

Bangladesh

Overall score:

77

I. Industry participation in policy development:

While the Ministry of Health and Family Welfare and the National Board of Revenue (NBR) proceed to implement tobacco control measures, the tobacco industry finds ways to interfere and undermine their effort. The Bangladesh Bidi Owners Association met the Finance and Commerce Ministers and submitted its proposals for the budget for FY 2018-19 that included tax reduction and obtain cottage industry status for the bidi industry. The bidi price (non-filter) remained unchanged in the FY 2018-19 budget.

No tobacco industry representatives have been in the government delegation to the sessions of the WHO FCTC COP and other meetings related with it.

II. Tobacco industry-related CSR activities: Contrary to the Article 5.3 guidelines, government officials have participated in corporate social responsibility (CSR) programmes sponsored by the tobacco industry. For example, BAT Bangladesh continued to deposit BDT 8.82 crore to the Bangladesh Labour Welfare Foundation Fund under the Ministry of Labour and Employment. BAT Bangladesh representatives handed over the cheque to the then State Minister for Labour and Employment.

III. Benefits given to the tobacco industry: The government provided several benefits to the tobacco industry to expand their business. The government endorsed the world's third largest tobacco company, Japan Tobacco International (JTI) to conduct its business in Bangladesh through foreign direct investment when it acquired local company Akij Group's for \$1.47 billion. In August 2018, at the deal signing ceremony, the Executive Chairman of Bangladesh Investment Development Authority (BIDA), the government agency responsible for encouraging and facilitating private investment, was present among others.

The NBR offered BAT Bangladesh a tax relief worth more than BDT 2,000 crore in the FY 2018-19 budget through scrapping a special order with retrospective effect. In June 2018, the NBR issued a special order scrapping the previous order issued on July 1, 2017, which had imposed additional taxes on low quality international-brand cigarettes. Under the new tax measures, smokeless tobacco companies can now increase their profits by 118 per cent, compared to the profits they could have made under the tax measures proposed initially in the budget FY 2018-19.

IV. Unnecessary interaction with the tobacco industry:

In 2018, there were numerous occasions of unnecessary interaction between the tobacco industry and senior government officials. Most of these interactions with BAT Bangladesh resolved around award ceremonies, such as the "Most Female-Friendly Organisation" at the Women Leadership Summit, where the International Affairs Adviser to the Prime Minister handed over the award; "Bangladesh Supply Chain Excellence Award" involving the Executive Chairman of the BIDA and the Institute of Chartered Accountants of Bangladesh best annual reports presented by the Finance Minister.

V. Procedure for transparency measures: In February 2018, the NBR held a closed-door meeting to decide on legal implementation of the graphic health warning on tobacco pack with Bangladesh Cigarette Manufacturers' Association and Security Printing Corporation (Bangladesh) Ltd, but the Ministry of Health, the lead administrative ministry, was not invited to the meeting.

Recommendation 5.3 of the Guidelines requires rules for the disclosure or registration of the tobacco industry entities, affiliated organizations and individuals acting on their behalf, including lobbyists. However, such a registry of industry representatives and lobbyists does not exist.

VI. Avoiding conflicts of interest: Several high-level government officials hold positions in BAT Bangladesh. Since the government owns 9.48% shares in BAT Bangladesh, these officials are in conflict to advance tobacco control agenda while simultaneously promoting the tobacco business. Public health suffers as a result.

VII. Preventive measures: Although the guidelines provide various preventive measures, the government has not put most of these measures in place to protect itself from industry interference. There is no procedure for disclosing the records of interaction with the industry.

In October 2018, the National Tobacco Control Cell (NTCC) of Ministry of Health and Family Welfare formed an Article 5.3 Implementation Guideline Formulation Committee that consists of ten (10) members from different sectors including civil society organizations working on tobacco control. The committee has drafted two code-of-conducts, one for NTCC and another for all government officials working under different agencies, which are now waiting for final approval.

While the government requires the tobacco industry to submit monthly revenue statement and monthly statements of health surcharge deposits according to the requirements under the Health Development Surcharge (Collection and Payment) Rules 2017, the companies are not required to submit information on their market share, marketing expenditures, revenues, philanthropy and political contributions.

Recommendations

The government must fully implement Article 5.3 guidelines. The following measures should be implemented immediately to fulfil the requirements of the guidelines:

1. The Health and Family Welfare Ministry should undertake awareness raising on Article 5.3 obligations particularly for non-health ministries who are vulnerable such as Finance Ministry, Industries Ministry and Commerce Ministry.
2. The government must disclose all interactions with the tobacco industry and its representatives.
3. Tobacco industry-sponsored CSR activities should be banned. The government must halt all participation in award ceremonies involving the tobacco industry.
4. To prevent conflict of interest, government officials must terminate their positions in tobacco companies.
5. The government must remove all incentives provided to the tobacco industry including the exemption of export duty and VAT and implement the ban on the use of subsidized fertiliser for tobacco growing.
6. The government must not allow new foreign tobacco companies to invest in Bangladesh.
7. The government must divest its investment from tobacco companies within a specific period of time.
8. The government must expedite the adoption of a code of conduct for all officials in dealing with the tobacco industry.