

VIETNAM

2020

TOBACCO  
INDUSTRY  
INTERFERENCE  
INDEX

## Background and Introduction

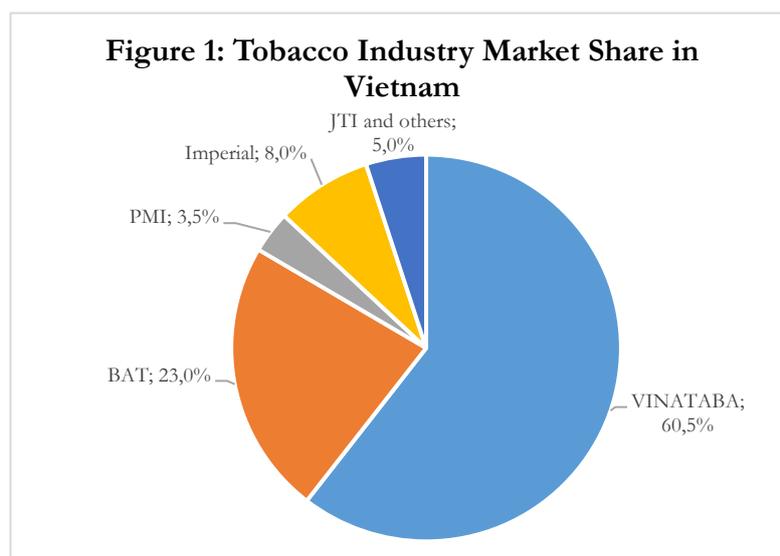
Vietnam is one of the few countries with the highest rates of adult male smoking (45%). Annually, more than 40,000 deaths from tobacco-related diseases and the number will increase to 70,000 cases per year in 2030 if Vietnam fails to implement strong and effective tobacco control measures.<sup>1</sup>

The dominant component of the tobacco industry (TI) in Vietnam is state-owned. It belongs to the central government, Ministry of Finance and the communist party. The world's three biggest transnational tobacco companies have invested and operate in Vietnam through a joint venture and partnership with local companies in production and distribution of their tobacco products. These include: British American Tobacco (BAT), Phillip Morris International (PMI) and Japan Tobacco International (JTI). Overall, Vietnam National Tobacco Corporation (VINATABA) dominates the cigarette market share with 60.5%, followed by BAT Vietnam (23%), Imperial Tobacco (8%), PMI (3.5%), JTI and all other companies have a combined share of 5% in 2018 (Figure 1).<sup>2</sup>

Vietnam has made much progress in implementing tobacco control measures according to the WHO Framework Convention on Tobacco Control (FCTC) and in reducing smoking prevalence. However, tobacco industry interference is a problem that challenges and impedes the progress of strengthening of policies to protect public health.

This TI Interference Index is a civil society report assessing the implementation of FCTC Article 5.3 on the protection of public health policies with respect to tobacco control from commercial and other vested interests of the tobacco industry and its guideline in Vietnam. The index provides evidence on measures and elements that contribute to enabling the tobacco industry to interfere with public health policy making and show how well the government is responding to the challenges posed by TI when applying Article 5.3 guidelines.

Although Vietnam has shown significant progress in reducing the scores of tobacco interference index in recent years, especially in the areas of government's action to protect its policies from tobacco industry interference, however there is still remains much room for improvement as the TI interference is still strong and TI is finding new ways to sell more tobacco products, especially the new tobacco generation products.



Source: GlobalData. (January 2020). Cigarette in Vietnam, Manufacture Market Shares 2018.

<sup>1</sup> Lyvy DT, Bales S, Lam NT, Nikolayev L. (2006). The role of public policies in reducing smoking and deaths caused by smoking in Vietnam: Results from the Vietnam tobacco policy simulation model. *Soc Sci Med.* 2006; 62(7):1819–30. doi:10.1016/j.socscimed.2005.08.043.

<sup>2</sup> GlobalData. (January 2020). Cigarette in Vietnam, Manufacture Market Shares 2018

## Summary Findings

### 1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

The tobacco industry's strategy to influence policy was to organize conferences on smuggling through the business platform. For example, BAT (Singapore) organized a conference on regulations on harm, prevention and handling of smuggled and fake cigarettes to business organizations and individuals in Tay Ninh and Kien Giang provinces. Government representatives including the head of the Provincial Market Management Department, district and city market management teams attended the conference. Such a meeting provided the platform to involve the business sector, including tobacco companies, in addressing smuggling policies.

Philip Morris International (PMI) met with the Vietnam Directorate for Standards, Metrology and Quality under the Ministry of Science and Technology and discussed the benefits of using new generation tobacco products and developing standards and technologies for these tobacco products, and the ability to coordinate and develop technical standards for these tobacco products with the government.

### 2. INDUSTRY CSR ACTIVITIES

Tobacco related CSR activities for disaster and poverty related project are still allowed, hence these activities continued in Vietnam. Since VINATABA is a government monopoly many of these activities received endorsement and active participation of government officials from both Central as well as provincial level. These activities include a broad range of donations to schools, construction of houses for the poor and loans to empowering women.

Other tobacco companies, such as PMI, and local companies such as Saigon Tobacco Company and Khanh Viet Corporation (KHATOCO) also conducted many charitable activities such as building houses for the poor, career training programs, handing out scholarships and presenting a children's playground endorsed by government officials.

### 3. BENEFITS TO THE INDUSTRY

Cigarettes are still a duty-free item for travelers.

### 4. UNNECESSARY INTERACTION

Anniversary celebrations of tobacco companies provide a convenient opportunity for the industry to invite and interact with high level government officials. In June 2019 for example, Vietnam Tobacco Association celebrated its 30th anniversary which was attended by the Deputy Minister of Industry and Trade. In August, the Saigon Tobacco Company celebrated its 90th founding anniversary and received First-class Labor Medal. The ceremony was attended by a Member of Central Communist Party, Deputy Minister of Industry and Trade, Permanent Deputy Secretary of the Central Business Party Committee; Head of Management Board of Industrial Zones of Ho Chi Minh and representatives of ministries, departments and local authorities.

Collaboration between the government and tobacco companies to destroy confiscated smuggled cigarettes provided opportunities for unnecessary interaction with the tobacco

industry. In September, Coast Guard Region Command 1 in Hai Phong destroyed 67,500 packs of smuggled cigarettes bearing the trademark "ESSE" manufactured by KT&G. The destruction event was attended by Vietnam Tobacco Association, Department of Finance and 389 Steering Committee of Hai Phong city.

## 5. **TRANSPARENCY**

The Vietnamese government is “open” about their interaction with tobacco industry as this interaction has been seen as “normal” according to Vietnam law and practice. However, the detailed information on this interaction (with tobacco and other industries as well) were not always be available for public.

## 6. **CONFLICT OF INTEREST**

No new appointment of government official to tobacco industry. The appointment of staff from Ministry of Industry and Trade to VINATABA which happened in 2014 still remains in office in 2020 (Mr. Ha Quang Hoa-Deputy Director of Department of Light Industry was appointed to be Vice Director of VINATABA in 2014; Mr. Ho Le Nghia, Vice Director of Industrial Policy and Strategy Institute was appointed to be in board member of VINATABA in 2014 and become acted as the Party Secretary, and Chairman of the Members’ Council of VINATABA in 2018).

## 7. **PREVENTIVE MEASURES**

There is no procedure for disclosing the records of the interaction with the tobacco industry in place. In 19 Nov 2019, Vietnam Ministry of Health issued circular No. 29/2019/TT-BYT which clearly defines the processes of commenting, acquiring and modifying in the process of formulating legal documents to improve the quality of issuing documents which contributes to reduce the interference of units which has conflict of interests in the process of development legal documents on health.

The Ministry of Industry and Trade has a reporting regime and report forms for Services of Industry and Trade, Industry and Trade Chambers, enterprises that manufacture tobacco, process tobacco ingredients, trade in tobacco ingredients, invest in tobacco ingredients, tobacco supplier, tobacco distributors, wholesalers, and retailers. Reported information include: the production quantity, export quantity, import quantity, sales, sale prices, special excise duty, VAT payable on each brand. However, there is no reporting requirement for information on the TI’s marketing, lobbying and philanthropy to the government.

## **Recommendations**

1. Implement a full ban on all forms of tobacco industry related CSR activities as recommended in the FCTC.
2. Terminate the rotation of senior management positions between state management agencies and tobacco enterprise to avoid conflicts of interest situations.
3. The government must reject any partnership with tobacco industry in anti-smuggling initiatives as recommended in the WHO FCTC Protocol to Eliminate Illicit Trade in Tobacco Products.
4. The government has to put in place a procedure for interaction with the TI, disclose all records of interaction with the tobacco industry and adopt a Code of Conduct for its officials when dealing with the tobacco industry.

# Vietnam: 2020 Tobacco Industry Interference Index

## Results and Findings

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<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)					4	
<p>On 11 December 2019, at Kien Giang Market Management Department Hall, Kien Giang Market Management Department in collaboration with British American Tobacco (BAT) Marketing Representative Office (Singapore) Private Limited in Ho Chi Minh City, called BATMS, organized a conference to discuss the legal regulations on tobacco products trading. Attending the conference were representatives of the leader of Market Management Department, officials of the Departments and more than 100 individuals, representatives of tobacco business organizations in Rach Gia city.<sup>6</sup></p> <p>On 10 December 2019, Tay Ninh Market Management Department in collaboration with Representative Office BAT marketing (Singapore) private limited in Ho Chi Minh organized a conference on disseminating regulations on harm, prevention and handling of smuggled and fake cigarettes to business organizations and individuals in Tay Ninh province. Government representatives such as the head of the Market Management Department, district and city market management teams, and 70 organizations, individuals from tobacco trade from the province attended the conference.<sup>7</sup></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)				3		
<p>On 15 May 2019, Philip Morris International (PMI) met with the Vietnam Directorate for Standards, Metrology and Quality to discuss the benefits of using new generation tobacco products compared to traditional cigarettes, standards and technologies of new tobacco products, and the ability to coordinate and develop technical standards for these tobacco products in Vietnam.<sup>8</sup></p> <p>On 21 Aug 2019, in Hanoi, the Vietnam Standards and Quality Institute (VSQI) – under Directorate for Standards, Metrology and Quality organized a workshop on "New generation cigarettes - Quality standards towards public health safety". Key messages from the workshop</p>						

<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> Vietnam Directorate of marketing standards. The Department of Tourism Administration of Kien Giang Province organizes a conference to propagate the legal provisions in tobacco product trading activities 2019 December 17.

<https://bit.ly/37dlKR5>

<sup>7</sup> Vietnam Directorate of Market Surveillance. Tay Ninh: Organizing the Conference to popularize the regulation on harms, prevention, and handling of smuggled and fake cigarettes. 12 December 2019. <https://bit.ly/3cCT1pV>

<sup>8</sup> STAMEQ works with representatives of Vinataba- Philip Morris May 15, 2019

<https://tcvn.gov.vn/2019/05/stameq-works-with-representatives-of-vinataba-philip-morris/?lang=en>

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is pro-industry which included: The need of provide smokers with less harmful cigarette product and international trend; Less harmful alternatives is needed for those who cannot kick the habit; New generation cigarettes are safer; and the number of Vietnamese dependent on tobacco is high, if it is impossible to quit smoking, it is necessary to take alternatives to maximum minimize the risk to users. <sup>9</sup> Department of Agricultural-Food Quality Standards (TC4) also attended the meeting.						
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)					4	
<p>On 15 Nov 2019, in Ho Chi Minh city, the Standing office of the National Steering Committee for Combating Smuggling, Commercial Fraud and Counterfeit Goods (389) organized a conference on discussing solutions to implement the Prime Minister's Decision No. 20/2018 / QD-TTg on handling confiscated illegally imported cigarettes with the participation of key localities having contraband cigarettes, functional forces and related units. Representative of the Vietnam Tobacco Association attended the conference and gave comment.<sup>10</sup></p> <p>Tobacco Industry (TI) use the position as a “state-owned” and “an affected counterpart or front group” to provide comment on tobacco control policy to the Government (GOV) as below:</p> <ul style="list-style-type: none"> <li>• On 13 Jan 2019, Industry and Trade magazine published: Vietnam National Tobacco Corporation (VINATABA) proposed to the government: adding the purpose of using the und for prevention of tobacco harms (TC Fund) for promoting smuggled tobacco prevention; postponing the amendment of tobacco excise tax by mixed method, does not increase excise tax on cigarettes; does not collect cigarette stamps fees, no compulsory use of electronic stamps instead of current tobacco stamps.<sup>11</sup></li> <li>• Philip Morris International proposed to the Government to develop a legal framework for new tobacco products, including heated cigarettes to protect the national interests, benefits consumers and legal producers.<sup>12</sup></li> </ul>						
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>13</sup> (Rec 4.9 & 8.3)		1				
No representative of Tobacco Industry participated in COP in 2019						
<b>INDICATOR 2: Industry CSR activities</b>						

<sup>9</sup> <https://tuoitre.vn/thuoc-la-khong-khoi-ngay-cang-pho-bien-tiem-an-nguy-co-hang-kem-chat-luong-20190822101612655.htm>

<sup>10</sup> <https://haiquanonline.com.vn/ban-giai-phap-go-vuong-trong-xu-ly-thuoc-la-nhap-lau-tich-thu-115339.html>

<sup>11</sup> <http://tapchicongthuong.vn/bai-viet/vinataba-nam-2018-cac-chi-tieu-san-xuat-kinh-doanh-chinh-deu-hoan-thanh-vuot-ke-hoach-59346.htm>

<sup>12</sup> <https://thuvienphapluat.vn/cong-van/Doanh-nghiep/Cong-van-4755-VPCP-DMDN-2019-bao-cao-tinh-hinh-thuc-hien-Nghi-quyet-35-NQ-CP-415724.aspx>

<sup>13</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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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 <sup>14</sup> (monetary or otherwise) from the tobacco industry (including so-called CSR contributions). (Rec 6.4)						5

In Jan 2019, accompanying the program "Tet for the poor in 2019" of People's police Newspaper: VINATABA supported 50,000,000 VND.<sup>15</sup>

On 13 Feb 2019, Can Tho Red Cross Society implemented the "Cooking career training for poor women" project sponsored by VINATABA-Philip Morris in Ho Chi Minh City with a value of USD 40,000. The project was approved by the City People's Committee at the decision of number. 2561 / QD-UBND dated October 5, 2018.<sup>16</sup>

On 21 March 2019 the Youth Union of VINATABA held a visit and gave gifts to patients who were teenagers and children at K3 Tan Trieu Hospital.<sup>17</sup>

On 9 May 2019, 166 households in An Giang and Dong Thap received loans from cooperation programs called "Empowering Women" between Vietnam Women Union and BAT.<sup>18,19</sup>

On 18 July 2019, Bac Ai District People's Committee in collaboration with VINATABA held the inauguration ceremony of Phuoc Thanh B Elementary and Semi-boarding Ethnic Minority High School with a total investment of over VND 10 billion.<sup>20,27</sup>

At the inauguration ceremony of Phuoc Thanh B Ethnic Minority Boarding Primary School, Mr. Ha Quang Hoa, Deputy General Director of the VINATABA, said since 2009, enforcing Government Resolution No. 30a / 2008 on the support program for fast and sustainable poverty reduction in 61 poor districts, VINATABA has supported Bac Ai District, Ninh Thuan Province nearly VND 31 billion (\$1.33 million).<sup>21</sup>

On 3 August 2019, the Dak Lak Youth Volunteers Association cooperated with VINATABA to organize a ceremony to award VND 1 billion to build gratitude house for poor former volunteers. At the ceremony, representatives of VINATABA presented a symbolic symbol "Donating VND 1 billion to build gratitude houses for the Association of Former Volunteers of DakLak Province". The two sides also signed a memorandum of understanding to sponsor the construction of gratitude houses for former volunteers of poor households with difficult

<sup>14</sup> political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

<sup>15</sup> <http://cand.com.vn/Hoat-dong-LL-CAND/Hay-dong-hanh-cung-chuong-trinh-Tet-vi-nguoi-ngheo-nam-2019-529909/>

<sup>16</sup> <http://chuthapdocantho.org.vn/article/be-giang-lop-dao-tao-nghe-nau-an-cho-phu-nu-ngheo-tai-thanh-pho-can-tho/559.htm>

<sup>17</sup> [http://www.vinataba.com.vn/default.aspx?page=news&do=detail&category\\_id=49&menu\\_id=4&id=4899](http://www.vinataba.com.vn/default.aspx?page=news&do=detail&category_id=49&menu_id=4&id=4899)

<sup>18</sup> <https://bit.ly/3dMMF8S>

<sup>19</sup> <http://moitruong24h.vn/chi-em-mien-tay-duoc-vay-khong-lai-trong-chuong-trinh-trao-quyen-cho-phu-nu.html>

<sup>20</sup> <http://tapchicongthuong.vn/bai-viet/vinataba-khanh-thanh-cong-trinh-xay-dung-giai-doan-2-truong-tieu-hoc-phuoc-thanh-b-64183.htm>

<sup>21</sup> <https://congthuong.vn/vinataba-ho-tro-gan-31-ty-dong-cho-ninh-thuan-122591.html>

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housing conditions in the province, each apartment is expected to be built according to the level 4, worth 60 million dong.<sup>22</sup>

On 15 Aug 2019, in Da Nang city, the VINATABA has held the 18th ceremony on commending and rewarding excellent students whose parents are workers and employees of the Corporation.<sup>23</sup>

On 15 Sep 2019, in Cao Lanh district, Dong thap province, Saigon Tobacco Company sponsored a gratitude house worth 35 million VND to support the poor families under preferential treatment policy of Cao Lanh district.<sup>24</sup>

On 25 Aug 2019, Khanh Hoa Study Encouragement Fund organized a ceremony to honor sponsors and award prize and scholarships for teachers, the elderly, pupils and students. Attending were Mr. Nguyen Dac Tai - Permanent Vice Chairman of Khanh Hoa Provincial People's Committee; Pham Van Chi - former Deputy Secretary of the Provincial Party Committee, former Chairman of Khanh Hoa People's Committee, Standing Vice Chairman of the Fund Management Council and representatives of donors and more than 400 poor pupils and students. Khanh Viet Corporation was awarded a certificate of merit by the People's Committee of Khanh Hoa Province at the event.<sup>25</sup>

On 5 Sep 2019, the Youth Union and the Trade Union of Khanh Viet Corporation (Khatoco) launched the program "Help children go to school" in 2019. The program gave 772 gifts to 772 disadvantaged students who overcome difficulties to study well in 18 elementary schools in the provinces of Khanh Hoa, Phu Yen, Dac Lak and Quang Nam. The Union of Khatoco Phu Yen Tobacco Factory participated in the event and presented gifts at Nguyen Kim Vang Primary School, Tuy Hoa, Phu Yen.<sup>26</sup>

On 16 Oct 2019, Khanh Viet Corporation donates charity houses to poor households in Vinh Luong commune.<sup>27</sup>

On 8 Oct 2019, representatives of Khanh Viet Corporation and Khanh Hoa Newspaper held the acceptance and handover of the project "Playground for children" at Vanh Niem Kindergarten, Suoi Cat commune, Cam Lam district.<sup>28</sup>

**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)	0					
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<sup>22</sup> <https://cuutnpxvietnam.org.vn/le-trao-tang-kinh-phi-ho-tro-xay-nha-tinh-nghia-cho-cuu-tnpx/>

<sup>23</sup> <http://congdoancongthuong.org.vn/tin-tuc/t4469/cd-tcty-thuoc-la-vn-tuyen-duong-hoc-sinh-gioi-nam-hoc-2018-2019.html>

<sup>24</sup> <https://laodong.vn/cong-doan/dong-thap-gan-bien-cong-trinh-thap-sang-duong-que-va-trao-nha-tinh-nghia-754802.ldo>

<sup>25</sup> <https://khatoco.com/tin-tuc/trach-nhiem-xa-hoi/nhan-bang-khen-tai-le-trao-hoc-bong-tinh-khanh-hoa-2019/>

<sup>26</sup> <https://khatoco.com/tin-tuc/trach-nhiem-xa-hoi/tang-772-phan-qua-giup-tre-den-truong-dip-khai-giang/>

<sup>27</sup> <https://khatoco.com/tin-tuc/tong-cong-ty-khanh-viet-tang-nha-nhan-ai-cho-ho-ngheo-xa-vinh-luong/>

<sup>28</sup> <https://khatoco.com/tin-tuc/cong-trinh-san-choi-cho-em-tai-truong-mam-non-vanh-khuyen-xa-suoi-cat-huyen-cam-lam/>

	0	1	2	3	4	5
No evidence found during this period.						
7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3)		1				
International travellers coming into Vietnam can bring in duty free: 200 cigarettes, or 20 cigars or 250 grams of tobacco. <sup>29</sup>						
<b>INDICATOR 4: Forms of Unnecessary Interaction</b>						
8. Top level government officials (such as President/ Prime Minister or Minister <sup>30</sup> ) 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)						5
<p>On 9 Jan 2019, VINATABA Training Center held a conference on summarizing 10 years of training tasks. Attending the conference were the Director of the Graduate Institute of National Economics University; Vice Chairman of the Faculty of Management and Business, Hanoi National University; Deputy Director, Hanoi Technical Safety Inspection Center.<sup>31</sup></p> <p>On 19 Jun 2019, Vietnam Tobacco Association celebrated its 30th anniversary. Deputy Minister of Industry and Trade- Do Thang Hai attended.<sup>32</sup></p> <p>On 19 Aug 2019, the Saigon Tobacco Company celebrated its 90th founding anniversary and received First-class Labor Medal. Attending the Ceremony, there were Mr. Nguyen Hoang Anh - Member of Central Communist Party - Chairman of State Capital Management Committee at the enterprise; Mr. Cao Quoc Hung - Deputy Minister of Industry and Trade; Mr. Pham Tan Cong - Permanent Deputy Secretary of the Central Business Party Committee; Mr. Nguyen Hoang Nang - Head of Management Board of Industrial Zones and manufacturing zones of Ho Chi Minh City; Mr. Ho Le Nghia - Chairman of Vietnam Tobacco Corporation and representatives of ministries, departments, local authorities.<sup>33</sup></p> <p>On 19 Jun 2019, in Hanoi, the Vietnam Tobacco Association held its Seventh Term Congress and celebrated the 30th anniversary of its founding (1989 - 2019). Deputy Minister of Industry and Trade Do Thang Hai attended and congratulated the Executive Committee for their Seventh Term. The Deputy Minister recognized and praised the efforts of Vietnam Tobacco Association period 2013 - 2018 in advising policy for state management agencies; contribute positively to the state budget as well as participate in social activities, create jobs for workers.<sup>34</sup></p>						

<sup>29</sup> <https://www.iatatravelcentre.com/VN-Viet-Nam-customs-currency-airport-tax-regulations-details.htm>

<sup>30</sup> Includes immediate members of the families of the high-level officials

<sup>31</sup> <https://bit.ly/2Um3hfV>

<sup>32</sup> <https://thantra.com.vn/kinh-te/lao-dong-viec-lam/Hiep-hoi-Thuoc-la-Viet-Nam-ky-niem-30-nam-thanh-lap-150240.html>

<sup>33</sup> 90 years of Saigon Tobacco: The journey of writing a brand name <http://tapchicongthuong.vn/bai-viet/90-nam-thuoc-la-sai-gon-hanh-trinh-viet-ten-mot-thuong-hieu-64665.htm>

<sup>34</sup> <http://www.vinatabatrading.com.vn/tin-tuc/hiep-hoi-thuoc-la-viet-nam-to-chuc-dai-hoi-nhiem-ky-vii-va-ky-niem-30-nam-ngay-thanh-lap-hiep-hoi-1989-2019.html>

On 24 Sep 2019, VINATABA held a ceremony to launch a new product: No.1 Vinataba Tobacco at Melia Hotel, Hanoi. The event was attended by representatives of the Commission for the Management of State Capital at Enterprises, the Ministry of Industry and Trade, Leaders and representatives of VINATABA and subsidiaries together with more than 80 distributors.<sup>35</sup>

On 4 Oct 2019, The CEO of JT (Japan) (Mr. Masamichi) had a meeting with Mr. Nguyen Hoang Anh, Chairman of Commission for the Management of State Capital at Enterprises. At the meeting, Mr. Masamichi wanted to share information about equalization process in VINATABA, as well as follow VINATABA's development. Chairman of Commission for the Management of State Capital at Enterprises- Nguyen Hoang Anh said that the Government of Vietnam consistent with the policy of equitizing of state-owned enterprises because it is suitable with the development of the market economy.<sup>36</sup>

9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)

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The government required tobacco manufactures to provide fund for smuggling control following the Circular 306/2016/TT-BTC of Ministry of Finance and Directive 04/CT-BCT on 24/03/2015 of Ministry of Industry and Trade. It is compulsory contribution under the request of government so that it could not consider as Government receive funding from TI. However, beside using money from TI for smuggling control, the Government also considered TI as a partner and cooperated with TI in smuggling control as evidences mentioned in Q1 (about the Government collaboration with the tobacco industry in implementing smuggling control) and Q3 (about the Government allowed/invited the TI to sit in government multi-sectoral committee/ advisory group body for smuggling control).

On 23 Sep 2019, in Hai Phong, Material Destruction Council - Coast Guard Region Command 1 destroyed 67,500 packs of smuggled cigarettes bearing the trademark "ESSE" manufactured by Korea. Attending the destruction event were representatives of Vietnam Tobacco Association, Department of Finance and 389 Steering Committee of Hai Phong city.<sup>37</sup>

On 9 Sep 2019, in Ho Chi Minh City, Mr. Nguyen Hoang Anh - Chairman of the State Capital Management Committee at the enterprise (the Committee) worked with Vina-BAT Joint Venture Company Limited. The Chairman expressed his impression at BAT's general ways of dealing with tobacco issues in the Vietnamese market, in harmony with the general policy and legal framework. In response to the recommendations of the business, Chairman Nguyen Hoang Anh said: The Committee will coordinate with the relevant state management agencies to prevent smuggled cigarettes and ensure healthy competition of the market. However, the joint venture between VINATABA and BAT needs to continue researching and creating new products, in line with modern trends, to meet the needs of the market.<sup>38</sup>

<sup>35</sup>[http://www.vinataba.com.vn/default.aspx?page=news&do=detail&category\\_id=17&menu\\_id=4&id=5966](http://www.vinataba.com.vn/default.aspx?page=news&do=detail&category_id=17&menu_id=4&id=5966)

<sup>36</sup><https://bizlive.vn/doanh-nghiep/tap-doan-thuoc-la-lon-thu-3-the-gioi-dang-de-y-co-phan-vinataba-3522839.html>

<sup>37</sup><http://thuonghieu.vaphapluat.vn/hai-phong-tieu-huy-675000-bao-thuoc-la-ngoai-nhap-lau-d25722.html>

<sup>38</sup>[http://cmsc.gov.vn/xem-chi-tiet/-/asset\\_publisher/WqvULR6gmpvh/Content/chu-tich-nguyen-hoang-anh-lam-viec-voi-cong-ty-tnhh-lien-doanh-vina-bat?230302](http://cmsc.gov.vn/xem-chi-tiet/-/asset_publisher/WqvULR6gmpvh/Content/chu-tich-nguyen-hoang-anh-lam-viec-voi-cong-ty-tnhh-lien-doanh-vina-bat?230302)

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10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry. (Rec 3.1) <i>NOTE: This must not involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i>	0					
No evidence found during this period.						
<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)		1				
No changes in 2019. The Vietnamese government is “open” about their interaction with tobacco industry as this interaction has been seen as “normal” according to Vietnam law and practice. However the detailed information on this interaction (with tobacco and other industries as well) were not always be available for public.						
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
No						
<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 political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11)		1				
No changes in 2019. Being different from other countries, Vietnam is one-party-lead country. There is no competitive election campaign. All candidates are recruited and proposed by People Council in negotiation of Fatherland Front (umbrella of many mass and professional organizations)						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)	0					
No evidence in 2019 have been found.						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)						5
No new evidence was found in 2019. Appointment of staffs from MOIT to VINATABA happened in 2014 but they still remain in office in 2020. <ul style="list-style-type: none"> <li>On 31 December 312014, Mr. Ha Quang Hoa-Deputy Director of Department of Light Industry (MOIT) was appointed to be Vice Director of VINATABA.<sup>39</sup></li> </ul>						

<sup>39</sup> <http://hoavietjsc.com/tin-tuc-su-kien/tin-tuc-nganh-thuoc-la/tong-cong-ty-thuoc-la-viet-nam-bo-nhiem-pho-tong-giam-doc-moi.html>

	0	1	2	3	4	5
<ul style="list-style-type: none"> <li>On 30 December 2014 Mr. Ho Le Nghia, Vice Director of Industrial Policy and Strategy Institute (MOIT) was appointed to be in board member of VINATABA<sup>40</sup>. Since 1 Sept 2018, Mr. Ho Le Nghia officially acted as the Party Secretary, and Chairman of the Members' Council, replacing Mr. Vu Van Cuong, who retired according to the applicable policy.<sup>41,42</sup></li> </ul>						
<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
No procedure has been developed in 2019						
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)				3		
<p>On 28 Nov 2017, Vietnam Ministry of Health issued the official dispatch No 6814/BYT-KCB to Ministries, Mass organization, and People's Committees of the provinces and municipality to warn about the Smokefree World Foundation of PMI and call for not cooperate with this Foundation. (The Dispatch was issued in late 2017 and still applies).</p> <p>In 19 Nov 2019, Vietnam Ministry of Health issued the circular No. 29/2019/TT-BYT on Regulations on the formulation, promulgate and organize to deploy legal documents on health. The Circular more clearly defines the processes of commenting, acquiring and modifying in the process of formulating legal documents to improve the quality of issuing documents which contributes to reduce the interference of units which has conflict of interests in the process of development legal documents on health.<sup>43</sup></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)			2			
No changes in 2019.						
According to the Article 41, Decree No. 67/2013/ND-CP of the Government on Elaborating some articles and measures for implementation the law on tobacco harm prevention applicable to tobacco trading <sup>j</sup> , tobacco industry should report to the Ministry of Industry and Trade and Ministry of Finance.						

<sup>40</sup> [http://www.vinataba.com.vn/default.aspx?page=news&do=detail&category\\_id=17&menu\\_id=4&id=294](http://www.vinataba.com.vn/default.aspx?page=news&do=detail&category_id=17&menu_id=4&id=294)

<sup>41</sup> <https://news.zing.vn/vinataba-de-cu-lanh-dao-39-tuoi-vao-vi-tri-chu-tich-tong-cong-ty-post836944.html>

<sup>42</sup> [http://www.moit.gov.vn/CmsView-EcoIT-portlet/html/print\\_cms.jsp?articleId=12660](http://www.moit.gov.vn/CmsView-EcoIT-portlet/html/print_cms.jsp?articleId=12660)

<sup>43</sup> Decree No. 67/2013/ND-CP of the GOV. Available at: <https://thuvienphapluat.vn/van-ban/Bo-may-hanh-chinh/Thong-tu-29-2019-TT-BYT-xay-dung-ban-hanh-va-to-chuc-trien-khai-thi-hanh-van-ban-phap-luat-y-te-439712.aspx>

### Article 41. Reporting regime

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3. Every tobacco supplier shall send reports on the production and types of tobacco they manufacture or trade (according to the distribution, wholesaling, retailing system) to the licensing authority and the Service of Industry and Trade of the province where their head office is situated.

4. Every tobacco distributor, wholesaler, and retailer shall send reports on their business to the licensing authority and the Industry and Trade Agency where their head office is situated.

5. Every investor in tobacco cultivation, trader of tobacco ingredients, tobacco distributor, wholesaler, and retailer shall send reports on their business to the licensing authority and the Industry and Trade Agency where their head office is situated.

6. Every tobacco manufacturer shall send reports on the tobacco manufacturing and trading to the Ministry of Industry and Trade and the Ministry of Finance, including: the production quantity, export quantity, import quantity, sales, sale prices, special excise duty, VAT payable on each brand.

7. Every enterprise that manufactures tobacco or processes tobacco ingredients shall send the Ministry of Industry and Trade reports on the import and use of machinery and equipment for tobacco manufacturing, tobacco ingredients, cigarette paper in the period, the manufacture, trading, and processing of tobacco ingredients .

8. The Ministry of Industry and Trade shall provide guidance the reporting regime and report forms for Services of Industry and Trade, Industry and Trade Chambers, enterprises that manufacture tobacco, process tobacco ingredients, trade in tobacco ingredients, invest in tobacco ingredients, tobacco supplier, tobacco distributors, wholesalers, and retailers.

It seems to that information on lobbying, philanthropy, political contributions of TI is not required to submit to the government.

19. The government has a program / system/ plan to consistently <sup>44</sup> raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)					4
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No changes in 2019.

In 21 Dec 2018, the Ministry of Communication and Information issued the Dispatch No.4324/BTTTT-PC on directing the press agency to intensify communication on implementation of the TC Law and implementing FCTC related to tobacco advertising, promotion and sponsorship. <sup>45</sup>. The Dispatch now still applies and it works well in directing and reminding media agencies to compliance with TAPs regulations in TC Law. However, there is no specific program on creating awareness om Article 5.3.

<sup>44</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.

<sup>45</sup> <https://baotainguyenmoitruong.vn/xa-hoi/kiem-soat-phong-chong-tac-hai-cua-thuoc-la-nghiem-cam-moi-hanh-vi-quang-cao-thuoc-la-truc-tiep-1263771.html>

	0	1	2	3	4	5
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)			2			
<p>No changes in 2019.</p> <p><i>Law No.27/2012/QH13 of the National Assembly dated 23 Nov 2012, on “Amending and supplementing a number of articles of the anti-corruption law” regulates:</i></p> <p><i>Article 40.- Giving presents and receiving gifts by public servants</i></p> <p>2. <i>Public servants must not receive money, properties or other material interests of agencies, organisations, units and/or individuals involved in affairs which they are settle or fall under their respective management.</i></p> <p>3. <i>It is strictly forbidden to take advantage of the giving and receipt of gifts to bribe or perform other acts for self-seeking interests.</i></p> <p>4. <i>The Government shall specify the giving and receipt of gifts and submission of gifts by public servants.</i></p> <p><i>Decision No 64/2007/QD-TTg of the Government dated 10 May 2007 on “Promulgating the regulation on giving, receipt and hand over of gifts by state budget – funded agencies, organizations and units and cadres public employees and servants” regulates:</i></p> <p><i>Article 9.- Agencies and units may only receive gifts in accordance with law. These gifts must be disclosed, managed and used according to this Regulation.</i></p> <p><i>Representatives of agencies and units shall refuse gifts that are given in contravention of the prescribed regime, criteria and recipients and clearly state the reasons to gift givers. When it is impossible to refuse, agencies and units shall manage and dispose of gifts according to Section 3 of this Regulation.</i></p> <p><i>Article 10.- Cadres, public employees and servants may only receive gifts in accordance with law and shall acknowledge receipt with their signatures; and shall declare their incomes when required by law.</i></p> <p><i>Cadres, public employees and servants shall refuse gifts that are given in contravention of the prescribed regime, criteria and recipients, clearly stating the reasons to gift givers. When it is impossible to refuse, cadres, public employees and servants shall report to the head(s) of their agencies or units for disposal according to Section 3 of this Regulation.</i></p> <p><i>Directive No. 21-CT / TW of the Central Committee on promoting thrift practice and waste combat regulates:</i></p> <p>3. <i>Leaders and managers at all levels who do not attend festivals and activities of cutting ribbon in the inauguration, ground breaking, opening ceremony ... if not assigned by competent authorities.</i></p> <p>5. <i>Key leaders of ministries, branches and localities do not join the delegation of enterprises going abroad or are invited by foreign enterprises. Organization and units are not allowed to organize travel abroad for officers by the state budget.</i></p> <p>While the law is comprehensive to cover all forms of corruption, however the government still requires tobacco industry to provide fund and offer assistance to government agencies in smuggling control (mentioned in Q1, Q2, Q3, Q9) that conflicts with the recommendations of WHO FCTC. The Illicit trade protocol clearly states no TI involvement in anti-smuggling measure.</p>						
<b>TOTAL</b>						<b>56</b>

## ANNEX A: SOURCES OF INFORMATION

### I. TOBACCO INDUSTRY ACTIVITY

Top 5 Transnational Tobacco Company	Sources other than SEATCA Report
British American Tobacco (BAT) Vietnam	GlobalData. (January 2020). Cigarette in Vietnam, 2019.
Philip Morris	
Imperial Tobacco	
Japan Tobacco Inc.	

#### LOCAL TOBACCO COMPANIES

Top 5 Local Tobacco Company	Market Share and Brands	Source
Vietnam National Tobacco Corporation (VINATABA)	Market share of Vinataba in 2018: 60.5%  Brands of Vinataba: Vinataba, Tourism, Souvenir, Thang Long, Tam Dao, Aroma, Hoan Kiem, Thu Do, Bastion	GlobalData. (January 2020). Cigarette in Vietnam, 2019.
Dong Nai Tobacco Co.	Brands: Bastos, Tri An, Coker, Dotax, Donagold and Donataba	Euromonitor International, Report on Cigarettes in Vietnam in July 2017
Khanh Viet Corp	Brands: Sea Bird, Prince KTC, Warhorse, Nhatrang, Dulich, White Horse and Everest	Euromonitor International, Report on Khanh Viet Corp in Tobacco (Vietnam) in Dec 2014
Sai Gon Industry Corp	Brands: Sai Gon Classic, Sai Gon Green, Cotab, Vitab, Hoa Binh, Fasol, 555, Pall Mall, Dunhill, Marlboro	Website of Saigon Tobacco company Operational capacity of Saigon Tobacco Company. 15/08/2016]; Available from: <a href="http://www.saigontabac.com.vn/vn/default.aspx?c=104">http://www.saigontabac.com.vn/vn/default.aspx?c=104</a> .

#### TOBACCO FRONT GROUPS

Top 5 Tobacco Industry Representative	Type (Front Group/ Affiliate/ Individual)	Source
Association of Vietnam Retailers (AVR)	Affiliate	<a href="http://www.hiephoibanle.com/">http://www.hiephoibanle.com/</a>
Vietnam Chamber of Commerce and Industry (VCCI)	Affiliate	<a href="http://vccinews.com/">http://vccinews.com/</a>

#### a. News Sources

Top 5 Newspaper/Dailies	Type (Print/Online)	
Lao Dong	Online/Print	<a href="http://Laodong.com.vn">Laodong.com.vn</a>
Thanh nien	Online/Print	<a href="http://Thanhnien.vn">Thanhnien.vn</a>
New Hanoi	Online/Print	<a href="http://Hanoimoi.com.vn">Hanoimoi.com.vn</a>
Nhan dan	Online/Print	<a href="http://www.nhandan.com.vn/">http://www.nhandan.com.vn/</a>
Dai bieu nhan dan	Online/Print	<a href="http://www.daibieunhandan.vn/">http://www.daibieunhandan.vn/</a>

## b. Government Agencies

Agency	Specify if more than one office is involved in this function:	General Sources of Information/ News for each office
1. Office of the Chief Executive (Prime Minister/ President) Members of Royalty	Government portal	<a href="http://www.chinhphu.vn">www.chinhphu.vn</a>
2. Cabinet and/or National Assembly (Policy makers)	National Assembly	<a href="http://www.quochoi.vn">www.quochoi.vn</a>
3. Agriculture / National Tobacco Board	Ministry of Agriculture and Rural Development	www.mard.gov.vn
4. Customs	General Department of Vietnam Customs	www.customs.gov.vn
5. Education	Ministry of Education and Training	<a href="http://www.moet.gov.vn">www.moet.gov.vn</a>
6. Environment		
7. Finance/ Revenue/ Investments/ Excise	Ministry of Finance	<a href="http://www.mof.gov.vn">www.mof.gov.vn</a>
8. Health	Ministry of Health	www.moh.gov.vn
9. Labor	Ministry of Health	www.vinacosh.gov.vn
10. Trade and Industry/ Investments	Ministry of Industry and Trade	www.moit.gov.vn <a href="http://www.tapchicongthuong.vn">www.tapchicongthuong.vn</a>
Additional agencies/sectors to be named per country:		
11. Labor	Ministry of Labour, invalids and Social Affairs	www.molisa.gov.vn
11. Statistics	General Statistics Office of Vietnam	www.gso.gov.vn
13. Tax	General Department of Taxation	www.gdt.gov.vn
14. Technology and Science	Ministry of Science and Technology	www.most.gov.vn
15. Information and communication	Ministry of Information and communication	www.mic.gov.vn

## II. LAWS, POLICIES AND ISSUANCES

### HEALTH LAWS:

- Primary source of the law listing to be searched:  
Legal Normative Documents in Ministry of Justice's and Government Portal's website and legal library (website of legal company)  
<http://thuvienphapluat.vn/en/index.aspx>  
<http://www.moj.gov.vn/vbpq/en/pages/vbpq.aspx>  
<http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban>

- Does the above sources include issuances? Yes

### ALL LAWS:

- Is there a centralized (all) law database? If yes, please list which one will be used and cite the limitations:

Legal Normative Documents in Ministry of Justice's and Government Portal's website:

<http://www.moj.gov.vn/vbpq/en/pages/vbpq.aspx>

<http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban>

4. Does the above sources include issuances? Yes

Top 15 Government Agency/ Office/Sector	Source of Policies relating to the Sector	Source of related minor issuances,
1. Office of the Chief Executive (Prime Minister/ President) Members of Royalty	<a href="http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban">http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban</a>	
2. Cabinet and/or National Assembly (Policy makers)	None	
3. Agriculture / National Tobacco Board	<a href="http://www.moj.gov.vn/vbpq/en/pages/vbpq.aspx">http://www.moj.gov.vn/vbpq/en/pages/vbpq.aspx</a>	
4. Customs	<a href="http://www.customs.gov.vn/Lists/VanBanPhapLuat/Default.aspx?Newest=TRUE">http://www.customs.gov.vn/Lists/VanBanPhapLuat/Default.aspx?Newest=TRUE</a>	
5. Education	<a href="http://www.moet.gov.vn/?page=6.0">http://www.moet.gov.vn/?page=6.0</a>	
6. Environment	<a href="http://law.omard.gov.vn/?TabId=40">http://law.omard.gov.vn/?TabId=40</a>	
7. Finance/ Revenue/ Investments/ Excise	<a href="http://vbpq.mof.gov.vn/">http://vbpq.mof.gov.vn/</a>	
8. Health	<a href="http://moh.gov.vn/legaldoc/pages/Directdocument_v2.aspx">http://moh.gov.vn/legaldoc/pages/Directdocument_v2.aspx</a>	
9. Labor	<a href="http://www.molisa.gov.vn/vi/Pages/vanbanphapluat.aspx?TypeVB=1">http://www.molisa.gov.vn/vi/Pages/vanbanphapluat.aspx?TypeVB=1</a>	
10. Trade and Industry/ Investments	<a href="http://www.moit.gov.vn/en/Pages/LegalDocument.aspx">http://www.moit.gov.vn/en/Pages/LegalDocument.aspx</a>	
Additional agencies/sectors to be named per country:		
11.Ministry of culture, sports and tourism	<a href="http://vietnamtourism.gov.vn/index.php/cat/2010">http://vietnamtourism.gov.vn/index.php/cat/2010</a>	
12.Ministry of Natural Resources and Environment	<a href="http://www.monre.gov.vn/">http://www.monre.gov.vn/</a>	
13.Ministry of Transport	<a href="http://www.mt.gov.vn/vn/Pages/Vanbanphapluat.aspx">http://www.mt.gov.vn/vn/Pages/Vanbanphapluat.aspx</a>	
14.General Department of taxation	<a href="http://www.gdt.gov.vn/">http://www.gdt.gov.vn/</a>	

## References

<sup>i</sup> Legal Document Online Library. Decree No. 67/2013/ND-CP of the GOV on Elaborating some articles and measures for implementation the law on tobacco harm prevention applicable to tobacco trading. Available from: <https://thuvienphapluat.vn/van-ban/Thuong-mai/Nghi-dinh-67-2013-ND-CP-huong-dan-kinh-doanh-thuoc-la-196542.aspx>