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SUMMARY OF FINDINGS

1. Industry Participation in Policy Development

In 2024, the Pakistan Tobacco Company (PTC), a local subsidiary of British American Tobacco, sought regulatory changes to allow the production of banned 10-stick "kiddy packs" for export, but the Ministry of Health (MoH) rejected the proposal. Shortly after, the sudden dismissal of the national tobacco control focal point reportedly on the Prime Minister's orders caused disruption in tobacco control efforts, raising concerns over potential tobacco industry (TI) interference. While the government does not engage the TI in public health policymaking and excludes it from international delegations such as the COP, reports indicate the TI's attempts to exert influence through other ministries such as Finance and Commerce.

2. Industry CSR Activities

According to its Annual Report, PTC distributed about 4.2 million saplings in 2024. It partnered with the National Rural Support Program for sustainable wood fuel sourcing and collaborated with the Irrigation and Forest Departments to develop conservation forest sites, including planting 44 hectares of native species. PTC also collaborated with the Capital Development Authority to launch the "Throw and Grow" campaign in Islamabad's Margalla Hills.

3. Benefits to the Industry

Despite repeated government attempts to regulate the TI, delays in enforcement and weak implementation have allowed the industry to benefit significantly. The Federal Board of Revenue (FBR) launched the Track and Trace System in 2021, mandating tax stamps on all tobacco products from April 2022, yet full implementation was delayed until December 2024. During this period, the Prime Minister criticized the failure as a cruel joke, while the IMF raised concerns over non-compliance, but the TI continued to evade taxes, reportedly causing a Rs 40 billion loss due to poor monitoring of Green Leaf Threshing. Meanwhile, tobacco taxation increased incrementally, including higher excise on tobacco mixtures, acetate tow, e-liquids, and nicotine pouches.

4. Unnecessary Interaction

TI influence in Pakistan remains significant through high-level engagements, export incentives, and visible partnerships. PTC launched its global tobacco harm reduction platform, Omni, with participation from the Minister of State for Finance. PTC was later awarded for being a top taxpayer. It expanded exports of nicotine pouches to Japan under the "Made in Pakistan 3.0" initiative, inaugurated by the Ministry of Commerce. Meetings between tobacco executives and senior officials reflect continued access and influence. Notably, the Finance Minister met with BAT in London in 2025 to discuss excise duty and illicit trade, suggesting a mutual understanding around balancing health and trade goals.

No official record confirms that the government rejects industry assistance in enforcement actions. Meanwhile, tobacco exports have surged, rising by 538 percent in August 2024, supported by favorable FBR policies such as duty-free warehouse transfers. Provincial governments and agricultural bodies in KP and Punjab are also promoting modern tobacco farming practices. These developments highlight the industry's deep integration into national policies, economic planning, and institutional frameworks.

5. Transparency

The government lacks a disclosure policy for interactions with the TI, and there is no system to register affiliated organizations or lobbyists acting on its behalf. In May 2024, BAT executives met with the Prime Minister and officials from the Special Investment Facilitation Council, expressing concern over increased tobacco taxes, which they claimed led to a 38 percent drop in sales and a rise in illicit trade to 58 percent. BAT warned of potential divestment, prompting the Prime Minister to approve a committee to review export-related regulations.

6. Conflict of Interest

Pakistan has no law prohibiting political contributions from the TI or requiring disclosure of such donations. Additionally, there are no restrictions on former government officials or relatives of current officials holding positions in the TI. Several high-ranking retired civil and military officers currently serve on the board of PTC. While no current government official holds a post in the TI, the presence of influential former officials on PTC's board underscores the industry's access to high-level networks and policymaking.

7. Preventive Measures

Pakistan lacks a disclosure policy for tobacco control, although the National Tobacco Control Strategy has been approved. Public health officials at the Ministry of National Health Services, Regulations, and Coordination (MNHRC) adhere to Article 5.3 of the WHO FCTC in limiting interactions with the TI. While the Companies Ordinance 2017 mandates public companies, including tobacco firms, to disclose financial and operational data, this information is not effectively utilized for regulation. The MNHRC actively promotes interdepartmental awareness through workshops, circulars, and policy dialogues to prioritize health across sectors. The government follows the WHO FCTC guidelines prohibiting any gifts, study visits, contributions, or assistance from the TI to officials or their relatives.

RECOMMENDATIONS

1. Uphold public health interests by resisting pressure from TI influence.
2. Ensure institutional safeguards for health officials.
3. Exclude the TI from policymaking.
4. Develop a comprehensive disclosure framework.
5. Prohibit political donations and contributions from the TI.
6. Eliminate fiscal benefits and other privileges granted to the TI.