

Lao PDR



Summary of Findings

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Despite their efforts the tobacco industry (TI) was unsuccessful in stopping the adoption of the law requiring 75% pictorial health warnings (PHW) on cigarette packs. Now it has turned to interfering with implementation through non-compliance with the PHW requirements, and continues to attempt to influence policy and create further delays through the Ministry of Industry and Commerce and Prime Minister (PM) Office.

The draft Penalty Decree of the Tobacco Control Law by the Ministries of Health and Justice that will penalize companies violating the law has been delayed. The TI also tried to lobby the Ministry of Health to allow the establishment of a new tobacco company producing e-cigarettes for 100% export only.

The TI tried to interfere through the Prime Minister Office to draft a new minimum price policy but related Ministries rejected its proposal.

2. INDUSTRY CSR ACTIVITIES

There was no government acceptance or endorsement of TI-related CSR activities recorded, and CSR activities as a whole are banned.

The Prime Minister Decree on Tobacco Product Promotional Consumption Ban 2010 prohibits all forms of contributions from the TI.

3. BENEFITS TO THE INDUSTRY

PHW implementation was delayed by 180 days (6 months) in its implementation due to industry interference. The TI repeated the old excuse that “they had a large stockpile

of printed packets” and even requested a reduction in the size of the graphic image from 75% to 50%. The TI is actively interfering in the implementation of the law by not complying with the PHW regulation, especially the requirement of six graphics on rotation per 50,000 packs.

The 25-year (2001-2026) government joint venture (ILA) with the Imperial Tobacco Group is still in place; which caps tax increases and provides incentives to the TI that controls about 80% of the cigarette market. The benefit to the industry results in people not receiving the information about the harms caused by tobacco use, and the government loses substantial revenue.

4. UNNECESSARY INTERACTION

The government receives assistance from TI for anti-smuggling enforcement activities. The government's partnership agreement with Lao Tobacco Company/Imperial Tobacco is still in existence; facilitating further interaction.

5. TRANSPARENCY

The government does not publicly disclose their meetings or interactions with the TI. While the MOH does not meet with TI, other departments have varying levels of communication.

Tobacco companies are required to register; but there are still no rules for the disclosure or registration of TI-affiliated organizations or individuals who represent them.

6. CONFLICT OF INTEREST

There are no political campaigns in Lao PDR, hence no political donations. However, key government officials in the Ministries of Finance and Industry and Commerce currently hold positions in the TI Joint Venture Board of Management.



7. PREVENTIVE MEASURES

In December 2018, the Ministry of Health issued a Code of Conduct for the Health Sector (in government) to provide guidance on interacting with the TI. This code of conduct does not apply to the non-health sector. In Nov 2021, Article 4 of the Tobacco Control Law was amended, now requiring the State to protect public health policies from all forms of interference from the TI. However, the implementation of this measure is still weak, and ineffective among the non-health sector. There is a need to develop

sub-national law for individual codes for each Ministry to enhance the enforcement on Article 5.3

The 2016 Minister 'Regulation on Tobacco Control Law Implementation' requires the TI to provide yearly reports about ingredients in cigarettes. The government does not require the industry to submit information on tobacco production, manufacture, market share, marketing expenditures and revenues. The investment unit of the government may have access to this information, but it is not known to other government departments or used for tobacco control.

Recommendations

1. The 25-year (2001-2026) government joint venture (ILA) with Imperial Tobacco Group must be terminated.
2. If the government decides not to terminate the ILA, they should renew and remove all privileges and incentives in the ILA.
3. All government agencies should fully implement Article 4 of the Tobacco Control Law amended to protect public health policies from all forms of interference from the TI.
4. The industry must be asked to submit information on tobacco production, manufacture, market share, marketing expenditures and revenues to be used to strengthen tobacco control.