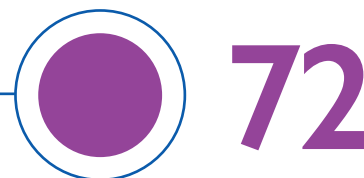


# Bangladesh



## Summary of Findings

### 1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

A major portion of industry interference incidents found were intended to thwart the Ministry of Health's efforts to amend the tobacco control law. The transnational tobacco company, British American Tobacco Bangladesh (BATB), was recorded to have sent a letter to the Large Taxpayers Unit (LTU) of the National Board of Revenue (NBR) where it sought intervention by the agency in the amendment initiative of the Health Ministry. NBR complied by writing to the Health Services Division, urging them to consider the points raised by BATB. Moreover, a group of 17 so-called public health experts with TI affiliations urged the Health Ministry to withdraw its proposed ban on the electronic nicotine delivery system (ENDS) via a letter. Additionally, the National Small and Cottage Industries Association of Bangladesh (NASCIB) sought the Prime Minister's intervention to repeal a number of proposals from the draft amendment of the tobacco control law.

### 2. INDUSTRY CSR ACTIVITIES

BATB's afforestation program 'Bonayon' continued to involve influential figures. The multinational company partnered with the Ministry of Environment, Forest, and Climate Change and launched a national afforestation campaign in 2021. During the reporting period, CSR events of BATB were attended by the Minister of Chittagong Hill Tracts Affairs, the Mayor of Tangail Municipality, the Mayor of Khulna City Corporation, and the Mayor of Rajshahi City Corporation. As in previous years, BATB donated large sums of money to the Bangladesh Labor Welfare Foundation. Cheques were handed over to the Secretary for Labor and Employment, and the state Minister for Labor and Employment respectively.

### 3. BENEFITS TO THE INDUSTRY

Compared to the previous Bangladesh TI Index no substantial progress is visible. Though the score slightly improved between April 2021 and March 2023 compared to the previous report. NBR issued a notification exempting the TI from mandatory central registration, which is a requirement for other industries.

### 4. UNNECESSARY INTERACTION

As in previous years, the government continued to give awards to tobacco companies. Ministers and high level officials also continued to attend programs organized by tobacco companies.

**NBR:** In both 2021 and 2022 the NBR presented the 'Best Taxpayer Award' to BATB. The Finance Minister, Industries Minister, NBR Chairman, Bangladesh Bank Governor, Finance Senior Secretary and other high officials were present on different occasions. The LTU of NBR also awarded BATB for being the highest income taxpayer. NBR also awarded Maya Bidi Factory for paying VAT, an award that was presented by the Finance Minister. Additionally, BATB's Managing Director was invited as a keynote speaker in an event hosted by NBR celebrating International Customs Day 2022.

**Autonomous Bodies:** Throughout 2021 and 2022 professional bodies under various ministries, such as the Institute of Chartered Accountants of Bangladesh (ICAB) and the Institute of Cost and Management Accountants of Bangladesh (ICMAB), showered BATB with various awards such as "ICAB Best Presented Annual Report Award", "ICMAB Best Corporate Award" and "ICSB National Award for Corporate Governance Excellence".

**Partnership:** BATB's prior partnership with the Department of Agriculture Extension continued in 2021 and 2022. However, between April 2021 and March 2023, the government did not enter into new collaborative agreements with the TI.

## 5. TRANSPARENCY

The government maintained a policy of not disclosing meetings/ interactions with the TI. Rules for the disclosure or registration of TI entities, affiliated organizations, individuals, and lobbyists also do not exist.

NBR continued to conduct pre-budget meetings with Bangladesh Cigarette Manufacturers' Association (BCMA) in both FY 2021-22 and FY 2022-23. During these meetings the company raised demands not to increase taxes on tobacco. NBR also met with the Bidi Industry Owners' Association (BIOA) where the President of BIOA demanded a withdrawal of the 10 percent advance income tax on Bidi. Details of the meeting were not disclosed.

## 6. CONFLICT OF INTEREST

There is no policy in place to prohibit contributions from the TI. However, election candidates are required to disclose general contributions received for election expenses at the time of submitting nomination papers in accordance with section 44A of the Representation of the People Order, 1972.

The government continued to hold investment in BATB, which currently stands at 9.4%. A number of current and former high government officials, including the former Secretary of the Ministry of Industries, the Senior Secretary of the Prime Minister's Office, the Senior Secretary of the Ministry of Public Administration, the Secretary of the Ministry of Industries, the Additional Secretary of the Ministry of Finance, hold positions such as Non-Executive Directors and Independent Directors in BATB.

## 7. PREVENTIVE MEASURES

Moves towards meaningful FCTC-compliant measures to prevent industry interference remained stalled compared to the previous year. However, a 2021 policy of the Ministry of Industries (MoInd) of Bangladesh disqualified tobacco manufacturers and associated companies from receiving the prestigious President's Award for Industrial Development. BATB received this award in 2018 and 2019. Following protests from anti-tobacco organizations and a letter from the National Tobacco Control Cell (NCTC), the Directorate General of Health Services (DGHS) cancelled a consultative workshop. This workshop, jointly organized by the Non-communicable Disease Control Program of DGHS and Bangladesh Blind Mission (BBM), received funds from the Philip Morris International-funded Foundation for a Smoke-Free World.

Apart from a provision under the Right to Information Act, 2009, there is no procedure in place for disclosing records of interaction with the TI. Draft guidelines on Article 5.3 implementation are yet to be finalized. The government requires the TI to submit monthly revenue statements (company wise) only. These statements are submitted as a requirement under the NBR. Tobacco companies must also submit monthly statements of health surcharge deposit, according to the form attached with the "Health Development Surcharge (Collection and Payment) Rules 2017". Tobacco companies are not required to submit information on their market share, marketing expenditures, revenues, or philanthropic and political contributions.



## Recommendations

1. Strengthen the tobacco control law through an amendment to make it more compliant with WHO FCTC, particularly with Article 5.3.
2. Ban all CSR activities of the TI as required in Article 13 of the WHO FCTC.
3. Ministry of Health and Family Welfare to undertake awareness raising of non-health sectors (particularly Finance Ministry, Industries Ministry and Commerce Ministry) on Article 5.3 obligations and how to comply with it across the whole of government.
4. Expedite the adoption of a code of conduct for all government officials in interactions with the TI.
5. Bar the entry of new foreign and local tobacco companies and related investment into Bangladesh. Also deny establishment of new tobacco related factories in the country's Special Economic Zones (SEZs) and Export Processing Zones (EPZs).
6. Exclude cigarettes from the list of essential commodities by amending the Essential Commodity Act 1956.
7. Divest investment from tobacco companies. To prevent conflict of interest, government officials must terminate their positions in tobacco companies.
8. Formulate and implement a simple tobacco price and tax policy in line with the WHO FCTC Article 6 to reduce the demand for tobacco.