sponsorship; packaging and labeling; and penalties. Law No. 85 of 2002, Law No. 154

of 2007, Decree No. 443 of 2008, and Executive Bylaw of Law No. 52 of 1981 all amend and/or build upon the comprehensive tobacco control legislation contained in Law No. 52 of 1981. Several other laws and decrees supplement Law No. 52 of 1981 and its amending and subsequent legislation. These laws include: Law No. 137 of 1981, a labor law which established the penalties for smoking while at work or at places of work; and Law No. 4 of 1994, an environmental law addressing smoke-free policies. In addition, Decree No. 465 of 2007, issued by the Ministry of Health and Population (MOHP), established the Tobacco Control Administration as an administrative body within the Ministry.[4]

Sources of Tobacco in Egypt

Tobacco cultivation is not legal in Egypt, therefore companies manufacturing tobacco products must rely on imported raw tobacco largely imported from India and China, as well as from Brazil, Italy, Syrian Arab Republic, and the United States of America.

Egypt's TI is dominated by the domestic government-owned Eastern Tobacco Company (ETC), the largest cigarette manufacturer in the Middle East. A small but ever increasing amount of Egyptian cigarettes are exported to neighboring countries, mostly to serve Egyptians working abroad.

Domestic Tobacco Industry in Egypt

- Eastern Company S.A.E (ETC)

Eastern Company S.A.E was founded in 1920 working in the manufacture of cigarettes, Mu'assel (معسل), hand-made cigars, smoke pipe and smoke hair (wrap). It also has a large number of factories in several governorates such as Giza, Alexandria, Assiut and Menoufia. It has about 350 distribution centers throughout the Egypt. About 14 thousand workers. The company has an administrative building and a Mu'assel (معسل) factory in Giza, and a main factory in October built on an area of 365 acres.. There is also a factory in Alexandria in Rusafa (for cigars), and another in Muharram Beck (produces an average of 20 million cigarettes a day beside the Mu'assel. In addition to two factories, one in Abu Tig in Assiut Governorate and the other in Monouf in Menoufia Governorate, both of which are specialized in the production of Mu'assel .

The Eastern Tobacco Company is the second largest supplier of the State after the Suez Canal. The total budget of the State during the fiscal year ended June 30, 2018 reached 56 billion pounds, compared to 46 billion pounds during the fiscal year 2016/2017, which showed an increase of 10 billion pounds.

Net profit over the last three years is 1.5 billion in 2015-2016, 3 billion in 2016/2017 and 4.25 billion in 2017/2018. The chemical holding company owns 55% of the shares and 45% is distributed to shareholders and private investors, of which 33% is foreign and 5.9% is the share of the employee's union fund. The company produces about 83 billion cigarettes annually, including 62 billion for the Eastern Company and 21 billion cigarettes for foreign companies operating in the market.

International Tobacco Industry in Egypt

- Philip Morris Jordan Ltd Co. (PMI)

Major restructuring of its business was implemented in Egypt in 2014, including a new contract manufacturing agreement with the Eastern Company, the creation of a new Philip Morris International affiliate in Egypt and a new distribution agreement with Trans Business for Trading and Distribution LLC. According to its 2015 annual report, Philip Morris has a share of at least 15% of the cigarette market.

- British American Tobacco (BAT) Middle East

BAT has the third biggest share in the cigarette market, with 10.7% of retail volume in 2015.

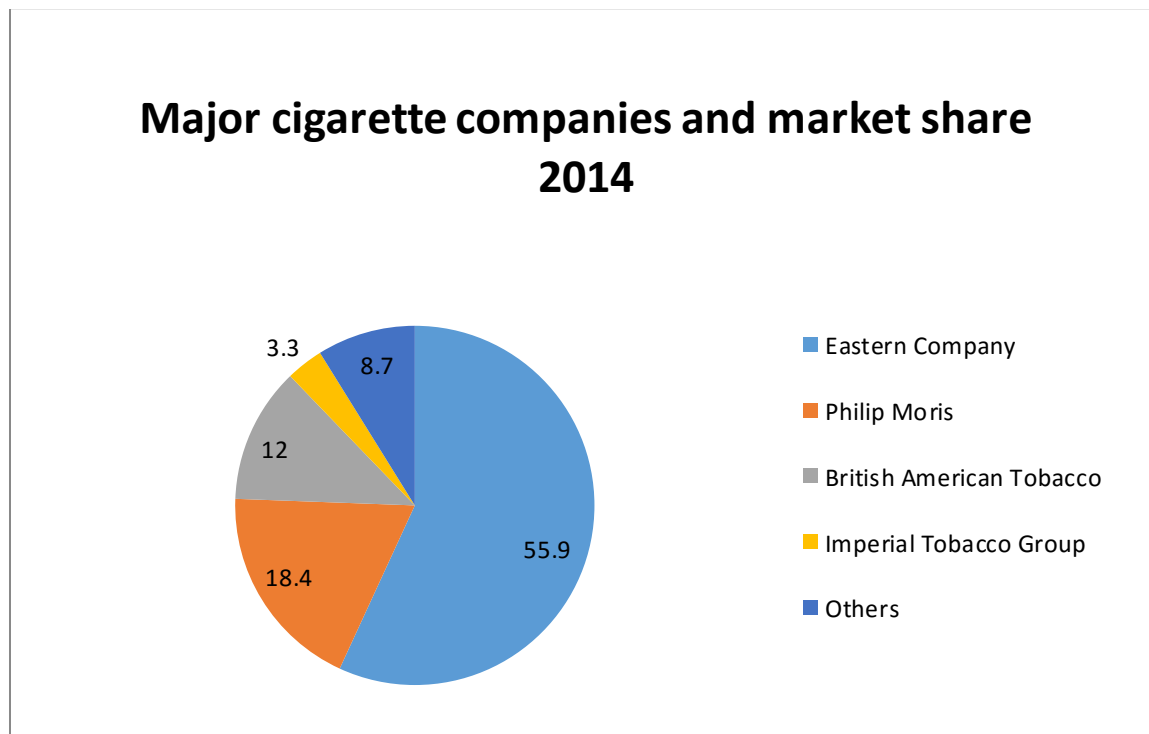
- Japan Tobacco Inc. (JTI)

JTI acquired the largest waterpipe firm, Al Nakhla Tobacco Co, in 2013. JTI also signed a cigarette manufacturing agreement with ETC in 2014, launching the Winston brand in Egypt.

- Imperial Tobacco Group is a British multinational tobacco company headquartered in Bristol, United Kingdom. It is the world's fourth-largest international cigarette company measured by market share, produces over 320 billion cigarettes per year, has 51 factories worldwide, Its main brands include Davidoff, West,

The following figure shows the major cigarette companies in Egypt and their market share in 2014:

Figure 1: Major cigarette companies in Egypt and their market share in 2014

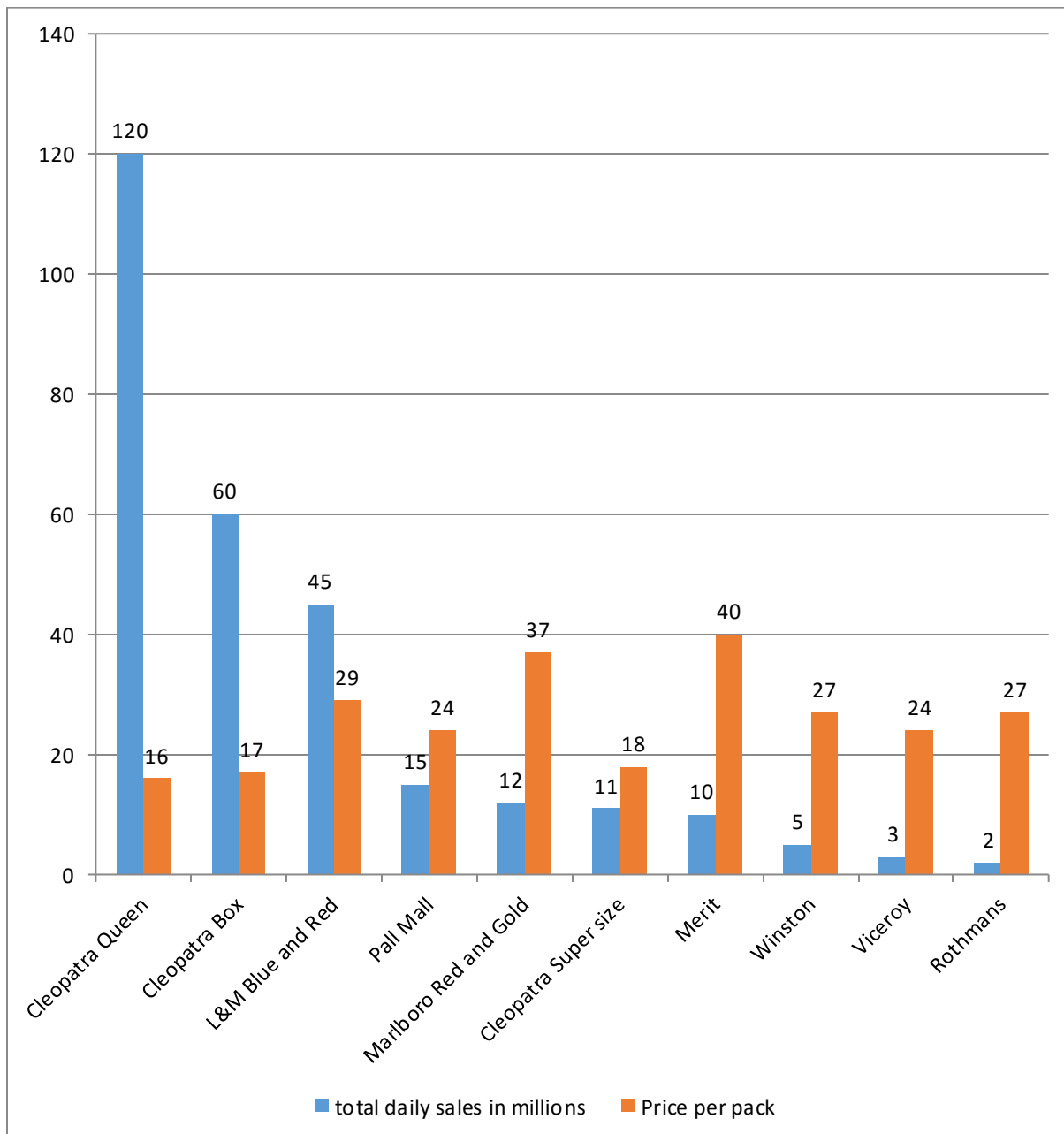


Top 10 best-selling cigarette brands in Egypt

According to Daily News Egypt, locally made cigarette brands dominated the Egyptian market, selling about 191 million cigarettes daily, compared to 92 million cigarettes from foreign brands.

(<https://dailynewsegypt.com/2018/08/02/top-10-best-selling-cigarette-brands-in-egypt/>)

Figure 2: Total daily cigarette sales (in millions) in Egypt



Tobacco Industry Front groups in Egypt

Industry front groups and lobby groups play a crucial role in representing the industry arguments in Egypt. These include prominent political figures:

- **Some members of the Egyptian Parliament**
- **Division of tobacco and cigarettes in the Federation of Egyptian Industries:**

The Federation of Egyptian Industries (FEI) is one of the country's largest employers' associations, with 19 active industrial chambers as members, representing over 60,000 industrial enterprises out of which more than 90% belong to the private sector; accounting for more than 7 million workers and 18% of the national economy.

Since its inception, FEI has been carrying out its responsibilities towards defending and supporting Egyptian industries, firmly believing in industry as the pillar of the sustainable development of the country and as the tool to alleviate poverty and attain prosperity.

Therefore, FEI effectively advocates the common interests of its members and defends their positions towards governmental and legislative bodies, as well as other local and international associations.

- **Committee to support the smoke and cigarette industry**

The Committee to Support the Industry of tobacco and cigarettes as stipulated by Ministerial Decision No. 414 of 1986 to impose a fee to support the smoke and cigarette industry referred to for two years as follows:

- President of the Division of tobacco and cigarettes in the FEI
- Chairman of Eastern Tobacco Company.
- Chairman of Dafrawi Tobacco factory
- Chairman of El-Warda Tobacco factory
- Chairman of Al-Henawi Tobacco Company.

Sources of information and plan for monitoring of the TI in Egypt

CASTLE used a range of tools and strategies to monitor different industry activities in Egypt such as direct and indirect advertising and promotion, point-of-sale advertising and corporate social responsibility (CSR) activities.

Monitoring of TI activities thus involves gathering of data on how tobacco industry markets and promotes its products, how it influences the political process, and conducts corporate social responsibility activities.

Information collected can be used to support tobacco control policy advocacy. Sources of information included the following:

1. Google search
2. Tobacco industry own materials, websites
3. General News websites
4. Specialized trade websites
5. Meetings with relevant authorized persons:
 - Undersecretary of the Ministry of Trade for World Trade Organization (WTO) Affairs
 - Customs experts at the Egyptian Customs Service
 - Director of the Tobacco Control Department, MOHP

Egypt Tobacco Industry Interference Index 2019

This report reviews on how the government is implementing Article 5.3 guidelines. It uses the questionnaire on Tobacco Industry Interference Index developed by the Southeast Asia Tobacco Control Alliance (SEATCA).¹ This report is based on publicly available information for the period 2017-2018. Incomplete information is acknowledged as a limitation. The main findings of the Index are presented below.

INDICATORS	0	1	2	3	4	5
Level of Industry Participation in Policy-Development						
1. The government ² accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry ³ in setting or implementing public health policies in relation to tobacco control ⁴ (Rec 3.1)			2			
<p>Meetings between the "Eastern Tobacco Company" and "Ministry of Supply" to determine the prices of cigarettes. An official source at the Eastern Company revealed that intensive closed meetings are currently being held at the Ministry of Supply between the ministry's leaders and officials and the head of Eastern Company to determine the final prices for the three segments of local and foreign cigarettes.</p> <p>https://www.elwatannews.com/news/details/2739178 22 Nov. 2017</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)		1				
No incident monitored						
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 Never 5 Yes		1				
<p><i>Evidence to support your choice. If this is by law, cite the relevant legislation</i></p> <p>No incident monitored</p>						

¹Assunta 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>

² 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

³ The term, "tobacco industry" includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

⁴ "Offer of assistance" may include draft legislation, technical input, recommendations, oversees study tour

INDICATORS	0	1	2	3	4	5
<p>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)⁵ (Rec 4.9 & 8.3)</p>		1				
<p>For evidence: http://www.who.int/fctc/en/ click on "Conference of the Parties", "COP Sessions", select relevant COP, click "Documentation", "List of Participants"</p> <p>No incident monitored.</p> <p>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.</p> <p>2018 - COP8: https://www.who.int/fctc/cop/sessions/cop8/LOP_Final.pdf?ua=1</p>						
<p>So-called CSR activities</p>						
<p>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 contributions⁶ (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4) <i>NOTE: exclude enforcement activities as this is covered in another question</i></p>						5
<p>1. During the year 2016/2017: the company participated as a sponsor in many conferences, scientific and cultural seminars and workshops, in addition to providing many donations to institutions, NGOs and hospitals.</p> <p>Source website of the company http://www.easterneypt.com</p> <p>2. The most important conferences in which the company participated during the year 2016/2017:</p> <ul style="list-style-type: none"> • "Heroes made victory". • "Street children between reality and hope". • "Mechanisms of Structural Transformation in the Economy and the Suez Canal involving the Suez Canal Authority 						

⁵Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

⁶political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

INDICATORS

0	1	2	3	4	5
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- "Quality from an applied perspective"

Source: www.easterneypt.com

3. Bahia Hospital was the first destination for the employees of the Eastern Company when they thought about doing good and performing their social duty,

Source <https://www.facebook.com/BaheyaFoundation/posts/1999308886951464/> 17 Dec 2017

4. A parliamentary delegation at the ceremony honoring the families of martyrs in Eastern Company" More than ten Parliamentarians , in a ceremony honoring the families of martyrs of the army under the auspices of Chairman of the Eastern Tobacco Company,

Source <https://www.elaosboa.com/print.asp?id=246236&page=localnews> 11 Dec 2017

5. The 20th Scouting Conference of Egyptian Scouts, held at the Eastern Tobacco Company Clubin Giza from 13 to 15 December 2017 , in the presence of Dr. Atef Abdel Meguid, The Arab Scout Organization , Abdul Malik Al-Zini, Chairman of the Egyptian Scouts Association, and a group of pioneers from Kuwait, Saudi Arabia, Sudan and the UAE.

Source <http://www.sada-elarab.com/74952> 14 Dec 2017

6. Eastern Company» adopts a marathon to urge citizens to participate in the elections. A marathon started in front of the gate of the Eastern Company Industrial Complex on 6th of October city in cooperation with the General Federation of Sports encourage citizens to participate in the upcoming presidential elections.

Source <https://www.vetogate.com/3081608> 24 Feb 2018

7. Japan Tobacco International in Egypt sponsored the largest charity project to equip the brides as "Be happy Bride" Home appliances for orphans and non -able girls in Qalioubia governorate so that they can complete their marriage. The ceremony will be held in the presence of Dr. Sahar Nasr, Minister of Investment and International Cooperation, and Dr. Alaa Abdel Halim, Governor of Qalioubia, Dr. Salah Hasaballah, Speaker of the House of Representatives, Dr. Maya Morsi, President of the National Council for Women.

Source <https://www.almalnews.com/Story/399912> 24 Nov 2018

8. Eastern Tobacco Company adopts the initiative of "Gate of Good" to equip 13 public schools. The company contributed by provision of seats for the schools with approximately 1,176 school seats distributed in 13 schools according to the latest standards and technical specifications.

Source <https://www.albawabhnews.com/3425203> 25 Dec 2018

INDICATORS	0	1	2	3	4	5
<p>9. The Eastern Tobacco Company sponsored the Mother's day in the sports club of the company in collaboration with the Arab parliament. Some exemplary mothers were honoured in addition to the mothers of army and police martyrs, and some exemplary mothers from the Eastern Company.</p> <p>Source https://www.facebook.com/easterncompanyeg/posts/1767422296621569/ 14 Mar 2018</p>						
Benefits to the Tobacco Industry						
<p>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)</p>		1				
<i>No recent incident were identified</i>						
<p>7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)</p>					4	
<p>The cigarette division of the Federation of Industries praised the decision of the Ministry of Finance concerning the increase in the storage period of tobacco in specialized stores for two years from the date of storage instead of one year</p> <p>https://www.vetogate.com/3387937 28 Dec 2018</p> <p>The Ministry of Finance confirmed that the products received in the incomplete manufacture will be accounted for at the price of the customs dollar 16 pounds to the dollar, including "tobacco" used by the Eastern Tobacco Company.</p> <p>https://www.vetogate.com/3387937 28 Dec 2018</p>						
Forms of Unnecessary Interaction						
<p>8. Top level government officials (such as President/ Prime Minister or Minister⁷) 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)</p>				3		
<p>Governor of Giza honors 35 winners of the Quran memorization competition at the headquarters of the Eastern Tobacco Company. The ceremony was attended by Head of Comparative Jurisprudence at Al Azhar University and Sheikh Mohammed Abdullah, Holy Quran Memorization Officer at Al Azhari Office.</p> <p>https://www.elmwatin.com/466996/ 2 July 2018</p>						

⁷include immediate members of the families of the high level officials

INDICATORS	0	1	2	3	4	5
<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)</p>						5
<p>amwalalghad.com20 Dec 2018</p> <p>https://www.amwalalghad.com/2018/12/20</p> <p>British American Tobacco Egypt launched a campaign to combat smoking in Egypt under the age of 18, as well as awareness of the importance of preventing the sale of tobacco products to young people throughout Egypt in accordance with Egyptian law. In February 2018, the Third Meeting of National (state owned) Tobacco Companies was held in Cairo attended by government officials. The meeting resulted in the Cairo Declaration.</p> <p>Source: https://www.rltt.com.lb/Article/283/eastern-tobacco-company-we-provide-the-second-larg/en</p> <p>Cairo Declaration: https://www.rltt.com.lb/DocumentFiles/Cairo--declaration--Feb-2018-636603352980257166.pdf</p>						
<p>10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1)</p> <p><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></p>						5
<p>Customs trained more than 50 employees in collaboration with Phillip Morris to familiarize them with the latest methods of smuggling and train them to discover and distinguish between original and counterfeit products which have spread widely in the last period. This course is the third in a series of training courses that are part of the agreement between Philip Morris Egypt and the Customs Authority to combat cigarette smuggling</p> <p>Source http://www.dotmsr.com/News/200/766949/ 29 Mar 2017</p> <p>Eastern Company coordinated with the Ministry of Foreign Affairs to take the necessary steps towards the crisis of imitation of the Cleopatra brand of cigarettes by a government company in the Republic of Montenegro..</p> <p>https://www.almalnews.com/Story/403471 18 Dec 2018</p>						
<p>Transparency</p>						

INDICATORS	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
The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation.						
12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists						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.						
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) <i>1 Never 5 Yes</i>						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)						5
While no recent appointment of senior retired government official to tobacco industry, in her past there have been many cases of such appointments which shows that this problem remains in the country. 2014: Dr. Samir Al-Sayyad the former Minister of Commerce and Industry the was appointed in the board of directors of Eastern Tobacco Company Annual Report of the Board of Directors for the financial year 2013 – 2014 http://content.argaam.com.s3-eu-west-1.amazonaws.com/6785219f-49fd-4dfa-95bc-3e28841badb9.pdf 2015: The Eastern Tobacco Company's General Assembly approved the appointment of Dr. Ali Abdulrahman Yousef, the former Governor of Giza, as a member of the Board of Directors.						

INDICATORS	0	1	2	3	4	5
http://gate.ahram.org.eg/News/816416.aspx 30 Nov 2015 2015: Former Minister of Industry and Trade appointed as Member of the Board of Directors of" Eastern Tobacco Company Source of information: Annual2014.pdf Page 47 https://drive.google.com/file/d/1RPav2EjpYtafEoEWbX_MHvWoR43N7ECT/view						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)			X			
Appointment of Tamer Abdulaziz Jadallah (Member of the Board of Directors of BanqueMisr) as Chairman of the Board of Directors of Eastern Tobacco Company part time almasryalyoum.com 24 Oct 2018 https://www.almasryalyoum.com/news/details/1336531						
Preventive Measures <i>SCORING for this section: 1. Yes, 2. Yes but partial only, 3. Policy/ Program being developed 4. Committed to develop such a policy/ program 5. None</i>						
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)						
The government has not formulated or adopted a code of conduct for public officials to follow when dealing with the tobacco industry.						5
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any				3		

INDICATORS	0	1	2	3	4	5
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. http://www.easterneypt.com/wp-content/uploads/2018/02/Budget-2017-2018-Copy.pdf Budget for the FY 2017/2018 - Eastern Company http://www.easterneypt.com/wp-content/uploads/2018/03/Budget-2018-2019.pdf Budget For the FY 2018/2019 - Eastern Company القوائم المالية - MistNews.com https://www.alwatanvoice.com/arabic/content/print/841080.html The Central Auditing Organization monitors the waste of 711 thousand pounds at the end of the final accounts of the Eastern Tobacco Company						
19. The government has a program / system/ plan to consistently ⁸ 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.						
TOTAL73						

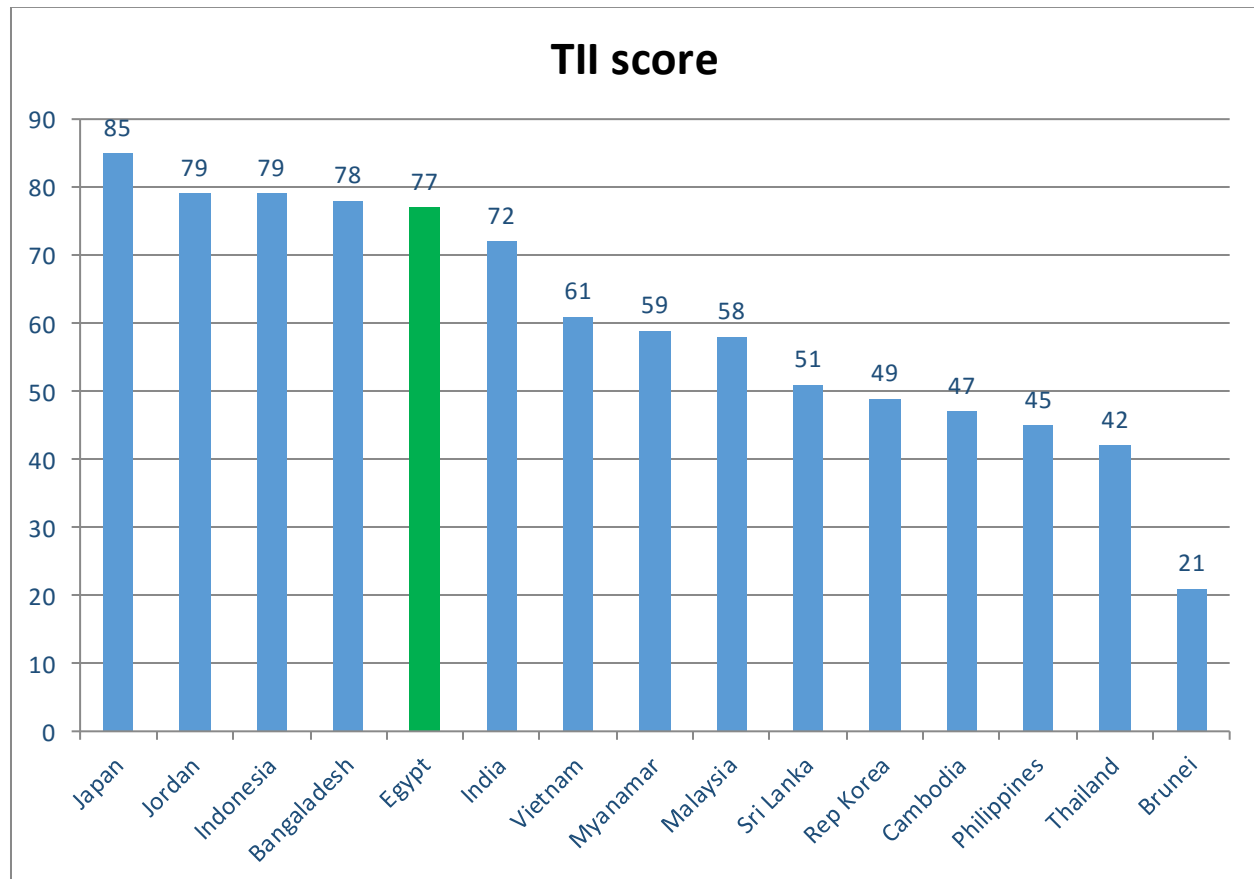
⁸ For purposes of this question, "consistently" means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.

Tobacco industry interference index in Egypt compared to other countries

According to the TII score, Egypt score was 73. The higher the score, the more the level of TII and the lower the ranking of the countries in the level of implementation of article 5.3. Figure 3 shows the ranking of 15 countries according to the level of tobacco industry interferences and the level of implementation of article 5.3. A total of 15 countries used the TII index to monitor the TII activities in their countries (reference <https://seatca.org/dmdocuments/SEATCA%20TI%20Interference%20Index%202018.pdf>). Egypt score was 73, and was found among the highest 5 countries of the total 15 countries in the level of tobacco industry interferences.

It is hoped the alarming findings in this index will initiate action to implement Article 5.3 in Egypt.

Figure 3: TII index score in Egypt compared to other countries



**Tobacco industry interference (TII)
strategies and tactics that were
followed during the period 2013-
2018**

Tobacco industry interference (TII) strategies and tactics that were followed during the period 2013-2018

Many strategies are used by the industry and its allies to undermine advances in tobacco control. In Egypt, we could trace a total of 117 TII incidents over the period 2013-2018 following different strategies and tactics. 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.

The following strategies and tactics were identified:

a. Exaggerating the economic importance of the industry

The tobacco industry boosts its efforts to interfere in the political process by exaggerating its own contribution, expressed in terms of employment, tax contributions and other economic indicators, to the economy of the country. Not only is the economic information over-hyped, but it also ignores the negative economic impact of tobacco use, including the drain on the public purse caused by the need to treat the millions of people afflicted by diseases caused by tobacco. The industry claims, for example, to generate a high level of direct and indirect employment. It opposes tobacco control measures on the grounds that they would have a negative impact on employment and therefore on the country's economy. Using this argument, the industry lobbies against tobacco tax increases, predicting catastrophic consequences for its business. In reality, evidence has shown, at least to date, that job losses in the tobacco sector have little to do with stricter tobacco control measures.

Examples of such incidents include:

- Incident 16 (2014): «Eastern Tobacco» supports the public treasury by 21.5 billion pounds
- Incident 37: Tobacco Division: raising cigarette prices threatens the future of 20 thousand workers in the company
- Incident 40: (2016): Chairman of Eastern Company said in the parliament that "Cigarette has become a national security issue".
- Incident 54: The average salary the worker in Eastern Tobacco Company reached about 4.6 thousand pounds in month.
- Incident 65 (2017): Cigarette taxes are approaching the revenues from the Suez Canal.
- Incident 66 (2017): Cigarette taxes revive the treasury of health insurance.

- Incident 91 (2018): There are more than 20,000 kiosks spread throughout Egypt and more than 160,000 supermarkets are used as advertising platforms for smoking.
- Incident 105 (2018): Philip Morris provides about 2,500 jobs and more than 100,000 retailers.
- Incident 108 (2018): About 57.5 billion pounds for the treasury of the State of the Eastern Company in 2018 - 2019.

b. Manipulating public opinion to gain appearance and respectability:

The tobacco industry boosts its efforts to interfere in the political process by exaggerating its own contribution,

Examples:

- Incident 15 (2014): Company donates LE 15 million to "TahiaMisr"
- Incident 22 (2014): Governor of Giza: Eastern Company, with all the facilities and services it owns, is always there not only for its employees but also for the citizens of Giza.
- Incident 23 (2015): "AdkhenetElnakhla" donates cars and toiletries to the governorate of Menoufia.
- Incident 24 (2015): Eastern Company donates 10 million pounds to workers in «Suez Canal»
- Incident 93 (2018): Japan Tobacco sponsored the largest charity project to equip the brides.
- Incident 97 (2018): Eastern Company adopts the initiative of "BawabetElkheir" to equip 13 public schools.

c. Fabricating support through front groups

A common tactic of the industry in Egypt is to arrange for other organizations with greater credibility to speak on their behalf.

Examples:

- Incident 96 (2018): The manager of the Eastern Company mentioned that there is great support from the Minister of Public Business Sector
- Incident 45 (2016): The Minister of the Business Sector directs "Eastern Tobacco" to expand the retail outlets.
- Incident 70 (2017): Head of tobacco division at the Federation of Industries brings good news to the shisha smokers (Prices of Mu'asseldid not rise).

- Incident 92 (2018): Head of tobacco division at the Federation of Industries has revealed the creation of new lines to produce a new type of cigarette for low-income people after the recent rise in cigarette prices.

d. Corporate social responsibility

The tobacco industry uses CSR to claim that it cares for society and the environment and to present itself as a responsible member of society. They launched initiatives through which they falsely claimed social responsibility and supported charity work.

Examples:

- Incident 8 (2014): Governor of Giza opens complex of covered halls of Eastern Company.
- Incident 17 (2014): Minister of Youth and Sports inaugurates development work at the Eastern Company Club in Giza
- Incident 19 (2014): Golden Cleopatra Chess Championship
- Incident 21 (2014): Governor of Giza honors the team of the volleyball on the Eastern Tobacco Club
- Incident 26 (2015) The Tobacco Industry exhibition will open in the conference hall on Thursday,
- Incident 33(2015) Philip Morris Egypt participates in the Arab League celebration of the International Day of Intellectual Property Rights
- Incident 47(2016 /2017)During the year 2016/2017: the company participated as a sponsor in many conferences, scientific and cultural seminars and workshops, in addition to providing many donations to institutions, NGOs and hospitals.
- Incident 48(2016/2017) The most important conferences in which the company participated during the year 2016/2017:
- Incident 52 (2016) The participants in the Cleopatra Chess Tournament praises the organization of the Eastern Company
- Incident 56 (2017): African championships for chess hosted by the Eastern Tobacco Club ended
- Incident 79 (2017): Tomorrow the start of the Arab Championship for football competitions hosted by Eastern Company
- Incident 80 (2017): Hockey "Eastern Company" wins the African Championship for the first time 2017
- Incident 101 (2018): Eastern Company seeks to retain the Arab Championship of football for companies

- Incident 109 (2018) The Eastern Company sponsored the Mother's day in the sports club of the company in collaboration with the Arab parliaments " .

e. Philanthropy

To buy friends and social respectability from arts, sports, humanitarian and cultural groups

Examples:

- Incident 23 (2015): AdkhenetElnakhla donates cars and toiletries to the governorate of Menofia.
- Incident 44: The Future of the country Party signs a cooperation protocol with Eastern Tobacco Company for the development of hospitals and rural units.
- Incident 57 (2017): Bahia Hospital was the first destination for the employees of the Eastern Company.
- Incident 93 (2018): Japan Tobacco sponsored the largest charity project to equip the brides.
- Incident 97 (2018): Eastern Company adopts the initiative of "BawabetElkheir" to equip 13 public schools
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f. Violation of tobacco control law (Tobacco Advertisement, Promotion and Sponsorship- TAPS) in TV drama

Examples:

- Incident 10 (2014): From «Eastern Tobacco» to the series «friend of the age» .. Thank you.
- Incident 62 (2017): Smoking scenes in cinema and drama.
- Incident 75(2017):President of the Heart Association: Ramadan drama promoted cigarettes.
- Incident 81 (2018): 72% of school students knew about smoking from drama.
- Incident 82 (2018): MOH states that Drama contributed to raising smoking rates.

g. Youth smoking prevention programs

Examples:

- Incident 25 (2015): Philip Morris Egypt launches campaign to combat youth smoking.
- Incident 34 (2015): Philip Morris combat smoking with the slogan "I do not sell to you and you do not buy"
- Incident 59 (2017): Philip Morris fights smoking for less than 18 years at a cost of one million and 300 thousand pounds. For the third year, Philip Morris Egypt has continued its anti-smoking campaign for those under the age of 18.
- Incident 68 (2017): British American Tobacco Egypt has launched a campaign to combat smoking among minors under the age of 18.
- Incident 115 (2018): British American Tobacco Egypt launches anti-smoking campaign for people under 18.

h. Industry's partnerships with governmental organization

Several government departments acknowledge continued relationships with tobacco companies in the country.

Examples:

- Incident 2 (2013): Philip Morris and Customs sign agreement to fight cigarette smuggling.
- Incident 35 (2015): Citation of 1.1 million fake cigarettes in collaboration with Philip Morris. The General Administration of Supply Investigations with Philip Morris Egypt managed to execute 550 cartons, about one and a hundred thousand smuggled cigarettes in the governorate of El-Beheira.
- Incident 28(2015): Philip Morris "The implementation of the anti-smuggling agreement begins with the Customs Authority.
- Incident 104 (2018): Japan Tobacco signs Memorandum of Understanding with Customs to Fight Smuggling of Tobacco Products.

Conclusion and Recommendation

Article 5.3 Guidelines were adopted in 2008 which serves as a guide for governments to prevent tobacco industry participation in policy development. This Index has exposed the areas of weakness and areas where action is greatly needed:

- 1) Transparency is needed in dealing with the tobacco industry, and this is a major area that needs improvement. Government need to record and document all meetings with the tobacco industry and their outcomes.
- 2) Ban CSR activities by the tobacco industry; Tobacco companies should disclose and report on all expenditures on marketing, retailer incentives, philanthropy, lobbying, and political contributions.
- 3) On the positive side, Egypt does not allow representatives from the tobacco industry in their delegations to the COP sessions or other FCTC-related meetings nor accept any industry sponsorship to attend these meetings.
- 4) The tobacco industry is not and cannot be a partner in effective tobacco control. The tobacco industry, however, sees itself as a legitimate stakeholder in tobacco control and attempts to position itself as a legitimate partner. The industry has and will continue to interfere in implementation of effective tobacco control, as outlined in the articles of the WHO FCTC. Such interference can be minimized by strict controls on interactions and by setting rules of engagement, as well as by demanding transparency and disclosure of tobacco industry conduct and finances.
- 5) As Eastern Tobacco Company is a state-owned company so it can present a challenge for attempts to prevent associations between officials of health department or ministries and officials of the tobacco industry. Nonetheless, the company interests can be kept separate from tobacco control and health interests and protects the programme from undue interference by tobacco industry interests.
- 6) Ensure transparency and accountability in government. Working transparently with partners inside and outside of government is essential to maintaining a united front for prohibiting transnational tobacco companies' (TTC) efforts to influence people in high places. It is important to establish specific policies limiting TTC interactions with government agencies through publically disseminated rules of

engagement for all government and public-supported agencies, including the rejection of TTC-sponsored CSR projects.

- 7) Build public support for tobacco control. When official enforcement is weak, an effective alternative can be to engage the general public in monitoring of TTC non-compliance with laws and policies. Build a cadre of watchdogs in the public and constantly highlight the benefits of tobacco control in the media while exposing TTCs' subversive practices in public.
- 8) Denormalize tobacco use to counteract TTC image-making. Counteract TTCs by working on actions that reduce the overall acceptance of tobacco and diminish the credibility of TTCs. Work through these actions to counteract TTC attempts to undermine controls on TAPS. Such actions should include establishing 100% smokefree places, requiring large Pictorial Health Warnings, and prohibiting tobacco display ban at the points of sale. Use research and advocacy to raise awareness of policymakers so that denormalization measures are adopted.
- 9) Upgrade laws to meet all WHO FCTC requirements and guidelines. Understand the political process and map out a political strategy to establish laws for implementing FCTC measures. Building legal support for FCTC provisions may require informing and lobbying policymakers over a long period of time. Work on multiple fronts to show policymakers your determination to move tobacco control through the legislative process. Seek out political supporters regardless of their political affiliation.
- 10) Departments/ministries of health need to work closely with the departments/ministries of trade and industry to address this issue. A practical way forward would be to adopt a Code of Conduct for government officials;
- 11) Require tobacco companies to disclose and report on all expenditures on marketing, retailer incentives, philanthropy, lobbying, and political contributions.
- 12) The Ministry of Finance must declare all interactions with the tobacco industry. The government must have a procedure for dealing with the tobacco industry.