

# Lao PDR

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## Summary of Findings

### 1. Industry participation in policy development

Although the tobacco industry (TI) tried, it could not stop the adoption of the law requiring 75% pictorial health warnings (PHW) on cigarette packs. Now, it is interfering in the implementation of the law by not complying with the PHW requirements and have interfered through the Ministry of Industry and Commerce and Prime Minister (PM) Office for further delays to implement PHW.

The draft Penalty Decree of the Tobacco Control Law by the Ministries of Health and Justice that will penalize companies violating the law has been delayed.

The TI tried to interfere in the PM Office to draft a new minimum price policy; however, related Ministries did not accept its proposal.

### 2. Industry CSR activities

No government acceptance or endorsement of TI-related corporate social responsibility (CSR) activities occurred.

The Prime Minister Decree on Tobacco Product Promotional Consumption Ban 2010 bans all forms of contributions from the tobacco industry; CSR activities are banned.

### 3. Benefits to the industry

PHW implementation was delayed by 180 days (six months) due to industry interference in its implementation. The tobacco industry repeated the same old excuse that “they had a large stockpile of printed packets” and even requested a reduction in the size of the graphic image from 75% to 50%.

The 25-year (2001-2026) government joint venture (ILA) with the Imperial Tobacco Group (ITG) is still in place, which caps tax increases and provides incentives to the tobacco industry that controls about 80% of the cigarette market. The benefit to the industry results in people not receiving the truth about the harms caused by tobacco use, in addition to government revenue loss.

### 4. Unnecessary interaction

The government receives assistance from the TI for anti-smuggling enforcement activities. The government's partnership/agreement with Lao Tobacco Company/Imperial Tobacco is still in existence, which facilitates interaction.

### 5. Transparency

The government does not publicly disclose meetings/interactions with the tobacco industry. While the MOH does not meet with the TI, other department have communication.

While tobacco companies are required to register, there are still no rules for the disclosure or registration of tobacco industry-affiliated organizations and individuals who represent it.

### 6. Conflict of interest

There are no political campaigns in Lao, hence no political donations. However, key government officials in the Ministries of Finance and Industry and Commerce currently hold positions in the TI Joint Venture Board of Management.

## 7. Preventive measures

In December 2018, the Ministry of Health issued a Code of Conduct for the Health Sector (in government) to provide guidance on interacting with the tobacco industry. The code of conduct does not apply to the non-health sector; hence, there is no procedure or guidelines to disclose records of the interaction with the tobacco industry (such as agenda, attendees, minutes and outcome). Because Article 5.3 has not been applied to the whole of government, officials related to ILA are known to attend meetings with ITG and other tobacco companies.

The 2016 Minister "Regulation on Tobacco Control Law Implementation" requires the tobacco industry to report (once a year) about ingredients in the cigarettes. However, the government does not require the industry to submit information on tobacco production, manufacture, market share, marketing expenditures and revenues. While the investment unit of the government may have access to this information, it is not known to other government departments or used for tobacco control.

## Recommendations

1. The 25-year (2001-2026) government joint venture (ILA) with Imperial Tobacco Group must be terminated.
2. The Code of Conduct for the health sector and the tobacco industry should be extended to apply to the whole of government. This will reduce interference and the delays currently caused by the TI.
3. The industry must be asked to submit information on tobacco production, manufacture, market share, marketing expenditures and revenues to be used to strengthen tobacco control.