

# Sri Lanka

Overall score:

44

## Summary of Findings

### 1. Industry participation in policy development

There are still irregularities in tobacco taxation in Sri Lanka. The Tobacco Free Initiative of WHO recommends minimization of incentives for tobacco users to switch to cheaper brands or products in response to tax increases. Tobacco taxes, which are based on the length of the cigarette in Sri Lanka, often don't increase for the lowest-length cigarette as they do for other categories. Also, the ministry of finance favors the industry argument that tobacco taxation is profitable to the government when in reality the indirect and direct cost because of tobacco is much higher than any profit gained from tax. The 2018 draft bill to ban single stick sales was not approved and the finance minister later revealed the objection was because it may reduce the tax revenue due to reduced cigarette sales and switching to beedi. The Ministry of Finance continues to have baseless reasonings which raises the suspicion that there may be tobacco industry influence, though direct participation in policy development cannot be ascertained.

However, the Ministry of Health remains committed to implementing strong tobacco control measures. Pictorial health warnings are already in place for 80% of the pack with tar and nicotine content. Introduction of plain packaging received cabinet approval but has delays due to administrative causes unrelated to industry interference.

### 2. Industry CSR activities

The Sustainable Agriculture Development Programme (SADP), the main CSR activity, has funds and resources allocated to sustain itself until 2019. Though there is no publicly available data on SADP involving government officials, there are other CSR activities like the tree planting program which has government official involvement.

### 3. Benefits to the industry

The finance minister's proposal to allow cigarette imports from China faced considerable backlash from the health minister and concerned parties. The health minister wrote to the prime minister saying he would tender his resignation from the cabinet and that the National Authority on Tobacco and Alcohol (NATA) chairman and the board of directors would resign. Amidst the strong opposition, the finance minister withdrew his plans to allow Chinese cigarettes. Amidst the commendable measures taken by the health ministry the ban on single sticks is still delayed and plain packaging is still on hold for 2019.

### 4. Unnecessary interaction

Smuggled cigarettes confiscated by Sri Lanka customs were destroyed with the support of Ceylon Tobacco Company (CTC) in the CTC warehouse. Also, in another instance, CTC CEO/ MD Nedal Salem took part in destroying illicit cigarettes confiscated by the officers of the Sri Lanka Customs' Central Investigation Bureau (CIB).

### 5. Transparency

Interactions with the tobacco industry are not disclosed publicly. The government does not require registration of tobacco industry entities, affiliated organizations or individuals acting on its 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. The government doesn't 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

The 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 WHO Framework Convention on Tobacco Control (FCTC) Article 5.3 in 2019, which addresses the previous lack of program or plan to consistently raise awareness on Article 5.3 within its departments. Although the guideline is developed it isn't currently being implemented. There is a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. Tobacco production, imports and the quantum 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 made 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.

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## Recommendations

1. Implement a full ban on all forms of tobacco industry-related CSR activities as required in the FCTC.
2. Implement procedures for interaction with the tobacco industry and disclose all records of interaction with it.
3. Awareness programs on Article 5.3 should be conducted regularly for government officials.
4. There should be exit policy term limits for retired government officials for five years so that they do not join the tobacco industry immediately, and a cooling-off period for former tobacco industry executives who want to serve in public office.