

Vietnam

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Summary of Findings

1. Industry participation in policy development

The tobacco industry (TI) influenced policy on electronic nicotine delivery systems (ENDs)/ heated tobacco products (HTPs) in Vietnam. Philip Morris International (PMI) has accessed the Vietnam Directorate for Standards, Metrology and Quality to promote the promulgation of technical standards for new tobacco products in Vietnam. And in December 2020, the sets of national standards with HTPs was issued by the General Department of Standards, Metrology and Quality of Vietnam despite the fact that HTPs have not been legally authorized for distribution on the Vietnam market yet.

2. Industry CSR activities

The partial ban on corporate social responsibility (CSR) activities of the TI in Vietnam has made no difference to the extent the TI continues to conduct these activities. On the one hand, the tobacco industry in Vietnam continues its traditional CSR activities in a broad range of donations to schools, construction of houses for the poor, loans to empower women and career training programs. On the other hand, it takes advantage of the COVID-19 situation to provide its donations to health sectors, including the following: Japan Tobacco International (JTI) Vietnam cooperated with Habitat for Humanity, a non-governmental organization, to implement the project on prevention of COVID-19 for people with disabilities in Vietnam; the Vietnam National Tobacco Corporation (Vinataba) awarded VND 300 million and 1,000 protective clothing and two disinfection chambers to support staff and doctors of Bach Mai Hospital to fight

COVID-19. The TI's CSR activities usually receive endorsement and participation of government officials from provincial and district levels.

3. Benefits to the industry

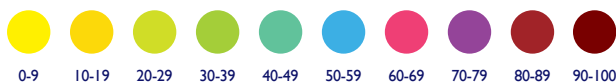
Cigarettes are still a duty-free item for travelers and seafarers working on-board a seagoing vessel on international routes.

In addition, Vietnam has extended its 3,000-ton duty-free quota for import of Cambodian dried tobacco leaves for 2021. The extension is part of the renewal process of a bilateral trade facilitation agreement for 2021–2022 reached by the 18th Cambodia-Vietnam Joint Commission meeting in December 2020 to benefit exports.

4. Unnecessary interaction

Anniversary celebrations of tobacco companies still work as a convenient opportunity for the industry to invite and interact with high-level government officials. In October 2020, Tobacco Institute One Member Limited Company held the 34th anniversary of its establishment which was attended by the leaders of the Science and Technology Department - Ministry of Industry and Trade.

Since Vinataba is a government monopoly, the management mechanism enables them to have many chances to meet and force relationships with high-level government officers from both central as well as provincial levels. For example: On the Lunar New Year occasion, Mr. Nguyen Hoang Anh, member of the Party Central Committee, Chairman of State Capital Management Committee at Enterprise, visited and congratulated leaders and staff of the



Vietnam National Tobacco Corporation in celebration of the Lunar New Year; Leader of Bac Ninh province, Thanh Hoa, Lang Son provinces welcomed and had a meeting with the delegation of Vinataba; the Chairman of State Capital Management Committee at Enterprise Nguyen Hoang Anh had a meeting with Mr. Guy Meldrum - Director of British American Tobacco Group (BAT) Asia - Pacific and the Middle East. At the meeting, Mr. Guy Meldrum expressed his desire to become a strategic partner of Vinataba in the process of equitization.

Collaboration between the government and tobacco companies in anti-smuggling enforcement is still in existence, which facilitates interaction.

5. Transparency

The government sees interaction with the tobacco industry as “normal”, so they are “open” about their interaction with tobacco industry. However, the detailed information on this interaction (with tobacco and other industries as well) were not always be available for public. The government also does not have procedure for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf.

6. Conflict of interest

No new appointments of government officials to the tobacco industry were reported. The appointment of staff from the Ministry of Industry and Trade to VINATABA, which happened in 2014, still remains in office and were promoted in 2020 (Mr. Ha Quang Hoa-Deputy Director of Department of Light Industry was appointed to be Vice Director of VINATABA in 2014, and then was appointed to be General Director of VINATABA in 2020; Mr. Ho Le Nghia, Vice Director of Industrial Policy and Strategy Institute was appointed to be a board member of VINATABA in 2014, acted as the Party Secretary, and Chairman of the Members' Council of VINATBA in 2018, and in 2020 he re-elected to be the Party Secretary of VINATABA in the new term).

7. Preventive measures

The government has not put in place a procedure for disclosing the records of the interaction with the tobacco industry, nor adopted or implemented a code of conduct for public officials. However, the Ministry of Health's official dispatch No 6814/BYT-KCB warns about the PMI-funded Foundation for a Smoke-free World (FSFW) and calls to not cooperate with FSFW, as well as circular No. 29/2019/TT-BYT that defined the processes of commenting, acquiring and modifying legal documents to reduce the interference of units which have conflicts of interest in the process of development legal documents on health are both in effect.

The Ministry of Industry and Trade has a reporting regime and report forms for tobacco enterprises, tobacco suppliers, tobacco distributors, wholesalers and retailers. However, the government does not require the industry to submit information on its marketing, lobbying and philanthropy.



In December 2020, three sets of standards for HTPs was issued by the Department although HTPs have not been legally authorized for distribution on the Vietnam market yet.



Recommendations

1. The government has to put in place a procedure for interaction with the TI, disclose all records of interaction with the tobacco industry and adopt a code of conduct for its officials when dealing with the tobacco industry.
2. Implement a full ban on all forms of tobacco industry-related CSR activities as recommended in the Framework Convention on Tobacco Control (FCTC).
3. Terminate the rotation of senior management positions between state management agencies and tobacco enterprise to avoid conflict of interest situations.
4. The government must reject any partnership with the tobacco industry in anti-smuggling initiatives as recommended in the World Health Organization (WHO) FCTC Protocol to Eliminate Illicit Trade in Tobacco Products.
5. The industry must be asked to submit information on marketing expenditures, lobbying and philanthropy.
6. Develop and implement the government program/system/plan to regularly raise and maintain awareness of FCTC Article 5.3 and how to comply with it across the whole of government.