## Uruguay

# TOBACCO INDUSTRY INTERFERENCE INDEX 2023

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#### Methodology

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 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 1 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. Where multiple pieces of evidence are found, the score applied reflects an average. The report includes information on incidents from April 2021 to March 2023, but also includes prior incidents that are still relevant.

#### **Background and Introduction**

Historically, Uruguay has been one of the Latin American countries with the highest prevalence of smoking while lacking effective tobacco control regulations. At the impulse of the WHO FCTC, the country began to apply, early, its main provisions and in a short time a significant decrease in the prevalence of smoking in adults and, above all, in young people was observed.

Due to these actions and results, Uruguay became one of the regional and international leaders in tobacco control.

The tobacco industry persistently opposed to advances in the development and enforcement of tobacco control regulations. The two main tobacco companies in Uruguay are the local company (Montepaz) whose market share has fluctuated between 75% and 85%, and the multinational company, Philip Morris International (PMI), with a share that oscillated between 10-15%.

Montepaz, and the local subsidiary of PMI (Abal Hnos) have filed repeated legal actions before the courts at the national level against tobacco control measures. PMI filed a claim with the World Bank's International Center for Settlement of Investment Disputes (ICSID) over regulations on tobacco packaging (80% warning labels and one-time filing requirement).

Fortunately, Uruguay was able to go ahead and overcome these obstacles, but the interference of the tobacco industry has always been present.

In the first editions of the tobacco industry interference index, Uruguay showed acceptable levels of transparency and moderate levels of interference.

But with the arrival of a new government in 2020, whose premises are to favor the development of companies and reduce the participation of the State in public policies, an increase in the degree of interference of the tobacco industry in public policies has been observed.

There is evidence that in recent times, the multinational tobacco industry has used the regulations approved in Uruguay as an example to encourage other countries to relax their tobacco control regulations.

This year, Uruguay has obtained a total of 66 points, which represents a significant deterioration from the previous score of 49 points in 2021. Industry interference in tobacco control policy is more blatant.

There is evidence that the tobacco multinational has used the regulations recently approved in Uruguay as an example to encourage other countries to relax their tobacco control regulations.

#### **Summary Findings**

#### 1 INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Although the WHO- Framework Agreement for Tobacco Control, approved by Law 17,793, establishes that it is not allowed to accept, support or back any offer of assistance from or in collaboration with the tobacco industry in the establishment or implementation of public health policies in relation to tobacco control, the current government has ignored this obligation.

• In 2021, the government issued Decree 87/021, which removed the previously existing ban on the commercialization of Heated Tobacco Products (HTP) in Uruguay. In view of the consultations carried out by the National Parliament about this Decree, the Ministry of Public Health based its response on the same arguments used by Philip Morris to justify these products ("protecting the health of the population"), and did not consult the MoH Tobacco Control Advisory Commission, which has been in operation since 2004, nor did it take into account the opinion of the Health Science Academy, both against this modification.

Subsequently, after civil society organizations opposed these changes and a legal action was initiated against the decree, before the courts, the Executive Power defended the "freedom of trade" of the tobacco companies. In this way, the government aligned its discourse with the tobacco industry. In 2022, a journalistic investigation showed that Philip Morris used the Uruguayan Decree to promote its HTPs in several countries in the region (Brazil, Panama, and Mexico), immediately after its approval, stating that "Uruguay, a serious country with strong anti-smoking policies, had approved them."

- In 2022, the government approved the Decree 282/022, through which it undermined the tobacco plain packaging law. The President of the Republic himself, Dr. Lacalle Pou, admitted to the media that this decree was made at the request of a tobacco company. On this occasion, civil society also took legal action against this decree, which remains unenforceable until the Contentious-Administrative Tribunal is issued.
- It is worth noting that, to date, the tobacco industry is not part of any interinstitutional government body/multi-sectoral committee/consultative group that participates in the development of public health policies, nor have its representatives been part of official delegations to the COP or other subsidiary bodies or accepted their sponsorship for delegates.

#### 2 INDUSTRY CSR ACTIVITIES

Under Law 17,793 (2004), which ratified the Framework Agreement for Tobacco Control, and Law 18,256 (2008) on the National Tobacco Control Law, the Corporate Social Responsibility (CSR) activities related to tobacco are prohibited.

However, the tobacco industry seems to have found a way around this ban through third parties, such as organizations that promote butt recycling. This has become evident in Colombia with the organization called "No Más Colillas", which has carried out actions promoted by the company Phillip Morris.

Although the 2021 PMI annual report shows that it finances 3 organizations in Uruguay, it has not been possible to know which ones they are, since these organizations do not make this link transparent.

It is striking that in our country there is also an NGO named the same as the Colombian one that also promotes the recycling of cigarette butts, having signed agreements with governments, local authorities and various commercial companies. The lack of transparency is remarkable, since this NGO has not revealed how it finances its operation and activities.

Along the same lines of promoting the recycling of cigarette butts, a Senator from the government party recently proposed to the National Parliament a bill on the recycling of cigarette butts, which among other things promotes the installation of ashtrays in all cities, re-normalizing their presence at a social level, and proposes financing these activities with public funds, which would give tobacco companies the opportunity to make use of them.. It should be noted that this project excludes the Ministry of Health.

These actions raise concerns about possible tactics by the tobacco industry to circumvent legal restrictions and indirectly promote its image or interests, which could negatively affect tobacco control efforts and public health protection in Uruguay.

#### 3 BENEFITS TO THE INDUSTRY

We highlight the following benefits that are in force to facilitate/favor the activities of the tobacco industry:

#### Tobacco growing

- Most of the 64 tobacco growers in Uruguay are small family farmers with a very limited amount of cultivated land (in average less than 50 hectares). For this reason, they receive some tax exemptions benefits: employer contributions for growers and family producers; the Rural Property Tax (Rural Real Estate Tax and Primary Tax) for family producers with up to 50 hectares
- Likewise, tobacco is exempt from phytosanitary controls, unlike other crops.
- The government can establish a differential tax (IMESI) for tobacco products produced for consumption in border departments.
- Since the end of 2019 the tobacco industry has taken advantage of an exemption related to agrochemicals used for various crops, including tobacco.

#### Tax free sales

The regulations allow international travelers to enter Uruguay with 200 cigarettes or 25 cigars or 250 grams of tobacco free of tariffs. This has been identified as a source of illicit trade.

#### Workers salary

 As part of the wage recovery concept, the tobacco industry provides cigarette packs to its employees monthly.

#### 4 UNNECESSARY INTERACTION

- There is no evidence that the President or Ministers attended social events or meetings organized by tobacco companies, but in the Department of Artigas (one of the two where tobacco is grown) local authorities and some State Ministers have encouraged tobacco growing as a "job opportunity" for the population, especially for young people.
- There is also no evidence that the government accepted assistance or support for Tobacco Illicit Trade control or other tobacco control measures compliance.
- The Ministry of Education and Culture (MEC), without consulting the Ministry of Health, resolved the approval of the legal status and legalization of an Association of Vapers (ASOVAPE Uruguay), despite the fact that the commercialization of electronic cigarettes is prohibited in the country.

#### 5 TRANSPARENCY

There is no national legislation or regulation that establishes the mandatory disclosure of meetings with the tobacco industry or actors linked to it. Nor are there rules for disclosure or registration of tobacco industry entities, affiliated organizations, and people acting on their behalf, including lobbyists.

It should be noted that in 2022, an advisor to the President met with the Montepaz tobacco company, the main one in Uruguay, before approval of the decree that undermined the tobacco plain packaging disposition. This meeting, which was not publicly disclosed, took place at the tobacco company's offices. This "unnecessary" meeting was revealed through journalistic expose.

A member of the government party, a National Representative in the current legislature, met with the tobacco industry and publicly defended the interests of tobacco companies, criticizing the Single Brand Presentation requirement because it affects the tobacco business. Issue that was already resolved in the PMI trial against the Uruguayan State.

#### 6 CONFLICT OF INTEREST

 Decree 284/008, in compliance with Law 18,256, prohibits all forms of sponsorship of tobacco companies, including donations. Despite this, the Montepaz tobacco company, which controls 85% of the Uruguayan market, contributed to the financing of the electoral campaign of the current president (Dr. Luis Lacalle Pou) in the last electoral campaign.

- There is no evidence that any current government official or family's members hold any position in the tobacco business.
- The "revolving door" between political power and the tobacco industry is rare in Uruguay, but there are some situations to highlight, as it is the case of a legal advisor to the main tobacco company in Uruguay (Montepaz), Eduardo Mezzera, who previously served as Vice Minister of Foreign Affairs during the government of Luis Alberto Lacalle Herrera (father of the current President), held the position of substitute senator from 2010 to 2015. He has also served as legal advisor to the Ministry of Industry, Energy and Mining for 16 years, in addition to having held various positions in government party cadres: Vice President of the Executive Committee of Herrerismo (National Party) and Vice President of the Manuel Oribe Institute. Currently, he would form part of the Fiscal Commission of the Manuel Oribe Institute. In other words, Mezzera has a strong link to the National Party and Lacalle family.

#### 7 PREVENTIVE MEASURES

- The government has not formulated a policy or adopted any specific code of conduct to regulate public officials in their interactions with the tobacco industry.
- Nor does it have a procedure to disclose interaction records (such as agenda, attendees, minutes, and results) with the tobacco industry and its representatives.
- The Uruguayan State requires that the tobacco industry, like any other industry, submit information to the National Institute of Statistics (INE), regarding the number of employees, income and volume of production. Likewise, the General Directorate of Tax Assistance (DGI) also keeps records of the economic activity of all industries, including the tobacco industry, but this information is not public.
- The tobacco industry is not required to report information on marketing expenses or other activities, such as lobbying, political contributions, etc.
- The government does not have any program or plan to raise awareness in the state apparatus about FCTC Article 5.3 Guidelines.
- Due to regulations related to State Transparency, the government and its officials are prohibited from accepting any form of contribution/gift (monetary or otherwise) from any industry, including the tobacco industry.

#### RECOMMENDATIONS

#### Uruguay should:

- Apply the already existent national regulations regarding transparency and anticorruption in the interaction of public officials, including political authorities, with businesses and corporations and third parties to the tobacco industry.
- Enforce the law regarding the prohibition of donations by the tobacco industry, especially that related to political campaigns at election time.
- Approve and apply a regulation to comply with article 5.3 of the FCTC and its guidelines.
- Promote and support the participation of civil society organizations linked to tobacco control, without ties to the interests of the tobacco industry, in monitoring actions of interference by this industry.

#### **Uruguay**

### **Tobacco Industry Interference Index 2023 Results and Findings**

	0	1	2	3	4	5
INDICATOR 1: Level of Industry Participation in Policy-Developm	ent					
The government¹ 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.² In setting or implementing public health policies in relation to tobacco control³ (Rec 3.4)						5

In accordance to Law 17.793 which approved the WHO Framework Convention for Tobacco Control it is not permitted accept, support or support any offer of assistance from or in collaboration with the tobacco industry in the establishment or implementation of public health policies in relation to tobacco control.<sup>4</sup>

Despite this, the Ministry of Public Health, in response to a request for information on the modification of tobacco control regulations requested by Parliament, did not consult the Honorary Advisory Commission for tobacco control of the MOH itself, which has been in operation since 2004 and based his answer in arguments used by Philip Morris.<sup>5</sup>

In May 2022, it was exposed that Decree 87/021 was tailor-made for the tobacco industry, as evidenced by the following information<sup>6</sup>:

Uruguay aligned its tobacco control policy with the interests of the tobacco industry by approving a decree that allowed the marketing of emerging devices that companies are trying to sell as less harmful substitutes for cigarettes or aids for smoking cessation.

A few days after its approval, this regulatory change started to be used by Philip Morris International as a favorable element in their international promotional strategy, which has been deemed "misleading" by the World Health Organization. Clearly, this promotional strategy takes advantage of vulnerabilities in developing countries.

PMI used the approval in Uruguay to try to influence the approval of HTP (Heated Tobacco Products) in Brazil, Panama, and Mexico, arguing that "Uruguay, a serious country with strong anti-tobacco policies, had approved them." It is important to note that the decree in Uruguay stated that it was approving these products to "protect health," although the decree was not consulted with and did

<sup>&</sup>lt;sup>1</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>&</sup>lt;sup>2</sup> The term, "tobacco industry' includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

<sup>&</sup>lt;sup>3</sup> "Offer of assistance" may include draft legislation, technical input, recommendations, oversees study tour

<sup>&</sup>lt;sup>4</sup> Eastern Republic of Uruguay Legislative Power. thein No. 17.793 Tobacco Control. Montevideo 16 July 2004. https://bit.ly/3xpnWBF

<sup>&</sup>lt;sup>5</sup> https://especiales.sudestada.com.uy/tabaco-calentado-asi-engano-el-msp-al-parlamento/

<sup>6</sup> https://especiales.sudestada.com.uv/

1

4. The government nominates or allows representatives from the

tobacco industry (including State-owned) in the delegation to the

sets public health policy.

<sup>&</sup>lt;sup>7</sup> https://especiales.sudesta<u>da.com.uy/uruguay-de-frontal-enemigo-a-aliado-silencioso-de-la-industria-tabacalera/</u>

<sup>&</sup>lt;sup>8</sup> <u>https://especiales.sudestada.com.uy/el-gobierno-uruguayo-se-alineo-con-el-discurso-de-la-industria-tabacalera/</u>

<sup>9</sup> https://especiales.sudestada.com.uy/el-msp-defendio-libertad-de-comercio-de-tabacaleras-ante-tca/

<sup>&</sup>lt;sup>10</sup> Eastern Republic of Uruguay Legislative Power. Law No. 17.793 Tobacco Control. Montevideo 16 July 2004. https://bit.ly/3xpnWBF

<sup>11</sup> https://www.impo.com.uy/bases/decretos/282-2022/1

<sup>&</sup>lt;sup>12</sup> <a href="https://www.elobservador.com.uy/nota/lacalle-pou-reconocio-que-flexibilizacion-en-empaquetado-de-cigarrillos-fue-para-beneficiar-a-montepaz-202291312503">https://www.elobservador.com.uy/nota/lacalle-pou-reconocio-que-flexibilizacion-en-empaquetado-de-cigarrillos-fue-para-beneficiar-a-montepaz-202291312503</a>

https://ne-np.facebook.com/telemundouy/videos/lacalle-dijo-que-decreto-sobre-cigarrillos-fue-a-solicitud-detabacalera-montepa/841476857230920/?m\_entstream\_source=permalink

<sup>14</sup> https://www.subrayado.com.uy/dicen-que-esto-es-favorecer-monte-paz-no-si-me-lo-pidio-una-fabrica-chicles-n878832

	0	1	2	3	4	5
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)						
For non-COP year, follow the previous score of COP year. For						
non-Parties, apply a score of '0'						

Uruguay's delegation to the COP and other meetings related to the FCTC have not included representatives of the tobacco industry. List of participants in the Delegation of Uruguay:<sup>15</sup>

#### COP 9 (November 2021)

#### **Chief Delegate (Head of delegation)**

Dr M. Asqueta. Director General of Health Department

#### **Deputy Chief Delegate (Accredited representative)**

Sr. A. Moerzinger. Permanent Representative of Uruguay to the United Nations Office and International Organizations based in Geneva

#### **Delegate (Accredited representative)**

Dra. E. Esteves. Tobacco Control Program Coordinator

#### **Alternate**

Dr E. Bianco Technical Director of the Center for International Cooperation in Tobacco Control of the Ministry of Public Health

Sr. M. Dotta. Director of International Law Affairs and focal point for tobacco control of the Ministry of Foreign Affairs

Sr. C. Martinez. Director of the Southern Zone Operational Division of the National Customs Directorate

Sra. A. Costa. Minister of the Permanent Mission of Uruguay to the United Nations Office and International Organizations based in Geneva

Sr. H. Olivera. Operational Planning Representative – Inspection Division of the General Tax Directorate

Sra. G. Gomez. Director of International Relations and Cooperation of the Ministry of Public Health

Sra. S. Martinez. Counselor of the Permanent Mission of Uruguay to the United Nations Office and International Organizations based in Geneva

#### **Adviser**

Sra. G. Batlle Technician in International Relations and Cooperation of the Ministry of Public Health

Dra. B. Goja Representative of civil society

Sra. Y. Abimorad Secretary of the Permanent Mission of Uruguay to the United Nations Office and International Organizations based in Geneva

Sra. V. Sierra Secretary of the Permanent Mission of Uruguay to the United Nations Office and International Organizations based in Geneva

#### INDICATOR 2: Industry CSR activities

5. A. Government agencies or their officials endorse, support, form partnerships with or participates in activities of the tobacco

<sup>15</sup> https://fctc.who.int/publications/m/item/cop-9-div-1-list-of-participants

	0	1	2	3	4	5
industry described as "socially responsible" or "sustainable". For example, environmental programs. (Rec 6.2)						
B. The government (its agencies and officials) receives CSR contributions <sup>16</sup> (monetary or otherwise, including CSR contributions) from the tobacco industry or those working to further its interests during the pandemic. (Rec 6.4) NOTE: exclude enforcement activities as this is covered in another question						

Tobacco-related CRS activities are not permitted by law. This is set out in both the legislation adopted by the WHO FCTC and the National Tobacco Control Act. Law 17.793 (2004) approved the Framework Convention on Tobacco Control. Law 18.256 (2008): National Tobacco Control Act. 18

However, the global tobacco industry appears to have found a way around this ban through third parties, such as organizations that promote butt recycling. This has become evident in Colombia with the organization called "*No Más Colillas*", which has carried out actions promoted by the company Phillip Morris.<sup>19</sup>

It is striking that in our country there is also an NGO named the same as the Colombian one<sup>20</sup> that also promotes the recycling of cigarette butts.



Ref: NMC® | No More Cigarette Butts

This organization has entered into agreements with governments and local authorities, such as the Municipality of Maldonado<sup>21</sup>, one of the main tourist cities in the country with significant economic activity. It has also established agreements with various businesses, including one of the largest supermarket chains in Uruguay (MacroMercado)<sup>22</sup>.

<sup>&</sup>lt;sup>16</sup> political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

<sup>17</sup> https://bit.ly/3sRsugW

https://legislativo.parlamento.gub.uy/temporales/leytemp5532367.htm

<sup>19</sup> https://www.bogotanoesuncenicero.com/

<sup>&</sup>lt;sup>20</sup> https://www.nmc.uy/

<sup>21</sup> https://correopuntadeleste.com/junta-departamental-presenta-campana-no-mas-colillas/

<sup>22</sup> https://www.macromercado.com.uv/nomascolillas/

Furthermore, in PMI's 2021 report, it can be observed that they indicate funding three organizations in Uruguay. Although they do not specify which organizations they are, and up to this point, those organizations have not been transparent about this funding.<sup>23</sup>

In addition, a senator aligned with the government proposed a bill in Parliament that favors these types of cigarette butt recycling activities. Among other things, the bill would allow financing these activities with public funds and does not include the Ministry of Health, excluding it from an issue in which it should be involved.

This proposal was tabled in 2022<sup>24</sup> <sup>25</sup> precisely when tobacco control and environmental protection groups began to propose in Punta del Este (Uruguay), during the INC-1 meeting of the UN Plastics Treaty, the elimination of cigarette filters, placing them as the clear example of single-use, unnecessary and toxic plastic, and questioned the effectiveness of the "voluntary" collection of filters to solve the problem of environmental pollution, mainly marine.

The level of toxicity" of the recycled products is unknown, as well as where the toxins would end up during the recycling process. The bill also obligates the installation of ashtrays in all cities, thereby normalizing the presence of ashtrays once again.<sup>26</sup>

# 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)

The Ministry of Public Health sent a proposal to the Parliament to tax heated tobacco products, which had been prohibited but allowed for commercialization in 2021. However, upon reaching the Parliament, Senators aligned with the government proposed to nullify the proposal, and their request was granted. <sup>27</sup>

Additionally, the tobacco tax increase was below inflation.

Since 2021, the National Tobacco Program raised a tax proposal that was agreed at the meeting of the Advisory Committee on May 6, 2021 and presented to the Minister of Public Health at the meeting held in May 2021.

This proposal sought to bring the nominal amount of the tobacco tax to the maximum real amount reached in March 2010. However, the approved increase is only 6.80% for both cigarettes and tobacco, while the 12-month inflation rate as of November 2021 it was

 $<sup>^{23} \ \</sup>text{https://www.pmi.com/resources/docs/default-source/argentina-files/informe-de-sostenibilidad-2021.pdf}$ 

https://parlamento.gub.uy/documentosyleyes/ficha-asunto/156769

https://www.montevideo.com.uy/Noticias/Senado-aprobo-proyecto-de-Sartori-que-propone-multar-a-los-que-tiren-colillas-de-cigarro-uc848329

<sup>&</sup>lt;sup>26</sup> https://parlamento.gub.uy/documentosyleyes/ficha-asunto/156769

<sup>&</sup>lt;sup>27</sup> <a href="https://ladiaria.com.uy/salud/articulo/2022/9/senadores-de-la-coalicion-proponen-reduccion-impositiva-para-productos-relacionados-al-tabaco/">https://ladiaria.com.uy/salud/articulo/2022/9/senadores-de-la-coalicion-proponen-reduccion-impositiva-para-productos-relacionados-al-tabaco/</a>

7.86%. In this way, tobacco products have become more affordable, compared to 2020.<sup>28</sup>

7. The government gives privileges, incentives, tax exemptions or 5 benefits to the tobacco industry (Rec 7.3)

Tobacco growers in Uruguay are small-scale family producers with a very limited amount of cultivated land. In the case of the Artigas department, there are approximately 90 producers who cultivate a total of 160 hectares, which on average means that each one cultivates less than 50 hectares. Due to these conditions, they benefit from the following tax exemptions: 30 31

- Exemption from employer contributions for growers and family producers.
- Exemption from Rural Property Tax (Contribución Inmobiliaria Rural e Impuesto de Primaria) for family producers with up to 50 hectares.

Tobacco is exempt from phytosanitary controls, unlike other crops.<sup>32</sup>

The government can establish differential tax (IMESI) for tobacco products produced for consumption in border departments.33

By the end of 2019, an exemption was granted to agrochemicals used in tobacco plantations (among others), that still applies to this day.<sup>34</sup>

The regulations allows international travelers to bring into Uruguay 200 cigarettes or 25 cigars or 250 grams of tobacco free of duties:35

Uruquay currently has a selective tax on tobacco products, which accounts for 47.47% of the retail price. Adding VAT the and the total sales price tax represents 65.51% of the reail price, while WHO recommends at least a 70% excise tax. 36 37

<sup>&</sup>lt;sup>28</sup> https://www.elobservador.com.uy/nota/el-gobierno-ajusto-el-imesi-como-impacta-en-precio-de-cigarros-yalcohol-20221228125613

https://www.subrayado.com.uy/gobierno-fijo-nuevos-valores-imesi-cigarrillos-tabacos-y-bebidas-partir-2023-

<sup>30</sup> https://www.gub.uy/ministerio-ganaderia-agricultura-pesca/sites/ministerio-ganaderia-agricultura-pesca/files/documentos/publicaciones/Impuestos%20en%20el%20agro%20y%20beneficios%20fiscales\_publicar .pdf
31 https://www.colibri.udelar.edu.uy/jspui/handle/20.500.12008/32466

<sup>32</sup> https://www.gub.uy/ministerio-ganaderia-agricultura-pesca/comunicacion/publicaciones/limites-maximosresiduos-Imr-para-plaquicidas

<sup>33</sup> https://www.impo.com.uy/bases/todgi1996/338-1996/1\_T11

<sup>34</sup> https://bit.lv/32QUMNK

<sup>35 &</sup>lt;u>https://www.iatatravelcentre.com/UY-Uruquay-customs-curre</u>ncy-airport-tax-regulations-details.htm

<sup>36</sup> https://tobaccoatlas.org/country/uruguay/

<sup>37</sup> https://iris.paho.org/handle/10665.2/49237

As part of the salary recovery concept, the tobacco industry provides its employees with cigarette packs.  $^{38}$   $^{39}$ 

#### **INDICATOR 4: Forms of Unnecessary Interaction**

8. Top level government officials (such as President/ Prime Minister or Minister<sup>40</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)

4

In the department of Artigas, the cultivation of tobacco is encouraged and supported by local and national authorities (for example, ministers). These activities are known by the authorities to involve the labor of young individuals and also linked to religious tourism.<sup>41,42,43</sup>



Agriculture Minister Fernando Mattos and a team of directors of the MGAP, visited tobacco producers.

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)

0

The government does not accept assistance/ offers of assistance from the tobacco industry on enforcement activities including monetary contribution for these activities.

<sup>38 &</sup>lt;a href="https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2021-03/Tabacos%20y%20cigarrillos.pdf">https://www.gub.uy/ministerio-trabajo-seguridad-social/sites/ministerio-trabajo-seguridad-social/files/2021-03/Tabacos%20y%20cigarrillos.pdf</a>

<sup>39</sup> https://www.gub.uy/ministerio-trabajo-seguridad-social/tematica/131-tabacos-cigarrillos

<sup>&</sup>lt;sup>40</sup> Includes immediate members of the families of the high-level officials

<sup>41</sup> https://www.youtube.com/watch?v=N0FYUIUAREQ

<sup>42</sup> https://grupormultimedio.com/artigas-rural-productivo-y-religioso-id18772/

<sup>43 &</sup>lt;a href="https://www.gub.uy/ministerio-ganaderia-agricultura-pesca/comunicacion/noticias/equipo-autoridades-del-mgap-continuo-visitas-productores-poblados-artigas">https://www.gub.uy/ministerio-ganaderia-agricultura-pesca/comunicacion/noticias/equipo-autoridades-del-mgap-continuo-visitas-productores-poblados-artigas</a>

	0	1	2	3	4	5
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)			2			
NOTE: This must <u>not</u> involve CSR, enforcement activity, or			2			
tobacco control policy development since these are already						
covered in the previous questions.						

The Governor of Artigas State (local government State) promotes tobacco production and highlights it as one of the department's main crops and as a source of work for many families.<sup>44</sup>

An Association of Vapers (ASOVAPE Uruguay) is created and legalized through the approval of legal status by the Ministry of Education and Culture. Although the Ministry of Education and Culture has the authority to decide on this process, the Ministry of Public Health was not consulted despite the organization's dedication to a topic within the health domain.

Furthermore, it should be noted that the commercialization of electronic cigarettes is prohibited. In other words, the Ministry of Education and Culture is legalizing an organization to promote a product whose commercialization is prohibited.<sup>45</sup>

INDICATOR 5: Transparency					
11. The government does not publicly disclose meetings/					
interactions with the tobacco industry in cases where such					5
interactions are strictly necessary for regulation. (Rec 2.2)					

There is no national legislation establishing the disclosure of meetings with the tobacco industry or actors linked to it.

A President's advisor met with Montepaz (main national tobacco company) before approving the decree that modified the tobacco control policy. This meeting, which was not publicly disclosed, took place at the offices of Monte Paz. It came to light when journalists found photos of this meeting on the advisor's social media account. It is worth noting that the meeting was deemed unnecessary since there were already existing regulations in place that followed the international recommendations of the WHO.<sup>46</sup>

A member of the ruling party (Roselló), who is a representative in the legislature, met with the tobacco industry and publicly defended the interests of cigar and other tobacco product manufacturers who have not complied with the Unique Brand Presentation requirement since its implementation. She expressed that this requirement should not be applied to them as it affects their business. She criticized the measure and submitted an information request to the Ministry of Public Health.<sup>47</sup>

<sup>44 &</sup>lt;a href="https://www.xn--lamaana-7za.uy/agro/artigas-un-departamento-con-condiciones-para-la-horticultura-no-aprovechadas/">https://www.xn--lamaana-7za.uy/agro/artigas-un-departamento-con-condiciones-para-la-horticultura-no-aprovechadas/</a>

<sup>45 &</sup>lt;a href="https://www.elpais.com.uy/informacion/salud/se-aprueba-la-creacion-de-la-asociacion-de-los-vaporizadores-electronicos-en-uruguay">https://www.elpais.com.uy/informacion/salud/se-aprueba-la-creacion-de-la-asociacion-de-los-vaporizadores-electronicos-en-uruguay</a>

 $<sup>\</sup>frac{46}{\text{https://especiales.sudestada.com.uy/asesor-de-lacalle-se-reunio-con-montepaz-antes-de-aprobar-el-decreto-que-modifico-politica-antitabaco/}$ 

<sup>47 &</sup>lt;a href="https://www.subrayado.com.uy/diputada-pidio-informes-decreto-tabaco-que-empresas-cuestionan-experto-le-respondio-n887717">https://www.subrayado.com.uy/diputada-pidio-informes-decreto-tabaco-que-empresas-cuestionan-experto-le-respondio-n887717</a>

	0	1	2	3	4	5
12. The government requires rules for the disclosure or registration						
of tobacco industry entities, affiliated organizations, and						5
individuals acting on their behalf including lobbyists (Rec 5.3)						

There are no rules for the disclosure or registration of tobacco industry entities, affiliated organizations and individuals acting on their behalf, including pressure groups.

#### **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) 1 Never 5 Yes

5

Decree 284/008 prohibits all forms of sponsorship of tobacco companies, including donations.<sup>48</sup> Despite this, the tobacco company that has 85% of the Uruguayan market (Montepaz), contributed to the financing of the election campaign of the current president (Dr. Luis Lacalle Pou). Tobacco companies are also prohibited from funding political parties, but in the last election campaign, one of the political parties declared to be funded by Uruguay's largest tobacco company, which donated \$15,000.<sup>49 50 51 52</sup>

14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)

5

The legal advisor of the main tobacco company in Uruguay (Montepaz), Eduardo Mezzera, previously served as the Deputy Minister of Foreign Affairs during the government of Luis Alberto Lacalle Herrera. He also held the position of alternate senator from 2010 to 2015, serving as the alternate for Dr. Luis Alberto Lacalle (former President of the Republic) and on several occasions, he assumed the position of Lacalle and former San José mayor Juan Chiruchi in the Senate.

Mezzera has also served as a legal advisor to the Ministry of Industry, Energy, and Mining for 16 years. It was this ministry that proposed the modification to the cigarette packaging decree, which was approved by the Executive Power on September 2nd.<sup>53</sup>

According to his LinkedIn profile, he has held the following positions: Vice President of the Executive Committee of the Herrerismo (National Party). Vice President of the Manuel Oribe Institute.

<sup>48</sup> http://cieturuguay.org.uy/images/pdf/Normativa\_Control\_Tabaco.pdf

<sup>&</sup>lt;sup>49</sup> the Observer, how much did each party spend and who funded them in the campaign? February 2020. https://bit.ly/2Ppe6ig

<sup>&</sup>lt;sup>50</sup> https://www.corteelectoral.gub.uy/estadisticas/rendiciones 2019 2020

<sup>&</sup>lt;sup>51</sup> https://www.elpais.com.uy/informacion/politica/empresas-hicieron-aportes-campanas-candidatos-monto.html

<sup>&</sup>lt;sup>52</sup> https://www.elpais.com.uy/informacion/politica/empresas-financiaron-campanas-electorales-gasto-dinero.html

 $<sup>\</sup>frac{53}{\text{https://especiales.sudestada.com.uy/asesor-de-lacalle-se-reunio-con-montepaz-antes-de-aprobar-el-decreto-que-modifico-politica-antitabaco/}$ 

	0	1	2	3	4	5			
According to the website of the National Party (the current governing party), Mezzera is part of the Fiscal Commission of the Manuel Oribe Institute. <sup>54</sup>									
Mezzera has a strong connection to the National Party, particularly with former President Lacalle Herrera, who is the father of the current president.									
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)	0								
There is no evidence that any current government official or their relatives holds any positions in the tobacco business.									
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)						5			
The government does not have a procedure for disclosing records of interaction (such as agenda, assistants, minutes and results) with the tobacco industry and its representatives.									
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);  1 for whole of government code; 2 for Yes but partial if only MOH						5			
The government as a whole has not formulated a policy or adopted any specific code of conduct for officials in their interactions with the tobacco industry.									
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						

The tobacco industry must send information to the National Statistical Institute (INE): number of employees, revenue and volume of production. The Directorate-General for Tax Assistance (DGI) also keeps records of the economic activity of the industry. It is the same information that is requested from any other type of company, it is not specific to the tobacco industry. This information is not public. However, the tobacco industry is not required to submit information on marketing expenses or other activities, such as lobbying, political contributions and all other activities.

<sup>54 &</sup>lt;a href="https://www.partidonacional.org.uy/portal/index.php/titulares/9-noticias?start=2250">https://www.partidonacional.org.uy/portal/index.php/titulares/9-noticias?start=2250</a>

	0	1	2	3	4	5
19. The government has a program / system/ plan to consistently <sup>55</sup> raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)			1			5
The government has no program or plan to raise awareness or awareness of policies related to the FCTC Article 5.3 Guidelines.						
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)	0					
The government is prohibited from accepting all forms of contributions/gifts from the tobacco industry (monetary or otherwise), including assistance offers, policy projects or study visits.						
TOTAL SCORE			6	6		

 $^{55}$  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.

#### **Annex A: Sources of Information**

	TOP TOBACCO COMPANIES/ DISTRIBUTORS	MARKET SHARE	BRANDS	SOURCE
1	MONTEPAZ	More tan 85% market share	(http://www.montepaz.com.uy/productos/). Marcas de cigarrillos en el mercado nacional: Nevada, Coronado, California, J&M, Richmond, Victoria, Madison, Ocean, Pacifico, Republicana, La Paz. Marcas de Tabaco para armar: Cerrito, Peruano, Puerto Rico, Toro, Rio Novo. Productos saborizados: Niagara, Berry Mint, Dual Sens	www.montepaz.com.

	TOP MEDIA/ NEWSPAPERS	URL
1	El Pais	www.elpais.com.uy
2	El Observador	www.elobservador.com.uy
3	La Diaria	https://ladiaria.com.uy/
4	La República	www.republica.com.uy
5	Montevideo Portal	www.montevideo.com.uy

	MAIN TOBACCO INDUSTRY ALLIES/ FRONT GROUPS	TYPE (FRONT GROUP, LOBBY GROUP, INDIVIDUAL)	SOURCE
1	Asociación de Quiosqueros del Uruguay	Front Group	www.asociaciondekioscosysalones .com