

Mexico

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Summary of Findings

1. Industry participation in policy development

Concerning the previous report, this section increased its interference score due to the influence of the tobacco industry on the public policy design process in the Congress of the Union, especially in the Economy Commission of the Chamber of Deputies, which organized a forum with representatives and allies of Philip Morris and British American Tobacco (BAT).

On the other hand, regarding the total number of initiatives to reform the General Law for Tobacco Control, from January 2020 to March 2021, 11 proposals for lax regulation of nicotine delivery systems were presented. This represents a growth compared to the previous report when there were four initiatives with that objective. These proposals benefit the tobacco industry in its search for new markets and consumers.

The National Commission against Addictions (CONADIC) continues with the implementation of letters of declaration of no conflict of interest and the government, in general, does not accept any tobacco industry representative in the Conference of the Parties (COP) delegation.

2. Industry CSR activities

In 2020, corporate social responsibility (CSR) actions increased, especially linked to some type of assistance or donation for patients with COVID. In Jalisco, Philip Morris made donations of medical instruments for the care of patients with COVID and participated in the launch of the "Acelerando Jalisco" program, with the consent and intervention of the state government. BAT participated in the #UNIRyDAR movement, an

initiative led by the Secretary of Health of Nuevo León, and also donated food in Guadalupe, a municipality in the state.

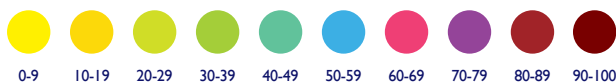
3. Benefits to the industry

This section maintains the scores from the previous report because there continue to be no delays or postponements in the implementation of tobacco control regulations. The Tax Administration Service still does not provide information on the production, distribution, importation or manufacture of tobacco products, based on the information provided in the security codes.

4. Unnecessary interaction

This report documents unnecessary interactions, especially in the Chamber of Deputies. The president of the Economy Commission in that legislative body, Congressman Fernando Galindo, as well as Sergio Roberto Huerta Patoni, General Director of Legislation at the Ministry of Economy, as well as representatives and allies of the tobacco industry, presented their objections to compliance with the Framework Convention on Tobacco Control (FCTC) in Mexico.

Codentify, a coding system developed and promoted by Philip Morris International, continues to be used by the Tax Administration Service. The company's collaboration with the federal government is also in illicit trade. Besides, the tobacco company continues to be an ally of the federal government in the "Jóvenes Construyendo el Futuro" program.



5. Transparency

National legislation does not require public disclosure of government interactions with the industry, although the Ministry of Health maintains its oversight of FCTC Article 5.3 by videotaping any meetings with representatives of the tobacco industry or its allies. Transparency worsened in Congress, because both the Senate and the Chamber of Deputies, since September 2020, have not updated their registry of lobbyists.

6. Conflict of interest

National electoral legislation does not prohibit contributions from the tobacco industry, or any entity associated with parties, candidates or campaigns.

This section documents the conflicts of interest of Alfonso Romo, former Chief of the Office of the Presidency and now a consultant to the Ministry of Economy, who was president of La Moderna, a tobacco company that was acquired by BAT, as well as Roberto Campa, current Director of Corporate Affairs of FEMSA (Coca Cola) and who was former Undersecretary of the Interior. Besides, a warning is placed on the probable election of Yeidckol Polensky, who has family ties with Shirley Almaguer, current Director of Regulatory Affairs of BAT.

7. Preventive measures

In the preventive measures, it is highlighted how there are no procedures to record interactions of the tobacco industry or its representatives with the government, although the Ministry of Health has shielded its meetings. The Code of Conduct for Public Servants for the strict surveillance of Article 5.3 of the FCTC, designed years ago by the same Ministry, has not been approved and implemented to serve other institutions of the Federal Executive. On the other hand, there are still no regulations for the transparency of the tobacco industry's expenditures in marketing, lobbying, philanthropic activities, etc. However, the provisions of the Code of Conduct for Public Servants of the Federal Government, which prohibits officials from receiving any contribution or gift from private individuals, are still in force.

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Recommendations

In Mexico, it is still necessary to strengthen the presence of Article 5.3 of the World Health Organization (WHO) FCTC, especially in the Congress of the Union and in some agencies such as the Ministry of Economy, in order to know how regulatory proposals are weakened if interference by the tobacco industry is allowed to the process of reviewing and updating the General Law for Tobacco Control, our base order for compliance with the provisions of the FCTC. In addition, it is appropriate to strengthen the action of internal comptrollers to punish legislators or officials who violate codes of ethics, especially those provisions that seek to inhibit conflict of interest.

1. With the increase in initiatives that favor the industry, now documented with respect to the previous report, it is still necessary to provide information on actors linked to the industry, as well as interference mechanisms, which affect regulatory processes in the Congress of the Union.
2. Our country needs to take action on CSR activities. The General Law for Tobacco Control does not clearly define how such activities should be considered advertising. This is a pending reform that should be promoted in the Congress of the Union. It has been done but none is in force now. It could even be assessed how much those restrictions should be considered in state regulations, to limit examples such as those of Jalisco or Nuevo León that are documented in this report.
3. About the benefits to the industry, the reform of the Law on the Special Tax on Production and Services, as well as the general rules for coding systems in cigarette packaging, continue to remain pending, so as not to leave any loophole for the interference of the tobacco industry. It is unacceptable that the government of Mexico continues to use a coding system whose property rights are not independent of the tobacco industry (Codentify is a coding system developed and promoted by Philip Morris).
4. The Congress of the Union is vulnerable to updating the register of lobbyists, with a clearer definition of interests and resources used. Transparency about meeting minutes, support given, materials provided, etc., by the industry, its representatives or lobbyists, remains a major issue. The same vulnerability remains in force with some agencies such as the Ministry of Economy, whose argument takes sides in favor of the industry.
5. Regarding conflict of interest, there is still a long way to go. With the cases reported in this report, not only is greater exposure needed, but also measures that inhibit these behaviors and make transparent relationships, family ties, professional or commercial relationships, etc.
6. Finally, new preventive measures must be taken to prevent the tobacco industry from financing parties and candidates. In addition, the industry must provide information on spending on marketing, lobbying and philanthropic activities, on a mandatory basis.