

Guatemala

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Summary of Findings

1. Industry participation in policy development

In 2018, the law proposal 5461 “Ley de Control del Tabaco y sus productos” (in English: Law for Tobacco Control and its Products) was presented to the Congress and assigned to the Health Commission. There is substantial evidence of the participation and endorsement of the tobacco industry when drafting the law. The proposal was discussed in six meetings by Deputies of the Health Commission from April to August 2019. During this period, the tobacco industry actively participated in meetings and was allowed to submit its own drafts of the proposal with comments in each article. The tobacco industry was also given two timeframes to provide additional comments. The Law proposal has not been discussed since August 2019 when the industry was granted time.

No evidence was found linking Guatemala representatives to the tobacco industry at the recent Conference of the Parties (COP) in 2018.

2. Industry CSR activities

The Guatemalan government received several contributions from the tobacco industry during the pandemic. This close relationship affects the drafting and implementation of tobacco control laws.

Open financial contributions from the tobacco industry to the government have been accepted. After a lockdown was set due to the COVID-19 pandemic, the tobacco industry took advantage and made several donations amounting to US \$2 million. All contributions from April to June 2020, consisted of COVID-19 diagnostic

tests and medical supplies. In their most recent project (May 2021), Phillip Morris’s HTP, IQOS, presented a strategy to assess climate change by recycling HEETS (tobacco sticks used in IQOS).

3. Benefits to the industry

No direct evidence was found regarding benefits or tax exemptions specifically to the tobacco industry. Nevertheless, the tobacco industry is not banned from using Zona de Desarrollo Económico Especial Público (ZDEEP, Special Public Economic Development Zone, for its acronym in Spanish). These are areas for the development of industrial goods and services or commercial activities, that are treated as if they were not in the customs territory. Benefits for those industries using ZDEEP include: value added tax exemption, 100% exemption from import and export fees for raw materials, supplies, machinery and equipment, and exemption on tax stamps, among others.

4. Unnecessary interaction

In Guatemala, there are no current regulations that oversee the interactions of the industry and the government. Interactions among both sectors are happening, and the need to regulate the interactions of the tobacco industry and the government is imperative.

The Mesa de Competitividad de Alta Verapaz (MancoVerapaz, Alta Verapaz Competitiveness Roundtable) was established in 2017 by businesses and the Fundación para el Desarrollo (Foundation for Development, FUNDESA). MancoVerapaz seeks to economically develop the northern area of the country. An estimated US \$90 million have been invested to this date.

Tabacalera Centro Americana, S.A. (Central America Tobacco, TACASA), a Philip Morris subsidiary, is one of the private companies supporting MancoVerapaz. This project has worked closely with Congress to prioritize actions related to infrastructure, education and health care. Guatemala's Ministry of Economy has participated and acknowledged the work of MancoVerapaz.

5. Transparency

Guatemala does not currently have a law or code of conduct to assess disclosure from the tobacco industry. Nevertheless, the law proposal 5461 assess disclosure from individuals that have direct responsibility for tobacco control.

6. Conflict of interest

No current government officials hold positions within the tobacco industry. However, a former high-level government official currently occupies an advisory position for the tobacco industry in the Health Commission's meetings evaluating the law proposal 5461.

Guatemala does not prohibit contributions from the tobacco industry to political parties of candidates. Law proposal 5461, article 34, bans all voluntary contributions, of financial or of any nature, to political parties or candidates.

7. Preventive measures

Currently, Guatemala does not have any mechanism to regulate the interaction between the government and the tobacco industry. In addition, contributions from the industry to the government are not banned. However, law proposal 5461 bans all contributions from the tobacco industry to the government. The law proposal also requires the tobacco industry to declare all importation and exportation activities.

Recommendations

1. The government should create a program to ensure policies relating to Framework Convention on Tobacco Control (FCTC) Article 5.3 Guidelines.
2. Pass and implement the law proposal 5461, *Law for tobacco control and its products*, which regulates the interactions between the tobacco industry and government as well as other tobacco control activities to protect public health from the vested interests of the tobacco industry and ensure compliance to the FCTC.
3. A code of conduct that addresses the standards of conduct to which public officials should comply when dealing with the tobacco industry should be written and implemented.
4. Strictly prohibit corporate social responsibility (CSR) activities of the tobacco industry. Disclosure of its activities should be accessible and made available to the public.
5. Prohibit all types of contributions from the tobacco industry to political parties or candidates.
6. Prohibit all types of offers of assistance from the tobacco industry to any government agency, especially when drafting tobacco control laws.
7. Regulate new novel products, such as e-cigarettes and HTPs, in future tobacco control law proposals.
8. Prohibit all forms of tobacco advertisement, specially at the point of sale, of tobacco products, including HTPs and e-cigarettes.
9. Increase tobacco taxation to at least 75% of the retail price as recommended by the WHO.