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Egypt

**TOBACCO  
INDUSTRY  
INTERFERENCE  
INDEX  
2023**

**Report prepared by Cairo Association against Smoking,  
Tuberculosis and Lung diseases Egypt (CASTLE)**



**Authors:**

**Doaa A Saleh, MD, PhD**

Professor, Department of Public Health and Community Medicine, Faculty of Medicine, Cairo University, Cairo, Egypt

Email: [doa\\_a\\_saleh@kasralainy.edu.eg](mailto:doa_a_saleh@kasralainy.edu.eg)

Mobile: +2 010 6222 3262

**Dr Wagdy Amin**

Chairman of Cairo Association against Smoking, Tuberculosis and Lung diseases- Egypt (CASTLE)

Email: [drwagdy@yahoo.com](mailto:drwagdy@yahoo.com)

Mobile: +2010 95070972

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**Participated in the monitoring process**

Ms. Amal Ali

Ms. Nabiha Amer

Ms. Samar Mohamad

Mr. Soliman Youssef

Mr. Tarek Mohamad

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## Background and Introduction

The burden of tobacco consumption rates in Egypt are among the highest in the Eastern Mediterranean Region and worldwide. Recent studies showed that almost one quarter (22.8%) of Egyptians are current tobacco users and almost half the adult Egyptian population are exposed to second-hand smoke at homes (48.9%). Tobacco is a well-known risk factor to major morbidities and premature death. Besides the deleterious health consequences of tobacco consumption, the economic impact of tobacco smoking on users, families and society are devastating. The high expenditures on tobacco consumption comes at the expense of other essential needs and useful activities such as education, health, nutrition, leisure and sports among others.

Egypt realized the huge burden of tobacco use problem and took positive steps forward to combat the tobacco epidemic. Egypt was one of the very first signatories on the WHO Framework Convention of Tobacco Control (FCTC) in 2005. The FCTC contains 38 articles, the main objective of which is to protect present and future generations from the devastating health, social, environmental, and economic consequences of tobacco consumption and exposure to tobacco smoke. These articles provide a framework for tobacco control measures to be implemented by the Parties at the national, regional and international levels in order to reduce continually and substantially the prevalence of tobacco use and exposure to tobacco smoke.

Article 5.3 of the FCTC requires all Parties, when setting and implementing their public health policies with respect to tobacco control, to “...act to protect these policies from commercial and other vested interests of the tobacco industry in accordance with national law”.

In 2008, Parties to the FCTC including Egypt, collectively agreed to guidelines describing their obligations in support of Article 5.3 implementation. The guidelines emphasize that Parties should implement measures to prevent tobacco industry interference in all branches of government that may have an interest in, or the capacity to affect, public health policies with respect to tobacco control.

As a fundamental step to implement FCTC in general and Article 5.3 in particular in any country, governments should take steps to prevent the tobacco industry interfering with policy setting and law making in their countries. Thus, parties to the Convention are encouraged to permanently monitor tobacco companies and importers as well as other entities that further the interests of the tobacco industry, and to carry out tobacco industry monitoring to gather information on how tobacco industry operates in their jurisdiction, how it promotes its products, and how it interferes with policymaking.

The tobacco industry in Egypt is set to grow at 7 % in the next 5 years. The industry is dominated by the government-owned Eastern Tobacco Company (ETC), the largest cigarette manufacturer in the Middle East, which controls 74% of the cigarette market share in Egypt. The Eastern Company produced 88 billion cigarettes and exported 71 million sticks for the fiscal year 2021/2022.<sup>1</sup>

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<sup>1</sup> [Eastern Company produces 88 billion cigarettes in a year. And export 71 million abroad - the seventh day \(youm7.com\)](https://www.youm7.com)

In June 2021, Hani Aman, CEO of Eastern Tobacco Company, referred to the company as "gold egg" with an income of EGP 70 billion annually, noting they are close to exceeding the income of the SUEZ CANAL for the general budget.<sup>2</sup> Aman pointed out that the cheapest pack of cigarettes costs 17 and a half pounds, including 14 pounds taxes, and that all types of cigarettes will increase by 50 piasters in the first week of July, stressing that Egypt is one of the countries that imposes the lowest rate of taxes on cigarettes.

International companies operating in Egypt include Philip Morris Misr LLC, British American Tobacco (BAT) Middle East, Japan Tobacco International (JTI) and Imperial Tobacco (through distributor Al-Mansour Group).

Philip Morris has an agreement with Eastern Co to manufacture its cigarettes. In 2022, United Tobacco Company (UTC) was licensed to produce Philip Morris cigarettes and heated tobacco products.<sup>3</sup>



Photo: Ahramonline

In January 2021, Egypt ratified the Protocol to eliminate illicit trade in tobacco products. President Abdel Fattah el-Sisi promulgated Law no. 170 of 2020 to ratify the Protocol.<sup>4</sup> According to press report, in ratifying the protocol Egypt is showing a real desire to eliminate illegal trade in tobacco products as well as corruption in all its forms to achieve sustainable development.

<sup>2</sup> [Eastern Tobacco Company: We are close to exceeding the income of the Suez Canal for the general budget | Video | Akhbar Al Youm Portal \(akhbarelyom.com\)](#)

<sup>3</sup> <https://www.zawya.com/en/business/manufacturing/philip-morris-misr-changes-manufacturers-name-on-its-products-to-made-in-egypt-by-utc-xgav96do>

<sup>4</sup> Iskandar MM. Egypt signs protocol to eliminate illicit trade in tobacco products. Mondaq. 10 Feb 2021 <https://www.mondaq.com/international-trade-investment/1035392/egypt-signs-protocol-to-eliminate-illicit-trade-in-tobacco-products-legal-alert-131>

Supported by the WHO, CASTLE established a Tobacco Industry Observatory (TIO) to conduct continuous monitoring of the tobacco industry interference (TII) activities in Egypt. Castle was able to record the TII incidents that took place in Egypt since 2013 and calculated the TII index score for each year since 2019 to assess how well the Egyptian government has implemented Article 5.3 Guidelines.

The current report illustrates the TII events and calculated TII index score based on evidence obtained for the period from April 2021 to March 2023.

## **Methodology**

The report is based on a questionnaire developed by the Southeast Asia Tobacco Control Alliance. There are 20 questions based on the Article 5.3 guidelines. Information used in this report is obtained from the public domain only. A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country. The 0 score indicates absence of evidence or not applicable. Where multiple pieces of evidence are found, the score applied reflects an average. The report includes information on incidents prior April 2021 which are still relevant.

## Summary Findings

# Summary Findings

### 1 INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

No incidents were identified. The Tobacco control department of the MOH confirmed no participation of tobacco companies in any of the COP meetings.

### 2 INDUSTRY CSR ACTIVITIES

The Eastern Company was found to participate in a number of CSR activities (Village developments, donations to hospitals and social protection programs, football and volleyball team participating in different championships). The activities were not attended by high level Public officials, but the tobacco industry identity was unclear to the public or government agency.

### 3 BENEFITS TO THE INDUSTRY

Foreign companies initially demanded that they only write warning phrases on the heated tobacco packages like they do with the rest of the global markets, but the Ministry of Health rejected the order and required printing of Pictorial Health warning, by analogy with traditional cigarette packs, to allow the product to be put on the market. Prime Minister Mostafa Madbouly, gave foreign companies that decided to launch the new type of "heat-based" cigarettes a period of 6 months to reconcile their situations, so that the criteria for offering the product would be standardized.

Head of the Tobacco Division at the Federation of Industries, sent a letter of thanks to President Abdel Fattah El-Sisi, commenting on his directive to exclude production requirements and raw materials from working with documentary credits and returning to collection documents

### 4 UNNECESSARY INTERACTION

The Minister of Manpower witnessed the event, where a collective labor agreement was signed between the Eastern Company, the General Union of Workers in Food Industries, and the union committee of the company's employees, to achieve benefits for 3000 workers in the company.

"Egypt Summit for the Better" reveals the list of the top 100 performing companies in the Egyptian market. The list included the Eastern Company. The "Egypt for Better Summit" is the largest annual celebration to honor the best of the most influential personalities and companies in the Egyptian economy and public life, and celebrates the successful in many development and social sectors, under the patronage of Prime Minister Dr. Mostafa Madbouly, and expanded government participation in the presence of a number of ministers, officials, economic leaders and policy makers.

Food Industries Syndicate: The production and profits of «Eastern Tobacco» support the national income.

To combat the phenomenon of smuggling and trade in illegal goods, the Customs Authority, in cooperation with Philip Morris Egypt, held a technical training course for a number of Egyptian customs officials in Alexandria, with the aim of helping them distinguish between original goods and products and their illegal and counterfeit counterparts.

Philip Morris Egypt, in cooperation with the Egyptian Tax Authority, has launched a new initiative aimed at controlling the selling prices of tobacco products in the Egyptian market by printing a QR code on its tobacco product packets. Through this code, the adult consumer can know the official selling price of the product by simply scanning this code through his smartphone, as well as viewing the price list of Philip Morris products in Egypt.

## **5 TRANSPARENCY**

There are no laws that require the government to publicly disclose meetings/interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation.

There is no requirement or rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists

## **6 CONFLICT OF INTEREST**

There are no laws prohibiting contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions.

## **7 PREVENTIVE MEASURES**

The government has not put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives.

The government has not formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry.

Eastern Company, a state-owned company submits records on production, manufacture, market share, and revenues. However, expenses such as philanthropy and other activities are not collected.

### **Recommendations**

- Ban tobacco related CSR activities which will reduce opportunities for top level officials to participate and endorse industry activities.
- Implement Article 5.3 by creating laws and regulations to stop unnecessary interactions and ensure transparency when dealing with the tobacco industry to limit interactions to only when strictly necessary.
- Treat state-owned tobacco enterprises like any other business and remove any benefits given to the tobacco industry.



# Egypt Tobacco Industry Interference Index 2023

## Results and Findings

	0	1	2	3	4	5
<b>INDICATOR 1: Level of Industry Participation in Policy-Development</b>						
1. The government <sup>5</sup> accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry or any entity or person working to further its interests. <sup>6</sup> in setting or implementing public health policies in relation to tobacco control <sup>7</sup> (Rec 3.4)	0					
No incidents were recorded.						
2. The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)	0					
No incidents were recorded.						
3. The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8)   Never 5 Yes		1				
The government does not invite the tobacco industry to sit in inter-agency or advisory group that sets public health policy.						
4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG) <sup>8</sup> (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year. For non-Parties, apply a score of '0'		1				
Tobacco control department in the MOH confirmed no participation of tobacco companies in the delegation to the meetings of the COP. <sup>9</sup>						
<b>INDICATOR 2: Industry CSR activities</b>						

<sup>5</sup> The term “government” refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

<sup>6</sup> The term, “tobacco industry’ includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

<sup>7</sup> “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour

<sup>8</sup> Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

<sup>9</sup> <https://fctc.who.int/publications/m/item/cop-9-div-1-list-of-participants>

	0	1	2	3	4	5
<p>5. A. Government agencies or their officials endorse, support, form partnerships with or participates in activities of the tobacco industry described as “socially responsible” or “sustainable”. For example, environmental programs. (Rec 6.2)</p> <p>B. The government (its agencies and officials) receives CSR contributions<sup>10</sup> (monetary or otherwise, including CSR contributions) from the tobacco industry or those working to further its interests during the pandemic. (Rec 6.4)</p> <p><i>NOTE: exclude enforcement activities as this is covered in another question</i></p>					4	

Nov 2021: **Eastern Co’s board donated 50 million<sup>11</sup>**



The Ordinary General Assembly of Eastern Company issued the approval of the adoption of the Board of Directors' report on the company's activity, including the approval of the donations made for the previous fiscal year, with the authorization of the Board of Directors to donate within the limits of (the amount of 50 million pounds) for the current fiscal year and the approval of the distribution of profits proposed by the Board of Directors, provided that the return per share is 61 pounds.

September 2022: **Eastern Co Donated to Tahya Misr Fund to Develop Villages<sup>12</sup>**

<sup>10</sup> political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

<sup>11</sup> 2021 Nov 11. [Eastern Company approves the company's board of directors to donate 50 million | Akhbar Al Youm Portal \(akhbarelyom.com\)](https://www.akhbarelyom.com)

<sup>12</sup> Fawzy A. 2022 Sep 15. [Eastern Company Donates to Tahya Misr Fund to Develop Neediest Villages \(elbalad.news\)](https://www.elbalad.news)



Eastern Co donated to Tahya Misr Fund to support the Fund's projects and initiatives in poor villages in a number of governorates of Egypt. In his speech, the CEO and Managing Director of Eastern Co, said that the company's contribution to the "Tahya Misr" Fund is its CSR to support the state's plans and efforts in developing the most needy areas, equipping hospitals affiliated to the Ministry of Health and Population and university hospitals, and supporting the "We are all your side" initiative, as well as supporting urban development plans, health care, education, economic empowerment, and programs.

#### July 2021: Eastern Tobacco Co claims increase in cigarette prices is for health insurance system<sup>13</sup>

The chairman of Eastern Tobacco Company, said that the increase in cigarette prices is directed to the health insurance system and value-added tax, as their PRICES INCREASE every three years. "Aman" added during an intervention with the program "Under the Sun" with Dr. Moataz Abdel Fattah, that the current increase amounts to pounds, distributed 25 piasters for the company, 25 piasters for health insurance, and 50 piasters value-added tax. Egyptians consume 95 to 100 million cigarettes annually, he said.

#### May 2022: Eastern Tobacco Co.'s sponsorship of Volleyball League<sup>14</sup>



<sup>13</sup> [akhbarelyom.com](http://akhbarelyom.com) الشرقية للدخان: زيادة أسعار السجائر يتم توجيهها لمنظومة التأمين الصحي | بوابة أخبار اليوم الإلكترونية

[akhbarelyom.com/news/NewDetails/342783/1/](http://akhbarelyom.com/news/NewDetails/342783/1/)

<sup>14</sup> [youm7.com](http://youm7.com) الحزبية بورسعيد يطلا دورى الكرة الطائرة جلوس - اليوم السابع

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Eastern Tobacco Co. sponsored the Premier League Men's Volleyball Championship for the 2021/2022 sports season. The final matches were attended by the Board of Directors of the Egyptian Volleyball Federation, headed by Hossam El-Din Mostafa, President of the Egyptian Paralympic Committee, Emad Ramadan. Treasurer of the Paralympic Committee, Eng. Amal Mobdi, member of the Board of Directors of the Paralympic Committee, President of the Egyptian Federation for Intellectual Disabilities, Shaaban Al-Khatib, member of the Board of Directors of the Paralympic Committee, Ramy Abdel Hamid, Treasurer of the Egyptian Sports Federation for the Blind, and Dr. Howayda Forum, Acting Executive Director of the Egyptian Committee.

### INDICATOR 3: Benefits to the Tobacco Industry

6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)						5
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#### April 2021: Prime Minister intervened to resolve the policy position on heated tobacco between Health Ministry and tobacco companies<sup>15</sup>

All tobacco products (cigarettes and new products) require pictorial health warning on the packs. However, after the approval of the launch of a heated tobacco product, one of the foreign tobacco companies lobbied to apply text only warning on their heated tobacco product which was contested by BAT who lobbied senior policy makers about the exception and how it will cause them losses.

Prime Minister Mostafa Madbouly intervened to resolve this situation between the Ministry of Health and the foreign tobacco companies on standards for printing the pictorial health warning on heated tobacco packages, by giving the companies a period of 6 months to reconcile and apply a standard warning. According to Al-Watan report, the Cabinet's decision settled a major dispute over the warning to be applied to the heated tobacco products and saved millions of dollars for the companies. According to the report, the Ministry of Health had initially rejected the request from tobacco companies to apply text-only warning phrases on the packages and ordered they apply pictorial warning. However according to the news report, the Ministry of Health was considering approving request for an exception, which another company complained as a violation of the rules of competition in the market and fairness between companies.

A letter on March 9, 2021 from the Council of Ministers to the Health Minister, Dr. Hala Zayed, revealed that the Council received a complaint from BAT, regarding another tobacco company communicating with the Ministry of Health to obtain an exception, and permission to remove warning images on the dangers of smoking on heated tobacco packages and apply only text warning, and that this will result in about \$ 20 million loss for BAT.

The Cabinet letter asked the Minister of Health to inform companies selling heated tobacco products that a decision will be issued not to put warning images on packages and to be satisfied with text-only warning only for a period of six months to give companies working time to reconcile their situation. The letter also revealed the Cabinet's instruction to the Ministry of Health to cancel the ban issued by the Central Administration for Pharmacy Affairs, which prohibits the import of electronic liquid, based on the issuance of the standard specification for the product.

<sup>15</sup>Ibrahim S. Madbouly intervenes to solve the heated tobacco crisis between the Ministry of Health and the cigarette companies. El Watan. 19 Apr 2021 <https://www.elwatannews.com/news/details/5445973>

	0	1	2	3	4	5
7. The government gives privileges, incentives, tax exemptions or benefits to the tobacco industry (Rec 7.3)						5
<p><b>May 2022: Head of the Tobacco Division thanks the President for decision which will reduce tobacco prices<sup>16</sup></b></p> <p>Ibrahim Imbabi, head of the Tobacco Division at the Federation of Industries, sent a thank you letter to President Abdel Fattah El-Sisi for his directive to exclude production requirements and raw materials from working with documentary credits and returning to collection documents. According to the Tobacco Division, if it were not for President Sisi's decision to open the door to imports by facilitating the import of production inputs, it would have led to the closure of a number of factories by the end of May. In thanking the President, he said: "We have a desire as statesmen to reduce tobacco prices after the intervention of President Sisi." He explained that the central bank's decision to ban imports had led to the scarcity of raw materials in factories, which led to an increase in prices.</p>						
<b>INDICATOR 4: Forms of Unnecessary Interaction</b>						
8. Top level government officials (such as President/ Prime Minister or Minister <sup>17</sup> ) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)						5
<p>March 2022: Minister of Manpower attended the signing of a labor agreement that benefited Eastern Company's 3000 workers<sup>18</sup></p> <p>The Minister of Manpower, Mohamed Saafan, witnessed the first event from the ministry's headquarters in the government district in the New Administrative Capital, where a collective labor agreement was signed between the Eastern Company, the General Union of Workers in Food Industries, and the union committee of the company's employees, to achieve benefits for 3000 workers in the company.</p> <p>Eastern company was represented in the signing by Hani Aman its Managing Director and CEO, Khaled Abdel Latif Aish, President of the General Union of Workers in Food Industries, and Chairman of the Trade Union Committee of the company. Aman thanked the Minister of Manpower for his tireless efforts to complete this agreement that guarantees the rights of workers in the largest Egyptian industrial entity, and guarantees them a decent life and access to all their financial and moral dues.</p> <p>The Minister of Manpower welcomed the attendees at the Ministry of Manpower building in the New Administrative Capital, the signing of the first agreement of its kind in the capital recorded in history for employees and the company's board of directors. The minister explained that this agreement is the result of joint discussions between all parties under the supervision of the ministry during the last period that realistically expresses the aspirations of workers.</p>						

<sup>16</sup> Mohammed Al-Saifi. Head of the Tobacco Division after Sisi's decision: We have a desire to reduce tobacco prices. Al-Masry Al-Youm Foundation. 10 May 2022 [almasryalyoum.com](http://almasryalyoum.com) (almasryalyoum.com) [رئيس شعبة الدخان بعد قرار السيسي: لدينا رغبة في تخفيض أسعار التبغ](http://almasryalyoum.com)

<sup>17</sup> Includes immediate members of the families of the high-level officials

<sup>18</sup> The Seventh Day. Minister of Manpower witnesses the signing of labour agreement achieves benefits for 3000 workers. Youm7.com. 3 Mar 2022 [Minister of Manpower witnesses the signing of a collective labor agreement that achieves benefits for 3000, <> workers - The Seventh Day \(youm7.com\)](http://youm7.com)

	0	1	2	3	4	5
<p>The Minister thanked and appreciated the company's board of directors and the General Union for their efforts to provide complete safety for workers and provide them with a decent standard of living after they leave work and during their service periods.</p> <p><a href="#">Egypt Better Summit reveals the list of the top 100 performing companies in the Egyptian market   Tomorrow's Money (amwalalghad.com)</a><sup>19</sup></p> <p>March 2022: "Egypt Summit for the Better" reveals the list of the top 100 performing companies in the Egyptian market <sup>20</sup></p> <p>Eastern Tobacco Company was among 100 companies honoured at 7<sup>th</sup> session of “Egypt for Better Summit” organized by Amwal Al-Ghad magazine and Excellent Communications Agency for the year 2021, who were selected according to many financial and economic indicators, including revenues, net profits, market capitalization, and total assets. According to Amwal Al-Ghad, they cooperate with the Prime Minister to classify these companies to ensure transparency and impartiality in the selection.</p> <p>The "Egypt for Better Summit" is the largest annual celebration to honor the best of the most influential personalities and companies in the Egyptian economy and public life, and celebrates the successful in many development and social sectors, under the patronage of Prime Minister Dr. Mostafa Madbouly, and expanded government participation in the presence of a number of ministers, officials, economic leaders, policy makers, senior executive leaders of companies and institutions, business managers, innovators, academics, experts, international organizations and regional and international partners. The event was covered by Egyptian and Arab media and television channels. The summit's honors are handed over by a number of ministers.</p>						
<p>9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)</p>	0					
<p>No industry activity in collaboration with or endorsed by government was found. Since Egypt has ratified the Protocol on Illicit Trade in Tobacco Products, it is bound by Article 5.3 requirements that no enforcement activity can be carried out in collaboration with the tobacco industry. [See Q10]</p>						
<p>10. The government accepts, supports, endorses, or enters into partnerships or non-binding agreements with the tobacco industry or any entity working to further its interests. (Rec 3.1) NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</p>						5
<p><b>June 2022: Philip Morris conducted training courses for customs officials as part of MOU<sup>21</sup></b></p>						

<sup>19</sup> Egypt Better Summit reveals the list of the top 100 performing companies in the Egyptian market | Tomorrow's Money (amwalalghad.com)

<sup>20</sup> Amwal Al Ghad. Egypt Summit for the Better reveals the list of top 100 performing companies in the Egyptian market. 26 Mar 2022. [Egypt Better Summit reveals the list of the top 100 performing companies in the Egyptian market | Tomorrow's Money \(amwalalghad.com\)](#)

<sup>21</sup> El-Watan. Philip Morris confronts multiple training courses for customs officials. 22 Jun 2022 [«Philip Morris» confronts cigarettes «multiplied» training courses for customs officials - economy - home \(elwatannews.com\)](#)

	0	1	2	3	4	5
<p>The Customs Authority, in cooperation with Philip Morris Egypt, held a technical training course for a number of Egyptian customs officials in Alexandria, with the aim of helping them distinguish between original goods and products and their illegal and counterfeit counterparts. According to Philip Morris, this course comes as part of activities of the <u>memorandum of understanding</u> signed between Philip Morris and the Egyptian Customs Authority in 2013.</p> <p>According to the company executive, El-Sharkawy, Philip Morris is a key partner in supporting the Egyptian economy, and it plays an active role in improving market control mechanisms with its experience in this field. The executive explained the agreement signed in March 2013 was amended in 2021 to include alternative low-risk smoking products. The MOU puts the Egyptian Customs Authority into a compromising position to facilitate Philip Morris to exchange information on combating cigarette smuggling to protect the national industry.</p> <p>However, since Egypt has been a Party to the Protocol on Illicit Trade since 2021, it is a violation of the Protocol for the Customs Authority to continue with this MOU and to conduct activities in collaboration with the tobacco industry.</p> <p><b>January 2023: Philip Morris Egypt launched an initiative to control cigarette prices in cooperation with the Egyptian Tax Authority<sup>22</sup></b></p> <p>Philip Morris Egypt, in cooperation with the Egyptian Tax Authority, launched a new initiative aimed at controlling the sales prices of tobacco products in the Egyptian market by printing a QR code on its tobacco product packets. This code will enable consumers to know the retail price of the product just by scanning this code through their smartphone, including the price list of Philip Morris products in Egypt. Philip Morris praised the great interaction of the Egyptian Tax Authority with the initiative and its support, stressing that local traders have the responsibility to preserve the national industry.</p>						
<b>INDICATOR 5: Transparency</b>						
11. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)						5
<p>There are no laws that ensures that the government publicly discloses meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. Although Eastern Tobacco Company is a state-owned corporation, interactions and the deals are not made public.</p>						
12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)						5
<p>There is no requirement or rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists.</p>						
<b>INDICATOR 6: Conflict of Interest</b>						
13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11) / Never 5 Yes						5

<sup>22</sup> [alborsoanews.com](http://alborsoanews.com) جريدة البورصة - "الضرائب تطلق مبادرة لضبط أسعار السجائر بالتعاون مع "فيليب موريس مصر" "

	0	1	2	3	4	5
There are no laws prohibiting contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. In fact the government welcomes the tobacco industry's contributions.						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)	0					
No incident monitored.						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)	0					
No incident monitored.						
<b>INDICATOR 7: Preventive Measures</b>						
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)						5
The government has not put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives.						
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2); <i>1 for whole of government code; 2 for Yes but partial if only MOH</i>						5
The government has not formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry.						
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)		2				
Eastern Company, a state-owned company submits records on production, manufacture, market share, and revenues. However, expenses such as philanthropy and other activities are not reported.						
For example, in April 2021, the Eastern Company reported it achieved EGP 100 mn increase in profits. <sup>23</sup> The CEO of the Company reported that they achieved 35% growth in profits in the month of January worth EGP 100 mn, pointing out that the preliminary indicators for the months of February and March are moving in the same direction as January's upward rates.						
In June 2021, <b>Eastern Tobacco reported they produced 7 billion cigarettes in a month. And the decrease of «honey» to close cafes</b> <sup>24</sup>						
Managing Director of the Eastern Company pointed out that the company is always working to inject new investments in light of production expansions, infrastructure and equipment, noting that 1 billion pounds are allocated annually for these expansions.						

<sup>23</sup> [akhbarelyom.com](http://akhbarelyom.com) | أمان: الشرقية للدخان حققت 100 مليون جنيه زيادة في الأرباح | بوابة أخبار اليوم الإلكترونية

<sup>24</sup> [Eastern Tobacco: We produced 7 billion cigarettes in a month. And the decline of «honey» to close cafes | Akhbar Al Youm Portal \(akhbarelyom.com\)](http://akhbarelyom.com)



	0	1	2	3	4	5
Eastern Company announced the highest sales figure in the history of the company with more than 6.1 billion cigarettes, a growth rate of 20% compared to last year for the same month, attributing the reason for this increase with the implementation of marketing and sales plans for the company's products, following up on markets, discovering growth opportunities and closing sales gaps.						
19. The government has a program / system/ plan to consistently <sup>25</sup> raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)						5
There is no publicly available record that the government has put in place a program to consistently raise awareness on Article 5.3.						
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)						5
The government has not put in place a policy to reject contributions/gifts from the TI and does not reject its assistance and study visits.						
<b>TOTAL SCORE</b>	<b>63</b>					

<sup>25</sup> For purposes of this question, “consistently” means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.

## Variation of the level of Tobacco industry interference score in Egypt across the years 2013 - 2021

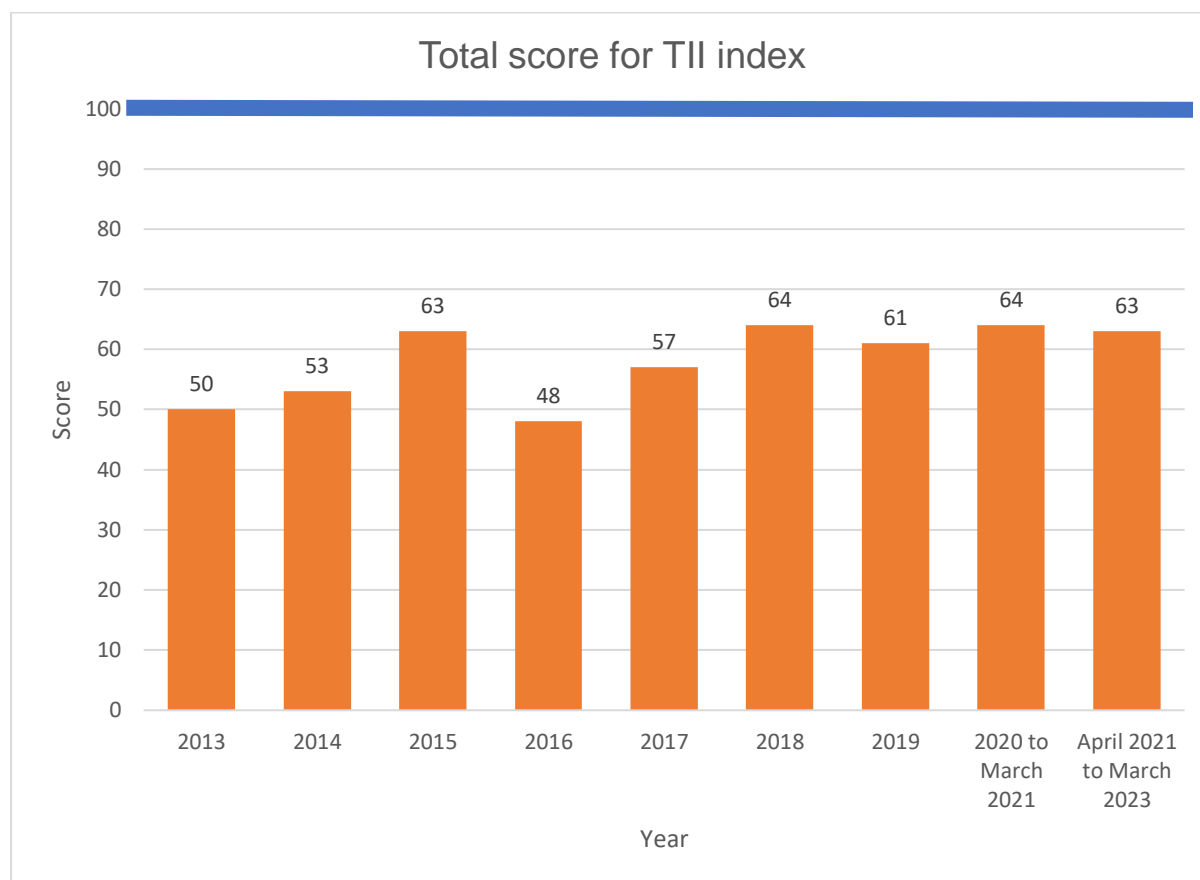
The current report illustrates the TI events and calculated TI index score for the period from April 2021 to March 2023. The overall score was 63.

The following table shows variation in the total score as well as the scores for each of the categories varied across the years 2013 – 2023:

### Score of the TI Interference index in Egypt during the period 2013 – 2020

INDICATOR	2013	2014	2015	2016	2017	2018	2019	2020 to March 2021	April 2021 to March 2023
<b>Level of Industry Participation in Policy-Development (Q1 - Q4)</b> [Maximum score =20]	1	2	2	2	4	2	9	4	2
<b>Tobacco-related CSR activities (Q5)</b> [Maximum score =5]	0	5	5	5	5	5	5	4	4
<b>Benefits to the Tobacco Industry (Q6 - Q7 )</b> [Maximum score =10]	1	0	0	0	0	4	1	7	10
<b>Forms of Unnecessary Interaction (Q8 - Q10)</b> [Maximum score =15]	5	3	13	3	5	13	9	8	10
<b>Transparency when dealing with TI (Q11 - Q12)</b> [Maximum score =10]	10	10	10	10	10	10	10	9	10
<b>Conflict of Interest (Q13 - Q 15)</b> [Maximum score =15]	10	10	10	5	10	7	5	9	5
<b>Preventive Measures (Q16 - 20)</b> [Maximum score =25]	23	23	23	23	23	23	22	23	22
<b>Total</b> [Maximum score =100]	<b>50</b>	<b>53</b>	<b>63</b>	<b>48</b>	<b>57</b>	<b>64</b>	<b>61</b>	<b>64</b>	<b>63</b>

The following figure shows the variation of the total TII index scores across the years 2013-2023:



TII score is almost the same across the years, indicating that the Egyptian government still needs to take clear steps towards the implementation of Article 5.3 of the FCTC.

## Conclusion and Recommendations

Despite the tobacco control efforts of the Ministry of Health and the NGOs in Egypt, the tobacco industry is used various tactics to interfere with the tobacco control activities in the country. The TII score showed almost no change across the previous year, ranging from 61 to 64 from 2018 until March 2021, while it was 63 for the period April 2021 until March 2023; indicating that a lot still needs to be done to eliminate the effect of tobacco industry interference on the tobacco control efforts in Egypt. This could be done through the adequate implementation of the FCTC Article 5.3. Thus, it is highly recommended to create awareness on the FCTC Article 5.3 and its guidelines. Special emphasize should be given to the following:

- Ban on tobacco related CSR activities which can reduce opportunities for top level officials to participate and endorse industry activities.
- Implement Article 5.3 by creating laws and regulations to stop unnecessary interactions and ensure transparency when dealing with the tobacco industry to limit interactions to only when strictly necessary and reduce opportunities for interference.
- Treat state-owned tobacco enterprises like any other business and remove any benefits given to the tobacco industry.

## Annex A: Sources of Information

	<b>TOP TOBACCO COMPANIES/ DISTRIBUTORS</b>	<b>MARKET SHARE %</b>	<b>BRANDS</b>
1	Eastern Company SAE	74	Cleopatra, Mondial, Boston, Belmont
2	Philip Morris Misr LLC	22.5	Marlboro
3	British American Tobacco PLC		
4	Japan Tobacco International SA		
5	Al-Mansour Group (distributor of Imperial Brands PLC)		Time, Davidoff Evolve