

Paraguay

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Summary of Findings

1. Industry participation in policy development

The participation of the tobacco industry in the development of policies is evident. The interests of the industry are considered before and during the law-making processes in the country, which is why it has not been possible to adjust a more appropriate tax burden to the national and regional reality. In addition to some prematurely truncated initiatives, for the study period, it has not been possible to counter the influence of the industry on the institutions.

2. Industry CSR activities

The activity of the tobacco industry in this sense has focused on promoting campaigns linked to the contribution it has been making to the SME sector, emphasizing the importance of generating jobs for compatriots. This speech goes hand in hand with the argument mostly made against the tax on their sector, which according to industry representatives, will end up having a negative impact on the thousands of employees in their factories.

3. Benefits to the industry

In the comparison of regulatory standards between countries in the region, this aspect becomes visible. Paraguay has been maintaining its status as the country with the lowest tax burden in the region for several decades. In Paraguay, through the Selective Consumption Tax, the tobacco industry pays an 18% rate, far behind lower than other countries in the region (between 40 and 80%) and what WHO recommends. Their contribution does not manage to mitigate

in proportional terms the expenses caused in the health area due to smoking.

4. Unnecessary interaction

High-ranking ministers are shown with representatives of tobacco companies signing agreements, receiving donations or rewarding them. In addition to the signing of assistance and related work agreements, they are shown both on official pages of the State and in the main broadcast media.

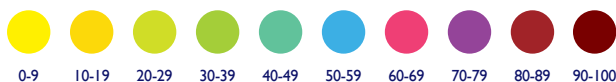
5. Transparency

The president of the republic holds periodic meetings with the former president of the republic and owner and main representative of Tabacalera del Este S.A. (TABESA). These meetings are not published on government websites, nor is what is discussed and agreed to in these meetings. It is known through investigations of communication media.

The state has a resolution of the Ministry of Health No. 237, which establishes the mandatory registration of natural or legal persons who are dedicated to the production, import and export of tobacco, with which the industry is formalized.

6. Conflict of interest

There is a structure linked to former president Horacio Cartes, both in parliament and in the leadership of the ruling party. On the other hand, the laws that regulate political financing do not include the tobacco industry in this regulation, so the money from this sector can be used freely to finance parties or electoral campaigns.



7. Preventive measures

There are no legal platforms that allow compliance with a relationship protocol with the tobacco industry. This is the main reason why the industry is not accountable to the State; there are no teams uploaded directly from the Framework Convention on Tobacco Control (FCTC), and the relationship between the industry and the State lacks clear limits, which allows all kinds of irregularities.



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Recommendations

It is recommended that no committee made up of any government sector for the development of public policies for tobacco control allow the participation of representatives of the tobacco industry or groups that represent its interests in accordance with Article 5.3. In turn, it is recommended to raise awareness in the different government portfolios and the creation of a code of conduct for all public officials to avoid interference from the industry.