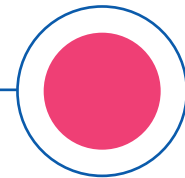


Czech Republic



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Summary of Findings

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

In April 2023 the government approved the National Addiction Policy Action Plan for 2023-2025. This plan focuses on the use of licit and illicit substances, gambling, and other forms of addictive behavior. The National Plan cites key points of the WHO MPOWER but without concrete aims like conceptual plan on taxes, adoption of plain packaging in future, ban on point-of-sale advertisement or the sale of tobacco products only in licensed shops. The Czech Republic also has no plan for Endgame (i.e. Smoke-free CR) to date.

There are signs of communication between the Ministry of Finance and the tobacco industry (TI) in raising taxes. The Ministry of Finance, as well as the Ministry of Industry and Trade and the Ministry of Agriculture do not want to disrupt the business of the TI. In practice this means a reluctance to introduce effective tobacco control policies that could have an impact on the business outputs of tobacco companies such as plain packaging, ban on advertising at the point of sale, sales in licensed stores - thereby increasing the affordability of cigarettes.

2. INDUSTRY CSR ACTIVITIES

In the first half of 2022, Philip Morris ČR reportedly allocated CZK 5.6 million in aid to refugees from Ukraine for the education of Ukrainian children and financial aid to schools and school facilities. In 2022, Philip Morris donated CZK 1 million to restore the urban forest in Hodonín, which was destroyed by a tornado in June 2021.

Three Prague hospitals, including one state hospital, received a donation of over CZK 7 million to fight COVID-19 pandemic. The extraordinary fund was managed by the Charter 77 Foundation - Barriers Account.

3. BENEFITS TO THE INDUSTRY

Heated tobacco is only about a quarter of the excise tax, compared to how much people pay in the total price of a pack of cigarettes. The excise tax on fine-cut tobacco is also lower compared to cigarettes. The tax is calculated differently according to the weight of the tobacco.

Flavored cigarettes including vanilla, blueberry and other varieties which are appealing to young demographics had been banned under EU regulations from 2018. Menthol cigarettes also fell under this ban, but were given a two-year exemption.

The government allows international travelers to bring duty-free 800 cigarettes or 400 cigarillos (max. 3 grams each) or 200 cigars or 1 kilogram of smoking tobacco into the country.

4. UNNECESSARY INTERACTION

Top level government officials meet with and foster relations with the tobacco companies such as attending social action. A representative of the tobacco company is a member of the Board of Directors of the Confederation of Industry and Transport of the Czech Republic.

In 2021, the Ministry of Finance recognized the twenty most important taxpayers in the country, including the TI.

JTI's Director of External Relations and Communications is also the chairman of the board of Water Foundation of



Life. Under the auspices of the Minister of the Environment, JTI established the vodazakladzivota.cz server, a new communication platform.

5. TRANSPARENCY

There is no procedure in place for disclosure of meetings or interactions government officials may have had with the TI in cases where such interactions are strictly necessary for regulation. A clear procedure needs to be established for publishing meetings and interactions with information that government officials may have with the TI.

6. CONFLICT OF INTEREST

The government does not prohibit contributions from the TI or any entity working to further its interests to political parties, candidates, or campaigns or disclosure of these contributions.

There is no recent record of newly retired senior government officials joining the tobacco industry upon

their retirement in the report period. However, there were at least 4 cases known of former officials moving into positions within the TI following the ending of their posting in government.

7. PREVENTIVE MEASURES

There is no procedure or code of conduct in place to guide officials when dealing with the TI.

Tobacco control is a multisectoral issue, thus it is not just the Ministry of Health but also other relevant Ministries such as the Ministry of Finance, Ministry of Agriculture and Ministry of Industry and Trade that should be involved in dialogues around the industry. It must be noted that the commitments of these ministries when highlighting public health policies against other priorities such as commercial aspects can be at odds. Currently the ministries do not view the adoption of preventive measures in Article 5.3 as important, and even reject the discussion on the possible introduction of individual tobacco control policies in the future.

Recommendations

1. Government departments should disclose all records of interaction with the TI and publish all contacts with TI on their website. At the very least, this should apply to members of interdepartmental working groups on the issue of comprehensive protection against tobacco damage (MPS KOTA).
2. The Ministry of Health should show leadership in implementing Article 5.3 by having a procedure to disclose any interaction with the TI and make its interactions public.
3. All incentives given to the industry should be disclosed.
4. Prohibit the appointment to public office of personalities recognized as representatives of the TI.