Cambodia

TOBACCO INDUSTRY INTERFERENCE INDEX 2023

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Acknowledgements:

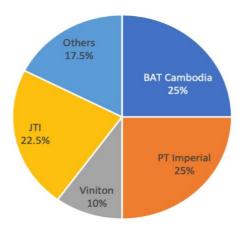
We acknowledge technical assistance from Southeast Asia Tobacco Control Alliance in the preparation of this report.

This report is made possible with funding support from the Bill and Melinda Gates Foundation.

Background and Introduction

Cambodia became a Party to the WHO Framework Convention on Tobacco Control (FCTC) in 2005 and is committed to implementing strong tobacco control measures as outlined in the treaty. While smoking prevalence is declining, however tobacco use continues to remain a problem and claims more than 16,000 deaths a year. The tobacco industry plays a big part in undermining government efforts by interfering in various ways.

The tobacco industry in Cambodia is made up of both local and transnational tobacco companies. The cigarettes market was worth USD 430.00 million in 2015. In 2025, although the cigarettes market is declining, it is forecast to reach USD 571.75 million.¹



New cigarette brands continue to be launched in Cambodia. In August 2021, JTI launched Mevius Fizzy Dew.² Since there is a comprehensive ban on all form of tobacco advertising and promotions, tobacco companies offer marketing incentives and trade programs directly to retailers and distributors.³

Article 5.3 of the WHO FCTC empowers governments to protect their public health policy from any interference from the tobacco industry. Parties to the WHO FCTC adopted guidelines to Article 5.3 to guide them on specific action to take. The Tobacco Industry Interference Index is a report that reviews how the government has implemented Article 5.3 to protect themself from industry interference. Overall, there was a slight deterioration in the score of Cambodia's Tobacco Industry Interference Index for this year (58 points) compared to 2021 Index (49 points).

The report is based on a questionnaire developed by the Southeast Asia Tobacco Control Alliance. There are 20 questions based on the Article 5.3 guidelines. Information used in

¹ Marketresearch.com. Cambodia: Cigarettes market and the impact of COVID-19 on it in the medium. https://www.marketresearch.com/Williams-Marshall-Strategy-v4196/Cambodia-Cigarettes-Impact-COVID-Medium-13619506/

² Tobacco Asia. Cambodia: Market potential despite illicit product scourge. 4 Oct 2021 https://www.tobaccoasia.com/features/cambodia-market-potential-despite-illicit-product-scourge/

³ M.A. Kolandai & W. Jirathanapiwat. Lucrative Retailer Incentives Increase Cigarette Sales: Report on Five ASEAN Countries, January 2019, Southeast Asia Tobacco Control Alliance (SEATCA), Bangkok, Thailand. https://seatca.org/dmdocuments/Retailer%20Incentive%202019.pdf

this report is obtained from the public domain only. A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates highest level of industry interference, and I is low or no interference. Hence the lower the score, the better for the country. The 0 score indicates absence of evidence or not applicable. The report includes information on incidents from April 2021 to March 2023, but also includes earlier incidents that still have relevance today.

Summary Findings

I INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

The government does not accept offers of assistance from the tobacco industry, nor endorses any policies drafted by the industry, nor invite the industry to sit at meetings deciding on tobacco control policy.

However, there were meetings between a few non-health departments with the tobacco industry, namely the Ministry of Economy and Finance and the Consumer Protection Competition and Fraud Repression Directorate General (CCF) of the Ministry of Commerce.

The tobacco industry is not represented in Cambodia's delegation to the COP and related meetings.

2 INDUSTRY CSR ACTIVITIES

Tobacco industry related CSR activities are not banned and remain a problem in Cambodia. They are mostly done by transnational tobacco companies, BAT and JTI.

During the Covid-19 outbreak, tobacco industry took advantage of the pandemic to launch numerous CSR activities, in term of monetary donations to charitable organization, PPE distribution to governmental institutes and local authorities, and handing out food parcels to people affected by the pandemic.

3 BENEFITS TO THE INDUSTRY

Benefits are still given to the tobacco industry although not all of these are publicly known. For example, the Ministry of Commerce's announcement on the waiver of duties to tobacco leaves exported to Vietnam and exemption of import tax by the Vietnam government for registered farmers producing more than 3,000 tons of leaves. Publicity was given to the duty exemption urging tobacco growers to take advantage of the exemption. The Ministry of Commerce is actively involved in providing incentive for tobacco leaf export to Vietnam.

The Ministry of Economy and Finance granted the tobacco industry's request to delay the implementation of newly rotated PHWs by 4 months.

4 UNNECESSARY INTERACTION

Unnecessary interactions with tobacco industry were documented. High ranking officials from the Ministry of Interior and the Ministry of Commerce, together with the Japanese Ambassador to Cambodia attended the Inauguration Ceremony of JTI Cambodia's new headquarters. The tobacco industry signed an MoU with the government's Anti-Corruption Unit to fight corruption.

5 TRANSPARENCY

There are no rules or procedure for disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf. This is the area the industry can use to misrepresent its meetings with the various government departments.

6 CONFLICT OF INTEREST

The president of the LYP Group which owns the cigarette business of Hero King Co., LTD, and the president of Anco Brother Co., Itd which distributes tobacco products from Singapura United Tobacco to British American Tobacco (BAT) are still senators in the 4th mandate (2018-2022). 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.

7 PREVENTIVE MEASURES

A Sub-Decree on the Establishment and Functioning of the Committee for Tobacco Control was passed in 2017 which has incorporated principles of Article 5.3 There is no periodic submission of information from the tobacco industry about its business and what it spends on marketing and philanthropy. While the MOH has disseminated Article 5.3 to all members of National Tobacco Control Committee, however there is no information whether there is a programme to constantly raise awareness on policies related to Article 5.3.

The Ministry of Education, Youth and Sport is the only government institute which banned any form of partnership between educational facilities with tobacco industry.

RECOMMENDATIONS

- All forms of tobacco related CSR activities must be banned.
- A code of conduct for government officials must be adopted to provide a procedure for interactions with the tobacco industry.
- Cambodia must ratify the Protocol on Illicit Trade in Tobacco Products and received technical assistance from Parties rather than collaborate with the tobacco industry on voluntary activities.

Cambodia

Tobacco Industry Interference Index 2023 Results and Findings

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INDICATOR Is Lovel of Industry Bookisins tion in Boline Booking						
 INDICATOR 1: Level of Industry Participation in Policy-Developm The government⁴ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry or any entity or person working to further its interests.⁵ in setting or implementing public health policies in relation to tobacco control⁶ (Rec 3.4) 	ent			3		

The government does not accept, support or endorse any offer for assistance by or in collaboration with the tobacco industry in setting or implementing public health policies in relation to tobacco control.

However, there were several meetings between the Ministry of Economy and Finance. For example, H.E Dr. HEAN Sahib and H.E ROS Seilava, Secretaries of State of the Ministry of Economy and Finance met with the Association of Tobacco Industry of Cambodia (ATIC), 28 July 2021, to hear findings from a research on illicit tobacco trade presented by JTI. It was stated that the objectives of the meeting were to listen to recommendations from tobacco industry.⁷



The Prime Minister has endorsed JTI's contribution, stating JTI has "always cooperated with the Government and law enforcement agencies, especially the Ministry of Economic and Finance by sharing knowledge, best practices and information on better-operating environments, tax policies and illicit trade."8

⁴ 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

⁵ The term, "tobacco industry' includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

^{6 &}quot;Offer of assistance" may include draft legislation, technical input, recommendations, oversees study tour

⁷ Economics and Finance Institute's official face-book page, dated July 28th, 2021: https://www.facebook.com/plugins/post.php?href=https%3A%2F%2Fwww.facebook.com%2Fefimef%2Fposts%2F4710618562 300952&show text=true&width=500

⁸ Cambodia Investment Review. JTI Cambodia advocates for fair tobacco regulations. 12 Jan 2022 https://cambodiainvestmentreview.com/2022/01/12/jti-cambodia-advocates-for-fair-tobacco-regulations/

The Consumer Protection Competition and Fraud Repression Directorate General (CCF) of the Ministry of Commerce had a meeting with JTI on 02 February 2022 to discuss important issues, as state in the official facebook page of CCF.9



2.	The government accepts, supports or endorses policies or legislation	_		
	drafted by or in collaboration with the tobacco industry. (Rec 3.4)	'		

The government does not accept, support or endorse policies or legislation drafted by 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) I Never 5 Yes

There was no invitation to the tobacco industry to sit in the Tobacco Control Committee meeting at the national level organized by MoH, and Tobacco Control Sub-Committee at provincial level organized by the provincial administrations and the provincial departments of health.

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)¹⁰ (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year. For non-Parties, apply a score of '0'

e from the tobacco

The Cambodian delegation to the COP does not include any representative from the tobacco industry.

INDICATOR 2: Industry CSR activities

5. A. Government agencies or their officials endorse, support, form partnerships with or participates in activities of the tobacco industry described as "socially responsible" or "sustainable". For example, environmental programs. (Rec 6.2)

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⁹ The Consumer Protection Competition and Fraud Repression Directorate General (CCF) official page, dated February 2, 2022: https://www.facebook.com/permalink.php?story_fbid=1605119783174598&id=344545219232067

¹⁰ 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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	0	0 1	0 1 2	0 1 2 3	0 1 2 3 4

H.E. Koeut Rith, the Minister of Ministry of Justice expressed his gratitude to JTI Cambodia's efforts – supporting the Royal Government to curb the spread of Covid-19, when JTI Cambodia provided the Ministry of Justice with 100 automatic alcohol dispensers with thermometer and 100 printed banners, on Thursday, April 8th, 2021¹².



Cambodia Red Cross issued a Certificate of Appreciation, on May 6, 2021 to representatives of VINITON GROUP CO., LDT for donation USD 50,000 to Cambodia Red Cross for fighting Covid-19.¹³ Several very senior public officials are in the leadership of the Red Cross giving it a high public profile. Hence donations to the Red Cross enables the tobacco company to get the attention of senior officials.



JTI Cambodia, May 8th, 2021 handed over food packages to 300 families at a Covid-19 lockdown area in Khan Mean Chey, Phnom Penh¹⁴.

¹¹ political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

¹² JTI Cambodia's official page, dated April 08, 2021: https://web.facebook.com/|TICambodia/posts/805270726761260

¹³ Cambodia Red Cross official page, dated May 6, 2021: https://www.facebook.com/crcnhq/posts/1723731824496281

¹⁴ JTI Cambodia's official page, dated May 8th, 2021: https://www.facebook.com/JTICambodia/posts/822255701729429



JTI Cambodia donated 20 backpack disinfectant sprayers, 500 liters of rubbing alcohol, one disinfectant fogger machine, and two bottles of anti-bacteria disinfectant fogging solution to the Preah Sihanouk provincial administration to help curb the spread of the coronavirus community outbreak in the province, on August 12th, 2021.15





JTI Cambodia donated 10 disinfectant fogger machines, 10 backpack disinfectant sprayers, 500 liters of rubbing alcohol, and anti-bacteria disinfectant fogging solution to the Kampong Cham Provincial Administration to help curb the spread of the coronavirus community outbreak in the province, on August 19th, 2021.¹⁶

¹⁵ JTI Cambodia's official page, dated August 12th, 2021: https://www.facebook.com/JTICambodia/posts/876649289623403

¹⁶ JTI Cambodia's official page, dated August 19th, 2021:

 $[\]frac{https://www.facebook.com/plugins/post.php?href=https\%3A\%2F\%2Fwww.facebook.com\%2FJTlCambodia\%2Fposts\%2F8806}{41592557506\&show_text=true\&width=500}$

JTI Cambodia donated 20 backpack disinfectant sprayers, 10 disinfectant fogger machines, and anti-bacteria disinfectant fogging solution to the Siem Reap Provincial Administration to help curb the spread of the coronavirus community outbreak in the province, on August 20th, 2021.¹⁷



JTI Cambodia donated 20 backpack disinfectant sprayers, 10 disinfectant fogger machines, anti-bacteria disinfectant fogging solution, and 3 Dos & 3 Don'ts awareness banners to the Battambang Provincial Administration to help curb the spread of the coronavirus community outbreak in the province, on August 20th, 2021.18



Huotraco International Limited (the distributor of Imperial Tobacco's brands, Fine, Davidoff) signed MoU on cooperation with the Anti-Corruption Unit (ACU) on 10 November 2021.¹⁹



¹⁷ JTI Cambodia's official page, dated August 20th, 2021:

https://www.facebook.com/plugins/post.php?href=https%3A%2F%2Fwww.facebook.com%2FJTlCambodia%2Fposts%2F881344875820511&show_text=true&width=500

¹⁸ JTI Cambodia's official page, dated August 20th, 2021:

 $[\]frac{\text{https://www.facebook.com/plugins/post.php?href=https\%3A\%2F\%2Fwww.facebook.com\%2FJTlCambodia\%2Fposts\%2F8819}{26952428970\&show_text=true\&width=500}$

¹⁹ Cambrew Ltd's official page, dated November 10, 2021: https://www.facebook.com/CambrewCompany/posts/437097954647045

JTI logo still appears as a donor, together with UNDP, and other bilateral donors of APOPO in de-mining activities in Cambodia. APOPO is a Belgian NGO which works in partnership with the Cambodian Mine Action Centre (CMAC) to do de-mining activities in Cambodia. Although APOPO, as independent NGO, received fun from JTI, CMAC has never officially claimed JTI's contribution.²⁰



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)

3

On 16 June 2021, H.E HEAN Sahib, a Secretary of State of the Ministry of Economy and Finance lead the meeting discussing the request of the Association of Tobacco Industry on Cambodia (ATIC) to delay the implementation of rotation of PHWs. The meeting joint by H.E Ung Phyrun, Secretary of State of the Ministry of Health and his colleagues, officials from the Ministry of Economy and Finance, representatives from ATIC and Cambodia Chamber of Commerce (CCC). The Ministry of Health kept their stance not to accommodate with the tobacco industry request in the meeting, but H.E HEAN Sahib, as the chair of the meeting, said that the decision should be made by the Deputy Prime Minister and the Minister of the Ministry of Economy and Finance. As result, the new rotating PHWs was delayed by four month from 01 August 2021 to 01 December 2021²¹.

²⁰ The JTI Foundation's official page: http://cmac.gov.kh/en/article/message.html

²¹ Ministry of Economy and Finance. Discussion meeting on the decision to postpone the publication of health warning message in Khmer language and 55% image on tobacco product package. 16 Jun 2021 https://bit.ly/3oRGmeS

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7.	The government gives privileges, incentives, tax exemptions or					1	
	benefits to the tobacco industry (Rec 7.3)					4	

Duty exemption for tobacco export to Vietnam:

The duty-free exemption on tobacco came as part of a bilateral trade enhancement agreement signed in October 2016 that gave special preferential treatment for tobacco leaf from Cambodia exported to Vietnam. ²² The agreement was signed again in 26th Feb 2019. Under the deal, Cambodian tobacco producers could apply for licenses to export up to 3,000 tonnes of dried tobacco per year to Vietnam duty-free in 2019 and the same amount in 2020.²³ The agreement was extended another two years with the same amount for 2021 and 2022. However, according to the Ministry of Agriculture, Forestry and Fishery, tobacco leaves exported dropped by 14% in 2021 compared to 2019. Cambodia export tobacco leaves to Vietnam, Hungary, Indonesia, United Arab, Belgium, South Africa, Singapore, and German. ²⁴

JTI has received a gold certificate from General Taxation Department (GTD) for complying with taxation laws for 2022.²⁵ This means they are exempted from audit for 2 years. This certificate award is open to all companies as an encouragement for compliance.

International travellers coming into Cambodia can bring in duty free 400 cigarettes, or 100 cigars, or 400 grams of tobacco.

Top level government officials (such as President/ Prime Minister or Minister²⁶) meet with/ foster relations with the tobacco companies

Minister²⁶) 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)

H.E Miech Sophanna, Secretary of State of the Ministry of Interior, and the chair of the Committee for Combating Fake Products, H.E Phan Aun, General Director of the Consumer Protection Competition and Fraud Repression Directorate General (CCF) of the Ministry of Commerce joint the Inauguration Ceremony of the JTI's New Head Office on 23 September 2022. The Japan's Ambassador MIKAMI MASAHIRO also took part in the ceremony.²⁷ The event was live streamed.²⁸



ws/33863/export-licenses-for-vietnam/ EN THE GOVERNMENT OF THE KINGDOM OF VIET NAM, dated 26th Feb 2019 v.rasmeinews.com/archives/453476)2SnZvPsv3cixcuLDowcijQiLQAjNCK6nKjAbvKfh

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5jDKu29ppYbB6G7LhP2JRApal

²⁶ Includes immediate members of the families of the high-level officials

²⁷ The Phnom Penh Post, JTI Cambodia Inaugurates Its New World Class Headquarters, publication date 28 September 2022: https://www.phnompenhpost.com/business/jti-cambodia-inaugurates-its-new-world-class-headquarters

²⁸ JTI Cambodia official page: Grand Opening New Headquarters of JT International (Cambodia) CO., LTD lived on 23 September 2022: https://www.facebook.com/|TICambodia/videos/659457445462472

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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There is no evidence available publicly on this.

10. The government accepts, supports, endorses, or enters into partnerships or non-binding agreements with the tobacco industry or any entity working to further its interests. (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.

4

JTI was one of the sponsor of the National Career and Productivity Fair organized by the Ministry of Labour and Vocational Training from 28-29 October 2022. At its booth, JTI promoted its company as the best working environment, and good tax payer.



In April 2022, The Anti-Corruption Unit (ACU) and Japan Tobacco International (JTI) signed a Memorandum of Understanding yesterday to promote compliance practices in the private sector and to support the government's fight against corruption.²⁹



29 Khmer Times. ACU and https://www.khmertimeskh.com/portorormacu-and-pi-comaporate-to-pactie-against-corrupt-business-practices/

H.E Oknha Ly Yong Phat is still currently a senator, as well as H.E Oknha Kok An.³¹

H.E Oknha Ly Yong Phat is also the president of LYP Group. There are a variety of businesses under L.Y.P. Group, including Hero King Co., LTD,³² which deals with cigarettes, beverages and commodity products.

³⁰ Tobacco Asia. Cambodia: Market potential despite illicit product scourge. 4 Oct 2021 https://www.tobaccoasia.com/features/cambodia-market-potential-despite-illicit-product-scourge/

³¹ Senate of the Kingdom of Cambodia's official page: List of Senators for the 4th Mandate (2018-2024): https://senate.gov.kh/senate-leaders/fourth-legislature/

³² L.Y.P. Group Co. Ltd. http://www.lypgroup.com/trading-distribution.php

5.3 Guidelines. (Rec 1.1, 1.2)

³³ Anco Brother Co., Ltd. https://www.oknha.news/oknha/31100

³⁴ 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.

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According to the latest report submitted to the COP, the Ministry of Health stated they disseminate Article 5.3 to all members of National Tobacco Control Committee. However no details were provide on a program or system to constantly raise awareness on policies related to Article 5.3 as indicated in Recommendation 1.2 and 1.2. In the training curriculum of 490 Tobacco Control enforcement officers from 24 provinces and Phnom Penh city includes component on Article 5.3 (3 hour session) – signed by Minister of Health.

In the meeting of the National Committee for Tobacco control, conducted in June 2019, article 5.3 was mentioned. However, after almost 4 years there is further information on how the Committee is conducting its awareness program. Considering how various non-health departments have been collaborating with the tobacco industry indicates they are not aware of 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)

2

In February 2021, the Ministry of Education, Youth, and Sports issued regulations banning partnership between educational facilities with tobacco industry in all forms, including charitable activities, study visits, internships, exchange programs, conducting studies/research, any kinds of sponsorship/donation, signing MoU, rent or offer places for tobacco industry activities.

TOTAL SCORE

58

I. Annex A: Sources of Information

	TOP TOBACCO COMPANIES/ DISTRIBUTORS	MARKET SHARE	BRANDS	SOURCE
ı	Japan Tobacco International	22.5%	Mevius, Winston	https://www.jti.com/
2	British-American Tobacco	25%	ARA, 555	https://www.bat.com/
3	Viniton Group Co., Ltd	10%	Luxury	
4	PT Imperial	25%	Fine	
5	Others	17.5%		

	TOP MEDIA/ NEWSPAPERS	URL
I	Fresh News	https://freshnewsasia.com/index.php/en/
2	Phnom Penh Post	https://www.phnompenhpost.com/
3	Khmer Times	https://www.khmertimeskh.com/
4	Tmey Tmey	https://thmeythmey.com/
5	Vayo	https://www.vayofm.com/
6	Koh Santepheap	https://kohsantepheapdaily.com.kh/
7	Kampuchea Thmey	https://www.kampucheathmey.com/
8	RFI	https://www.rfi.fr/km/
9	PNN	https://news.pnn.com.kh/
10	CNC	https://www.cnc.com.kh/

	MAIN TOBACCO INDUSTRY ALLIES/ FRONT GROUPS	TYPE (FRONT GROUP, LOBBY GROUP, INDIVIDUAL)	SOURCE
I	International Business Chamber of Cambodia (IBC)	Lobby Group	https://ibccambodia.com/
2	Cambodia Chamber of Commerce (CCC)	Lobby Group	https://www.ccc.org.kh/en/
3	Association of Tobacco Industry of Cambodia (ATIC)	Lobby Group	N/A
4	SokSiphana & Associates	Lobby group	https://www.soksiphana.com/