

Egypt

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Summary of Findings

1. Industry participation in policy development

In 2020, Philip Morris confirmed that it is in communication with the government and several agencies about the possibility of introducing its IQOS heated tobacco product in Egypt as well as finding legislation that allows their product to be launched and made available soon.

The government does not nominate or allow representatives from the tobacco industry in the delegation to the Conference of the Parties (COP) or other subsidiary bodies or accept their sponsorship for delegates.

2. Industry CSR activities

Injaz Egypt and Philip Morris Egypt launched an initiative to provide preventive supplies to medical teams in Kasr Al-Ainy Hospitals and Cairo University, which are isolation and treatment care facilities for patients with COVID-19.

3. Benefits to the industry

During the current pandemic, the government did not cease the tobacco industry's operations. As a result, Eastern Tobacco Company increased its revenues from July to September 2020 to 3.954 billion pounds, compared to 3.71 billion pounds in the comparative period of the last fiscal year. It was able to sell approximately 16.3 billion cigarettes in the local market during the first quarter of the current fiscal year. Eastern Tobacco Company seeks to double its sales in the next three years. Major General Mohamed Abdel-Azim, President of the Republican Party and Goodwill Ambassador, believes that the

tobacco industry has a social dimension that helps in alleviating unemployment. According to him, the tobacco industry should not be viewed from one side only but with a balanced view of its costs and benefits. The World Health Organization (WHO) warned against how the tobacco industry and its lobbyists are taking advantage of the pandemic to promote tobacco products.

International travellers can bring into Cairo duty free: 200 cigarettes, 25 cigars or 200g of tobacco. Palm Fume Company (JTI) has its headquarters located in Shebin El-Koum Free Zone.

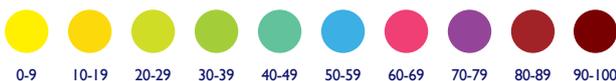
4. Unnecessary interaction

The Minister of Finance gave a certificate of appreciation to Philip Morris for paying taxes on time saying, "This certificate of appreciation reflects this Ministry's role in acknowledging and applauding companies that fulfil their national duty of tax compliance."

Moreover, in an interview, Vasilis Gatsilis, Executive Director of Philip Morris Egypt and the Levant, confirmed that Philip Morris is one of the most committed strategic investors who believe in the importance of Egypt and that it is working with the Egyptian government and its institutions to support national investment and sustainable development.

5. Transparency

There are no laws to prevent dealing with tobacco companies. Considering Eastern Tobacco Company is a national corporation, interactions continue and the dealings are not made public. There is no requirement of rules for the disclosure or registration of tobacco industry entities, affiliated organizations and individuals acting on their behalf including lobbyists.



6. Conflict of interest

There are no laws prohibiting contributions from the tobacco industry or any entity working to further its interests, however there is no requirement for disclosure.

Hani Sarie El Din, Vice Chairman of the Board of Directors of Philip Morris Egypt, has held many executive and non-executive public positions in Egypt such as Chairman of the Capital Market Authority, Member of the Board of Directors of the Central Bank of Egypt, the General Investment Authority and the first official U.S.-Egyptian fund to promote investment in Egypt.

7. Preventive measures

The government has not put in place a procedure for disclosing the records of the interaction (such as agendas, attendees, minutes and outcome) with the tobacco industry and its representatives.

The government has not 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. The government has not put in place a program to consistently raise awareness on Article 5.3.

Recommendations

Article 5.3 Guidelines were adopted in 2008 which serves as a guide for governments to prevent tobacco industry participation in policy development. This Index has exposed the areas of weakness and areas where action is greatly needed:

1. Limit interactions with the tobacco industry to only when strictly necessary. Stopping unnecessary interactions is vital to avoiding industry interference. Governments should limit interactions to controlling and regulating the industry.
2. Ensure transparency when interacting with the tobacco industry. Greater transparency when dealing with the tobacco industry will reduce instances of interference. All interactions with the tobacco industry must be recorded and made publicly available.
3. Based on an assessment of the implementation of the standard operating procedure, a code of conduct for all civil servants should be implemented.
4. Tobacco-related CSR activities must be banned. Government agencies must end all agreements and memorandum of agreements with tobacco companies.
5. Eastern Tobacco Company, a state-owned monopoly, must be treated like any other tobacco company.
6. There must be a register of all representatives of the tobacco industry entities, affiliated organizations and individuals acting on their behalf.
7. The government should require the tobacco industry to submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and lobbying activities.