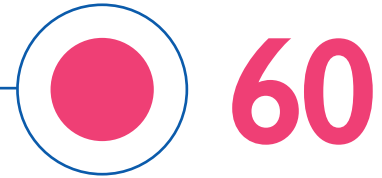


Kazakhstan



Summary of Findings

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

The tobacco industry (TI) continues to participate in policy development by arranging meetings with senior policymakers, notably through the national business union “Atakemen”, as well as through its membership in the Council of Foreign Investors which was established in 1998. Atakemen receives regular annual fees from transnational tobacco companies and plays a significant role in blocking different public health initiatives at the national level.

2. INDUSTRY CSR ACTIVITIES

Corporate social responsibility (CSR) activities by the TI are allowed in Kazakhstan due to a loophole in Article 110 of the Health Act. There are no official records of the government’s direct endorsement, support and partnerships in these CSR activities. However, within the newly elected Parliament there is a real initiative to eliminate all forms of tobacco related charity and sponsorship in the Health Act.

3. BENEFITS TO THE INDUSTRY

In March 2022, the TI undertook a concerted attempt to negotiate a special 10-year special preferences on heated tobacco product (HTP) tax, portraying it as an “investment project.” This proposal amounts to USD \$150 million intended for relocation of the HTP manufacturing factory from Russia to Kazakhstan due to the Russia-Ukraine War.

Only the immediate intervention of the Ministry of Health (MoH) and Smokefree Coalition, supported by the WHO FCTC Secretariat and WHO Tobacco Free Initiative, neutralized this dangerous project. The WHO and MoH collaborated to preserve the high HTP excise rate per stick (70% volume) in the Kazakhstan Tax Code and the strong HTP wording in the Health Act. However, cigarette taxes remained low due to Eurasia Custom Union Tax Agreement

(only 35 euro per thousand sticks in 2024) with a slow and low 20% increase per year. Such a strategy benefits the tobacco industry in Armenia, Russia, Belarus, Kazakhstan, Kyrgyzstan.

4. UNNECESSARY INTERACTION

In 2022, there were 2 recorded cases of unnecessary interaction between the TI and the government. The MoH continued to advocate for high excise tax policy and regulation on HTPs. In June 2023, BAT attempted to sway the government by proposing to halt attempts to prohibit HTPs but was unable to undermine the MoH position.

5. TRANSPARENCY

WHO FCTC provisions and Article 5.3 guidelines are neglected in Kazakhstan. As a result, there is no official nor informal regulation to disclose meetings and interactions with the TI including affiliated organizations, lobbyists and individuals acting on their behalf. Meeting with the TI is a norm in Kazakhstan, and in some cases even required by law (Business Act).

6. CONFLICT OF INTEREST

There are no official procedures for government institutions and non-governmental organizations (NGOs) and individuals to disclose conflict of interest nor affiliation with the TI. NGOs well-known for receiving money from the industry did not disclose the conflict of interest, and go so far as to delete information from their websites.

7. PREVENTIVE MEASURES

No preventive measures have been put in place by the government. The MoH and Smokefree Coalition have been the main active actors in the past three years attempting to curtail TI interference in the country. This collaboration has defied all attacks on HTP tax preferences and the vaping epidemic.