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Sri Lanka

**TOBACCO  
INDUSTRY  
INTERFERENCE  
INDEX  
2023**

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Tobacco Industry Interference Index being a global survey on industry interferences in countries and their respective governments' responses to these interferences, provides valuable insight into the level of tobacco industry lobbying and meddling in effective implementation of tobacco control policies within countries.

The index provides large contribution to strengthen tobacco control, support preventive measures, conduct media advocacy and create awareness among policy makers and other target groups in Sri Lanka. Therefore, we extend our gratitude to the Global Center for Good Governance in Tobacco Control, Thailand, for their technical support in preparing this study and compiling the index. We are grateful for funding support from the Bloomberg Philanthropies.

We greatly appreciate the efforts of the staff members of Alcohol and Drug Information Centre (ADIC), volunteers and members of Youth Action network (YAN), the youth wing of ADIC, for successful completion of the study in Sri Lanka. Our special thanks also go to the Faculty of Medicine, University of Colombo and the Centre for Combating Tobacco (CCT), Sri Lanka for their support in compiling the details regarding the information required in the study.

Maintaining the continuity of the study is highly important as monitoring the level of interferences by the tobacco industry is essential to block such incidents and accelerate the process of effective implementation of tobacco control policies.

## Background and Introduction

Tobacco use is a major public health problem in Sri Lanka, with devastating consequences for individuals and society. According to the National Authority on Tobacco and Alcohol, tobacco use is responsible for approximately 20,000 deaths in Sri Lanka each year.<sup>1</sup> In addition to causing numerous health problems, tobacco use also places a significant economic burden on Sri Lanka, with estimated costs of tobacco use totaling LKR 214 billion in 2016 or 1.6 percent of GDP alone.<sup>2</sup> The tobacco industry has played a significant role in promoting tobacco use in Sri Lanka, particularly among vulnerable populations such as youth and women.<sup>3</sup>

The harmful effects of tobacco on Sri Lankan individuals are numerous. Tobacco use is a major risk factor for heart disease, stroke, cancer, and respiratory illness. In addition to causing health problems, tobacco use also places a significant economic burden on individuals and families, with medical costs and lost productivity due to illness.

Ceylon Tobacco Company (CTC) owns almost a monopoly (99%) share of the domestic cigarette market with the remaining 1% comprising of imported cigarettes. British American Tobacco (BAT) owns 84% of CTC. In 2021, CTC reported a cigarette volume growth of 4.3%,<sup>4</sup> CTC manufactured 2,384 million sticks, distributed through about 60,063 retailers and traders. In 2022, CTC used its trade loyalty (Abhisheka) programme for its trade partners and its e-commerce platforms to facilitate better accessibility to its cigarettes. There are three other tobacco manufacturing companies namely, United Tobacco Processing Pvt Ltd, Thansher and Company and Agio Tobacco Processing Company Pvt Ltd, which produce cigar, tobacco cuts and semi-manufactured tobacco mainly for the export market.<sup>5</sup>

The industry has used deceptive marketing practices and aggressive lobbying to prevent effective tobacco control policies. For example, the tobacco industry has opposed graphic health warnings on cigarette packs, which have been shown to be effective in reducing tobacco use. In 2015, Sri Lanka's Supreme Court upheld a regulation requiring graphic health warnings to cover 80% of cigarette packs, despite legal challenges from the tobacco industry.<sup>6</sup> The industry has marketed flavored tobacco products and used sponsorships of events and activities to

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<sup>1</sup> Estimate developed by the National Authority on Tobacco and Alcohol. 2018, National Authority on Tobacco and Alcohol, Sri Lanka: Unpublished. Accessed on 22<sup>nd</sup> of February 2023

<sup>2</sup> UNDP. Investment case tobacco control in Sri Lanka. 29 Aug 2019. <https://www.undp.org/publications/investment-case-tobacco-control-sri-lanka> Accessed on 22<sup>nd</sup> of February 2023

<sup>3</sup> Seimon T. Ad Watch: Strategic marketing of cigarettes to young people in Sri Lanka. Tobacco Control. BMJ <https://tobaccocontrol.bmj.com/content/7/4/429> Accessed on 22<sup>nd</sup> of February 2023

<sup>4</sup> CTC 2021 Annual report Accessed on 4<sup>th</sup> of April 2023

[https://www.ceylontobaccocompany.com/group/sites/SRI\\_9PMJN9.nsf/vwPagesWebLive/DOCCAF97/\\$FILE/CTC\\_Annual\\_Report\\_2021.pdf?openelement](https://www.ceylontobaccocompany.com/group/sites/SRI_9PMJN9.nsf/vwPagesWebLive/DOCCAF97/$FILE/CTC_Annual_Report_2021.pdf?openelement)

<sup>5</sup> [https://www.tobaccounmasked.com/index.php/Tobacco\\_Industry\\_Country\\_Profile\\_%E2%80%93\\_Sri\\_Lanka](https://www.tobaccounmasked.com/index.php/Tobacco_Industry_Country_Profile_%E2%80%93_Sri_Lanka) Accessed on 4<sup>th</sup> April 2023

<sup>6</sup> <https://untobaccocontrol.org/impfdb/sri-lanka-health-warnings-now-cover-80-of-pack-surfaces/> Accessed on 22<sup>nd</sup> of February 2023

promote tobacco use among youth.<sup>7</sup> In addition, the tobacco industry has targeted women with marketing campaigns that associate smoking with glamour and independence.

In 2021, during the COVID-19 pandemic, CTC reported it obtained regulatory approvals to continue uninterrupted manufacturing and distribution activities during the lockdowns.

Efforts to reduce tobacco use in Sri Lanka have been ongoing, with the government implementing a range of tobacco control policies in recent years. In 2016, the Minister of Health issued regulations prohibiting the manufacture, importation, and sale of smokeless tobacco products, e-cigarettes containing tobacco, and cigarettes that are flavored, colored, or sweetened.<sup>8</sup>

Despite these efforts, challenges remain in reducing tobacco use in Sri Lanka. According to the global adult tobacco survey<sup>9</sup> for Sri Lanka for 2020, the prevalence of tobacco use among adults in Sri Lanka was 19.4% (9.1% overall smoking prevalence), with higher rates among men (36.2%) than women (4.9%). Tobacco use is also prevalent among certain populations, such as low-income and rural communities. In addition, the tobacco industry continues to promote its products through various channels, including point-of-sale marketing and sponsorships of events and activities.

The WHO FCTC Article 5.3 guidelines is a tool to assist the government to protect its tobacco control measures from tobacco industry interference. This report provides information on how well the government is implementing the recommendations outlined in the guidelines. This country profile is prepared by using publicly available information from the period of 1st of April 2021 to 31st of March 2023.

This is Sri Lanka's fifth report in the series. This year's overall score is 42 points, an improvement from the last report where the score was 45, mainly due to improvements in indicator 4 concerning unnecessary interactions with the industry, where no instances were found covering the survey period.

This report uses a questionnaire developed by the Southeast Asia Tobacco Control Alliance (SEATCA) based on the Article 5.3 Guidelines.<sup>10</sup> A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates the highest level of industry interference, and 1 is low or no interference. Hence 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

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<sup>7</sup> <https://web.archive.org/web/20180703090534/http://www.sundaytimes.lk/180701/business-times/ctc-launches-fruit-flavoured-cigarette-300066.html> Accessed on 22<sup>nd</sup> of February 2023

<sup>8</sup> <https://www.tobaccocontrollaws.org/legislation/sri-lanka/summary#:~:text=Tobacco%20Packaging%20and%20Labeling&text=It%20is%20prohibited%20to%20manufacture,flavored%2C%20colored%2C%20or%20sweetened.> Accessed on 22<sup>nd</sup> of February 2023

<sup>9</sup> GATS| Global Adult Tobacco Survey Sri Lanka 2020 fact sheet [http://www.statistics.gov.lk/Resource/en/OtherCensusandSurveys/SurveyReports/SLK\\_GATS\\_2019\\_2020%20Factsheet.pdf](http://www.statistics.gov.lk/Resource/en/OtherCensusandSurveys/SurveyReports/SLK_GATS_2019_2020%20Factsheet.pdf) Accessed on 23<sup>rd</sup> of February 2023

<sup>10</sup> <https://tobaccocontrol.bmj.com/content/25/3/313> Accessed on 23<sup>rd</sup> of February 2023

an average. The report includes information on incidents from April 2021 to March 2023, but also includes incidents prior to April 2021 that still have relevance today. The information contained in this report will form part of the Global Tobacco Industry Interference Index, a global survey of how public health policies are protected from the industry's subversive efforts, and how governments have resisted this influence.

## Summary Findings

### I INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

There is no evidence to support that the government accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry in setting or implementing public health policies in relation to tobacco control. Furthermore, the Ministry of Health remains committed to implementing strong tobacco control measures. In January 2023, the Ministry of Finance raised duty on tobacco and alcohol to increase state revenue and discourage their consumption. In 2021, Sri Lanka had collected LKR249.6 billion (\$687 million) in taxes from alcohol and tobacco products.

### 2 INDUSTRY CSR ACTIVITIES

Most forms of tobacco related CSR activities are banned with the exception of those with publicity that does not use brand names or trademarks and publicity of sponsored individuals. British American Tobacco (BAT), the parent company of CTC has reported several environmental, social and governance (ESG) projects conducted in Sri Lanka in their 2020 ESG report such as installing water filtration plants in partnership with Sri Lankan navy during the COVID-19 pandemic. CTC was also involved in reforestation projects in conjunction with government agencies. Some projects from the past are still carried out and some new projects like the vocational training scholarships done by Outreach Projects (Guarantee) Limited a fully owned subsidiary of Ceylon Tobacco Company PLC were started by the industry.

### 3 BENEFITS TO THE INDUSTRY

There are still irregularities in tobacco taxation in Sri Lanka. Tobacco tax in Sri Lanka is a tiered taxation based on stick length. There were many proposals to change the tax, in 2019 budget speech stated systematically indexing the prices of cigarettes in line with nominal GDP growth and in 2021 to a GST (at a rate of 40%) but none of these have been implemented. Since 2020 the ban on single stick sale is still delayed. There were previous attempts to ban the single cigarette sale in the 2018 draft bill, but it was not approved. The finance minister revealed the objection was because it may reduce the tax revenue due to reduced cigarette sales and switching to beedi. Introduction of plain packaging obtained cabinet approval in 2018 but was delayed due to administrative causes unrelated to industry interference. In 2017, the government of Sri Lanka decided to ban tobacco cultivation by the year 2020, though it is not yet implemented.

#### **4 UNNECESSARY INTERACTION**

For the duration of this report no such instances were found.

#### **5 TRANSPARENCY**

Interactions with the tobacco industry are not disclosed publicly. The government does not require registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists.

#### **6 CONFLICT OF INTEREST**

The government does not prohibit contributions to political parties from the tobacco industry or any entity working to further its interests. There were instances where people who worked with the tobacco industry joined government positions in the past. The government does not specify a period of non-involvement to persons previously employed by the tobacco industry. Also, Sri Lanka has a lack of campaign finance laws thus candidates or parties are not required to disclose information on the funds spent on their campaigns or donations received.

#### **7 PREVENTIVE MEASURES**

Government has not put in place a procedure for disclosing the records of the interaction with the tobacco industry. But NATA has developed a guideline to implement Article 5.3 in 2019 but is still being finalized. Tobacco production, imports and the quantity of manufactured cigarettes must be disclosed for taxation purposes. However, there is no procedure to report lobbying, philanthropy and political contributions. While there is a code of conduct for government / public officials to restrict acceptance of gifts and contributions for their service other than what is already allowed in the establishment code or departmental protocols, this does not restrict government officials from taking part in events, study visits sponsored by the tobacco industry.

#### **8 RECOMMENDATIONS**

1. Implement a comprehensive ban on all forms of tobacco industry related CSR activities as recommended in the WHO FCTC guidelines.
2. The government should implement the national guidelines on Article 5.3 of WHO FCTC.
3. Tobacco related policies such as taxation must be given high priority as public health measures and should be based on evidence-based and scientific methodologies to avoid industry manipulation. Guidelines for implementation of Article 6 of the WHO FCTC states specific uniform tax systems are easy to implement and administer, because only the volume, and not the value, of the product needs to be ascertained.
4. Awareness programs on WHO FCTC Article 5.3 should be conducted regularly for government officials and across all its departments.

5. There should be exit policy term limits for retired government officials for 5 years so that they do not join the tobacco industry immediately and a cooling-off period should be specified for former tobacco industry executives who want to serve in public office.

6. Expedite implementation for the code of conduct for government officials.

The government should require rules for the disclosure of Tobacco Industry affiliated organizations, individuals acting on behalf of the tobacco industry and lobbyists.

## SRI LANKA

### Tobacco Industry Interference Index 2023

#### Results and Findings

	0	1	2	3	4	5
<b>INDICATOR I: Level of Industry Participation in Policy-Development</b>						
1. The government <sup>11</sup> 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. <sup>12</sup> in setting or implementing public health policies in relation to tobacco control <sup>13</sup> (Rec 3.4)		1				
<p>There is no evidence to support that the government accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry in setting or implementing public health policies in relation to tobacco control.</p> <p>The National Authority on Tobacco and Alcohol (NATA) plans to raise the minimum age of sale, purchasing and promotion of tobacco products from 21 to 24 among several other changes after an amendment to the Tobacco and Alcohol Act.<sup>14</sup></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)			2			
<p>The government does not accept or endorse policies or legislation drafted by or in collaboration with the tobacco industry.</p> <p><b>Tobacco Taxation:</b> Cigarette brands have over 70% of tax (Excise + Value-Added Tax (VAT)) imposed from retail price.</p> <p><b>A smoke free environment:</b> National Authority on Tobacco and Alcohol (NATA) act article 39 has established a smoke free environment.</p> <p><b>Packaging &amp; Labelling:</b> Pictorial Health Warnings are already in place for 80% of the pack with tar and nicotine content.</p>						

<sup>11</sup> 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

<sup>12</sup> The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

<sup>13</sup> “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour

<sup>14</sup> <https://newsin.asia/minimum-age-of-sale-for-tobacco-products-in-sri-lanka-to-be-raised-to-24/> Accessed on 1<sup>st</sup> of March 2023

	0	1	2	3	4	5
<b>Advertising, Promotions and CSR:</b> Most forms of advertising, promotions and CSR activities for the tobacco industry have been banned under article 35 & 36.						
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) 1 Never 5 Yes		1				
No, the government does not allow/invite the tobacco industry to sit in government interagency/ multi sectoral committee/ advisory group that sets public health policy.						
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. (i.e. COP 4 & 5, INB 4 5, WG) <sup>15</sup> (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year. For non-Parties, apply a score of '0'		1				
There have not been instances where the tobacco industry (or its representatives) was in the delegation to COP or its related meetings.						
<b>INDICATOR 2: Industry CSR activities</b>						
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 <sup>16</sup> (monetary or otherwise, including CSR contributions) from the tobacco industry or those working to further its interests during the pandemic. (Rec 6.4) <i>NOTE: exclude enforcement activities as this is covered in another question</i>						5
<p>Most forms of advertising, promotions and CSR activities for the tobacco industry have been banned under article 35 &amp; 36. According to the NATA act no. 27 of 2006; section 36, TI cannot sponsor Educational, cultural, social or sporting organization, activity or event. However publicity that does not use brand names or trademarks and publicity of sponsored individuals are allowed.</p> <p>Outreach Projects (Guarantee) Limited (Outreach) is a fully owned subsidiary of Ceylon Tobacco Company PLC (CTC). Senaka De Fonseka, Chief Operating Officer of Outreach Projects (Guarantee) Limited has stated that they have partnered with the National Apprentice and Industrial Training Authority (NAITA) and the National Youth Services Council (NYSC) of Sri Lanka for the initiative, ‘Viyawasayakaya’, that aims to provide skills-based vocational training</p>						

<sup>15</sup> Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

<sup>16</sup> political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions



scholarships to 1,000 budding entrepreneurs pursue high demand vocations with a qualification.<sup>17</sup>

CTC reported spending Rs. 73 million on CSR activities.<sup>18</sup> Although there are only a small number of tobacco growers (300 families), CTC’s report on CSR exaggerates its programmes has having 35,000 beneficiaries.

The Forest Department is collaborating with CTC on reforestation programmes:

- an ongoing project to plant 5,000 species of indigenous trees in a Government-owned 12acre land in Sigiriya, which is part of the Murugahitikanda Forest Reserve.
- In 2021, the Kottawa Forest Office, received 2,500 jackfruit saplings from CTC to be planted in the Kanneliya Forest Reserve buffer zone.

CTC’s community programmes include:

- Pawura programme – the Hettiawatta Fire Brigade received refurbishment and equipment for firemen from CTC

Since 2012, the Company has maintained a 123-acre Government owned land in Matale, and in collaboration with the University of Peradeniya is converting this eucalyptus plantation to an indigenous forest.

**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
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The budget speech in March 2019 announced a policy aimed at systematically indexing the prices of cigarettes in line with nominal GDP growth but it has not yet been properly implemented so far.<sup>19</sup> NATA announced a new tax formula aimed at increasing cigarette prices by 6% annually. NATA’s Chairman, revealed that this will make it harder for people to purchase cigarettes. The proposed tax formula includes six components, namely cigarette tax percentage, proposed price for the next year, inflation, present price, GDP, and an externality factor of 4%.<sup>20</sup> Despite the fact that the announcement of the tax increase through indexing was made in 2019, the implementation of the tax was delayed for a period of 4 years, which proved advantageous for the industry. However, instead of adhering to the standard indexation procedure, a 20% tax hike was put into effect in January of 2023.

Delay in plain packaging implementation benefits the industry. The introduction of plain packaging has been delayed and has not been implemented since it was first proposed in 2016<sup>21</sup> and approved by the Cabinet in 2018.<sup>22</sup> Delay in passing the bill

<sup>17</sup> <https://island.lk/outreach-projects-empowers-87000-beneficiaries-island-wide/> Accessed on 1<sup>st</sup> of March 2023  
<sup>18</sup> CTC 2021 Annual report: [https://www.ceylontobaccocompany.com/group/sites/SRI\\_9PMJN9.nsf/vwPagesWebLive/DOCCAF97/\\$FILE/CTC\\_Annual\\_Report\\_2021.pdf?openelement](https://www.ceylontobaccocompany.com/group/sites/SRI_9PMJN9.nsf/vwPagesWebLive/DOCCAF97/$FILE/CTC_Annual_Report_2021.pdf?openelement) pg 19 Accessed 4<sup>th</sup> of April  
<sup>19</sup> <https://www.dailymirror.lk/features/Will-government-forget-the-formula-on-cigarette-taxation-again/185-238067> Accessed on 1<sup>st</sup> of March 2023  
<sup>20</sup> <https://island.lk/nata-wants-price-of-cigarettes-increased-annually-by-six-percent/> Accessed on 27<sup>th</sup> of March 2023  
<sup>21</sup> <https://dailynews.lk/2016/11/08/local/98470?page=1> Accessed on 4<sup>th</sup> of April 2023  
<sup>22</sup> [http://www.health.gov.lk/moh\\_final/english/news\\_read\\_more.php?id=789](http://www.health.gov.lk/moh_final/english/news_read_more.php?id=789) Accessed on 5<sup>th</sup> of March 2023

	0	1	2	3	4	5
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on ban on single stick sales benefits the tobacco industry. It is probable that the Industry is also using subtle influence to delay this further and even to get it reversed.

In 2017, the government of Sri Lanka decided to ban tobacco cultivation by the year 2020, though it is not yet implemented.<sup>23</sup> Almost 100% of the tobacco used for cigarette manufacturing in Sri Lanka is cultivated locally.<sup>24</sup> In 2018, the total area under tobacco cultivation was only 1,338 hectares, or 0.06 per cent of agricultural land. Leaf production has also declined dramatically, and the Ministry of Agriculture estimates there are only about 300 families growing tobacco.<sup>25</sup> Delay in carrying out this ban benefits the tobacco industry directly and indirectly influencing against this ban.

There has been no evidence of direct interference in public health measures during the period of this report, but public health measures they have been successfully approved before that, such as the ban on single stick sale, plain packaging and ban on tobacco growing are yet to be implemented. There are no records/proof to show that the government is accepting and/or supporting offer of collaboration with the tobacco industry.

7. The government gives privileges, incentives, tax exemptions or benefits to the tobacco industry (Rec 7.3)

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There are no **tax** privileges, incentives, exemptions or benefits to the tobacco industry.

In January 2023, the Ministry of Finance raised duty on tobacco and alcohol to increase state revenue and discourage their consumption. In 2021, Sri Lanka had collected LKR249.6 billion (\$687 million) in taxes from alcohol and tobacco products.<sup>26</sup>

International travellers are allowed to bring in duty free 200 cigarette sticks or 100 cigarillos or 50 cigars or 250g tobacco per person.

#### INDICATOR 4: Forms of Unnecessary Interaction

8. Top level government officials (such as President/ Prime Minister or Minister<sup>27</sup>) 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)

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For the period of this report instances of top government officials meeting with/fostering relationships with tobacco companies were not found.

<sup>23</sup> <https://web.archive.org/web/20170822082445/http://dailynews.lk/2017/06/07/local/118272/tobacco-cultivation-be-banned-2020> Accessed on 3<sup>rd</sup> of March 2023

<sup>24</sup> <https://www.ips.lk/transforming-tobacco-farming-in-sri-lanka/> Transforming tobacco farming in Sri Lanka pg 4. Accessed on 1<sup>st</sup> of March 2023

<sup>25</sup> UNDP. Investment case for Tobacco Control in Sri Lanka. 2019 Accessed on: 24 April 2023. <https://www.undp.org/publications/investment-case-tobacco-control-sri-lanka>

<sup>26</sup> <https://tobaccoreporter.com/2023/01/04/sri-lanka-increases-tobacco-duty/> Accessed on 4<sup>th</sup> April 2023

<sup>27</sup> Includes immediate members of the families of the high-level officials

	0	1	2	3	4	5
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					
For the period of this report such instances were not reported.						
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					
No such event was recorded.						
<b>INDICATOR 5: Transparency</b>						
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)	0					
There is no evidence to suggest that the government had undisclosed 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
Tobacco product manufacturers need registration. Since CTC is a publicly listed company, under security exchange commission (SEC) rules, Company CEO, Directors, Company Secretary, Registrars need to be disclosed. Joint ventures, mergers, acquisitions and take-overs should be disclosed as well. <sup>28</sup> However the government does not require affiliated organizations, individuals acting on behalf of the tobacco industry and lobbyists to be disclosed. This is nothing specific to the tobacco industry and it is common for all public enterprises in Sri Lanka.						
<b>INDICATOR 6: Conflict of Interest</b>						
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
Sri Lanka has a lack of campaign finance laws thus candidates or parties are not required to disclose information on the funds spent on their campaigns or donations received <sup>29</sup>						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)	0					

<sup>28</sup> <https://cdn.cse.lk/pdf/Section-9-17.01.2018.pdf> pg 5,6. Accessed on 27<sup>th</sup> of March 2023

<sup>29</sup> <https://www.newsfirst.lk/2019/08/27/sri-lanka-is-yet-to-comprehend-the-need-for-campaign-finance-laws/> Accessed on 27<sup>th</sup> of March 2023

	0	1	2	3	4	5
No retired senior government officials have been part of the tobacco industry or the duration considered for this report.						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)					4	
<p>In 2022, an incident was found where a current government official was concurrently holding positions in the tobacco industry. There were also some cases where individuals held positions in the tobacco industry before assuming government positions, and there were retired government officials who joined the industry as well. There are no exit policy term limits for retired government officials joining the tobacco industry, nor a cooling off period for former tobacco industry executives who want to serve in public office.</p> <p>Dinesh Weerakkody, son in law of the parliamentarian John Amaratunga, was an Independent Director of the Ceylon Tobacco Company PLC (CTC) from July 2014 to July 2018.<sup>30</sup> He was appointed by the president Ranil Wickremesinghe as the Chairman of the Board of Investment (BOI) of Sri Lanka in December 2022.<sup>31</sup> The incident was not factored into the scoring as the individual implicated no longer holds a position in the industry.</p> <p>Yudhishtan Kanagasabai who has served as a Commissioner of the Insurance Regulatory Commission from May 2018 - Nov 2019, is an Independent Non-Executive Director of CTC.<sup>32</sup> The incident was not factored into the scoring as the individual implicated is no longer a current government official.</p> <p>Kushan D'Alwis, Chairman of the Office of National Unity and Reconciliation of Sri Lanka, a member of the Board of Investment of Sri Lanka, and of the Financial System Stability Consultative Committee of the Central Bank of Sri Lanka, was appointed as an Independent Non-Executive Director of CTC with effect from 20 April 2022 and he currently holds this position.<sup>33</sup></p>						
<b>INDICATOR 7: Preventive Measures</b>						
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)					3	
<p>NATA has developed a National Guideline for implementation of Article 5.3 in 2019<sup>34</sup>, but the administrative orders and laws have not been formulated still.</p>						

<sup>30</sup> <https://www.dailymirror.lk/print/business-news/Dinesh-quits-CTC-board/273-152781> Accessed on 3<sup>rd</sup> March 2023

<sup>31</sup> <https://www.dailynews.lk/2022/12/22/local/293624/dinesh-weerakkody-appointed-boi-chairman> Accessed on 3<sup>rd</sup> March 2023

<sup>32</sup> <https://theorg.com/org/cargills-bank-ltd/org-chart/yudhishtan-kanagasabai> Accessed on 27<sup>th</sup> March 2023

<sup>33</sup> <https://www.themorning.lk/articles/199463> Accessed on 3<sup>rd</sup> March

<sup>34</sup> [http://archive.tobaccounmasked.com/wp-content/uploads/2020/02/SriLanka\\_5\\_3\\_Guide.pdf](http://archive.tobaccounmasked.com/wp-content/uploads/2020/02/SriLanka_5_3_Guide.pdf) Sri Lanka national guidelines on protection of public policies from commercial and other vested interests of the tobacco industry Accessed on 27<sup>th</sup> March 2023

	0	1	2	3	4	5
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they 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>				3		
The government has formulated a national guideline for public officials with regard to dealing with any industry but there is no specific code of conduct implemented for public officials, prescribing the standards with which 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)				3		
<p>Production figures need to be submitted periodically for excise tax collection. Financial statements are made available to the public since CTC is a publicly listed company (which is the due process for other listed companies as well). However, there are no protocols in place to report lobbying, philanthropy and political contributions by CTC.</p> <p>An instance of the industry passing of their activities as a CSR activity is mentioned in BAT's 2021 annual report. Since 2013, free seeds of cereals and vegetables have been provided to contracted farmers and community members in Sri Lanka, with the initiative involving 3,000 beneficiaries, distributing approximately 2,500 kgs of seeds and generating an estimated additional income of US\$440,000 and the production of 300 tonnes of food in 2022.<sup>35</sup></p> <p>Greenwashing is also a tactic used by the industry to portray the products and the business as environmentally friendly. Industry also misleads the public that tobacco companies are doing their business in a sustainable manner. Using rice husk as a fuel for tobacco curing<sup>36</sup> and clean water initiatives done in rural communities<sup>37</sup> are two such examples.</p>						
19. The government has a program / system/ plan to consistently <sup>38</sup> raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)				3		

<sup>35</sup> BAT Combined Annual and ESG Report (Annual Report and Form 20-F 2022) [https://www.bat.com/group/sites/UK\\_9D9KCY.nsf/vwPagesWebLive/DOAWWGJT/\\$file/BAT\\_Annual\\_Report\\_Form\\_20-F\\_2022.pdf](https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOAWWGJT/$file/BAT_Annual_Report_Form_20-F_2022.pdf) pg 63. Accessed on 5<sup>th</sup> March 2023

<sup>36</sup> BAT Combined Annual and ESG Report (Annual Report and Form 20-F 2022) [https://www.bat.com/group/sites/UK\\_9D9KCY.nsf/vwPagesWebLive/DOAWWGJT/\\$file/BAT\\_Annual\\_Report\\_Form\\_20-F\\_2022.pdf](https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOAWWGJT/$file/BAT_Annual_Report_Form_20-F_2022.pdf) pg 55. Accessed on 5<sup>th</sup> March 2023

<sup>37</sup> [https://www.bat.com/group/sites/UK\\_9D9KCY.nsf/vwPagesWebLive/DOAWWGJT/\\$file/BAT\\_Annual\\_Report\\_Form\\_20-F\\_2022.pdf](https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOAWWGJT/$file/BAT_Annual_Report_Form_20-F_2022.pdf) pg 63. Accessed on 5<sup>th</sup> March 2023

<sup>38</sup> 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.

						0	1	2	3	4	5
National Guideline for implementation of Article 5.3 has been developed but there is no such program/system/plan to consistently raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines.											
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)							1				
According to general Establishment Code and the bribery law government officials cannot accept all forms of contributions/gifts from any party including the tobacco industry. This is the code that all government servants should adhere to, breaching which is a punishable offense. However there is nothing specific to tobacco according to Article 5.3.											
<b>TOTAL SCORE</b>						<b>42</b>					

## Annex A: Sources of Information

	TOP TOBACCO COMPANIES/ DISTRIBUTORS	MARKET SHARE	BRANDS	SOURCE
1	Ceylon Tobacco Company PLC	99%	John Player Gold Leaf (80%), Dunhill, John Player Gold, Capstan (no filter)	World Bank Group. Sri Lanka. Overview of Tobacco Use, Tobacco Control, Legislation and Taxation
2	United Tobacco Processing Pvt Ltd			
3	Thansher and Company			
4	Agio Tobacco Processing Company Pvt Ltd			
5				

	TOP MEDIA/ NEWSPAPERS	URL
1	The Daily Mirror	<a href="https://www.dailymirror.lk/">https://www.dailymirror.lk/</a>
2	The Sunday Times	<a href="https://sundaytimes.lk/online/">https://sundaytimes.lk/online/</a>
3	Daily News	<a href="https://dailynews.lk/">https://dailynews.lk/</a>
4	Daily FT	<a href="https://www.ft.lk/">https://www.ft.lk/</a>
5	News 1st	<a href="https://english.newsfirst.lk/">https://english.newsfirst.lk/</a>
6	The Island	<a href="https://island.lk/">https://island.lk/</a>
7	Sri Lanka Rupavahini Corporation (SLRC)	<a href="http://www.rupavahini.lk/">http://www.rupavahini.lk/</a>
8	Independent Television Network (ITN)	<a href="https://itn.lk/">https://itn.lk/</a>
9	TV Derana	<a href="http://www.derana.lk/">http://www.derana.lk/</a>
10	Sirasa TV	<a href="https://sirasatv.lk/">https://sirasatv.lk/</a>

	MAIN TOBACCO INDUSTRY ALLIES/ FRONT GROUPS	TYPE (FRONT GROUP, LOBBY GROUP, INDIVIDUAL)	SOURCE
1	Research Intelligence Unit	Lobby Group	<a href="https://riunit.com/">https://riunit.com/</a>
2	The All Island Cigarette Tobacco Barn Owner's Association (AICTBOA)	Front Group Ceylon Cigarette Tobacco Barn Owners' Association (Barn Owners' Association) is an association of the barn owners registered with the <a href="#">Ceylon Tobacco Company PLC (CTC)</a> .	<a href="https://bit.ly/3oxTndb">https://bit.ly/3oxTndb</a>
3	Outreach Projects (Guarantee) Limited	Front Group Fully owned subsidiary of Ceylon Tobacco Company PLC	<a href="https://bit.ly/40OhG4h">https://bit.ly/40OhG4h</a>