

MALDIVES

2021

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Introduction

Maldives is not a tobacco producing country but it is a net importer of tobacco products such as Camel, Marlboro, Dunhill, American Legend and Benson & Hedges which are among the most commonly sold cigarette brands in the country. While there is no presence of the tobacco companies in the country, the tobacco industry is actively working through tobacco importers, distributors and retailers in pursuing its interests.

Maldives imports about 462 million cigarette sticks annually.¹ According to the Health Protection Agency, Maldives spends about MVR1.6 billion on tobacco annually.²

In its 2020 report to the COP, the government reported that industry interference continues to be a challenge to the implementation of national tobacco control programs and a major constraint in implementing the obligations to the WHO FCTC. Maldives became a Party to the WHO Framework Convention on Tobacco Control on February 27, 2005.³

Enacted in 2010, the Tobacco Control Act (Act No. 15/2010) continues to be the primary source of legislation governing tobacco control in the Maldives. This Act “prohibits growing tobacco and advertising tobacco products, to regulate import and export, sale by wholesale and retail, and packaging and labelling of tobacco products, and to set up a regulatory framework for taxation of tobacco products, protection of non-tobacco users from environmental tobacco smoke, provision of requisite information and training to remain free from the hazards of tobacco, and the treatment of persons addicted to tobacco use, for the control of smoking in the Maldives.”⁴

In 2019, the Tobacco Control Board, pursuant to the Tobacco Control Act 15/2010, implemented the regulation on packaging and labeling of tobacco products. This regulation mandates all tobacco packaging to be labelled by the Ministry of Health and health warnings should cover 90% of the entire packaging.⁵ In the same year, the Tobacco Control Board has also banned sale of loose cigarettes, tobacco products without graphic health warnings, According to the Tobacco Control Board, sale of single cigarettes is an industry tactic to attract the youth into smoking.⁶

Shisha market attracts youth and young adults to tobacco. While the Tobacco Control Act prohibits sale of tobacco to anyone below the age of 18, age is not checked at the restaurants and cafes serving Shisha.

The main distributors of tobacco products in Maldives are CGT Pvt Lt, which distributes JTI brands and Cubatabaco cigars, and Blenx Pvt Ltd, which is the sole distributor for Phillip Morris tobacco products. Other tobacco importers are: (1) Lotus Fihaara (2) OCC2 Pvt Ltd (agents for Benson & Hedges and related brands of Ceylon Tobacco Company; (3) Grape Expectations Pvt Ltd (for various shisha tobacco brands); (4) Maldives Airports Company

¹ Fathmath SHaahunaz. 81 percent deaths in Maldives caused by smoking: Health Minister. The Edition. May 31, 2017. <https://edition.mv/business/3348>

² Raif Amyl Jalyl. Maldives spends MVR 1.6 bln yearly on tobacco products: HPA. The Edition. May 31, 2019. [Edition.mv/smoking/10816](https://edition.mv/smoking/10816)

³ <https://untobaccocontrol.org/impldb/maldives/>

⁴ <https://www.tobaccocontrol.org/files/live/Maldives/Maldives%20-%20TC%20Act.pdf>

⁵ <https://untobaccocontrol.org/impldb/maldives-new-labeling-regulations-enforced/>

⁶ <https://tobaccoreporter.com/2019/06/03/loose-change/>

Limited (imports various brands and products for airport duty free); and (5) NAMCO Pvt Ltd (importers of Akij Biri, commonly used by Bangladeshi expatriate workers). Price of most sold cigarette brand (pack of 20 cigarettes) is around 68 MVR or 4.41 USD while taxes on most sold brand (% of retail price) is around 69%⁷

This is the second report on tobacco industry interference in Maldives. In 2020, the country scored 48 points and this year, Maldives obtained the same score of 48 indicating there is no change in protecting against tobacco industry interference.

This report uses the questionnaire developed by the Southeast Asia Tobacco Control Alliance based on the Article 5.3 Guidelines. Information 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. This report gathers evidence for the period January 2020 to March 2021.

⁷ https://www.tobaccocontrol.org/legislation/factsheet/policy_status/maldives

Summary Findings

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

The government does not accept support or endorse any offer for assistance or collaborate with the tobacco industry or through tobacco importers/ distributors in the country. However, it should be noted that the distributors are also involved in other retail businesses such as food, beverages and cosmetics which provides more avenues of access to the government.

The Tobacco Control Board allocates a representation slot for the business community who may have direct connection to tobacco importer/retailer that could influence policies being made in relation to tobacco control.

2. INDUSTRY CSR ACTIVITIES

The government or its officials do not endorse or support forms of partnerships with or participates in so-called CSR activities organized by the tobacco industry. All forms of tobacco sponsorship are prohibited. Officials must sign declaration of interest (DOI) document to ensure there is no conflict of interest. It is difficult to verify if “bribes” have been given, there are no reports of tobacco related cases in the public domain. There may be ways to indirectly influence an official, but this cannot be verified.

3. BENEFITS TO THE INDUSTRY

The Tobacco Control Board, pursuant to the Tobacco Control Act of 15/2010⁸, implemented the regulation on packaging and labeling of tobacco products in 2019. This regulation mandates all tobacco packaging to be labelled in accordance to warning notice of the Ministry of Health. Warning statement should be inside the 90% (ninety percent) of the pack where warning notice is required, proportionate to the size of the pack.

This Act requires tobacco products not previously sold in the Maldives or introduced to the Maldivian market to obtain approval from the Ministry of Health All tobacco products must carry a health warning label as prescribed by the Ministry of Health. All passengers are eligible for import duty allowance up to a limit of 200 Cigarettes, 25 Cigars and 250g of tobacco.⁹

In addition. Act No. 31/79 (Export Import Act of Maldives) requires that “200% of the cost, insurance and freight (CIF) value of tobacco products (other than cigarettes) and articles used in the consumption of tobacco products, are levied at the time of

⁸ https://www.tobaccocontrollaws.org/files/live/Maldives/Maldives%20-%20Reg%202019_R158%20%28P%26L%20Regs%29.pdf

⁹ <https://www.customs.gov.mv/Business/Importers/import-prohibited-restricted-items>

importation; further, a 6% goods and services tax (GST) is levied at the time of sale. However, gadgets used in the consumption of ENDS/ENNDS are taxed as electronic devices rather than as articles used for consumption of tobacco products.”¹⁰¹¹

Bilateral free trade agreements between Maldives and some other countries where tax exemptions are given. This may come up to zero tax in an incremental decline on yearly basis.

4. UNNECESSARY INTERACTION

No evidence from the reporting period indicates that top-level government officials 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. No evidence also indicates that the government accepted, supported, endorsed, or entered into partnerships or agreements with the tobacco industry.

5. TRANSPARENCY

The government does not disclose records of any meetings the government may have had with the tobacco distributors. It does not have any mechanisms to ensure that the public has access to a wide range of information on tobacco industry activities relevant to the objectives of the Convention.

Rules for the disclosure or registration of tobacco industry entities, affiliated organizations do not exist.

6. CONFLICT OF INTEREST

The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns. However, Maldives has witnessed relatives or owners of the tobacco importers/retailers becoming government officials in the past. They occupy positions across all sectors, health or non-health, actively influencing the government’s policies.

7. PREVENTIVE MEASURES

Tobacco Control Act (Articles 26 and 27) specifies information to be made public as well as format of report in accordance with the requirements of the regulations and to be submitted to the Ministry of Health. While the procedures are in place, information are not disclosed on a regular basis.

Moreover, the government of Maldives did not utilize the “Guidelines for implementation of Article 5.3 of the WHO FCTC” over the past reporting periods since 2016.¹² Currently it still does not provide access to a wide range of information on the

¹⁰ <https://globaltobaccocontrol.org/e-cigarette/maldives>

¹¹ Act No. 31/79 (Export Import Act of Maldives)

¹² https://untobaccocontrol.org/impldb/wp-content/uploads/Maldives_2018_report.pdf

tobacco industry to the general public.

The Tobacco Control Act (Act No. 15/2010) requires relevant government ministries to organize and conduct sound programs and activities to create awareness and provide information to the public on the harmful effects of tobacco production and tobacco smoking on health, economy, environment, and society.

This Act also requires government ministries to provide information and training on tobacco control to health service providers, social workers, journalists and media personnel, law enforcement officers, and other relevant persons. It explicitly mentions the need to make information on tobacco business publicly available in accordance with the law and regulations. However, the government does not have a program to consistently implement it to raise awareness publicly or within its departments.

Recommendations

1. Disallow the tobacco industry in participating to the Tobacco Control Board which determines and sets policies concerning tobacco control.
2. Prohibit any incentives provided to importing tobacco into the country.
3. Restrict interaction with the tobacco industry to only when necessary. To facilitate this, funds/technical assistance from entities that have ties with the tobacco industry should be rejected and all necessary interactions should be carried out in a transparent manner.
4. Hasten the draft and implementation of the code of conduct for government institutions.
5. Implement the rules set by the Health Protection Agency for public officials and organizations in regard to use of tobacco and other unhealthy products.
6. Monitor enforcement and ensure implementation of the existing regulations under the Tobacco Control Act
7. Implement ban on smoking on roads under regulation for “Smoke free public spaces”

2021 Tobacco Industry Interference Index Results and Findings

	0	1	2	3	4	5
INDICATOR 1: Level of Industry Participation in Policy-Development						
1. The government accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry in setting or implementing public health policies in relation to tobacco control (Rec 3.1)		1				
<p>Maldives is not a tobacco producing country. There is no direct presence of tobacco companies in the country. The industry is represented through tobacco distributors. The government does not accept support or endorse any offer for assistance or collaborate with the tobacco industry or through tobacco importers/ distributors in the country. However, it should be noted that the distributors are also involved in other retail businesses such as food, beverages and cosmetics which provides more avenues of access to the government.</p> <p>The Health Promotion Agency (HPA) banned smoking in cafes and restaurants during the “new normal” following the pandemic. The prohibition extends to shisha, vape and e-cigarettes.</p> <p>From August 1, 2020, tax was imposed on cigarettes and bidi – a specific duty of 3 Rufiyaa per stick and ad valorem rate of 25% on the price.</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)	0					
The government does not accept, support, or endorses policies or legislation drafted by or in collaboration with 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)				3		

	0	1	2	3	4	5
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The Tobacco Control Board allocates a representation slot for the business community who may have direct connection to tobacco importer/retailer that could influence policies being made in relation to tobacco control.

National Chamber for Commerce is also represented in the Tobacco Control Board. Every member pledge that there will be no conflict of interest. There is also vetting process outlined by a constitution document of the Tobacco Control Board which also governs the conduct and the board and its members.

4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG) (Rec 4.9 & 8.3)

		1				
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Government does not nominate persons representing the tobacco industry to be part of the COP delegation. Previous COP8 (2018) delegation included: Mr H. Mohamed (Deputy Director, Health Protection Agency); Ms T. Kapur (Advisor, Permanent Mission, Geneva); Ms A. Raghuraman (Advisor, Permanent Mission, Geneva)' and Mr D. Jusu (Advisor).

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 (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)

	0					
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The government or its officials do not endorse or support forms of partnerships with or participates in so-called CSR activities sponsored by the tobacco industry. All forms of tobacco sponsorship are prohibited. Officials must sign declaration of interest (DOI) document to ensure there is no conflict of interest. There may be ways to indirectly influence an official, but this cannot be verified.

INDICATOR 3: Benefits to the Tobacco Industry

	0	1	2	3	4	5
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			
In July 2020, the Parliament decreased duties for tobacco products that were imported via regional ports by 50 percent.						
7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)				3		

The Tobacco Control Act requires tobacco products not previously sold in the Maldives or introduced to the Maldivian market to obtain approval from the Ministry of Health. All tobacco products must carry a health warning label as prescribed by the Ministry of Health.

IQOS shops have opened in Maldives.



Source: New Life, Fareedhee Magu, Male

All international travellers are eligible for import duty allowance up to 200 cigarettes, 25 cigars and 250g of tobacco.

Act No. 31/79 (Export Import Act of Maldives) requires that “200% of the cost, insurance and freight (CIF) value of tobacco products (other than cigarettes) and articles used in the consumption of tobacco products, are levied at the time of importation; further, a 6% goods and services tax (GST) is levied at the time of sale. However, gadgets used in the consumption of ENDS/ENNDS are taxed as electronic devices rather than as articles used for consumption of tobacco products.”

Bilateral free trade agreements between Maldives and some other countries where tax exemptions are given. This may come up to zero tax in an incremental decline on yearly basis.

In February 2020, a new Foreign Direct Investment policy was established for foreign investment which is allowed in all major sectors of the economy apart from manufacture of tobacco products, and others, which are restricted for locals only.

	0	1	2	3	4	5
8. Top level government officials (such as President/ Prime Minister or Minister) 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)	0					
No evidence from the reporting period indicates top-level government officials 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.						
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)		1				
Funds from the tobacco industry to agencies assisting on smuggling raids by international organizations, such as World Customs Organization, may not in compliance with FCTC.						
10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1) NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.		1				
No evidence from the reporting period indicates that the government accepted, supported, endorsed, or entered into partnerships or agreements with the tobacco industry.						
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)						5
The government does not disclose records of any meetings the government may have had with the tobacco distributors. It does not have any mechanisms to ensure that the public has access to a wide range of information on tobacco industry activities relevant to the objectives of the Convention.						

	0	1	2	3	4	5
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
Rules for the disclosure or registration of tobacco industry entities, affiliated organizations do not exist.						
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)						5
The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns.						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)			2			
Previously it was reported that a former Senior official a tobacco importer/ retailer was in a government position (2008 - 2012). Former high-level government official's firm represented a tobacco company; he served in a senior position of government, 2013 - 2018. There has been no procedure put in place to prevent this from happening.						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)		2				
Maldives has witnessed relatives or owners of the tobacco importers/retailers becoming government officials in the past. They occupy positions across all sectors, health or non-health, actively influencing the government's policies.						
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)					4	

	0	1	2	3	4	5
<p>Tobacco Control Act (Articles 26 and 27) specifies information to be made public as well as format of report in accordance with the requirements of the regulations and to be submitted to the Ministry of Health. While the procedures are in place, information are not disclosed on a regular basis.</p> <p>Moreover, the government of Maldives did not utilize the “Guidelines for implementation of Article 5.3 of the WHO FCTC” over the past reporting periods since 2016. Currently it still does not provide public access to information on the tobacco industry.</p>						
<p>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)</p>				3		
<p>A Code of Conduct is being drafted which will be applicable to all the government institutions and officials when dealing with the private sector (tobacco industry).¹³</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>					4	
<p>The Tobacco Control Act does not grant the authority to regulate the contents of cigarettes. The law requires that manufacturers and importers disclose to government authorities and the public information on the contents and emissions of their products.</p> <p>It requires manufacturers, sellers, and exporters of tobacco products to provide information on tar and nicotine levels, pH level of tobacco smoke, effectiveness of the filter and percentage of constituents filtered, and levels of poisonous substances in the tobacco smoke. However, it does not require manufacturers, sellers, and exporters of tobacco products 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.</p>						

¹³ Reported by Ministry of Health official on 18 June 2021 on how the government is implementing Article 5.3 at meeting of SARC-CCT virtual meeting.

	0	1	2	3	4	5
19. The government has a program / system/ plan to consistently raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)				3		
<p>Chapter 12 of the Tobacco Control Act (Act No. 15/2010) requires relevant government ministries to organize and conduct sound programs and activities to create awareness and provide information to the public on the harmful effects of tobacco production and tobacco smoking on health, economy, environment, and society.</p> <p>This Act also requires government ministries to provide information and training on tobacco control to health service providers, social workers, journalists and media personnel, law enforcement officers, and other relevant persons. It explicitly mentions the need to make information on tobacco business publicly available in accordance with the law and regulations. However, the government does not have a program to consistently implement it to raise awareness publicly or within its departments.</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)				3		
<p>There is no written policy disallowing 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. Maldives has an Anti-Corruption Act but it is not specific to tobacco industry or its products.</p> <p>The Regulation on Packaging and Labeling Tobacco Products of the Tobacco Control Act obligates concerned authorities to inform the risks of smoking to smokers, potential smokers, especially to youth, and take appropriate measures for their protection in the sale and purchase of tobacco.</p>						
TOTAL	48					