
Turkiye

**TOBACCO
INDUSTRY
INTERFERENCE
INDEX
2023**

Background and Introduction

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. To increase readability, the references to pieces of evidence are placed at the end of the report. The report includes information on incidents from April 2021 to March 2023, but also includes incidents prior to 2021 that still have relevance today.

Summary Findings

I INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Tobacco Industry has a voice in policy development in Türkiye. Vice Minister of Commerce is former board member of British American Tobacco Turkey since January 2019. Where, Ministry of Commerce is a member of the High Council Against Addiction, along with Ministry of Health, Ministry of Agriculture and Forestry, Ministry of Education and other ministries.

Tobacco taxation does not increase faster than inflation plus gross domestic product growth based on calculation using government's data due to interventions by Presidential Decisions. Any legislation amendment or implementation which brings benefits to the industry is considered as solid evidence for industry participation in policy development.

Tobacco industry is very keen on illicit tobacco trade prevention to get bigger turnovers and constantly brings the issue to public attention via media, demanding better implementation and law amendments. Industry also after eliminating small producers from the market. Expected law amendments like, obligatory annual minimum production capacity to produce, guarantees up to 50 million TL from producers in the market, and imprisonment from 2 years to 5 years for those who trade tobacco and tobacco products without obtaining an authorization certificate came in 2022.

2 INDUSTRY CSR ACTIVITIES

Philip Morris International donated \$2 million USD to support immediate humanitarian aid and long-term recovery assistance to the government through partnerships with relief agencies.

3 BENEFITS TO THE INDUSTRY

There are pending Regulations like implementing FCTC Article 5.3 since 2004.

Concerning Plain packaging law which was adopted in 2019 still does not specifically apply to tobacco products sold in duty free shops.

Any intervention to automatic tax increase is a benefit for the industry. The minimum fixed and fixed tax amounts for cigarettes and some tobacco products did not increase in the rate as indicated in the SCT Law or tax hike implementation was postponed during the reporting period.

Between January 2021 and August 2022, Government supplied investment incentives to 25 tobacco companies. With incentives (January 2019 - August 2022 period), a total of 2.722 tons/year waterpipe tobacco products and a total of 1575 tons/year other tobacco products production capacity were created.

4 UNNECESSARY INTERACTION

Top level government officials including the President attend social functions and events like presenting awards to tobacco industry representatives for their success in exports/sales.

5 TRANSPARENCY

The government does not publicly disclose its meetings or interactions with the tobacco industry. Any industry interference can only be noted through media monitoring by civil society actors.

It should be noted; SCT obtained from sales of tobacco products corresponds to approximately 9% of all tax revenues. The material weight of cigarette in CPI basket dropped to 3.57% in 2023 which was 5.7% in 2020.

Under current economic climate, it is obvious that structuring tax policies in tobacco products without industry intervention in Turkey, whose 85% income is from tax revenues, requires a sincere tobacco control will.

6 CONFLICT OF INTEREST

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.

There is no evidence of retired senior government officials form part of the tobacco industry, nor any record of current government officials holding positions in the tobacco industry.

7 PREVENTIVE MEASURES

Law No. 4703 requires the tobacco industry to periodically submit information on tobacco production and manufacture. Revenues are in scope of Tax Procedure Law. Any other activity, including lobbying, philanthropy, political contributions and all other activities are not allowed by Law No 4207. However, the government does not have program or plan to consistently raise awareness within its departments on policies related to Article 5.3. Moreover, despite FCTC rules, the government does not publicly disclose its meetings or interactions with the tobacco industry.

Tobacco Industry Interference Index 2023

Results and Findings

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| INDICATOR 1: Level of Industry Participation in Policy-Development | | | | | | |
| 1. The government ¹ 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. ² in setting or implementing public health policies in relation to tobacco control ³ (Rec 3.4) | | | | | | 5 |
| <p>Mr. Riza Tuna Turagay, board member of British American Tobacco Turkey (BAT) until January 2019, was appointed as Vice Minister of Commerce by Presidential Decision in Turkey. (Official Gazette, 18 January 2019, No.30659) The close association of the minister with his previous position with BAT leaves a door open for influence from the industry. The appointment of a tobacco industry executive to a governmental position is a violation of Article 5.3 of the FCTC and undermines the government’s duty to protect public health policy from undue influence from the tobacco industry.</p> <p>Vice Minister of Commerce (Former BAT Turkey board member) declares interaction with industries in his speech at Association of Customs Consultants meeting on 24 May 2019. -which is his duty/responsibility by the Turkish Commerce Law. By nature, every industry interaction with an official may include draft legislation, technical input, recommendations, or such proposals. Please see section 2, 3, 6, 7 for TI acquisitions.</p> <p>As the Parties to the WHO FCTC have agreed, “there is a fundamental and irreconcilable conflict between the tobacco industry’s interests and public health policy interests”. Unless reported by The Ministry, details of any interactions with the tobacco industry remain confidential(!) and therefore must be treated with zero tolerance.</p> <p>Besides, The Ministry of Commerce is a member of The High Council for Combating Addiction (UNHK) which serves as the Tobacco Control Unit of the Nation. UNHK steer the direction of national tobacco control policy and strategy, and with a leading role to ensure effective implementation.</p> <p>Mr. Riza Tuna Turagay is still holding Vice Minister of Commerce position.</p> | | | | | | |
| 2. The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4) | | | | | | 5 |
| <p>Any legislation amendment or implementation which brings benefits to the industry is considered as solid evidence to show the government accepts or endorses policies or legislation drafted by or in collaboration with the tobacco industry.</p> <p>Tobacco taxation does not increase faster than inflation plus gross domestic product growth based on calculation using government’s data due to interventions. The Article 12 of the Special Consumption Tax Law was not implemented as per Presidential Decision.⁴</p> | | | | | | |

¹ 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.

² The term, “tobacco industry’ includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

³ “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour

⁴ Presidential Decision, Official Gazette, 27 May 2022, No.31848 – Decision No.5614, Accessed from (<https://www.resmigazete.gov.tr/eskiler/2022/05/20220527-9.pdf>) last July 16, 2023.

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| <p>Law Amending the Law on Regulation of Tobacco, Tobacco Products and Alcohol Market and Certain Laws numbered 7423 and in the Anti-Smuggling Law brought many benefits to Big Tobacco Cartels against local tobacco growers and producers. ⁵</p> <p>Those regulations include:</p> <p>“It is obligatory to establish a facility with an annual production capacity of 2 billion for those who want to produce macarons, leaf cigarette paper and cigarette filters.”</p> <p>“Guarantees up to 50 million TL can be obtained in order to ensure the security of the receivables that may arise from the producers in the tobacco, tobacco products and alcoholic beverages market, excluding cooperatives.”</p> <p>“Those who trade tobacco without obtaining an authorization certificate from the Ministry of Agriculture and Forestry will be sentenced to imprisonment from 2 years to 5 years.”</p> <p>Accordingly, if local tobacco producers are caught on the way to take their tobacco from farm to sales point, producer will be punished with a penalty of between three and eight years.</p> <p>All effective on the day Law was published.</p> <p>Prior to these amendments in Laws, it is noted that Aegean Tobacco Exporters' Association Vice Chairman of the Board Noyan Gürel stated that the increase in illegal tobacco production in Turkey harms both the exporter and the state, and publicly asked for this to be prevented on June 27, 2022.⁶</p> | | | | | | |
| <p>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</p> | | | | | | 5 |
| <p>Board member of British American Tobacco Turkey (BAT) presented at the Ministry of Commerce at Vice Minister level (Mr. Riza Tuna Turagay) amounts to “the government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy”.</p> <p>Ministry of Commerce is a member of the High Council Against Addiction, along with Ministry of Health, Ministry of Agriculture and Forestry, Ministry of Education and other ministries. The High Council is established to contributing to addiction policies including tobacco addiction with the Presidential Circular No. 2019/2.⁷</p> | | | | | | |
| <p>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.</p> | | 1 | | | | |

⁵ Law Amending the Law on Regulation of Tobacco, Tobacco Products and Alcohol Market and Certain Laws numbered 7423 and in the Anti-Smuggling Law, Official Gazette, 10 December 2022, and No.32039 Accessed from (<https://www.resmigazete.gov.tr/eskiler/2022/12/20221210-1.htm>) last July 16, 2023.

⁶ Sedat Alp, Tütünde kayıtdışı satışın artması ihracat kontratlarını zora sokuyor, Accessed from (<https://www.dunya.com/sectorler/tarim/tutunde-kayitdisi-satisin-artmasi-ihracat-kontratlarini-zora-sokuyor-haberi-358514>) last July 16, 2023.

⁷ Presidential Circular, Official Gazette, 14 January 2019, and No.30686, Accessed from (<https://www.resmigazete.gov.tr/eskiler/2019/02/20190214-12.pdf>) last July 16, 2023.

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| (i.e. COP 4 & 5, INB 4 5, WG) ⁸ (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year. For non-Parties, apply a score of '0' | | | | | | |
| Turkiye's delegation did not include any representative of the tobacco industry. ⁹ | | | | | | |
| Board member of British American Tobacco Turkey (BAT) represented in the Ministry of Commerce at Vice Minister level can be allowed as a member of the government delegation to participate in the delegation to any FCTC related meetings in COP9. And that there are three representatives from Ministry of Trade in the list. | | | | | | |
| INDICATOR 2: Industry CSR activities | | | | | | |
| 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) | | | | | | |
| B. The government (its agencies and officials) receives CSR contributions ¹⁰ (monetary or otherwise, including CSR contributions) from the tobacco industry or those working to further its interests during the pandemic. (Rec 6.4) | | | | | | 5 |
| <i>NOTE: exclude enforcement activities as this is covered in another question</i> | | | | | | |
| Following the February 2023 earthquake in Turkiye, JTI Turkey and PMI publicly announced their donations to relief efforts. PMI, committed \$2 million USD to support immediate humanitarian aid and long-term recovery assistance through partnerships with relief agencies approved by the government. ¹¹ Such donations from the TI constitute a breach of Article 5.3 of the WHO Framework Convention on Tobacco Control, to which Turkey is a party. Servicing such news to the press by TI is also a breach of advertisement ban. Any CSR activity and advertisement is restricted by Law. | | | | | | |
| 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) | | | | | 4 | |
| Concerning; Law 5261 on the Implementation of WHO FCTC Law 4733 on the Regulation of Tobacco, Tobacco Products and Alcohol Market Law 4207 on the Prevention and Control of Hazards of Tobacco Products There are pending Regulations like implementing FCTC 5.3 since 2004. | | | | | | |
| The Article 12 of the Special Consumption Tax Law No. 4760 regulates that the ad valorem and minimum excise tax amounts of the tobacco products specified within the List No. (III) of the Law, shall be redetermined every January and July automatically according to the domestic produce price index in the past 6 months by the Turkish Statistical Institute. | | | | | | |

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

⁹ WHO FCTC. FCTC/COP9/DIV. List of Participants, Accessed from (<https://untobaccocontrol.org/downloads/cop9/additional-documents/COP9-List-of-Participants.pdf>) last July 16, 2023.

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

¹¹ Haber Merkezi, Philip Morris'ten deprem bölgesine 40 milyon TL destek, Accessed from (<https://www.dunya.com/sirketler/philip-morristen-deprem-bolgesine-40-milyon-tl-destek-haberi-685899>) last July 16, 2023.

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| <p>The same Article 12 also authorizes the President, to suspend the automatic implementation of the provision, to set the special consumption tax other than the domestic produce price index and not to tax all tobacco products in a comparable way yielding to risk of substitution by issuing Presidential Decision. The president is authorized to determine the implementation periods as days or months, or to decide not to apply the redetermined amounts in line with PPI, but to increase the SCT up to three times or to reduce it down to zero.</p> <p>Upon Presidential Decision which interfered automatic tax increase implementation, tobacco tax increases did not exceed inflation as of end of 2022 based on calculation using local government's data. In addition, the percentage of GDP per capital required to purchase cigarettes decreased from 2020 to 2022 and therefore cigarettes became more affordable.¹²</p> | | | | | | |
| <p>7. The government gives privileges, incentives, tax exemptions or benefits to the tobacco industry (Rec 7.3)</p> | | | | | | 5 |
| <p>Between Jan 2021 and Aug 2022, Ministry of Industry and Technology supplied investment incentives in the form of either VAT, customs duty exemption, tax reduction, bank interest support, cash contribution to investment, Insurance Premium Employer Share exemption and such to twentyfive (25) tobacco companies. Supported projects include manufacturing of cigarettes, waterpipe tobacco, macarons/RYO tobacco, cigarette paper and filters, tobacco processing machines and processed tobacco.¹³</p> <p>Unlike to EU countries, international travelers can bring 600 cigarettes and 100 cigarillos and 50 cigars and 250g of tobacco and also 10 single use electronic cigarettes or 1 vaping device and 30 ml of vape liquid or 200 of single use sticks into Türkiye. Law amendment on plain packaging which was adopted in 2019 still does not specifically apply to tobacco products sold in duty free shops.¹⁴</p> | | | | | | |
| INDICATOR 4: Forms of Unnecessary Interaction | | | | | | |
| <p>8. Top level government officials (such as President/ Prime Minister or Minister¹⁵) 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)</p> | | | | | | 5 |
| <p>Top level government officials attend social functions and events like presenting awards to tobacco industry representatives for their success in exports/sales.</p> <p>JAPAN TOBACCO INTERNATIONAL rewarded by the Türkiye Exporters Assembly in the "Industry Winner" category in 2022. Awards to the winners presented by the President.¹⁶</p> <p>Rewarded champions with the President at the Award Ceremony photo: "Champions of exports worth 344 billion dollars received their awards from President Erdoğan" https://tim.org.tr/tr/default</p> | | | | | | |

¹² Presidential Decision, Official Gazette, 27 May 2022, No.31848 - Decision No. 5614/2022, Accessed from (<https://www.resmigazete.gov.tr/eskiler/2022/05/20220527-9.pdf>) last July 16, 2023.

¹³ Trade Ministry's Monthly Investment Incentive Permit Lists, Accessed from (<https://www.sanayi.gov.tr/istatistikler/yatirim-istatistikleri/mi1304021615>) last July 16, 2023.

¹⁴ Trade Ministry, Yolcu Muafiyetleri, December 01, 2022, Accessed from (<https://ticaret.gov.tr/gumruk-islemleri/sikca-sorulan-sorular/bireysel/yolcu-muafiyetleri>) last July 16, 2023.

¹⁵ Includes immediate members of the families of the high-level officials

¹⁶ Türkiye Exporters Assembly, Champions of exports worth 344 billion dollars received their awards from President Erdoğan, Accessed from (<https://tim.org.tr/tr/344-milyar-dolarlik-ihracatin-sampiyonlari-odullerini-cumhurbaskani-erdogan>) last July 16, 2023.

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| 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) | 0 | | | | | |
| There is no publicly available evidence of the government accepting any assistance from the tobacco industry. | | | | | | |
| 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) <i>NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i> | 0 | | | | | |
| There is no publicly available evidence that the government accepts, supports, or endorses, or enters into partnerships or agreements with the tobacco industry. | | | | | | |
| INDICATOR 5: Transparency | | | | | | |
| 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 |
| The government does not publicly disclose its meetings or interactions with the tobacco industry. | | | | | | |
| 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 |
| There is no requirement for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists. | | | | | | |
| INDICATOR 6: Conflict of Interest | | | | | | |
| 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 |
| There is no prohibition on contributions from the tobacco industry. | | | | | | |
| 14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4) | 0 | | | | | |
| There is no evidence of retired senior government officials form part of the tobacco industry. | | | | | | |
| 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 | | | | | |
| There is no record of current government officials holding positions in the tobacco industry. | | | | | | |
| INDICATOR 7: Preventive Measures | | | | | | |
| 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 with the tobacco industry. | | | | | | |
| 17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they | | | | | | 5 |

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| 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> | | | | | | |
| The government has not adopted or implemented a code of conduct for public officials, prescribing the standards 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 | | | |
| Law No. 4703 requires the tobacco industry to periodically submit information on tobacco production and manufacture. Revenues are in scope of Tax Procedure Law. Any other activity, including lobbying, philanthropy, political contributions and all other activities are not allowed by Law No 4207. | | | | | | |
| 19. The government has a program / system/ plan to consistently ¹⁷ raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2) | | | | | | 5 |
| The government does not have program or plan to consistently raise awareness within its departments on policies related to 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 |
| There is no specific regulation disallowing acceptance of such contributions from tobacco industry. In general, public officials are not allowed to receive any contributions while performing their duties by Civil Servants Law No. 657 - There is no control mechanism. | | | | | | |
| TOTAL SCORE | | | | | | 72 |

¹⁷ 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.