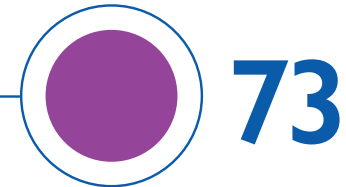


China



SUMMARY OF FINDINGS

1. Industry Participation in Policy Development

The State Tobacco Monopoly Administration (STMA) leverages institutional authority to obstruct comprehensive tobacco control policies and undermine smoke-free legislation. As China prioritizes economic recovery in the post-pandemic era, local governments have shown reduced commitment to implementing tobacco restrictions because of the tobacco industry's (TI) significant contribution to tax revenues.

In 2024, the STMA further consolidated its regulatory control by revising the Electronic Cigarette Transaction Management Rules and the Electronic Cigarette Logistics Management Rules (effective August 2024). These regulations grant the STMA exclusive authority to formulate and implement e-cigarette industrial policies, organize technical reviews of e-cigarette products, operate a national e-cigarette trading platform, and supervise import/export and foreign cooperation.

2. Industry CSR Activities

The TI systematically participates in corporate social responsibility (CSR) projects through government-affiliated institutions such as local tobacco monopoly bureaus and companies. These activities focus on rural revitalization, social contributions, community projects, educational support, and disaster relief. They typically involve financial donations, industrial support, and infrastructure investment, aligning with national policy priorities such as the transition from poverty alleviation to rural revitalization. CSR initiatives consistently receive official recognition, including national-level model worker awards, reflecting the "government-enterprise cooperation" model of CSR implementation.

3. Benefits to the Industry

The WHO FCTC is not effectively implemented, which benefits the TI by allowing it to expand its business. There has been little progress on health warnings, which remain the responsibility of CNTC/STMA. The TI continues to use ineffective text-only health warnings on cigarette packs. Financial support, sponsorship, and other contributions are still permitted for events, activities, individuals, organizations, or programs that promote tobacco products or tobacco use.

4. Unnecessary Interaction

Between 2023 and 2025, senior government officials continued to issue directives on the work reports of local tobacco monopoly bureaus, acknowledging achievements and setting expectations. Senior leaders from central government departments, including the Minister of Industry and Information Technology, continued to attend the National Tobacco Work Conference and deliver speeches. The Director of the STMA also held talks with deputy provincial and other high-level officials from local governments, as well as with heads of large state-owned enterprises, discussing issues such as reforming and developing the local tobacco industry and supporting local socio-economic development. These ongoing high-level interactions further strengthened the connection between local governments and the TI, as well as their reliance on tobacco.

5. Transparency

The TI is regarded as part of government, and STMA's regular administrative meetings with other government departments are publicly disclosed through official channels. Regarding regulation, China has established specialized laws and regulations, such as the Tobacco Monopoly



Law and its implementing regulations, to standardize the registration and circulation of tobacco enterprises. These measures strengthen supervision while also serving the TI's development objectives. However, China has not established a lobbyist registration system, and key regulatory information about the TI is classified as non-public. Requests for information disclosure are accepted according to relevant regulations, but the information is not always made public.

6. Conflict of Interest

Officials of the STMA are considered government personnel. The current Director of the STMA has also served as a member of the Party Leadership Group of the Ministry of Industry and Information Technology and serves concurrently as Party Secretary.

7. Preventive Measures

China has explicitly prohibited public officials from accepting any form of funding or gifts from the TI through its anti-corruption laws and intra-party disciplinary regulations. This provision has been effectively implemented within the tobacco management system. Additional smoking control measures have also been promoted within government agencies, including explicit bans on tobacco advertising, sponsorship, and the sale of tobacco products.

These institutional arrangements not only strengthen restrictions on TI interference but also enhance Party and government officials' understanding of the TI's influence on tobacco control policies. This has created a comprehensive preventive mechanism based on Party discipline and national laws. Although some measures were not specifically designed for tobacco control, their implementation has nonetheless established a policy barrier against TI interference.

RECOMMENDATIONS

1. Enhance corporate transparency and disclosure by requiring the TI to publish funding flows and results of CSR projects, and prohibit using CSR activities to influence policy through the “government–enterprise cooperation” model. Prohibit sponsorship of cultural and educational projects to prevent indirect tobacco advertising.
2. Replace ineffective text-only health warnings with prominent pictorial health warnings covering at least 85% of packaging, in line with WHO FCTC requirements.
3. Isolate TI policy intervention channels by legislating to prohibit TI representatives from participating in tobacco control policy-making bodies, such as the National Health Commission's Tobacco Control Committee. Eliminate STMA's dual role of policymaking and business operations in e-cigarette regulation by transferring regulatory authority to an independent agency.
4. Establish safeguards against conflicts of interest by mandating public disclosure of meeting records and consultation content between the TI and government departments. Include tobacco tax dependency in the negative list for evaluating local government performance and encourage economic diversification.
5. Strengthen anti-corruption and prevention mechanisms by extending them to cover former officials joining TI companies and the transfer of benefits to relatives.