

Bangladesh 2021

Context

Bangladesh experiences one of the highest levels of tobacco industry interference in the world. The dark reality sharply contradicts the country's twofold commitments to ensuring meaningful tobacco control measures. First of all, Bangladesh ratified the WHO Framework Convention on Tobacco Control (FCTC) in 2004, passed a tobacco control law based on the Framework in 2005 (amended in 2013) and adopted the FCTC Article 5.3 Guidelines in 2008. Secondly, apart from WHO FCTC obligation, the Prime Minister of Bangladesh in January 2016 announced a long-term goal for a tobacco-free Bangladesh by 2040. However, tobacco industry's incessant interference and aggressive image building activities during COVID-19 have put Bangladesh's commitment at the risk of frustration.

As per Global Adult Tobacco Survey (GATS) result in 2017, the prevalence of tobacco use among adults in the country decreased to 35.3% in 2017 from 43.5% in 2009.¹ While this progress is significant, it is not enough to achieve a tobacco-free country by 2040. According to a 2019 report, the financial loss (due to medical expenditure and loss of productivity) incurred per year due to tobacco use exceeds BDT 30,560 crore.² In addition, data from the Institute for Health Metrics and Evaluation (IHME) of the University

of Washington reveals that tobacco is still the fourth major risk factors behind deaths and disabilities combined among Bangladeshis.³ All these provide a further impetus for Bangladesh to stick to its commitment to fully implement WHO FCTC obligations and strive for a tobacco-free Bangladesh by strengthening tobacco control law to thwart evil influence and interference of tobacco industry.

About Tobacco Industry Interference Index

The Tobacco Industry Interference Index is a global index conceptualized and initiated by the Southeast Asia Tobacco Control Alliance (SEATCA).⁴ The Index compares efforts made by governments to tackle industry interference in policy and legislation using a scoring system.⁵ It allocates a score of 1– 5 to each of the 20 indicators with a low score indicating better implementation of FCTC Article 5.3. Information is collected only from publicly available sources including govt. websites, reports published in mass media, reports and websites of tobacco companies.

With a view to assessing how the govern

¹ Global Adult Tobacco Survey (GATS). Bangladesh 2017. Available at <http://www.searo.who.int/bangladesh/gatsbangladesh2017fs14aug2018.pdf?ua=1>

² Faruque GM, Ahmed M, Huq I, Parven R, Wadood SN, Chowdhury SR, Hussain AKM G, Haifley G, Drope J, Nargis N. The economic cost of tobacco use in Bangladesh: A health cost approach. Bangladesh Cancer Society. March 1, 2020. <https://www.cancer.org/content/dam/cancer-org/research/economic-and-healthy-policy/bangladesh-health-cost-full-report-2020.pdf>

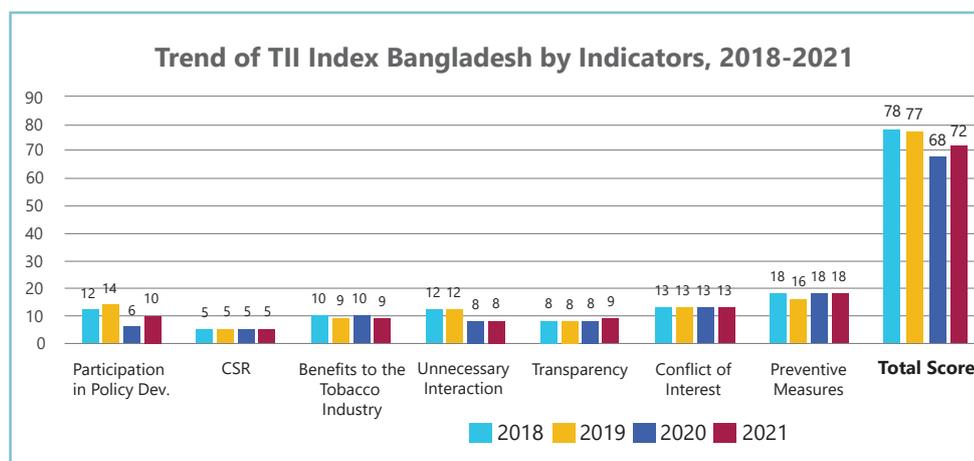
³ Institute of Health Metrics and Evaluation (IHME), <http://www.healthdata.org/bangladesh>

⁴ Assunta, M. Dorotheo, E. U.. SEATCA Tobacco Industry Interference Index: a tool for measuring implementation of WHO Framework Convention on Tobacco Control Article 5.3. April 2015 <http://tobaccocontrol.bmj.com/content/early/2015/04/23/tobaccocontrol-2014-051934>

⁵ Framework Convention on Tobacco Control. Guidelines for implementation of FCTC Article 5.3, Geneva 2008, [decision FCTC/COP3(7)] http://www.who.int/fctc/treaty_instruments/Guidelines_Article_5_3_English.pdf?ua=1

ment of Bangladesh was responding to the tobacco industry's tactics by using the FCTC Article 5.3 Guidelines, PROGGA (Knowledge for Progress), in 2018, released the Bangladesh Tobacco Industry Interference Index, the first report of its kind in Bangladesh. The 2021 Tobacco Industry Interference Index is the fourth country report on Bangladesh since 2018.

The findings of the 2021 report are based on evidences gathered between January 2020 and March 2021. What makes the 2021 report stand out from its predecessors is that it covers a country that was, and still is, going through an unprecedented pandemic-induced emergency. The onset of Covid-19 pandemic should have strengthened the cause for a robust and time-fitting tobacco control policy. Unfortunately, the opposite took place as tobacco companies managed to exploit the dire situation to the fullest.



In 2021,
Bangladesh's
score
72

Summary Findings

In 2021, the score for Bangladesh stands at 72 compared to 68 points in the previous year (2020), showing an upward trend in tobacco industry interference. Tobacco industry's participation or influence in policy developments, a sharp spike in the industry's CSR activities during pandemic, increased collaboration with government agencies, industry-friendly approach of some ministries and government bodies and conflict of interest led to the deterioration.

The current report recorded a recurrence of tobacco industry's interference through diplomatic channels. On behalf of JTI, the Ambassador of Japan to Bangladesh, in a letter to the Finance Minister, made a thinly-veiled warning that any substantial tobacco control measure would lead to a cessation of the flow of Japanese FDI into the country. NBR's VAT Department was later assigned to address the grievances mentioned in the letter. While

Japan is a party to WHO FCTC, the Ambassador's action violated WHO Conference of Parties' (COP6) decision that urged all Parties to raise awareness and adopt measures to implement Article 5.3 and its implementing Guidelines among all parts of government including diplomatic missions.

Another stark anti-public health move came from the Ministry of Industries (MoInd) that granted two transnational tobacco companies, BAT Bangladesh (BATB) and JTI Bangladesh (the two largest cigarette market players in Bangladesh) special permissions to continue all operations despite nationwide shutdown and also instructed the local administration and law enforcement agencies to assist these companies. The tobacco industry influence has also managed to drive a wedge between two ministries of the government as MoInd quickly turned down the Ministry of Health and Family Welfare (MoHFW)'s request to withdraw such special permissions.

The year 2020 also had an unforeseen rise in tobacco industry's CSR activities as tobacco companies, particularly BATB, managed to take advantage of pandemic-induced emergencies and make even deeper inroads into different influential government bodies. BATB donated masks, Personal Protective Equipment (PPE), distributed 100,000 units of its own brand of hand sanitizer to municipal administrations, local administrative bodies and law enforcement agencies nationwide. These donations were highly publicized. On the other hand, NBR and other government bodies continued to shower tobacco companies with accolades for merely complying with the country's law.

While Bangladesh's slightly lower score of 68 in

the previous TI Index (2020) showed promise, the 2021 report's score of 72 marks a deterioration. An analysis of the country's scores in the four TI Index reports done so far, (78 in 2018, 77 in 2019, 68 in 2020 and 72 in 2021) shows fluctuation within a limited range (Figure 1). Overall, this indicates that Bangladesh failed to make any significant headway and appears to be stuck in policy stagnation to thwart tobacco industry interference, ensure FCTC Article 5.3 compliance, and implement tobacco control measures, in general. It should be noted that this year the study for global tobacco industry interference index has been conducted in 80 countries. Among these countries, Bangladesh ranked 62nd in 2021 Global Tobacco Industry Interference Index.

Major incidents involving tobacco industry incidents are presented below:

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Tobacco industry's interference and influence in policy development escalated in 2020, compared to the previous year. In a letter address to the Finance Minister, the Ambassador of Japan to Bangladesh expressed his discontent regarding taxation changes in 2019, restrictions on importation of finished goods (FG) and selling of flavored capsule products in low tier and warned that such tobacco control measures would thwart the flow of Japanese FDI to Bangladesh. NBR's VAT Department was later assigned to address the Ambassador's grievances. Another notable incident was the endorsement from ten (10) Members of Parliaments (MPs) to the bidi industry's demand for tax reduction in a Demi Official (DO) letter addressed to the Finance Minister. The demands, however, were not met in the finalized budget.

2. INDUSTRY CSR ACTIVITIES

The 2021 report shows a sharp spike in tobacco industry's CSR activities. Tobacco industry successfully managed to exploit the Covid-19 pandemic to improve its brand image and forge multi-faceted liaison with different influential government bodies. It should be noted that the

country has been scoring the highest score (05) in this indicator since 2018.

Covid-19 Related CSR: BATB donated masks, Personal Protective Equipment (PPE) and sanitizing equipment to government hospitals and officers in Dhaka, Chittagong and Rangpur. During April -May 2020, BATB donated more than 100,000 units of its own brand of hand sanitizer through its newly founded sister concern Prerona Foundation. Distributions went to government agencies including Dhaka North City Corporation (DNCC), Rapid Action Battalion (RAB), Bangladesh Police, Border Guard Bangladesh (BGB), Bangladesh Army and Deputy Commissioners (DC) of various districts. The donations were highly publicized. JTI also distributed essential goods and hygiene products in collaboration with field-level administrative bodies and law-enforcement agencies.

Non-Covid 19 Related CSR: Under its afforestation project, Bonayan, BATB handed over saplings to ministers and high officials of different government agencies all over the country, including Minister of Chittagong Hill Tracts Affairs, MP of Kushtia, Mayor of Rajshahi City Corporation (RCC), Director General (DG) of the Rapid Action Battalion (RAB), Superintendent of Police (SP) of Chuadanga district, Vice Chancellor

of Bangladesh Agricultural University (BAU), central and field-level leadership of Border Guard Bangladesh (BGB). In addition, BATB, through its CSR program Probaho, and JTI, through its CSR program Shujola, have also managed to involve influential figures in these initiatives.

3. BENEFITS TO THE INDUSTRY

Citing cigarettes as an essential commodity as per a 1956 Act, the Ministry of Industries (MoInd) granted special permissions for two transnational tobacco companies, BAT Bangladesh and JTI Bangladesh on 3 April 2020 and 5 April 2020 respectively to continue manufacturing, leaf purchase, finished goods supply, and distribution despite a nationwide Covid-19 shut down. A request from Ministry of Health and Family Welfare (MoHFW) to withdraw such special permissions was also quickly turned down. Akij Bidi Industry, a local bidi manufacturer, has also managed to acquire a special permission from District Deputy Commissioner's Office of Lalmonirhat.

Asian Tobacco (Pvt.) Ltd, a Bangladeshi company, signed an agreement with Bangladesh Export Processing Zones Authority (BEPZA) to establish a cigarette and tobacco processing plant in Ishwardi Export Processing Zone with an investment of \$2 million.

4. UNNECESSARY INTERACTION

Like previous years, the government continued to handover awards to tobacco companies. Ministers and govt. high officials also continued to attend programs organized by tobacco companies. For example: in December 2020, the Minister of Industries, State Minister and high officials of Ministry of Industries handed over the President's Award for Industrial Development 2018 to BATB in a grandiose event. Mr. Kaus Mia, the owner of smokeless tobacco Hakimpuri Zarda as well as BATB received accolades from NBR for paying taxes. Professional bodies, such as the Institute of Chartered Accountants of Bangladesh (ICAB) and the Institute of Cost and Management Accountants of Bangladesh (ICMAB) handed over "2019 Best Presented Annual Report" and "2018 ICMAB Best Corporate Award" to BATB respectively in presence of Minister of Commerce.

BATB's partnership with the Department of Agriculture Extension (DAE) continued in 2020.

5. TRANSPARENCY

The government did not have a policy of disclosing meetings/ interactions with tobacco industry. Rules for the disclosure or registration of tobacco industry entities, affiliated organizations/ individuals/ lobbyists also do not exist. For example: on 25 March 2021, NBR conducted a pre-budget meeting with Bangladesh Cigarette Manufacturers' Association (BCMA) where some budget proposals were placed to NBR Chairman from BCMA. Details of the proposals were not officially disclosed.

6. CONFLICT OF INTEREST

In continuation of previous years, the government continued to hold investment in BATB, which is now 9.9%. Apart from electoral donations, there was not any policy in place to prohibit contributions from the tobacco industry. The Secretary of the Ministry of Industries, the Additional Secretary of the Ministry of Finance, the Director of the Board of Bangladesh Bank and the Managing Director of Investment Corporation of Bangladesh (ICB) were found to hold positions such as Non-Executive and Independent Directors of BATB.

7. PREVENTIVE MEASURES

Apart from a provision under the Right to Information Act, 2009, there is still no procedure in place for disclosing the records of the interaction with tobacco industry. Draft guidelines with regard to Article 5.3 Implementation are yet to be finalized.

The National Board of Revenue (NBR), however, requires the tobacco industry to submit monthly revenue statements (company wise) only. Tobacco companies also must submit monthly statements of health surcharge deposit. However, the tobacco companies are not required to submit information on their market share, marketing expenditures, revenues, philanthropy and political contributions.

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Report on Implementation of FCTC Article 5.3

Recommendations

The government must fully implement Article 5.3 guidelines. Following measures should be undertaken immediately to fulfill the requirements of Article 5.3:

1. Amend existing tobacco control law to make it more compliant with WHO FCTC by incorporating a comprehensive ban on all types of corporate social responsibility (CSR) activities of tobacco companies, among other issues.

2. Exclude cigarettes from the list of essential commodities by amending “The Control of Essential Commodities Act, 1956”.

3. Formulate and implement a simple tobacco price and tax policy in line with the WHO FCTC Article 6 in order to reduce the demand for tobacco.

4. Divest investment from tobacco companies within a specific period of time by 2022. To prevent conflict of interest, government officials must terminate their positions in tobacco companies.

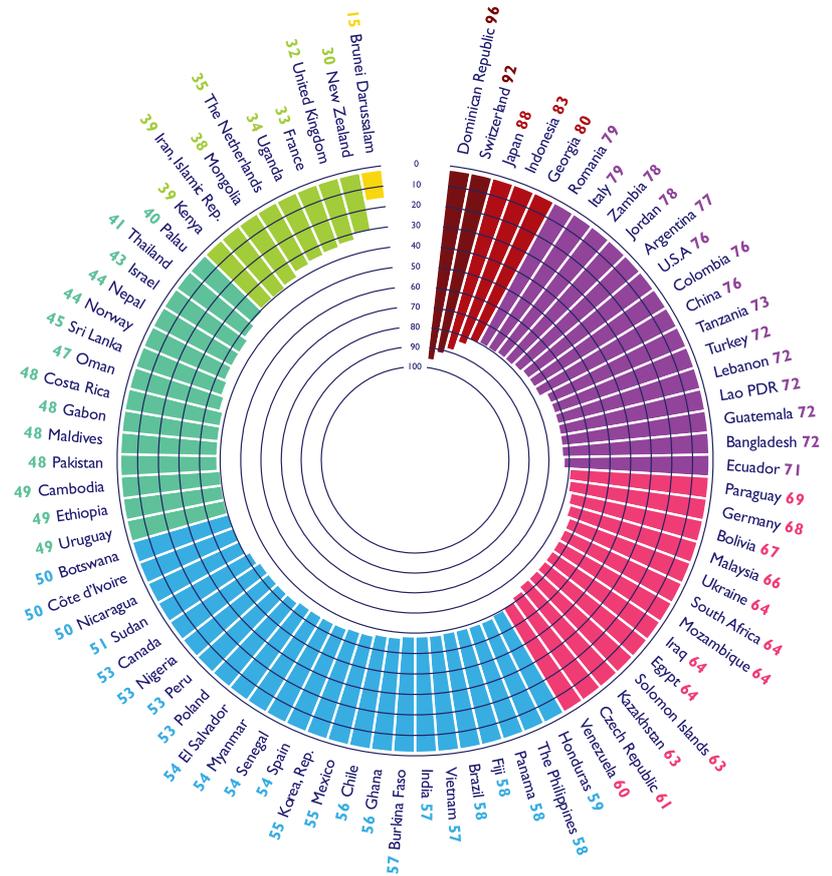
5. Undertake awareness raising of non-health sectors (particularly as Finance Ministry, Industries Ministry and Commerce Ministry) on Article 5.3 obligations by Ministry of Health and Family Welfare (MoHFW) and how to comply with it across the whole of government.

6. Expedite the adoption of a code of conduct for all government officials in dealing with the tobacco industry by 2021.

7. Declare tobacco companies ‘ineligible’ for any accolade or recognition from the government. Halt all participation in award ceremonies involving the tobacco industry. Disclose all interactions with the tobacco industry and its representatives.

8. Bar the entry of new foreign and local tobacco companies and related investment into Bangladesh. Also deny establishment of new tobacco related factories in the country’s Special Economic Zones (SEZs) and Export Processing Zones (EPZs).

Tobacco Industry Interference Overall Country Ranking



The lower the score the better the ranking



Source: The Global Tobacco Industry Interference Index 2021

Tobacco Industry Interference Index 2021: Bangladesh Report:

www.craftbd.org/assets/source/TIIBDREPORT2021.pdf

Tobacco Industry Interference Index 2021: Global Report:

globaltobaccoindex.org/upload/assets/bY25u7FkWjmHqhiIxeLRJ0D9DM1OqcJ9iFtHGjkkNPxKVigEoR.pdf