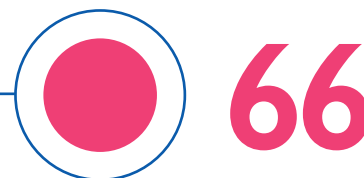


# Uruguay



## Summary of Findings

### I. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

The current government has ignored their obligation to the WHO Framework Agreement for Tobacco Control (FCTC) Article 5.3 which establishes not to accept or support any offer of assistance from or in collaboration with the tobacco industry (TI) in the establishment or implementation of public health policies in relation to tobacco control.

In 2021 the government issued Decree 87/021, which removed the previously existing ban on the commercialization of Heated Tobacco Products (HTPs) in Uruguay. At the request of the information from the National Parliament about this Decree, the Ministry of Public Health based its response on the same arguments used by Philip Morris to justify these products (“protect the health of the population”), and did not consult the MoH Tobacco Control Advisory Commission, which has been in operation since 2004, nor did it take into account the opinion of the Health Science Academy, both of whom are contrary to this modification. Subsequently, after legal action was initiated by civil society organizations against the decree in the Administrative Court, the MoH defended the decree with “freedom of trade” of the tobacco companies. In this way, the government aligned its discourse with the TI.

In 2022, the government approved the Decree 282/022, through which it undermined the tobacco plain packaging law. The President of the Republic admitted to the media that this decree was made at the request of a tobacco company.

### 2. INDUSTRY CSR ACTIVITIES

Under Law 18,256 (2008) on the National Tobacco Control Law, CSR activities related to tobacco and the TI are prohibited.

However, the TI seems to have found a way around this ban through an NGO initiative, “No Más Colillas” (“No More Butts”), and carried out activities of collection and recycling of butts, having signed agreements with governments and local authorities and with various commercial entities. There is no direct evidence of involvement with a tobacco company, but PMI’s 2021 annual report indicates they are funding three initiatives, without specifying which ones. There is no disclosure and the NGO did not disclose its finances.

In addition, a senator aligned with the government proposed to the National Parliament a bill on the recycling of cigarette butts. Which, among other things, promotes the installation of ashtrays in all cities, re-normalizing smoking in public places, would finance these activities with public funds and allow their use by tobacco companies. This proposal notably excludes the Ministry of Health.

### 3. BENEFITS TO THE INDUSTRY

Most of the 64 tobacco growers in Uruguay are small family farmers with a very limited amount of cultivated land. For this reason, they receive some tax exemptions and benefits: employer contributions for growers and family producers; the Rural Property Tax (Rural Real Estate Tax and Primary Tax) for family producers with up to 50 hectares. Likewise, tobacco is exempt from phytosanitary controls, unlike other crops. Since the end of 2019 the TI has taken advantage of an exemption related to agrochemicals used for various crops, including tobacco.

International travelers can import duty free 200 cigarettes or 25 cigars or 250 grams of tobacco into the country.



## 4. UNNECESSARY INTERACTION

There is no evidence that the President or Ministers attended social events or meetings organized by tobacco companies or bodies affiliated with the TI, but in the Department of Artigas (one of the two areas where tobacco is grown) local authorities and some State Ministers have encouraged tobacco growing as a “job opportunity” for the population, especially for young people.

The Ministry of Education and Culture (MEC), without consulting the Ministry of Health, approved the legalization of an Association of Vapers despite the fact that the commercialization of electronic cigarettes is prohibited in the country.

## 5. TRANSPARENCY

There is no national legislation or regulation that establishes the mandatory disclosure of meetings with the TI or actors linked to it, nor are there rules for disclosure or registration of TI entities, affiliated organizations, and people acting on their behalf, including lobbyists.

In 2022, an advisor to the President met with the Montepaz, the main tobacco company in Uruguay, before approval of the decree that undermined the tobacco plain packaging disposition. This meeting, which was not publicly disclosed, took place at the tobacco company’s offices. This “unnecessary” meeting was revealed through a media exposé.

A member of the government party (Roselló), a national representative in the current legislature, met with the TI and publicly defended the interests of tobacco companies, criticizing the Single Brand Presentation (pack display at point of sale) requirement because it affects the tobacco business.

## 6. CONFLICT OF INTEREST

Decree 284/008, in compliance with Law 18,256, prohibits all forms of sponsorship of tobacco companies, including donations. Despite this, the Montepaz tobacco company, which controls 85% of the Uruguayan market, contributed to the financing of the electoral campaign of the current president in the last electoral campaign.

The “revolving door” between political power and the TI is rare in Uruguay, but a legal advisor to the main tobacco company (Montepaz) previously served as Vice Minister of Foreign Affairs during the government of Luis Alberto Lacalle Herrera (father of the current President). He also held the position of substitute senator from 2010 to 2015 and served as the legal advisor to the Ministry of Industry, Energy and Mining for 16 years.

## 7. PREVENTIVE MEASURES

The government has not formulated a policy or adopted any specific code of conduct to guide public officials in their interactions with the TI nor does it have a procedure to disclose interaction records such as agenda, attendees, minutes, and results with the TI and its representatives.

The government requires that the TI, like any other industry, submits information on the number of employees, income and volume of production. Likewise, the government also keeps records of the economic activity of all industries, including the TI, but this information is not public. The TI is not required to report information on marketing expenses or other activities, such as lobbying and political contributions.

The government does not have any program or plan to raise awareness in the state apparatus about FCTC Article 5.3 Guidelines. Regulations of the State Transparency prohibits the government and its officials from accepting any form of contribution/gift, monetary or otherwise, from any industry, including the tobacco industry.



## Recommendations

1. Apply the existing national regulations on transparency and anti-corruption to interaction of public officials, including political authorities, with businesses and third parties associated with the TI.
2. Enforce the law regarding the prohibition of donations by the TI, especially that related to political campaigns during elections.
3. Implement policies in compliance with WHO FCTC Article 5.3 guidelines.
4. Promote and support the participation of civil society organizations doing tobacco control in monitoring actions of interference from this industry.