

Palau



SUMMARY OF FINDINGS

1. Industry Participation in Policy Development

Tobacco industry (TI) interference did not occur in policy development during the reporting period, and a landmark piece of legislation on e-cigarettes was passed without incident or interference. Similarly, there was no evidence that the government allowed or invited the TI to sit on any government interagency, multisectoral committee, or advisory group that sets public health policy.

In July 2023, Palau's President issued Executive Order 484 to reconstitute the National Coordinating Mechanism (NCM) to facilitate and coordinate the government's efforts to combat the occurrences and impacts of non-communicable diseases in Palau. A Code of Conduct was drafted but has not yet been made official.

2. Industry CSR Activities

No evidence of corporate social responsibility (CSR) was documented during the reporting period.

Palau hosted the Pacific Mini Games in June and July 2025. A policy has been drafted for implementation to ensure the Games are free of tobacco and e-cigarettes, including a prohibition on advertising, promotion, and CSR activities by the TI.

3. Benefits to the Industry

No evidence of such interaction was found during the reporting period. During this period, legislation was enacted prohibiting the import, distribution, sale, possession, and use of electronic cigarettes within the Republic (RPPL 11-27), which came into force on May 29, 2023. There was no interference by the TI in the passage of this legislation.

There has been no change to duty-free import allowances. A person arriving in the Republic by common carrier may bring into Palau, free of taxation, one of the following: one opened pack of 20 cigarettes, one cigar not exceeding 15 grams (0.53 ounces), or up to 15 grams of loose smoking, chewing, or pipe tobacco in an opened package.

4. Unnecessary Interaction

No evidence of top-level government officials meeting with or fostering relations with tobacco companies was found, and no incidents of government accepting assistance from the TI on enforcement were documented. There was no evidence that the government accepts, supports, endorses, or enters into partnerships or non-binding agreements with the TI or any entity working to advance its interests.

5. Transparency

No rules exist for the disclosure or registration of TI entities. Only licensing for all businesses is required, and all foreign businesses must be registered under the Foreign Investment Act.

There are no known tobacco lobbyists in Palau.



6. Conflict of Interest

The Code of Ethics calls for transparency, prohibits conflicts of interest, requires disclosure of potential conflicts, mandates financial disclosures, and regulates acceptance and use of contributions by government employees, candidates, and public officials. However, it does not specifically address the TI.

7. Preventive Measures

Palau continues to have few preventive measures in place. While promoting openness and access to public information, neither the Open Government Act nor the Administrative Procedures Act address or mention the TI specifically. Similarly, the Code of Ethics does not prescribe activities specifically with or by the TI.

The government does not require the TI to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues, or any

other activity, including lobbying, philanthropy, or political contributions. Reporting is required only for tax purposes to declare the type and quantity of imported tobacco products.

There is no government program set up to consistently raise awareness within government departments on policies relating to Article 5.3 of the WHO FCTC. However, some progress was achieved in May 2024, declared as Tobacco Industry Interference Awareness Month, when the CTFP, in partnership with the Ministry of Health and Human Services (MHHS) Prevention Unit, organized a workshop. The event was attended by representatives from the Office of the President, the Ministry of Human Resources, Culture, Tourism and Development, the Ethics Commission, and the Office of the Attorney General. Discussions focused on Article 5.3 recommendations and on how Palau's Code of Ethics could be used to support national goals and objectives.

RECOMMENDATIONS

1. Improve existing policies to meet transparency, conflict of interest, and preventive measures as outlined in Article 5.3 of the WHO FCTC.
2. Raise awareness among civil servants about the need to protect public health policies from commercial and other vested interests of the TI, and the strategies the TI uses to interfere with the development and enforcement of public health policies.
3. Develop a clear national policy that prioritizes public health over commercial interests, especially tobacco profits, by prohibiting preferential treatment and non-binding or non-enforceable partnerships with the TI.